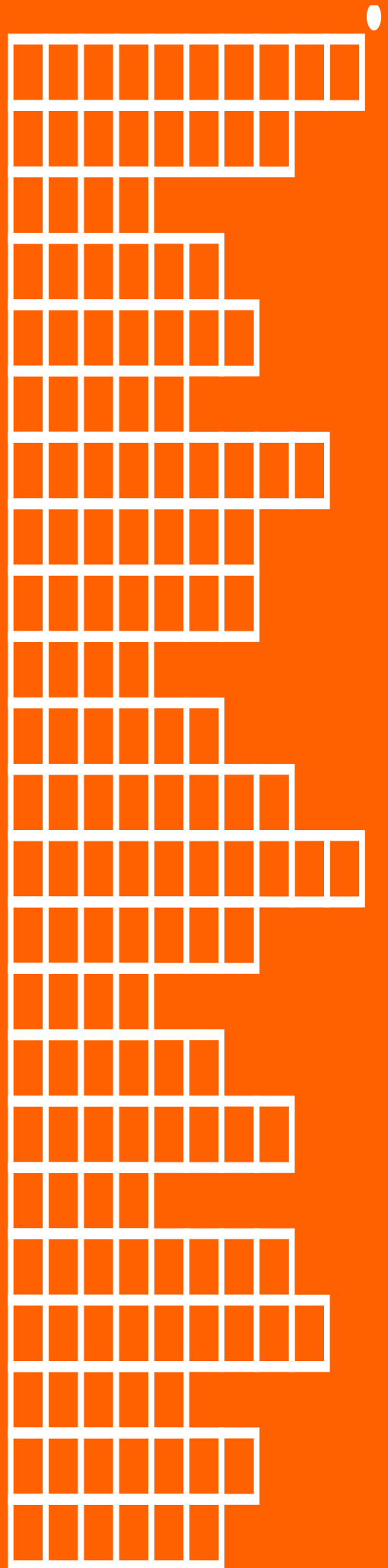


Stock Code : 6693

inergy Technology Inc.

2025 Annual Report

Published on April 17, 2026
Annual report is available at
Market Observation Post System:
<http://mops.twse.com.tw>



1. The name, title, telephone number, and e-mail address of the spokesman or acting spokesman:

	Spokesman	Acting spokesman
Name	Angel Pan	Wan-Ting Chiu
Title	Director of Management Office	Project Vice Manager of President's Office
Telephone number	(03) 5525766	(03) 5525766
E-mail address	IR@inergy.com.tw	IR@inergy.com.tw

2. The address and telephone number of the Company's headquarters, branch offices, and factories

Address and telephone number of headquarters: 8F-3, No. 8, Taiyuan 2nd St., Zhubei City, Hsinchu County; (03) 5525766

Address and telephone number of branch: None

Address and telephone number of factory: None

3. The name, address, website, and telephone number of the agency handling shares transfer

Name: Stock Affairs Agency of Yuanta Securities

Address: B1, No. 67, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City

Website: <http://www.yuanta.com.tw>

Telephone number: (02) 2586-5859

4. The names of the CPAs who duly audited the annual financial report for the most recent year, and the name, address, website and telephone number of the accounting firm to which they belong

Name of Accounting Firm: KPMG Taiwan

Address: 68F, No. 7, Sec. 5, Xinyi Rd., Taipei City

Website: <http://www.kpmg.com.tw>

Telephone number: (02) 8101-6666

5. The name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None

6. The address of the company's website: <http://www.inergy.com.tw/>

inergy Technology Inc.

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I. Report to the shareholders

To all of our dear shareholders:

First, we would like to express our gratitude on behalf of inergy Technology Inc. and all of its employees to each and every one of our shareholders, for your unwavering support for the Company.

We would like to present the 2025 operating results and future operating plans, as follows:

1. 2025 operating results

(1) Execution results from business operating plan

The Company's net operating revenue for 2025 amounted to NT\$1,413,767 thousand, representing an increase of 29.21% from NT\$1,094,185 thousand in 2024. Gross profit increased by NT\$35,575 thousand, or 10.64%, compared to 2024. However, operating income decreased by NT\$56,373 thousand, or 46.65% year-over-year. The Company recorded a net loss after tax of NT\$3,996 thousand in 2025, representing a decrease of NT\$156,413 thousand, or 102.62%, compared to 2024.

Unit: NT\$1,000

Item	2025	2024	Amount increased / decreased	Variation ratio(%)
Operating revenue	1,413,767	1,094,185	319,582	29.21%
Gross profit	369,934	334,359	35,575	10.64%
Net operating profit	64,461	120,834	(56,373)	(46.65%)
Non-operating revenue and expense	(72,063)	69,856	(141,869)	(203.23%)
Net profit before tax	(7,602)	190,640	(198,242)	(103.99%)
Net profit for current period	(3,996)	152,417	(156,413)	(102.62%)

(2) Budget execution status

The Company has not given external financial forecasts for 2025.

(3) Financial income, expenses, and profitability analysis

Unit: %

Analysis	Item	2025	2024
Financial structure	Debt to assets ratio	36.18	33.09
	Ratio of long-term capital to property, plant and equipment	388.16	441.76
Solvency	Current ratio	271.48	356.48
	Quick ratio	184.13	248.66
Profitability	Return on assets	0.00	9.38
	Return on equity	(0.35)	13.21
	Ratio of net profit before tax to paid-in capital	(1.66)	41.70
	Net profit margin	(0.28)	13.93
	Basic earnings per share (NT\$)	(0.09)	3.33

(4) R&D status

The Company has core technologies in Power Semiconductor Devices, BLDC Motor Driver Solution integration modules, and Digital-Analog Programmable SoC Fan Driver ICs. Our key devices are all developed, designed, produced, and marketed in-house. Our development strategy is to constantly improve on the current products' efficiency and characteristics, while at the same time actively developing new products, new markets, and new applications. We are meeting new, standardized international regulations for energy-conservation and carbon-reduction, while also gradually raising the standard for technology, thus expanding our market share and working to become a leader in industry technologies.

2. Overview of operating plan in 2025

(1) Operating policies

1.R&D strategy

Inergy focuses on the design of energy-efficient ICs, with three core product lines: high-end power semiconductor devices, high-performance brushless DC (BLDC) motor control modules, and digitally integrated analog single-chip ICs. The Company provides low-carbon, high energy-efficiency intelligent integrated solutions from ICs to system-level applications through standalone product sales or modular integrated solutions.

In terms of development strategy, the Company adopts a parallel approach of horizontal application expansion and vertical technology integration:

(1) Horizontal expansion: By combining control ICs with digital firmware, the Company provides intelligent system control solutions for high-performance computing thermal management, high-efficiency power supplies, automotive motors, and other emerging application fields.

(2) Vertical integration: The Company integrates control ICs, power MOSFET devices, intelligent power modules (IPMs), and sensors into single-chip solutions to enhance product integration and competitiveness.

The Company continues to upgrade the performance of its power semiconductor products, with end applications expanding from consumer electronics to industrial control, AI server systems, energy storage equipment, and automotive markets. Ultra-high current (>300A) and ultra-low on-resistance power MOSFETs for battery energy storage applications have entered mass production in AI server power systems. Medium-voltage power supply and battery management MOSFET products have also been introduced into automotive applications. Looking ahead, demand for high energy-efficiency power semiconductor devices remains strong. The Company will continue to invest in R&D and introduce new technology platforms to launch more ultra-high current and ultra-low on-resistance power MOSFET products, driving revenue growth.

New development projects for high-performance BLDC motor control modules include 24V-48V sensorless cooling motor drivers. The next-generation digitally integrated analog single-chip IC platform will extend the product line to 24V and higher drive currents. Both product lines will be applied in high-performance AI server computing, liquid cooling systems, and automotive-grade motor drive applications. Some products have partially passed certification by major server manufacturers and are expected to become key growth drivers in the coming years.

2.Managing supply chains and collaboration

In response to the increase in client short- and medium-term demand, as well as our long-term plan for growth over the next three to five years, Inergy will be continuing our longstanding strategic collaboration with chip manufacturers and packaging plants; signing contracts guaranteeing inventory with chip foundries; and gradually allocating more investment for better facilities. This will allow us to keep up with requirements from growing revenue, and to ensure sufficient production capacity.

3.Future prospects

Inergy has long been committed to the core technologies of high energy-efficiency power semiconductor devices and brushless DC energy-saving motor drives. In response to global net-zero emissions and energy transition sustainability goals, the Company focuses on enhancing energy conversion efficiency in end applications. Its scope covers consumer electronics, AI high-performance computing, energy storage systems, industrial control, and automotive applications, providing high-performance products and integrated system solutions to assist end customers in meeting stringent energy consumption standards.

The Company incorporates ESG corporate responsibility into its growth drivers and fulfills its social responsibilities to achieve sustainable corporate development. With the rapid growth in applications such as advanced thermal management for AI computing, energy storage infrastructure, and automotive electrification, market demand for high energy-efficiency power semiconductor devices and brushless DC motor control solutions continues to increase. Leveraging its solid technological foundation, Inergy will continue to optimize its product portfolio to achieve long-term, stable revenue and profitability growth.

(2) Expectations for sales and basis for such

The Company has taken into consideration the market analysis of major research organizations, considering the overall production capacity plan in accordance with the clients' projected needs, also using the operating results of the past as the basis for making annual goals for product shipment; however, the Company has not made external financial predictions in 2025.

(3) Important production and marketing strategies

1. Production strategies

To remain true to the principle of selecting excellent collaborative partners like chip foundries and packaging plant, including world class IC foundries such as TSMC, Vanguard International Semiconductor Corporation, Powerchip and others, to establish long term collaborative partnerships to ensure reliable and stable production, advanced process technology, consistent quality and cost advantages to build a production supply chain that is capable of reacting rapidly.

2. Marketing strategies

Continuing the operation of existing markets and at the same time, expanding on market shares within the existing client pool, further cultivating the partnerships with clients in order to have an accurate grasp of the market's fluctuations and the clients' requirements for the products, progressing to a tighter-knit collaboration with clients on researching and developing new products that meet the expectations of both the market and clients, all the while utilizing the complete sales and distribution system in operation currently, to continue developing new areas, new markets and new clients, to accelerate the expansion of market size for new products.

3. Company's future development strategies

- (1) Integrating strategies and technology needs with major clients, utilizing top-notch IC development capacities, with digital control software as the foundation, coupled with analog driven and high performance power devices to provide clients with customized products with width, depth and foresight, also providing diverse product lines to meet client requirements, steadying the market positioning of core products and expanding on the operation scale to increase product revenue and profit rate.
- (2) Beefing up the Company's operation system as a response to the market and product lines' needs, strengthening organization efficacy and the management system for marketing sales, to grasp the market changes and the pulse of product development, boosting the Company's brand reputation that is integrated from its software, hardware, firmware, solution technology and design services, actively developing international brands to become clients and gradually expanding into the international market to increase market shares in the world.
- (3) Continue to maintain long term collaborations with chip wafer foundries, packaging testing and printed circuit assembly manufacturers, and progress into strategic partnerships, ensuring access to production capacity and stay on top of delivery dates, at the same time working together to develop manufacturing processes that are advanced and with special features, to develop products with better cost efficiency and performance competitiveness.
- (4) The Company continues to focus on the development of high-performance power semiconductor devices and highly integrated motor driver ICs and systems, in response to the rapid growth of emerging applications and technologies, expanding the application in the energy saving field to that used in vehicles, energy storage batteries, solar energy inverters, cooling systems for cloud computing, cloud database and communication cell sites, and can expect to contribute greatly in future revenue growth.

4. Due to the influence of the external competitive environment, legal environment and overall operation environment

The global semiconductor industry is currently undergoing structural realignment driven by geopolitical tensions and tariff barriers. China and the United States are reshaping the geographic distribution of the industry through policy mandates and tariff measures, including China's "50% localization" requirement and the U.S. "CHIPS Act" and tariff barriers. The traditional IDM model of "R&D and manufacturing in Europe and the United States, with packaging and testing in Asia" is gradually evolving. Supply chain development is no longer solely cost-driven, as external factors such as geopolitical risks have become key considerations. Within the semiconductor industry, while advanced process technologies attract significant attention, mature process products such as power semiconductors and logic ICs remain essential foundations of modern electronic systems. In response to global uncertainties and customers' supply chain relocation, the Company has established a highly resilient supply system and expanded its service channels and operational footprint to ensure stable supply support and uninterrupted technical services for customers. The Company will continue to transform its technological advantages into operational flexibility, strengthen long-term mutually beneficial partnerships with customers, and optimize its product portfolio to ensure long-term profitability and market competitiveness.

The year 2024 marked a key turning point for the Company in completing its operational adjustments and fully returning to a growth trajectory. Total inventory was reduced from NT\$510 million in Q4 2022 to NT\$200 million in Q4 2024, and inventory provisions had largely concluded by the fourth quarter of 2023, resulting in a more stable financial structure. Starting from the third quarter of 2024, the Company benefited from the gradual ramp-up of new products in AI server cooling applications and energy storage applications, driving growth in overall new product line sales. By the fourth quarter of 2025, monthly revenue had steadily increased to over NT\$120 million. Looking ahead, the benefits of the Company's strategic transformation are gradually materializing, and its product deployment in high-performance computing has entered a harvest phase. Contributions from AI server power supply and cooling solutions continue to increase. With the ongoing upgrade of end-application specifications, the growth momentum of new product line revenue is expected to continue through 2026 to 2027.

We are confident that, with the entire management team's endeavors, inergy will be able to top our records this year, and give back to each and every one of our shareholders for their unwavering support and encouragement.

Finally, allow me to wish you all the best of health and fortune.

Chairman and President Dr. John Lin [with seal]

II. Corporate Governance Report

1. Profiles of Directors, Supervisors, President, Vice President, Deputy Vice President, Division Heads, and Branch Heads

(1) Directors

1. Profiles of Regular Directors and Independent Directors

April 17, 2026; Unit: Shares; %

Title	Nationality or place of registration	Name	Gender Age	Election (Appointment) Date	Term of Office	Initial Election Date	Shares at Election		Current shareholding		Current shareholding held by spouse & minor children		Shareholding held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in the company and/or in any other company	Other officer, directors or supervisors with a spousal or other 2nd degree of kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Chairman	R.O.C.	John Lin	Male 51-60	June 6, 2025	3 years	June 2, 2009	1,294,540	2.83	1,294,540	2.83	416,000	0.91	—	—	Ph.D. in Electronics, National Chiao Tung University	President, inergy Technology Inc. Executive Director and President, inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	—	—	—	Note 1
Director	R.O.C.	DIODES TAIWAN S.A R.L., TAIWAN BRANCH (LUXEMBOURG)	—	June 6, 2025	3 years	June 7, 2011	3,380,000	7.39	3,380,000	7.39	—	—	—	—	—	—	—	—	—	—
	R.O.C.	Representative: Tony Huang	Male 61-70	June 6, 2025	3 years	June 7, 2011	—	—	—	—	—	—	—	—	Ph.D., Department of Electrical Engineering, University of Texas Mixed-Signal Test Manager at Texas Instruments, Inc.(Dallas) R&D VP at Viditec/Infinite,Inc.(Plano/Shanghai) MOSFET BU Manager at Diodes, Inc.	MOSFET & Discrete Power BD Manager at Diodes, Inc.	—	—	—	—
Director	R.O.C.	William Liao	Male 51-60	June 6, 2025	3 years	May 31, 2010	1,120,220	2.45	1,120,220	2.45	336,503	0.73	—	—	Ph.D. in Electronics, National Tsing Hua University	Vice President, inergy Technology Inc. Supervisor, inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	—	—	—	—
Director	R.O.C.	Frank Huang	Male 61-70	June 6, 2025	3 years	June 13, 2022	227,000	0.50	227,000	0.50	—	—	—	—	Bachelor of Applied Physics, Tamkang University Vice Chairman of SEMI PV Public Advocacy Committee Director of PVGSA Chairman, SUNRISE PV THREE CO. Chairman, SUNRISE PV FOUR CO. Chairman, Sunrise PV Electric Power Two	Director, DYNACARD CO., LTD. President, SAS-Sunrise Branch, Sino-American Silicon Products Inc.	—	—	—	—
Independent director	R.O.C.	Huang-Zhong Zheng	Male 71-80	June 6, 2025	3 years	Oct 5, 2007	—	—	—	—	—	—	—	—	Ph.D in Materials Science and Engineering, National Tsing Hua University Professor Emeritus of National Yang Ming Chiao Tung University Professor of Electronics Engineering, National Chiao Tung University Director, eBio Technology Inc Director, Easy Field Corporation	Director, Hexawave, Inc. Supervisor, High Entropy Materials, Inc. Director, iMQ Technology Inc	—	—	—	—
Independent director	R.O.C.	Hung-Lin Lai	Female 51-60	June 6, 2025	3 years	June 6, 2025	—	—	1,000	0.00	—	—	—	—	Ph.D. in Business Administration, Chang Gung University Assistant Professor/Associate Professor of Accounting Information, Chihlee University of Technology Assistant Professor/Lecturer of Information	Professor and Chair of Accounting Information, Chihlee University of Technology	—	—	—	—

Title	Nationality or place of registration	Name	Gender Age	Election (Appointment) Date	Term of Office	Initial Election Date	Shares at Election		Current shareholding		Current shareholding held by spouse & minor children		Shareholding held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in the company and/or in any other company	Other officer, directors or supervisors with a spousal or other 2nd degree of kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
															Management, LeeMing Institute of Technology Member, Compensation Committee, Suyin Corporation Senior Manager, Professional Development Department, KPMG Taiwan Manager/Assistant Manager/Senior Auditor/Auditor, Audit Department, KPMG Taiwan					
Independent director	R.O.C.	Mao-Sheng Wu	Male 61-70	June 6, 2025	3 years	June 6, 2025									Master, Graduate School of Electronic Engineering, Tokai University, Japan EMBA, National Chiao Tung University General Manager/Advisor, Nidec Components (Taiwan) Co., Ltd. (Former Company Name: Nidec Components (Taiwan) Co., Ltd. General Manager/Associate General Manager/Manager/Deputy Manager/Section Manager, ROHM Co., Ltd Independent Director, Cheng Uei Precision Industry Co., Ltd.	General Manager, SOUNDS GREAT CO., LTD	-	-	-	-
Independent director	R.O.C.	Jaene-Long Jiang	Male 51-60	June 6, 2025	3 years	Sep. 23, 2021	-	-	-	-	-	-	-	-	Master, Institute of Electronics, National Chiao Tung University Director Representative and President, Forcelead Technology Corp.	Chairman, Hsuan Cheng Han Investment Co., Ltd.	-	-	-	-

Note 1: This Company's President and chairman are the same person, with its reasoning, rationale, necessity and measures for response as explained below:

1. Mr. John Lin has assumed the position of President ever since the Company's founding in November 2007, and was elected as a director in June 2009. On the other hand, in order to enhance the Company's plans for strategic decisions and the overall operation efficiency in execution, the Board of Directors elected Mr. John Lin as the Chairman in June 2016, with his current familiarity with operations affairs and the boost in the execution of board meeting decisions, the Company's expansion and growth in operation scale can be clearly seen.
2. In addition to participating in Board of Directors meetings, the Company's Chairman also remains in good communication with each director on an everyday basis. However, to bolster the independence of the board, in addition to concrete measures that are already in practice, there will be added independent director seats in the future, as a way to boost and strengthen the supervision function of the Board of Directors.
 - (1) Over half of the directors on the board are not doubling in managerial positions or as employees.
 - (2) There are eight seats on the Board of Directors, including the chairman, three regular directors and four independent directors, who are experienced and well-versed in the fields of the semiconductor industry, operation and management, finance and auditing respectively, and are all able to communicate thoroughly, make proposals and carry out their decisions to ensure that the Board of Directors is operating effectively.
 - (3) The three independent directors have already formed an audit committee and remuneration committee, both of which will call meetings regularly to effectively carry out its supervision duties.

2. Major shareholder of the corporate shareholder

April 17, 2026

Corporate shareholder name	Major shareholder of the corporate shareholder (10% or 10 largest shareholders)
Motech Industries Inc.	Invesco Solar ETF under the custody of HSBC(3.75%)
	Yung-Hui Tseng(2.84%)
	Cheng Fu-Tien Culture & Education Foundation(1.89%)
	James Lee(1.11%)
	JPMorgan Custody Advanced Star Advanced Total International Equity Index Fund(1.07%)
	Buddhist Compassion Relief Tzu Chi Foundation (1.02%)
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds (0.98%)
	Pi-Chang Wang (0.97%)
	KBCEco Fund under the custody of Standard Chartered(0.82%)
	Ming-Hsiao Lu(0.69%)
Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)	Diodes Holdings UK Limited(100%)

Source of information: Annual Report from the Motech Industries Inc. Shareholders Meeting and the company registration case and data inquiry system, Ministry of Economic Affairs, Taiwan

3. Major shareholders of the Company's major corporate shareholder

April 17, 2026

Corporate name	Corporate's major shareholder (10% or 10 largest shareholders)
Diodes Holdings UK Limited	Diodes Incorporated(100%)

Source of information: The company registration case and data inquiry system, Ministry of Economic Affairs, Taiwan

4. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

April 17, 2026

Name	Conditions	Professional qualification (note 1)	Experience	Independent status (note 2)	Number of other public companies in which the individual is concurrently serving as independent director
John Lin	Having the work experience in fields such as commerce, law, finance, accounting and company business	Ph.D. in Electronics, National Chiao Tung University President, inergy Technology Inc. Executive Director and President, inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	(5)(6)(7)(8)(9)(10)(11)(12)	None	
Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg) Representative: Tony Huang	Having the work experience in fields such as commerce, law, finance, accounting and company business	Ph.D. in Electrical Engineering, The University of Texas Mixed-Signal Test Manager at Texas Instruments, Inc.(Dallas) R&D VP at Viditec/Infinite, Inc.(Plano/Shanghai) MOSFET BU Manager at Diodes, Inc. MOSFET & Discrete Power BD Manager at Diodes, Inc. Chairman, DiodSent Green Technology Co., Ltd.	(1)(2)(3)(4) (6)(7)(8)(9)(10)(11)	None	
William Liao	Having the work experience in fields such as commerce, law, finance, accounting and company business	Ph.D. in Electronics, National Tsing Hua University Vice President, inergy Technology Inc. Supervisor, inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	(5)(6)(7)(8)(9)(10)(11)(12)	None	
Frank Huang	Having the work experience in fields such as commerce, law, finance, accounting and company business	Bachelor of Applied Physics, Tamkang University Vice Chairman of SEMI PV Public Advocacy Committee Director of PVGSA Chairman, SUNRISE PV THREE CO. Chairman, SUNRISE PV FOUR CO. Chairman, Sunrise PV Electric Power Two Director, DYNACARD CO., LTD. President, SAS-Sunrise Branch, Sino-American Silicon Products Inc.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	None	

Name	Conditions	Professional qualification (note 1)	Experience	Independent status (note 2)	Number of other public companies in which the individual is concurrently serving as independent director
Huang-Zhong Zheng	An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company, at a public or private junior college, college, or university; having the work experience in fields such as commerce, law, finance, accounting and company business	Ph.D in Materials Science and Engineering, National Tsing Hua University Professor Emeritus of National Yang Ming Chiao Tung University Professor of Electronics Engineering, National Chiao Tung University Director, eBio Technology Inc Director, Easy Field Corporation Director, Hexawave, Inc. Supervisor, High Entropy Materials, Inc. Director, iMQ Technology Inc	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	None	
Hung-Lin Lai	An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company, at a public or private junior college, college, or university; having the work experience in fields such as commerce, law, finance, accounting and company business	Ph.D. in Business Administration, Chang Gung University Assistant Professor/Associate Professor of Accounting Information, Chihlee University of Technology Assistant Professor/Lecturer of Information Management, LeeMing Institute of Technology Member, Compensation Committee, Suyin Corporation Senior Manager, Professional Development Department, KPMG Taiwan Manager/Assistant Manager/Senior Auditor/Auditor, Audit Department, KPMG Taiwan Professor and Chair of Accounting Information, Chihlee University of Technology Independent Director, BIOTEQUE CORPORATION	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	2	

Name	Conditions	Professional qualification (note 1)	Experience	Independent status (note 2)	Number of other public companies in which the individual is concurrently serving as independent director
Mao-Sheng Wu	Having the work experience in fields such as commerce, law, finance, accounting and company business	Master, Graduate School of Electronic Engineering, Tokai University, Japan EMBA, National Chiao Tung University General Manager/Advisor, Nidec Components (Taiwan) Co., Ltd. (Former Company Name: Nidec Components (Taiwan) Co., Ltd. General Manager/Associate General Manager/Manager/Deputy Manager/Section Manager, ROHM Co., Ltd Independent Director, Cheng Uei Precision Industry Co., Ltd. General Manager, SOUNDS GREAT CO., LTD	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	None	
Jaene-Long Jiang	Having the work experience in fields such as commerce, law, finance, accounting and company business	Master, Institute of Electronics, National Chiao Tung University Director Representative and President, Forcelead Technology Corp. Chairman, Hsuan Cheng Han Investment Co., Ltd.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	None	

Note 1: None of the above-mentioned directors and independent directors has any of the conditions listed in Article 30 of the Company Act.

Note 2: Directors and supervisors who meet the following conditions during the two years prior to the selection as well as the term of office, please tick " " in the space below each condition code."

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. (Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or through nominees, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranking in the top ten in holdings.
- (4) Not a manager in preceding subparagraph (1) or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding subparagraph (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or designates its representative to serve as a director or supervisor of the Company under Article 27(1) or (2) of the Company Act. (Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)
- (6) Not a director, supervisor or employee of other company such that a majority of the Company's director seats or voting shares are controlled by the same person. (Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)

- (7) The chairman, president, or a person holding an equivalent position of the Company is not a director (or governor), supervisor, or employee of other company or institution, or are spouses. (Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)
- (8) Not a director (or governor), supervisor, managerial officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (Not applicable in cases where the specified company or institution holds at least twenty percent but not exceeding fifty percent of the total number of issued shares of the Company, and the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)
- (9) Not a professional, sole proprietorship, partnership, business owner of a company or institution, partner, director, supervisor, manager, and the spouse thereof that provides audit or business, legal, financial, accounting, or other related services for which the cumulative amount of remuneration received in the last two years is less than NT\$ 500,000 for the Company or its affiliated companies. However, this shall not apply to the members of the Compensation and Remuneration Committee, the Public Tender Offer Review Committee or the Special Committee on Mergers and Acquisitions who perform their functions and responsibilities in accordance with relevant provisions of the Securities and Exchange Act or the Business Mergers and Acquisitions Act.
- (10) Those who do not have the spouse relationship or are not within the 2nd degree of kinship with any other directors.
- (11) Those who are not subject to any of the conditions listed in Article 30 of the Company Act.
- (12) Those who are not in the circumstance regulated in Article 27 of the Company Act where the government agency, corporate or their representative is elected.

5. The diversity and independence of the Board of Directors

(1) The Board of Directors' Diversity Policy, Objectives, and Implementation

In accordance with Article 3 of the Company's Procedures for Director Elections, the election of a director will take into consideration the overall configuration of the Board of Directors. The composition of the board's members should be diverse, and consider diversifying as needed when it comes to its operation, way of operating and development, it is advised to include but not limited to standards stated in the two major aspects listed below:

1. Basic criteria and values: gender, age, nationality and culture etc.
2. Professional knowledge and skills: professional background (such as law, accounting, industrial, finance, marketing or technology), professional skills and experiences in the industry, etc.

The members of the board are to possess the knowledge, skills and literacy necessary for executing their responsibilities, with the overall skills necessary as listed below:

Title	Name	Distribution of Directors' Professional Expertise and Experience											
		Leadership and Decision-Making	Business Management	Finance and Legal	Industry Knowledge	Technical Expertise	Marketing	Business Development	Information Technology	Risk Management	Environmental Sustainability	Social Engagement	Supply Chain Management
Chairman	John Lin	√	√	√	√	√	√	√	√	√	√	√	√
Director	Frank Huang	√	√	√	√	√	√	√		√	√	√	√
Director	William Liao	√	√		√	√	√		√	√	√		√
Institutional Director	Tony Huang Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)	√	√		√	√			√	√	√		
Independent Director	Huang-Zhong Zheng	√	√	√	√	√				√			√
Independent Director	Hung-Lin Lai		√	√					√	√	√	√	
Independent Director	Mao-Sheng Wu	√	√	√	√	√	√	√		√			√
Independent Director	Jaene-Long Jiang	√	√	√	√	√	√	√	√	√		√	√

The Company currently has eight director positions in its Board of Directors, with two of the members being directors who are also employees, which is 25% of the board, and another four allotted for independent directors, at 50%. Regular directors and independent directors both possess a complete and rich array of professional qualifications and experiences, ensuring that the Company meets the criteria for diversity when it comes to its board members, as illustrated below.

Title/Name		Gender	Nationality	Age	Professional qualification and experience (Have more than 5 years of experience and professional qualifications)		concurrently as the company employee	Period served as director of the company	
					An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company, at a public or private junior college, college, or university	Work experience in fields such as commerce, law, finance, accounting or company business		0- 9 Years	More than 10 years
Chairman	John Lin	Male	R.O.C.	51 - 60		√	√		√
Director	Frank Huang	Male	R.O.C.	61 - 70		√		√	
(Diodes) Corporate Director Representative	Tony Huang	Male	R.O.C.	61 - 70		√		√	
Director	William Liao	Male	R.O.C.	51 - 60		√	√		√
Independent Director	Huang-Zhong Zheng	Male	R.O.C.	71 - 80	√	√			√
Independent Director	Hung-Lin Lai	Female	R.O.C.	51 - 60	√	√		√	
Independent director	Mao-Sheng Wu	Male	R.O.C.	61 - 70		√		√	
Independent director	Jaene Long Jiang	Male	R.O.C.	51 - 60		√		√	

(2) Independence of the Board of Directors

The Company has eight members in its Board of Directors, with four being independent directors and taking up one-half of the total number of seats. For the board of director's independence, please see 3-2-1-1. Information of regular and independent directors, and 3-2-1-4. The professional qualification for directors and information of independent directors' independence.

The Company has established an audit committee as of September 25, 2018, and hence it will not need the supervisor system. At the same time, there are no spouses or relatives within the second degree of kinship between the nine members of the Board of Directors, therefore without any issues as stated in Subparagraphs 3 and 4, Paragraph 3, Article 26 of the Securities and Exchange Act.

(3) If the number of directors of either gender does not reach one-third of the total seats on the Board, please specify the reasons and the measures adopted to improve gender diversity among directors:

Due to the characteristics of the industry, most professionals are male; hence, the Company's board members are predominantly male.

However, the Company places great emphasis on gender equality in the composition of the Board of Directors, and aims to increase the proportion of female directors to above one-third.

The Company completed a full re-election of its Board of Directors in June 2025, adding one female director and bringing the proportion of female directors to 12.5%. The Company will continue to increase the number of female directors in the future to achieve its target.

(2) Profiles of President, Vice President, Deputy Vice President, Division Heads, and Branch Heads

April 17, 2026; Unit: Shares; %

Title (note 1)	Nationality	Name	Gender	Election (Appointment) Date	Shareholding		Shareholding held by spouse & minor children		Shareholding held through nominees		Principal work experience and academic qualifications (note 2)	Position(s) held concurrently in the company and/or in any other company	Managerial officer with a spousal or other 2nd degree of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	R.O.C.	John Lin	Male	Nov. 1, 2007	1,294,540	2.83	416,000	0.91	—	—	Ph.D. in Electronics, National Chiao Tung University Manager, R&D Department, Anpec Electronics Corporation	Executive Director and President, inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	—	—	—	Note 3
Vice President	R.O.C.	William Liao	Male	Feb. 21, 2008	1,120,220	2.45	336,503	0.73	—	—	Ph.D. in Electronics, National Tsing Hua University Deputy Manager, R&D Department, Anpec Electronics Corporation	Supervisor, inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	—	—	—	—
Vice President of Power Device Affairs Office	R.O.C.	Victor Lin	Male	July 1, 2022	223,000	0.49	32,250	0.07	—	—	Master, Institute of Electronic Engineering, Huaan University Senior Engineer, R&D Department, Anpec Electronics Corporation	—	—	—	—	—
Director of Management Office	R.O.C.	Angel Pan	Female	Nov. 12, 2007	76,000	0.17	—	—	—	—	Bachelor, Department of Finance, Chung Hua University Senior Leader, Audit Division, Moores Rowland CPAs Senior Manager of Psitech Information Technology Co., Ltd. Chief Accountant, Kulicke and Soffa Industries, Inc.	—	—	—	—	—

Note 1: This should include information on the president, the vice president, deputy vice president, and division heads, and branch heads, as well as those who hold positions parallel to that of the president, vice president and deputy vice president, all are to be reported.

Note 2: If one's experience is relevant to the position they are currently holding, such as having once held a position in an accounting firm that conducted the auditing and attesting business for the Company's financial report or in an affiliated enterprise, they are to describe the position's title and responsibilities within.

Note 3: This Company's president and chairman are the same person, with its reasoning, rationale, necessity and measures for response as explained below:

1. Mr. John Lin has assumed the position of president ever since the Company's founding in November 2007, and was elected as a director in June 2009. On the other hand, in order to enhance the Company's plans for strategic decisions and the overall operation efficiency in execution, the Board of Directors elected Mr. John Lin as the Chairman in June 2016, with his current familiarity with operations affairs and the boost in the execution of board meeting decisions, the Company's expansion and growth in operation scale can be clearly seen.
2. In addition to participating in Board of Directors meetings, the Company's Chairman also remains in good communication with each director on an everyday basis. However, to bolster the independence of the board, in addition to concrete measures that are already in practice, there will be added independent director seats in the future, as a way to boost and strengthen the supervision function of the Board of Directors.
 - (1) Over half of the directors on the board are not doubling in managerial positions or as employees.
 - (2) There are nine seats on the Board of Directors, including the chairman, five regular directors and three independent directors, who are experienced and well-versed in the fields of the semiconductor industry, operation and management, finance and auditing respectively, and are all able to communicate thoroughly, make proposals and carry out their decisions to ensure that the Board of Directors is operating effectively.
 - (3) The three independent directors have already formed an audit committee and remuneration committee, both of which will call meetings regularly to effectively carry out its supervision duties.

2. Remuneration paid during the most recent year to directors, supervisors, president and vice president

(1) Remuneration to regular directors and independent directors

December 31, 2024; Unit: NT\$1,000; %

Title	Name	Remuneration to directors								Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net profit after tax		Remuneration received from an invested company other than the company's subsidiary or parent company		
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)		Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)								
		The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company		All companies mentioned in the financial statements		The Company	All companies mentioned in the financial statements			
Chairman	John Lin		-	-	-	-	-	64	64	64 (1.60%)	64 (1.60%)	4,726 (118.27%)	5,246 (131.28%)	-	-	-	-	-	-	4,790 (119.87%)	5,310 (132.88%)	None
Director	Frank Huang	-	-	-	-	-	-	64	64	64 (1.60%)	64 (1.60%)	-	-	-	-	-	-	-	-	64 (1.60%)	64 (1.60%)	None
Director	Diodes Taiwan S.A.R.L., Taiwan Branch (Luxembourg) Representative: Tony Huang	-	-	-	-	-	-	56	56	56 (1.40%)	56 (1.40%)	-	-	-	-	-	-	-	-	56 (1.40%)	56 (1.40%)	None
Director	William Liao	-	-	-	-	-	-	64	64	64 (1.60%)	64 (1.60%)	3,376 (84.48%)	3,376 (84.48%)	108 (2.70%)	108 (2.70%)	-	-	-	-	3,548 (88.79%)	3,548 (88.79%)	None
Director	Motech Industries Inc. Representative: Fred Yeh (Note 1)							24	24	24 (0.60%)	24 (0.60%)									24 (0.60%)	24 (0.60%)	
Director	Motech Industries Inc. Representative: Jheng-cing Wu (Note 1)							24	24	24 (0.60%)	24 (0.60%)									24 (0.60%)	24 (0.60%)	
Independent director	Huang-Zhong Zheng	171	171	-	-	-	-	80	80	251 (6.28%)	251 (6.28%)	-	-	-	-	-	-	-	-	251 (6.28%)	251 (6.28%)	None
Independent director	Hung-Lin Lai	171	171	-	-	-	-	88	88	259 (6.48%)	259 (6.48%)	-	-	-	-	-	-	-	-	259 (6.48%)	259 (6.48%)	None
Independent director	Mao-Sheng Wu	171	171	-	-	-	-	88	88	259 (6.48%)	259 (6.48%)	-	-	-	-	-	-	-	-	259 (6.48%)	259 (6.48%)	None
Independent director	Jaene-Long Jiang	300	300	-	-	-	-	152	152	452 (11.31%)	452 (11.31%)	-	-	-	-	-	-	-	-	452 (11.31%)	452 (11.31%)	None
Independent director	Jason Hsu	130	130					64	64	194 (4.85%)	194 (4.85%)									194 (4.85%)	194 (4.85%)	
Independent director	Jacy Chen	130	130					64	64	194 (4.85%)	194 (4.85%)									194 (4.85%)	194 (4.85%)	

Note 1: Resigned following the full re-election of the Board of Directors in June 2025.

1. Please describe the remuneration policy, system, standards and structure regarding independent directors, along with the relevance of the remuneration paid to the independent directors' responsibilities, risks involved and time invested etc.:

(1) In regard to the directors' base compensation, the Company follows the regulations listed in the Articles of Incorporation, and in accordance with Article 17-1 and Article 20 of the Articles of Incorporation, summarized as follows: All of the directors are remunerated regardless of the Company's profits or losses, authorizing the Board of Directors to agree on the level of their participation in the Company's operations and the value of their contributions, and with reference to the standard of the same trade concerned. And if the Company records a profit in a year, the Company shall appropriate no more than 5% of the profit for director profit-sharing compensation. The director's remuneration can only be in cash. Additionally, the Company passed via the Board of Directors in November 2019 the Rules for Board of Directors and Functional Committee Performance Evaluations, setting within regulations of how the Company's evaluation of individual board directors can be used as the basis of their individual remuneration, with the evaluation to begin in 2020.

(2) The Company's independent directors have been active participants in each functional committee meeting and actively played a role in the operations of the Board of Directors, fulfilling their relevant responsibilities in accordance with the Company's Rules and Scope of Responsibility for Independent Directors, the Audit Committee Charter, and the Remuneration Committee Charter, giving their all selflessly when it came to the discussion of operating results and that of decision making. The remuneration for the Company's independent directors in 2022 includes the fixed monthly salary as a means of compensation agreed to by the Remuneration Committee and approved by the Board of Directors, and transportation fees for when conducting business, as well as remuneration distributed from the annual profits.

2. Aside from the aforementioned remuneration, there have been no remuneration collected for the services the Company's current directors have provided to all companies included in the financial reports (i.e. acting as consultants to the parent enterprise/all companies mentioned in the financial reports/trans-investments in which are not employees).

Classification of remuneration paid to directors

Classification of Remuneration paid to each director	Name of Director			
	Sum of the 4 Remunerations (A+B+C+D)		Sum of the 7 Remunerations (A+B+C+D+E+F+G)	
	The Company	All companies mentioned in the financial statements E	The Company	All companies mentioned in the financial statements E
Less than NT\$1,000,000	John Lin; Frank Huang; Tony Huang; William Liao; Huang-Zhong Zheng; Hung-Lin Lai; Mao-Sheng Wu; Jaene-Long Jiang	John Lin; Frank Huang; Tony Huang; William Liao; Huang-Zhong Zheng; Hung-Lin Lai; Mao-Sheng Wu; Jaene-Long Jiang	John Lin; Frank Huang; Tony Huang; William Liao; Huang-Zhong Zheng; Hung-Lin Lai; Mao-Sheng Wu; Jaene-Long Jiang	John Lin; Frank Huang; Tony Huang; William Liao; Huang-Zhong Zheng; Hung-Lin Lai; Mao-Sheng Wu; Jaene-Long Jiang
NT\$1,000,000(inclusive) —NT\$2,000,000(exclusive)	—	—	—	—
NT\$2,000,000(inclusive) —NT\$3,500,000(exclusive)	—	—	—	—
NT\$3,500,000(inclusive) —NT\$5,000,000(exclusive)	—	—	John Lin, William Liao	William Liao
NT\$5,000,000(inclusive) —NT\$10,000,000(exclusive)	—	—		John Lin
NT\$10,000,000(inclusive) —NT\$15,000,000(exclusive)	—	—	—	—
NT\$15,000,000(inclusive) —NT\$30,000,000(exclusive)	—	—	—	—
NT\$30,000,000(inclusive) —NT\$50,000,000(exclusive)	—	—	—	—
NT\$50,000,000(inclusive) —NT\$100,000,000(exclusive)	—	—	—	—
Over NT\$100,000,000	—	—	—	—
Total	8 persons	8 persons	8 persons	8 persons

(2) Remuneration for the supervisors

The Company has established an audit committee as of September 25, 2018, hence it will not need the supervisor's system.

(3) The remuneration for the President and vice President (Company Management Evaluation System 3.21 Remuneration is individually reported.)

December 31, 2025; Unit: NT\$1,000; %

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				The sum of A, B, C and D and ratio to net profit after tax		Remuneration received from an invested company other than the company's subsidiary or parent company
		The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company		All companies mentioned in the financial statements		The Company	All companies mentioned in the financial statements	
								Cash	Stock	Cash	Stock			
President	John Lin	3,866	4,386	—	—	860	860	—	—	—	—	Sum: 4,726 Ratio: (118.27)	Sum: 5,246 Ratio: (131.28)	None
Vice President	William Liao	2,876	2,876	108	108	500	500	—	—	—	—	Sum: 3,484 Ratio: (87.19)	Sum: 3,484 Ratio: (87.19)	None
Vice President, Power Device Affairs Office (note 1)	Victor Lin	3,620	3,620	108	108	737	737	—	—	—	—	Sum: 4,465 Ratio: (111.74)	Sum: 4,465 Ratio: (111.74)	None

Note 1: He was promoted to the Vice President of the Company's Power Device Affairs Office on July 1, 2022.

(4) Compensation of the Top Five Highest-Paid Officers (Disclosed Individually by Name and Compensation)

December 31, 2025; Unit: NTD\$1,000; %

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				The sum of A, B, C and D and ratio to net profit after tax		Remuneration received from an invested company other than the company's subsidiary or parent company
		The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company		All companies mentioned in the financial statements		The Company	All companies mentioned in the financial statements	
								Cash	Stock	Cash	Stock			
President	John Lin	3,866	4,386	—	—	860	860	—	—	—	—	Sum: 4,726 Ratio (118.27)	Sum: 5,246 Ratio (131.28)	None
Vice President	William Liao	2,876	2,876	108	108	500	500	—	—	—	—	Sum: 3,484 Ratio (87.19)	Sum: 3,484 Ratio (87.19)	None
Vice president of Power Device Affairs Office (Note1)	Victor Lin	3,620	3,620	108	108	737	737	—	—	—	—	Sum: 4,465 Ratio (111.74)	Sum: 4,465 Ratio (111.74)	None
Chief Accounting Officer	Angel Pan	1,719	1,719	103	103	692	692	—	—	—	—	Sum: 2,514 Ratio (62.91)	Sum: 2,514 Ratio (62.91)	None

Note 1: The officers listed above refer to the managerial officers of the Company.

Note 2: Among the Company's top five highest-paid individuals, excluding the President and Vice Presidents, the remaining personnel are senior employees who are not managerial officers and belong to the design development and technical service departments.

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(4) Names of and distribution to managerial officers distributing employee compensation

December 31, 2025; Unit: NT\$1,000

Title		Name	Stock	Cash	Total	Ratio of total to net profit after tax (%)
Managerial officers	Chairman and President	John Lin	—	—	—	—
	Director and vice president	William Liao				
	Vice president of Power Device Affairs Office	Victor Lin				
	Director of Management Office	Angel Pan				

(5) Provide a comparative analysis of the total amount of remuneration paid to the directors, supervisors, president, and vice president of the company and all the companies included in the consolidated financial statements, separately, as a proportion of total to net profit after tax for the most recent two years. Also explain the policy, standards and composition of remuneration, the process of determining remuneration, and the relationship between management performance and future risks:

1. State the total remuneration, as a proportion of total to net profit after tax stated in the company and all the companies included in the consolidated financial statements, as paid by this company and by each other company included in the consolidated financial statements during the past 2 years to directors, supervisors, president, and vice presidents

Unit: %

Title	2024		2025	
	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements
Director	7.81	8.17	(253.12)	(266.13)
President and vice president	9.07	9.42	(317.20)	(330.21)

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

The main remuneration for the Company's directors is the transportation costs for when they conduct business, and independent directors are additionally given a fixed remuneration each month, Presidents and vice Presidents are given remuneration that includes their salary and bonuses. The remuneration policy regarding directors and employees has been stated in the Articles of Incorporation, and remuneration is allocated and given in accordance with Article 17-1 and Article 20 of the Articles of Incorporation after being evaluated by the Remuneration Committee and given to the Board of Directors for approval. The remuneration for the Company's directors and employees in 2025 have been voted and approved by the Board of Directors on March 4, 2026 in accordance with "the Remuneration Policy and Method of Payment for Directors, Functional Committee Members and Managerial Officers", and having distributed the remuneration after the Remuneration Committee and the Board of Directors have taken into consideration each director and managerial officer's position, their responsibilities taken in the Company's operations and the value of their contributions.

(1) Remuneration Policies, Standards, and Packages:

- A. Independent directors of the Company receive fixed monthly remuneration. All directors (including independent directors) receive transportation allowances for each Board meeting attended. Additionally, if the Company reports net income for the year, a maximum of 5% of the current year's earnings may be allocated as directors' remuneration in accordance with Article 20 of the Company's Articles of Incorporation. The Company regularly evaluates directors' performance and remuneration in accordance with the Rules for Performance Evaluation of the Board of Directors and Functional Committees and the Policy and Procedures for Compensation of Directors, Functional Committee Members, and Managerial Officers. The reasonableness of performance evaluations and remuneration is reviewed by the Compensation Committee and approved by the Board of Directors, then submitted to the shareholders' meeting for approval.

The key evaluation items for directors' remuneration are as follows:

- (a) Operating Performance: In 2025, compared to 2024, the Company achieved the following results:
- Operating revenue increased by 29.21%, operating income decreased by 46.65%, and net loss after tax decreased by 102.62%. The above operating performance accounts for approximately 90% of the overall evaluation.
- (b) Corporate Governance and Sustainability Performance: This includes the Company's corporate governance evaluation scores and rankings, as well as the achievement rate of sustainability performance. This accounts for approximately 10% of the total evaluation.

Based on the above evaluation criteria, although operating revenue increased, the Company recorded a net loss after tax and did not meet the payout threshold; therefore, no directors' compensation will be distributed for the current year. B. The appointment, dismissal, and remuneration of the Company's managerial officers are handled in accordance with the Company's internal regulations. In addition to monthly salary, allowances, and meal stipends, the remuneration of managerial officers also includes various bonuses, which are determined based on the Company's annual operating performance, financial condition, business status, and individual work performance. Furthermore, if the Company generates profit in the current year, between 1% and 15% of the profit may be allocated as employee compensation in accordance with Article 20 of the Company's Articles of Incorporation. The results of performance evaluations conducted under the Company's Performance Evaluation Management Regulations serve as the basis for determining bonuses for managerial officers. The performance evaluation criteria for managerial officers are as follows:

- (a) Financial Indicators: In line with the operating performance described in point (A) above and based on the overall evaluation, managerial remuneration for 2025 decreased compared to the previous year.
 - (b) Non-Financial Indicators: These include operational management capabilities, sustainable operations, and participation in corporate governance. The calculation of performance-based remuneration takes these factors into account, and the remuneration system is reviewed and adjusted as needed based on actual operational conditions and relevant regulations.
- C. The Company's remuneration package includes cash compensation, stock options, retirement benefits or severance payments, various allowances, and other substantial incentive measures. The scope is consistent with the requirements regarding directors' and managerial officers' remuneration as stipulated in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

(2) Procedures for Determining Remuneration:

- A. To regularly evaluate the remuneration of directors and managerial officers, the Company bases its assessments on the results of evaluations conducted in accordance with the Rules for Board of Directors and Functional Committee Performance Evaluations, and the Rules for Managing Performance Evaluations applicable to managerial officers and employees.

B. In 2025, the self-evaluation results of all directors and members of the functional committees significantly exceeded the established standards. The Company's annual operating performance evaluation results and the underperformance in profitability were primarily attributable to litigation expenses recognized and estimated compensation losses recorded in 2025 in connection with a patent infringement lawsuit. Nevertheless, current-period revenue increased by 29.21% compared to the previous year.C. The performance evaluations and the reasonableness of remuneration for directors and managerial officers are reviewed and assessed annually by the Remuneration Committee and the Board of Directors. The actual remuneration amounts paid to directors and managerial officers in 2025 were submitted to the Board of Directors for resolution after deliberation by the Remuneration Committee.

(3) Correlation with Operating Performance and Future Risks:

A. The Company reviews its remuneration policies, payment standards, and related systems primarily based on overall operational performance. Remuneration standards are determined with reference to financial indicators, non-financial indicators, sustainability performance achievement rates, and contribution levels, with the aim of enhancing the overall team efficiency of the Board of Directors and the management departments. Industry remuneration benchmarks are also taken into consideration to ensure that the compensation offered to the Company's management remains competitive and conducive to retaining outstanding managerial talent.

B. The performance goals for the Company's managerial officers are closely linked to risk control, to ensure that potential risks within the scope of their responsibilities can be effectively managed and mitigated. Remuneration ratings are determined based on actual performance, and are tied to the Company's human resources and compensation policies. Major decisions made by the Company's management are carried out after careful consideration of various risk factors. The performance outcomes of such decisions are reflected in the Company's profitability, and managerial remuneration is therefore directly correlated with the effectiveness of risk management.

3. Implementation of Corporate Governance

(1) The function of the Board

There were nine board of director meetings held in 2025 and up to the date of publication of the annual report in 2026, and the attendance status of the directors is shown as follows:

Title	Name	Actual number of attendance (note)	Attend through proxy	Actual Attendance rate (%)	Note
Chairman	John Lin	9	0	100	Reappointed on June 6, 2025
Director	Frank Huang	9	0	100	Reappointed on June 6, 2025
Director	Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg) Representative: Tony Huang	5	0	100	Reappointed on June 6, 2025
Director	William Liao	9	0	100	Reappointed on June 6, 2025
Director	Motech Industries Inc. Representative: Fred Yeh	3	0	100	Term expired on June 6, 2025
Director	Motech Industries Inc. Representative: Jheng-cing Wu	3	0	100	Term expired on June 6, 2025
Independent Director	Huang-Zhong Zheng	5	0	83	Appointed on June 6, 2025
Independent Director	Hung-Lin Lai	6	0	100	Appointed on June 6, 2025
Independent Director	Mao-Sheng Wu	6	0	100	Appointed on June 6, 2025
Independent director	Jaene-Long Jiang	6	0	100	Reappointed on June 6, 2025

Independent director	Jason Hsu	3	0	100	Term expired on June 6, 2025
Independent director	Jacy Chen	3	0	100	Term expired on June 6, 2025

Other items to be recorded

1. Should any of the below occur in the Board of Directors' operations, the date, period, content of discussions, the opinions of all the independent directors and how the Company has handled their opinions of the board meetings should be described;
 - (1) The items listed in Paragraph 3, Article 14 of the Securities and Exchange Act
 The Company has elected three independent directors starting September 25, 2018, and established an audit committee, therefore making it exempt from the regulations of Paragraph 3, Article 14 of the Securities and Exchange Act. Additionally, in regard to items stated in Paragraph 5, Article 14 of the Securities and Exchange Act, please see 3-4-2-1. The operation status of the audit committee, in this Annual Report.
 - (2) Aside from the items mentioned above, other items on the agenda of the Board of Directors meeting where independent directors expressed objections or reservations and have minutes or physical statements: please see 3-4-2-1. The operation status of the audit committee, in this Annual Report.
2. If a director is recused due to being an interested party in relation to an agenda item, the director's name, agenda discussion items and the reason for the recusal and their participation in any votes should be stated

Date of the Board of Directors Meeting (term/session)	Proposal	Director name	Reason for recusal	Participation in voting
Feb. 21, 2025 (The 12th Board Meeting of the 6th Term)	Proposal for the 2024 Performance Evaluation Report of the Company's Management and Chief Audit Executive.	John Lin, William Liao	Directors who also serve as members of management, together with the Chief Audit Executive, shall not participate in the discussion or voting and shall recuse themselves in accordance with applicable laws and regulations due to potential conflicts of interest.	Director John Lin and Director William Liao voluntarily recused themselves from the discussion and voting, and Director Jheng-Cing Wu was appointed to stand in as acting chair by Chair John Lin. When queried by the acting chair, the directors present unanimously approved the resolution of the Remuneration Committee meeting that was held on the same day as the Board Meeting.
	Proposal for the Distribution of Directors' Compensation and Management Employees' Compensation for 2024.			

May 7, 2025 (The 13th Board Meeting of the 6th Term)	Adjustment to 2025 managerial officer remuneration.	John Lin, William Liao	Directors who also serve as members of management and the Chief Audit Executive, due to potential conflicts of interest, shall recuse themselves in accordance with applicable laws and regulations and shall not participate in the discussion or voting.	Director John Lin and Director William Liao voluntarily recused themselves from the discussion and voting, and Director Jheng-Cing Wu was appointed to stand in as acting chair by Chair John Lin. When queried by the acting chair, the directors present unanimously approved the resolution of the Remuneration Committee meeting that was held on the same day as the Board Meeting.
	Proposal for the Distribution of Directors' Compensation and Employees' Compensation for Management and the Chief Audit Executive for 2024			
Aug 1, 2025 (The 2nd Board Meeting of the 7th Term)	Proposal to Adjust the Distribution of Employees' Compensation for Management and the Chief Audit Executive for 2024	John Lin, William Liao	Directors who also serve as members of management, together with the Chief Audit Executive, shall not participate in the discussion or voting and shall recuse themselves in accordance with applicable laws and regulations due to potential conflicts of interest.	Director John Lin and Director William Liao voluntarily recused themselves from the discussion and voting, and Director Jheng-Cing Wu was appointed by Chair John Lin to serve as acting chair. Upon the acting chair's inquiry, the directors present unanimously approved the resolution of the Remuneration Committee meeting held on the same day as the Board Meeting.
Mar 4, 2025 (The 6th Board Meeting of the 7th Term)	Proposal for the 2025 Performance Evaluation Report of the Company's Management and Chief Audit Executive	John Lin, William Liao	Directors who also serve as members of management, together with the Chief Audit Executive, shall not participate in the discussion or voting and shall	Director John Lin and Director William Liao voluntarily recused themselves from the discussion and voting, and Director Jheng-Cing Wu was appointed by Chair John Lin to serve as acting chair. Upon the acting chair's inquiry, the directors present

			recuse themselves in accordance with applicable laws and regulations due to potential conflicts of interest.	unanimously approved the resolution of the Remuneration Committee meeting held on the same day as the Board Meeting.
Date of the Board of Directors Meeting (term/session)	Proposal	Director name	Reason for recusal	Participation in voting
Mar 4, 2025 (The 6th Board Meeting of the 7th Term)	Proposal for the First Share Repurchase in 2025 for Transfer to Management and Non-Management Employees, including the List of Eligible Participants and the Employee Share Transfer Agreement	John Lin, William Liao	Directors who also serve as members of management, together with the Chief Audit Executive, shall not participate in the discussion or voting and shall recuse themselves in accordance with applicable laws and regulations due to potential conflicts of interest.	Director John Lin and Director William Liao voluntarily recused themselves from the discussion and voting, and Director Jheng-Cing Wu was appointed by Chair John Lin to serve in as acting chair. Upon the acting chair's inquiry, the directors present unanimously approved the resolution of the Remuneration Committee meeting held on the same day as the Board Meeting.

3. TWSE/TPEX listed companies are to disclose how the board performance evaluation has been conducted each year, including information covering at least evaluation cycle, evaluation period, scope of evaluation, evaluation method, and what is to be evaluated, whether it is self-evaluation by the Board of Directors itself or peer-evaluation, and fill in the form of evaluation below:

The Execution of Board of Directors' Evaluation

Evaluation cycle	Evaluation period	Scope of Evaluation	Evaluation method	Content of evaluation
The Company's Board of Directors carries out once every year internal performance evaluations of its Board of Directors and functional committees	January 1, 2025-December 31, 2025	Performance evaluation of the Board of Directors and functional committees	The Board of Directors and functional committees will conduct self-evaluations by way of internal surveys	1. The items in the evaluation of the Company's Board of Directors and functional committees include a minimum of the aspects below: (1) Participation in the Company's operations (2) Improvement of the quality of the Board of Director's decision making(Improvement of the quality of the Functional committee's decision making) (3) Composition and structure of the Board of Directors

				<p>(4) Election and continuing education of the directors (composition and election of the functional committees)</p> <p>(5) Internal controls</p> <p>2. The evaluation of directors' performances include a minimum of the aspects below:</p> <p>(1) Alignment with the goals and missions of the Company</p> <p>(2) Awareness of the duties of a director</p> <p>(3) Participation in the Company's operations</p> <p>(4) Management of internal relationships and communication</p> <p>(5) Professionalism and continuing education of the directors</p> <p>(6) Internal controls</p>
An evaluation shall be conducted once every three years by an external independent professional institution.	November 1, 2024-October 31, 2025	Performance Evaluation of the Board of Directors	The performance evaluation of the Board of Directors was conducted by the Taiwan Corporate Governance Association through document review, online self-assessment questionnaires, and an on-site evaluation, and an external evaluation report was prepared.	<p>The external performance evaluation of the Board of Directors covers the following five key dimensions:</p> <p>(1) Board Composition and Division of Responsibilities</p> <p>(2) Board Guidance and Oversight</p> <p>(3) Board Authorization and Risk Management</p> <p>(4) Board Communication and Collaboration</p> <p>(5) Board Self-Discipline and Continuous Improvement</p>

4. The recent and current yearly goals to strengthen the Board of Directors' functions (such as establishing an audit committee and increasing the transparency of information) and the evaluation of the execution

(1) The establishment of an audit committee

In accordance with Paragraph 14-4 of the Securities and Exchange Act, the Company established an audit committee in replacement of supervisors on September 25, 2018, with the four independent directors becoming members of the audit committee, all of whom equipped with knowledge and experiences involving finances or business, and draft the Audit Committee Charter for the audit committee to independently carry out its responsibilities in order to ensure the supervision of the Company's internal control is being executed, as well as the making of the financial report forms.

(2) The establishment of the remuneration committee

In accordance with Paragraph 14-6 of the Securities and Exchange Act, the Company established a remuneration committee on August 7, 2018, with the four independent directors serving as members of the audit committee, and drafted the Remuneration Committee Charter, which was reviewed at the relevant meeting discussion and approved by the Board of Directors, to enhance its supervisory function and strengthen its management function.

(3) Establishment of the Sustainability Development Committee

In accordance with Article 14-6 of the Securities and Exchange Act, the Company established the Compensation Committee on March 5, 2024. The Sustainability Development Committee is convened and chaired by the Chairman of the Board, with members comprising department heads and personnel designated by the Chairman. The Committee oversees four task forces established under its structure, with the Administration Department serving as the coordinating center. The Company has formulated the "Sustainable Development Best Practice Principles" to strengthen Inergy's sustainable development. The Committee reviews relevant proposals within its authority and submits them to the Board of Directors for resolution. It also reports annually to the Board on sustainability goals and implementation results, thereby ensuring the integration of sustainability principles into the Company's core operations and long-term development.

(4) Increase information transparency

Information such as the Company's financial data, decisions from major meeting agendas etc. have been published on the TWSE MOPS in accordance with relevant regulations, for shareholders and parties of benefit to peruse the Company's financial and business information.

(5) The directors' and important employees' liability insurance

In order to ensure the risk faced by directors and important employees when conducting the responsibilities their jobs entail is met with protection, each year the Company purchases liability Insurance for Directors and Important Employees, and regularly reviews the contents of the insurance policies to ensure that the scope of insurance and the insurance payout amount are up to requirements.

(6) Evaluation of Board of Directors performances

The Company conducts annual self-evaluations for the Board of Directors and the functional committees in accordance with the "Rules for Board of Directors and Functional Committee Performance Evaluations." The evaluation results for 2025 were submitted to the Board of Directors on March 4, 2026. In addition, an external evaluation shall be conducted at least once every three years by an independent professional institution. For 2025, the Company engaged the Taiwan Corporate Governance Association to conduct the performance evaluation of the Board for the period from November 1, 2024 to October 31, 2025, and an external evaluation report was obtained. The evaluation results were also submitted to the Board of Directors on March 4, 2026.

Note: The format of the list is actual number of participants/Participation frequency during time in office.

- (2) The state of operations of the audit committee or the state of participation in board meetings by the supervisors

1. The state of operations of the audit committee

There were eight Audit Committee meetings held in 2025 and up to the date of publication of the annual report in 2026, and the attendance status of the Committee members is shown as follows:

Title	Name	Actual number of attendance	Attend through proxy	Actual Attendance rate (%)	Note
Independent director	Hung-Lin Lai	5	0	100	Convenor Appointed on June 6, 2025
Independent director	Huang-Zhong Zheng	5	0	100	Appointed on June 6, 2025
Independent director	Mao-Sheng Wu	5	0	100	Appointed on June 6, 2025
Independent director	Jaene-Long Jiang	8	0	100	Reappointed on June 6, 2025
Independent director	Jason Hsu	3	0	100	Term expired on June 6, 2025
Independent director	Jacy Chen	3	0	100	Term expired on June 6, 2025

Other items to be recorded:

1. Should one of the circumstances stated below occur in the state of operations of the audit committee, the date, period, contents of the discussions, contents of suggestions or opposing opinions from the independent directors, the decision results by the audit committee and the Company's handling of the committee's opinions in the audit committee meetings should be stated.

(1) Items listed in Paragraph 5, Article 14 of the Securities and Exchange Act

Audit Committee Date and session	Proposal	Audit Committee resolution	Company handling of Audit Committee's opinion
Feb 21, 2025 The 11th Audit Committee Meeting of the 3rd Term	<ol style="list-style-type: none"> Proposal for the 2024 Business Report and Financial Statements of the Company. Proposal for evaluating the independence and competency of the Company's certified public accountants for 2024, with reference to Audit Quality Indicators (AQIs). Proposal for the appointment of certified public accountants for 2025. Proposal for the 2025 Earnings Distribution Plan of the Company. Proposal for the "Assessment of the Effectiveness of the Internal Control System" and the "Statement 	Approved by all Audit Committee members present.	Approved by all directors present.

	<p>on Internal Control” for 2024.</p> <ol style="list-style-type: none"> Proposal for partial amendments to the “Procedures for Acquisition or Disposal of Assets.” Proposal for adding the “Internal Audit System - Guidelines for the Operation and Management of the Sustainability Committee.” 		
<p>May 7, 2025 The 12th Audit Committee Meeting of the 3rd Term</p>	<ol style="list-style-type: none"> Proposal for the Company’s financial statements for the first quarter of 2025. Proposal to Amend Certain Provisions of the Payroll Cycle 	<p>Approved by all Audit Committee members present.</p>	<p>Approved by all directors present.</p>
<p>Aug. 1, 2025 The 1st Audit Committee Meeting of the 4rd Term</p>	<ol style="list-style-type: none"> Proposal for the Company’s financial statements for the second quarter of 2025. 	<p>Approved by all Audit Committee members present.</p>	<p>Approved by all directors present.</p>
<p>Sep. 11, 2025 The 2nd Audit Committee Meeting of the 4th Term</p>	<ol style="list-style-type: none"> Proposal for Approval of the Company’s Audit Reports, Annual Audit Plan, Actual Implementation Report, and Report on the Improvement Status of Internal Control Deficiencies and Exceptions 	<p>Approved by all Audit Committee members present.</p>	<p>Approved by all directors present.</p>
<p>Nov. 5, 2025 The 3rd Audit Committee Meeting of the 4th Term</p>	<ol style="list-style-type: none"> Proposal for the Company’s financial statements for the third quarter of 2025. Proposal for the Company’s budget plan for the year 2026. Proposal for the Company’s 2026 Annual Audit Plan and Internal Audit Resource Plan. Proposal to Amend the “Internal Control System (General Provisions),” “Implementation Rules for Internal Auditing,” and “Procedures for Self-Assessment of Internal Control Systems.” Proposal to Appoint Representatives to Serve as Directors and Supervisors of the Subsidiary, Inergy Power Drive (Shenzhen) Electronics Research Technology Co., Ltd. 	<p>Approved by all Audit Committee members present.</p>	<p>Approved by all directors present.</p>
<p>Nov. 27, 2025 The 4th Audit Committee Meeting of the 4th Term</p>	<ol style="list-style-type: none"> Proposal for the Company to Conduct a Private Placement of Common Shares 	<p>Approved by all Audit Committee members present.</p>	<p>Approved by all directors present.</p>
<p>Mar. 5, 2026 The 5th Audit Committee Meeting of the 4th Term</p>	<ol style="list-style-type: none"> Proposal for the Company’s first share repurchase of 2025 for transfer to non-managerial employees, including the list of subscribing employees and the agreement for the transfer of repurchased shares to employees. Proposal for the Company’s 2025 parent-company-only financial statements, consolidated financial statements, and business report. 	<p>Approved by all Audit Committee members present.</p>	<p>Approved by all directors present.</p>

	<p>3. Proposal for the Company’s 2025 Earnings Distribution Plan.</p> <p>4. Proposal for the “Assessment of the Effectiveness of the Internal Control System” and the “Statement on Internal Control” for 2025.</p> <p>5. Proposal for partial amendments to the internal control system provisions under the “Payroll Cycle.”</p> <p>6. Proposal for partial amendments to the “Code of Ethical Conduct.”</p> <p>7. Proposal for partial amendments to the “Procedures for Loaning of Funds to Others” and the “Procedures for Endorsements and Guarantees.”</p> <p>8. Proposal for the evaluation of the independence and competence of the Company’s Certified Public Accountants, with reference to Audit Quality Indicators (AQIs).</p> <p>9. Proposal for the appointment of the Company’s Certified Public Accountants for 2026.</p>		
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- (2) Aside from the issues mentioned above, there were no other items that were not passed by the audit committee but approved by two-thirds of all the directors on the board: there was no such incident.
2. If an independent director is recused due to being an interested party in relation to an agenda item, the independent director’s name, agenda discussion items and the reason for the recusal and their participation in any votes should be stated. Response: there was no such incident.
3. The communication between independent directors, internal audit managers and CPAs (to include communications on material issues, methods and results in regard to the Company’s financial and business status).
- (1) The Company’s audit managers are to regularly turn in audit reports for the perusal of the independent directors and attend all audit committee meetings, report on the internal audit tasks and communicate thoroughly with independent directors.
- (2) The Company had established the audit committee on September 25, 2018, with the audit committee members communicating well with CPAs. The CPA of 2025 attended the audit committee meetings held on February 21, 2025, May 7, 2025, August 1, 2025 and November 5, 2025 respectively, and explained to the audit committee members the process of evaluation or inspecting the Company’s financial reports and how the amendment of various relevant laws affects the Company’s financial records, with the committee members and CPAs having conducted thorough communication in person.

Note: The listing method is to list the actual number of times participated/the number of participation opportunities during time in office.

2. Information on supervisors’ attendance of Board of Directors operations

Not applicable as the Company had established an audit committee on September 25, 2018, in place of having supervisors.

(3) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
1. Has the Company established and disclosed its corporate governance practices based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established the Corporate Governance Best Practice Principles and published on the TWSE MOPS, as well as the Company's website.	There were no material differences.
2. Equity structure and shareholders' equity				
(1) Has the Company instituted an internal procedure for handling suggestions, questions, disputes of the shareholders and legal actions, and complied with the procedure properly?	✓		(1) The Company has employed a spokesperson and professional staff who can act as spokesperson, and has installed an email box for investors. Additionally, it has also entrusted a professional stock agency to handle suggestions, queries or disputes, etc. from/with the shareholders.	There were no material differences.
(2) Has the Company kept track on the major shareholders roster of the Company and the parties controlling these shareholders?	✓		(2) The Company has entrusted a professional stock agency to assist in handling stock relevant affairs, and will retain a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders as provided by the agency when the Company approached the closing date.	There were no material differences.
(3) Has the Company established and implemented the risk control mechanism and firewall between the Company and the affiliates?	✓		(3) The Company has established the Operating Procedures for Trading with Group Enterprises, Specific Corporations, and Affiliated Parties, in order to regulate trading and exchanges with affiliated enterprises, stating clearly within that transactions such as the purchase and sale of goods, acquisition and disposal of assets, loans, endorsement guarantees are to be handled in accordance with the Company's Sales and Collection Cycle, Purchase and Payment Cycle, Handling Procedures for the Acquisition and Disposal of Assets, Operating Procedures for Lending Funds to Others, Operating Procedures for Endorsement Guarantees etc., and when encountering a major transaction, should comply with the standards regulated in the content of the regulations above, to be voted for	There were no material differences.

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(4) Has the Company adopted internal rules prohibiting company insiders from trading securities using information not disclosed to the market?	✓		approval by the Board of Directors and even reported to the shareholders meeting for approval, in order to protect the Company's rights and benefits. (4) The Company has established the Management Operations to Prevent Insider Trading and the Operating Procedures for Handling Material Internal Information, to prevent the Company's internal staff from taking advantage of undisclosed market information to trade marketable securities.	There were no material differences.
3. Composition and Responsibilities of the Board of Directors (1) Has the Board established a diversity policy, specific management goals and implemented accordingly?	✓		(1) The Company's Procedures for Director Elections and Corporate Governance Best Practice Principles have regulated that the composition of the board's members should be diverse, with currently nine director positions in its Board of Directors, with two of the members being directors who are also employees, which is 22% of the board, and another three allotted for independent directors, at 33%. All regular directors and independent directors possess comprehensive professional qualifications and abundant experience. The Company has achieved the goal of diversification of the Board of Directors; for details, please see the explanation the diversity of the Board of Directors and independent directors in the annual report.	There were no material differences.
(2) Further to the establishment of the Remuneration Committee and the Audit Committee, has the Company voluntarily established other functional committees?	✓		(2) The Company has established various functional committees including: 1. Remuneration Committee on August 7, 2018. 2. Audit Committee on September 25, 2018. 3. Sustainable Development Committee on March 5, 2024 Other functional committees will be established according to the actual needs of the Company.	There were no material differences.

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(3) Has the Company established a methodology for evaluating the performance of its Board of Directors, performed evaluations on an annual basis, submitted the results of the performance evaluation to the Board, and used such as a reference for individual director remuneration and renomination?	✓		<p>(3)The Board of Directors passed the “Regulations Governing the Performance Evaluation of the Board of Directors and Functional Committees” on November 21, 2019. Performance evaluations have been periodically conducted starting from 2020, where the performances of the Board of Directors, individual Board members, and functional committees are evaluated by all Board members. An external performance evaluation of the Board as a whole is conducted at least once every 3 years by a third-party organization.</p> <p>The Company’s criteria for evaluating the performance of the Board of Directors, individual Board members, and functional committees covers, at a minimum, the following aspects or other items required or adjusted in accordance with law:</p> <ol style="list-style-type: none"> 1. Performance evaluation of Board of Directors: Participation in the Company’s operations, improvement of the quality of the Board of Directors’ decision making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal controls. 2. Performance evaluation of individual Board members: Alignment with the goals and missions of the Company, awareness of the duties of a director, participation in the Company’s operations, management of internal relationships and communication, professionalism and continuing education, and internal controls. 3. Performance evaluation of functional committees: Participation in the Company’s operations, awareness of the duties of the functional committee, improvement of quality of the functional committee’s decision making, composition and election of the functional committee, and internal controls. <p>The performance evaluation results of</p>	There were no material differences.

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons																		
	Yes	No	Summary																			
			<p>the Company's Board of Directors is used as a basis for electing or nominating directors, whereas the performance evaluation results of individual Board members serves as a reference for determining their respective remuneration.</p> <p>The results of the most recent (2025) internal performance evaluation of the Board of Directors (including the Board as a whole, functional committees, and individual Board members) are summarized below:</p> <p>1. Evaluation of the Board of Directors' operations:</p> <table border="1"> <thead> <tr> <th>Aspects of self-evaluation</th> <th>No. of evaluation items</th> <th>(2025) Evaluation results</th> </tr> </thead> <tbody> <tr> <td>Participation in the Company's operations</td> <td>12</td> <td>4.43</td> </tr> <tr> <td>Improvement of the quality of the Board of Director's decision making</td> <td>12</td> <td>4.84</td> </tr> <tr> <td>Composition and structure of the Board of Directors</td> <td>7</td> <td>4.84</td> </tr> <tr> <td>Election and continuing education of the directors</td> <td>7</td> <td>4.71</td> </tr> <tr> <td>Internal controls</td> <td>7</td> <td>4.71</td> </tr> </tbody> </table>	Aspects of self-evaluation	No. of evaluation items	(2025) Evaluation results	Participation in the Company's operations	12	4.43	Improvement of the quality of the Board of Director's decision making	12	4.84	Composition and structure of the Board of Directors	7	4.84	Election and continuing education of the directors	7	4.71	Internal controls	7	4.71	
Aspects of self-evaluation	No. of evaluation items	(2025) Evaluation results																				
Participation in the Company's operations	12	4.43																				
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Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons																														
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			<p>2. Self-evaluation of individual Board members:</p> <table border="1"> <thead> <tr> <th>Aspects of self-evaluation</th> <th>No. of evaluation items</th> <th>(2025) Evaluation results</th> </tr> </thead> <tbody> <tr> <td>Alignment with the goals and missions of the Company</td> <td>3</td> <td>4.63</td> </tr> <tr> <td>Awareness of the duties of a director</td> <td>3</td> <td>4.79</td> </tr> <tr> <td>Participation in the Company's operations</td> <td>8</td> <td>4.64</td> </tr> <tr> <td>Management of internal relationships and communication</td> <td>3</td> <td>4.83</td> </tr> <tr> <td>Professionalism and continuing education of the directors</td> <td>3</td> <td>4.83</td> </tr> <tr> <td>Internal controls</td> <td>3</td> <td>4.79</td> </tr> </tbody> </table> <p>3. Evaluation of audit committees' operations:</p> <table border="1"> <thead> <tr> <th>Aspects of self-evaluation</th> <th>No. of evaluation items</th> <th>(2025) Evaluation results</th> </tr> </thead> <tbody> <tr> <td>Participation in the Company's operations</td> <td>4</td> <td>4.81</td> </tr> <tr> <td>Awareness of the duties of the</td> <td>5</td> <td>4.60</td> </tr> </tbody> </table>	Aspects of self-evaluation	No. of evaluation items	(2025) Evaluation results	Alignment with the goals and missions of the Company	3	4.63	Awareness of the duties of a director	3	4.79	Participation in the Company's operations	8	4.64	Management of internal relationships and communication	3	4.83	Professionalism and continuing education of the directors	3	4.83	Internal controls	3	4.79	Aspects of self-evaluation	No. of evaluation items	(2025) Evaluation results	Participation in the Company's operations	4	4.81	Awareness of the duties of the	5	4.60	
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Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons												
	Yes	No	Summary													
(4) Has the Company evaluated the independence of the commissioned CPAs regularly?	✓		<table border="1"> <tr> <td>functional committee</td> <td></td> <td></td> </tr> <tr> <td>Improvement of the quality of the functional committee's decision making</td> <td>7</td> <td>4.61</td> </tr> <tr> <td>Composition and election of the functional committee</td> <td>3</td> <td>4.58</td> </tr> <tr> <td>Internal controls</td> <td>3</td> <td>4.50</td> </tr> </table>	functional committee			Improvement of the quality of the functional committee's decision making	7	4.61	Composition and election of the functional committee	3	4.58	Internal controls	3	4.50	There were no material differences.
			functional committee													
Improvement of the quality of the functional committee's decision making	7	4.61														
Composition and election of the functional committee	3	4.58														
Internal controls	3	4.50														
<p>4. Evaluation of Remuneration Committee's operations:</p> <table border="1"> <thead> <tr> <th>Aspects of self-evaluation</th> <th>No. of evaluation items</th> <th>(2025) Evaluation results</th> </tr> </thead> <tbody> <tr> <td>Participation in the operation of the Company</td> <td>4</td> <td>4.81</td> </tr> <tr> <td>Awareness of the duties of the functional committee</td> <td>5</td> <td>4.60</td> </tr> <tr> <td>Improvement of the quality of the functional committee's decision making</td> <td>7</td> <td>4.61</td> </tr> <tr> <td>Composition and election of the functional committee</td> <td>3</td> <td>4.58</td> </tr> </tbody> </table> <p>Details of the performance evaluation mentioned above were submitted to the Board of Directors on March 4, 2026. The Company will constantly review the performance evaluation related regulations for further improvements.</p>	Aspects of self-evaluation	No. of evaluation items	(2025) Evaluation results	Participation in the operation of the Company	4	4.81	Awareness of the duties of the functional committee	5	4.60	Improvement of the quality of the functional committee's decision making	7	4.61	Composition and election of the functional committee	3	4.58	
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Composition and election of the functional committee	3	4.58														
			(4) In accordance with Article 29 of the Company's Corporate Governance Best Practice Principles, the Company's Audit Committee and Board of													

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons																								
	Yes	No	Summary																									
			<p>Directors regularly (at least once per year) evaluate the appointed CPAs for their independence and suitability based on the AQIs as reference, with the most recent evaluation conducted on March 4, 2026.</p> <p>The items for evaluating the CPA's independence and suitability:</p> <table border="1"> <thead> <tr> <th>Evaluation item</th> <th>Evaluation results</th> <th>Conformity with independence requirements</th> </tr> </thead> <tbody> <tr> <td>1. As of the most recent attestation of the Company's financial statements, there has been no occurrence of the CPA having remained unchanged for 7 consecutive years.</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>2. The CPA has no material financial interest in the trustee.</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>3. The CPA avoids any inappropriate relationship with the trustee.</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>4. The CPA ensures that their assistants act with integrity, objectivity, and independence.</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>5. The CPA does not permit others to practice under their name.</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>6. The CPA does not own any shares of the Company or its affiliates.</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>7. The CPA has never engaged in the borrowing/lending of funds with the</td> <td>✓</td> <td>✓</td> </tr> </tbody> </table>	Evaluation item	Evaluation results	Conformity with independence requirements	1. As of the most recent attestation of the Company's financial statements, there has been no occurrence of the CPA having remained unchanged for 7 consecutive years.	✓	✓	2. The CPA has no material financial interest in the trustee.	✓	✓	3. The CPA avoids any inappropriate relationship with the trustee.	✓	✓	4. The CPA ensures that their assistants act with integrity, objectivity, and independence.	✓	✓	5. The CPA does not permit others to practice under their name.	✓	✓	6. The CPA does not own any shares of the Company or its affiliates.	✓	✓	7. The CPA has never engaged in the borrowing/lending of funds with the	✓	✓	
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Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			Company.	
			8. The CPA has never had a joint investment or profit-sharing relationship with the Company or its affiliates.	✓
			9. The CPA has not been employed by the Company or its affiliates to perform routine work for which they received a fixed salary.	✓
			10. The CPA is not involved in the management functions of the Company or its affiliates in decision making.	✓
			11. The CPA is not engaged in any other duty that could jeopardize the independence.	✓
			12. The CPA is not a spouse, direct blood relative, direct relative by marriage, or blood relative within the second degree of kinship to the Company's management.	✓
			13. The CPA has not received any commissions in connection with their duty.	✓
			14. As of the present, the CPA has never received any disciplinary action or been in any situation that would jeopardize their independence.	✓

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
4. Does the TWSE/TPEX Listed Company have a qualified and appropriate number of corporate governance personnel, and has the Company designated a Corporate Governance Senior Officer to deal with corporate governance related affairs (including, but not limited to, providing directors and supervisors with information required for the execution of their duties; assisting directors and supervisors in complying with the laws and regulations; conducting board meeting and shareholders' meeting related matters; and preparing the minutes for board meetings and shareholders' meeting in accordance with the law, etc.)?	✓		<p>The Company's management department is responsible for handling the Board of Directors meetings, with the Corporate Governance Senior Officer appointed to manage the affairs related to corporate governance as follows:</p> <p>(1) The making of the meeting agenda and the provision of meeting information and agenda minutes for a Board of Directors meeting, to register online the date of holding the shareholders meeting by the regulated deadline, and draft the notification for shareholders meetings for reporting, as well as the meeting handbooks and meeting minutes etc.</p> <p>(2) Assisting the directors in taking office, advancing their studies and remaining in compliance with the law.</p> <p>(3) Provide information that the directors may need when conducting business.</p> <p>(4) Reporting to the Board of Directors on whether the qualifications for an independent director's nomination, election and term in office meet the criteria as stated by relevant regulations and the results of an examination thereof.</p> <p>(5) Report to the Ministry of Economic Affairs should there be amendments to the Articles of Incorporation, a re-election of directors or any changes to the paid-in capital (shares) and other differences.</p> <p>(6) Continuing education status of the Corporate Governance Senior Officer in 2025 (Note 1).</p>	There were no material differences.
5. Has the Company established a communications channel and established a designated zone on its website for stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers), and has the Company properly responded to all CSR issues such stakeholders are concerned with?	✓		The Company has appointed a spokesperson and an acting spokesperson and set up a contact mailbox as channels of communication with stakeholders. The relevant communication channels and the status of communication with stakeholders are disclosed on the Company's website.	There were no material differences.
6. Has the Company appointed a professional shareholder services agent to deal with shareholder affairs?	✓		The Company's shareholders meeting affairs have been entrusted to be handled by a professional stock agent organization - Yuanta Securities.	There were no material differences.
7. Disclosures				

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(1) Has the Company established a website for the disclosure of Company's financial and business, and corporate governance?	✓		(1) The Company has put up a website (www.inergy.com.tw) with an investors' page for the disclosure of financial and business information, as well as information on the Company's governing.	There were no material differences.
(2) Has the Company adopted other means of disclosures (e.g., the installation of a website in English language, appointment of designated persons for the gathering and disclosure of information, the proper implementation of the spokesman system, and the minutes of the investor conference on record posted on the website)?	✓		(2) The Company has appointed a spokesperson and an acting spokesperson to take charge of the collection and disclosure of corporate information. In an investor conference held at least twice each year, they are responsible for handling the announcement and reporting of material information in compliance with relevant laws and regulations and uploading relevant documents from the conference.	There were no material differences.
(3) Does the Company announce and report the annual financial report within two months after the end of the fiscal year? Does the Company announce and report the first, second, and third quarter financial reports and the monthly operating conditions well in advance of the required deadlines?	✓		(3) The Company handles the announcement and reporting of financial reports, approved by the Board of Directors and audited and signed by the CPAs, in compliance with the law, and will announce and report before the legal deadline each quarter's financial reports and the operation status of each month.	There were no material differences.
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including, but not limited to, employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, status of directors' and supervisors' continuing education, implementation of risk management policies and risk assessment criteria, implementation of customer related policies, and purchase of liability insurance for directors and supervisors by the Company)?	✓		(1) Employee rights and benefits: Handled in accordance with the Labor Act and relevant laws, in order to safeguard the employees' rights and benefits. (2) Care of employees: The planning of employee group insurance policies, regular health check-ups, and holding a variety of educational training for employees. (3) Investor relations and rights of stakeholders: The Company has employed a spokesperson and professional staff who can act as spokesperson, who are in charge of the Company's external relations and the communications within, in order to guarantee and protect the rights and benefits of investors and stakeholders. (4) Relationship with suppliers: The Company regularly holds evaluations of manufacturers, and maintains good collaborative partnerships with the manufacturers. (5) The directors' continuing education :	There were no material differences.

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>The Company shall hold periodical advancement courses for all directors to partake in. (Note 2)</p> <p>(6) The execution of risk management policies and risk evaluation standards: Establish an internal control system and regulations in compliance with the law, to conduct risk management and evaluation, with the internal audit unit to verify the execution of the internal control system.</p> <p>(7) The implementation of client policies: Based on contracts signed with the clients and relevant regulations, the Company provides products and services of excellent quality, and ensures that the Company and clients' rights and benefits are protected.</p> <p>(8) The Company's purchase of liability insurances for the directors: The Company has purchased liability insurance policies for all of the directors, in order to bolster the protection of shareholders' rights and benefits.</p>	

9. State of corrective action taken for responding to the results of the corporate governance assessment announced by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and the priority for improvement on issues pending further corrective action and related measures. (Company not included in the evaluation does not need to fill in)

The Company's performance in the most recent Corporate Governance Evaluation has improved as follows:

2023-2024 Evaluation Indicators	Improvements Made
Has the Company established a policy on board diversity?	A female director was newly elected in the 2025 board re-election.
Has the Company disclosed its water consumption and total waste generation for the past two years?	The Company has disclosed its water consumption and total waste generation for the past two years in the 2024 annual report and on its website.
Has the Company disclosed the identified stakeholders, their concerns, communication channels, and response methods on its website or in the annual report?	The Company has disclosed the identified stakeholders, their concerns, communication channels, and response methods on its website.
Has the Company established an English website containing financial, business, and governance information?	An English website containing relevant information was launched.
Has the Company disclosed a clear and specific dividend policy in its annual report?	The Company has disclosed a clear and specific dividend policy in the 2024 annual report.

Priority enhancement items and improvement measures for Corporate Governance Evaluation indicators not yet achieved in the most recent year are as follows:

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
2024 Evaluation Indicators		Priority Enhancement Items and Improvement Measures		
Has the Company uploaded the Chinese and English versions of the annual report at least 18 days prior to the annual general meeting?		The Company plans to upload the Chinese and English versions of the annual report at least 18 days before the annual general meeting.		
Has the Company established a dedicated or part-time unit to promote sustainable development, conducted risk assessments of environmental, social, and governance (ESG) issues related to its operations based on the materiality principle, formulated relevant risk management policies or strategies, ensured oversight by the Board of Directors, and disclosed such information on its website and in the annual report?		The Company disclosed such information on its website in 2025 and plans to include additional information in the annual report.		
Has the Company's sustainability report obtained third-party assurance?		The Company plans to obtain third-party assurance after the preparation of the 2025 sustainability report.		

Note 1: The continuing education status of the Corporate Governance Senior Officer in 2025 is as follows:

No.	Organized by	Course Name	Course Period		No. of Hours
			Start	End	
1	Taipei Exchange	2025 Seminar on Insider Shareholding for TPEX and Emerging Stock Companies	July 24, 2025	July 24, 2025	3.0
2	Accounting Research and Development Foundation	Comprehensive Analysis of Internal Control Practices for Sustainability Information Management Conducted by Internal Auditors	Oct. 8, 2025	Oct. 8, 2025	6.0
3	Accounting Research and Development Foundation	Comprehensive Analysis of Internal Control Practices for Sustainability Information Management Conducted by Internal Auditors	Dec. 19, 2025	Dec. 19, 2025	6.0

Note 2: Courses taken by the Company's directors in 2025 and 2026 up to the date of publication of the annual report are as follows:

Title	Name	Course Date	Organized by	Course Name	No. of Hours
Director	John Lin	November 26, 2025	Taiwan Project Management Association	Continuing Education Program for Directors of Listed Companies – Succession Team Building and Talent Development	3.0
		December 3, 2025	Taiwan Corporate Governance Association	The Importance of Digitalization of Sustainability Information for Internal Control Systems	3.0
Corporate Director Representative	Tony Huang	June 19, 2025	Chung-Hua Institution for Economic Research	U.S. “Liberation Day”: Reciprocal Tariffs and Their Impact on Taiwan	3.0
		August 20, 2025	Taiwan Project Management Association	Continuing Education Program for Directors of Listed Companies – An analysis of Artificial Intelligence Trends and Corporate Risk Management Strategies	3.0
		September 4, 2025	Taiwan Project Management Association	Continuing Education Program for Directors of Listed Companies – Applications of Generative AI and ChatGPT	3.0
Director	Frank Huang	July 11, 2025	Taiwan Corporate Governance Association	NVIDIA’s Three-Trillion-Dollar Milestone: New Paradigms in the Semiconductor Industry Revolution Behind Artificial Intelligence	3.0
		October 15, 2025	Taiwan Project Management Association	Continuing Education Program for Directors of Listed Companies – Applications of Generative AI and ChatGPT	3.0
Director	William Liao	April 9, 2025	Taiwan Project Management Association	Continuing Education Program for Directors of Listed Companies – Business Value of Generative AI and Insights into Digital Risks	3.0
		July 11, 2025	Taiwan Corporate Governance Association	NVIDIA’s Three-Trillion-Dollar Milestone: New Paradigms in the Semiconductor Industry Revolution Behind Artificial Intelligence	3.0
Independent Director	Huang-Zhong Zheng	November 27, 2025	Taiwan Project Management Association	Continuing Education Program for Directors of Listed Companies – Fraud Prevention Strategies	3.0
		November 27, 2025	Taiwan Project Management Association	Continuing Education Program for Directors of Listed Companies – Human Resource Management and Corporate Ethics	3.0
Independent Director	Hung-Lin Lai	July 14, 2025	Taipei Foundation Of Finance	Corporate Governance – The Role and Responsibilities of the Board of Directors in ESG	3.0
		July 15, 2025	Taiwan Project Management Association	Continuing Education Program for Directors of Listed Companies – Digital Transformation and Emerging Information Technologies	3.0

Title	Name	Course Date	Organized by	Course Name	No. of Hours
		July 29, 2025	Taipei Exchange	2025 Seminar on Insider Shareholding for TPEX-Listed and Emerging Stock Companies	3.0
		October 14, 2025	Taiwan Project Management Association	Continuing Education Program for Directors of Listed Companies – SDGs and ESG Sustainability Management	3.0
Independent Director	Mao-Sheng Wu	June 9, 2025	Taipei Bar Association	2025 Professional Program: Latest Developments in Corporate Governance and the Responsibilities of Directors, Supervisors, and Management	3.0
		June 10, 2025	Taiwan Corporate Governance Association	Operational Practices of the Sustainability Development Committee (Chief Sustainability Officer and Working Groups)	3.0
Independent Director	Jaene-Long Jiang	September 4, 2025	Taiwan Project Management Association	Continuing Education Program for Directors of Listed Companies – Applications of Generative AI and ChatGPT	3.0
		December 3, 2025	Taiwan Corporate Governance Association	Global Trend Analysis – Risks and Opportunities	3.0
Corporate Director Representative	Fred Yeh (Note)	May 16, 2025	The Allied Association For Science Park Industries	Shareholders' Meetings, Corporate Control, and Equity Strategy	3.0
Independent Director	Jason Hsu (Note)	March 4, 2025	Taiwan Corporate Governance Association	NVIDIA's Three-Trillion-Dollar Milestone: New Paradigms in the Semiconductor Industry Revolution Behind Artificial Intelligence	3.0

Note: Served as a Director of the Sixth Term and stepped down on June 6, 2025.

- (4) If the company has a remuneration committee or nomination committee in place, the composition and operation of such committee shall be disclosed

1. Information on members of Remuneration Committee

By identity	Name	Conditions	Professional qualification and experience	Independency	Number of public companies where the members of the Remuneration Committee are also the members of the remuneration committees of these companies	Remark
Independent director	Huang-Zhong Zheng		Please see 3-2-1-4. "The professional qualifications of directors and the disclosure of information on the independence of independent directors" for relevant information.	Please see 3-2-1-4. "The professional qualifications of directors and the disclosure of information on the independence of independent directors" for relevant information.	None	Convener
Independent director	Hung-Lin Lai				1	
Independent director	Mao-Sheng Wu				None	
Independent director	Jaene-Long Jiang				None	

2. The operation status of the remuneration committee

- (1) The Company has a remuneration committee with four members.
- (2) The office term for this round's remuneration committee

The Company has established a remuneration committee on August 7, 2018, and the current term will run from June 6, 2025 to the end of the same Board of Directors. The remuneration committee held a total of five meetings in 2025 and in 2026, up to the date of publication of the annual report, with the participation as follows:

Title	Name	Actual number of attendance	Attend through proxy	Actual Attendance rate (%)	Note
Convener	Huang-Zhong Zheng	3	0	100	Convener Appointed on June 6, 2025
Member	Hung-Lin Lai	3	0	100	Appointed on June 6, 2025
Member	Mao-Sheng Wu	3	0	100	Appointed on June 6, 2025
Member	Jaene-Long Jiang	5	0	100	Reappointed on June 6, 2025
Independent Director	Jason Hsu	2	0	100	Term expired on June 6, 2025
Independent Director	Jacy Chen	2	0	100	Term expired on June 6, 2025

Other matters to be recorded:

1. If the Board of Directors chooses not to adopt or revise recommendations proposed by the Remuneration Committee, the date of the Board meeting, session, contents of proposals, results of meeting resolutions, and the Company's disposition of opinions provided by the Remuneration Committee shall be described in detail: None
2. For the decisions made by the Remuneration Committee, if there are members who hold objection or reservation to a resolution and such objection or reservation is on record or raised through a written statement, the date, session, contents of proposals, all members' opinions, and ways in handling these opinions shall be elaborated: None

3. The member information of the nomination committee members and committee operation status: not applicable as the Company does not have a nomination committee in place.

(5) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons; a company that meets certain conditions shall disclose climate-related information

1. Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Items for advocacy	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
<p>1. Has the Company established a governance structure to advocate sustainable development and set up a dedicated (concurrently) unit, which is headed by a senior executive at the authorization of the Board and is supervised by the Board, to advocate sustainable development? (The status of implementation should be filled out by TWSE/TPEX Listed Companies, not as compliance or explanation)</p>	✓		<p>The scope of the Company’s overall plan for sustainability development includes the three major issues of environment, society and corporate governance, with the relevant execution to be led and promoted by the President, the staff body will be participating in accordance to each person’s scope of responsibilities within their respective positions. The Sustainable Development Committee was established upon approval of the Board of Directors on March 5, 2024. Senior management is authorized by the Board of Directors to take charge of the Committee’s relevant operations, and the work is overseen by the Board of Directors.</p> <p>Regarding the environmental aspect, energy conservation is key. Aside from regular business operation, the Company has been conducting examination and verification of greenhouse gasses since 2022, with the management department at the head of the execution structure, with assistance from the quality assurance department and the audit office. On the social issue aspect, the human resources unit of the management department will be keeping an eye on things, and for corporation governance, the Board of Directors will be ensuring the implementation with the help of meeting agenda units.</p> <p>The scheduling for greenhouse gas inventory and verification, as well as sustainability information disclosure, is detailed in Note 1. The progress is reported to the Board of Directors on a quarterly basis and subject to monitoring and control. In addition to reviewing the content and progress of each quarterly report, the Board also provides oversight, guidance, and recommendations to the management team. The Company’s management has proactively initiated greenhouse gas inventory and</p>	No significant differences

Items for advocacy	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons										
	Yes	No	Summary											
			<p>verification planning ahead of the statutory deadlines.</p> <p>The meetings at which the implementation status of sustainability initiatives was reported to the Board of Directors are as follows:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Meeting Title</th> </tr> </thead> <tbody> <tr> <td>March 5, 2026</td> <td>5th Meeting of the 7th Board of Directors</td> </tr> <tr> <td>February 21, 2025</td> <td>12th Meeting of the 6th Board of Directors</td> </tr> <tr> <td>March 5, 2024</td> <td>8th Meeting of the 6th Board of Directors</td> </tr> <tr> <td>March 8, 2023</td> <td>4th Meeting of the 6th Board of Directors</td> </tr> </tbody> </table>	Date	Meeting Title	March 5, 2026	5th Meeting of the 7th Board of Directors	February 21, 2025	12th Meeting of the 6th Board of Directors	March 5, 2024	8th Meeting of the 6th Board of Directors	March 8, 2023	4th Meeting of the 6th Board of Directors	
Date	Meeting Title													
March 5, 2026	5th Meeting of the 7th Board of Directors													
February 21, 2025	12th Meeting of the 6th Board of Directors													
March 5, 2024	8th Meeting of the 6th Board of Directors													
March 8, 2023	4th Meeting of the 6th Board of Directors													
<p>2. Does the Company conduct risk assessment on environmental, social and corporate governance issues related to the Company's operations, and has the Company established the relevant risk management policies or strategies based on the materiality principle? (The status of implementation should be filled out by TWSE/TPEX Listed Companies, not as compliance or explanation)</p>	✓		<p>The Company already has in place Practical Principles for Sustainability Development, to be used for the management of how environmental, societal and corporation issues impacts the Company, and carrying out risk management or strategies relevant to company operation, as listed below:</p> <p><u>Environmental issues:</u></p> <p>The Company is an IC design company that does not have factories, and therefore does not fall under the category of the high energy-consumption industry, and has not built or used facilities that cause major emissions of greenhouse gas. On the professional aspect of operating the Company, the Company has continued to invest in the development of highly efficient products in hopes of achieving energy conservation by way of improving products and product application, to lessen the impact caused on the environment and fulfill its environmental protection responsibilities as a corporation.</p> <p><u>Societal issues:</u></p> <p>In an employer-labor relationship, the Company follows relevant labor laws and guarantees the legal rights and benefits of the employees, also exercising Work Principles to ensure the existence of a good working environment, hiring, training and promoting employees based on equality, to safeguard the rights and benefits of employees.</p> <p><u>Corporate governance issues:</u></p> <p>The Company already has in place Corporate Governance Best Practice Principles, announced on the TWSE MOPS and the</p>	No significant differences										

Items for advocacy	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
			Company website, and has purchased liability insurance policies for all the Board of Directors members to ensure protection of the shareholders' rights and benefits. The Rules for Board of Directors and Functional Committee Performance Evaluations passed by the Board of Directors on November 21, 2019, with self-evaluation of the Board of Directors and functional committees held once a year regularly since 2020. The evaluation results for year 2025 has been sent to the Board of Directors to be reported on March 4, 2026, and at least once every three years, an external evaluation by a professional, independent organization will be held, the Company has entrusted in 2025 the Taiwan Corporate Governance Association to conduct the evaluation for the directors' performances between November 1, 2024 to October 31, 2025, to receive an analysis report for the external evaluation, and have sent the results of the evaluation to the Board of Directors to be reported on March 4, 2026.	
3. Environmental Issues				
(1) Has the Company established an appropriate environmental management system in accordance with its industrial characteristics?	✓		(1) As the Company is an IC design company that does not have factories, it therefore does not have special sources of pollution. In order to maintain the cleanliness of the environment, the Company's employees each have a designated work area they are responsible for, and the Company has also hired specialists in keeping the employees' overall working environment and common areas clean, also entrusting the recycling and handling of waste with qualified professionals.	No significant differences
(2) Has the Company made efforts to enhance the efficient use of energy and used regenerated materials that have a low impact on the environment?	✓		(2) In the professional aspect of the Company's operations, its main goal ever since its founding has been to develop products while conserving energy and cutting back on carbon emissions, the Company will continue to work on assisting clients in developing products with a higher rate of energy usage, ensuring green technology is being developed. The Company has accumulated shipments of over 40 million BLDC driver IC and system solutions to replace the traditional AC motors, in comparison saving up to an average of 60% in energy consumption, which adds up to some 2 billion kWh every year. The amount	No significant differences

Items for advocacy	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons								
	Yes	No	Summary									
(3) Has the Company assessed the potential current and future risks and opportunities from climate change for the Company, and has the Company taken measures to address climate-related issues?	✓		<p>of energy saved is 50% of the annual electricity generated by a pair of 500MW coal-fired units at the Taichung thermal power plant, or the equal of 25% the annual energy generated by a pair of 1000MW generators at Taiwan's nuclear power plants.</p> <p>In order to ensure that all resources are thoroughly used in the everyday work environment, the Company has promoted and implemented the use of sorting through items for recycling, ensuring that the Company recycles paper and increases its efficacy in using all types of resources, ultimately reaching the goal to recycle and reuse.</p> <p>(3) In terms of operations in specialized fields, the Company continues to invest in the R&D of high-efficiency products, aiming to achieve energy conservation to reduce the environmental impact through product enhancement and utilization, while fulfilling corporate social responsibility commitments.</p>	No significant differences								
(4) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total volume of waste materials for the past two years, and has the Company formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water use reduction, and other waste management?	✓		<p>(4)</p> <p>1. GHG emissions inventory: The Company completed the GHG emissions inventory for 2023 in accordance with the international standard ISO14064-1: 2018, with 2023 as the base year and the organizational boundary set to include the Company (excluding subsidiaries). Starting from 2024, the base year has been adjusted to 2024, with the organizational boundary for inventory covering the Company and its subsidiaries. The Company will disclose greenhouse gas inventory results on an annual basis, establish improvement targets, and review carbon reduction performance each year. The greenhouse gas inventory data for 2024 and 2025 are shown in the table below. The 2025 data represent consolidated self-assessed figures, which will be updated based on verified carbon emissions from third-party verification bodies.</p> <p style="text-align: right;">Unit: metric tons of CO₂e/year</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Category</th> <th>Emission source</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Category 1</td> <td>Direct emissions</td> <td>27.553</td> <td>157.7564</td> </tr> </tbody> </table>	Category	Emission source	2024	2025	Category 1	Direct emissions	27.553	157.7564	No significant differences
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			<p>3. Waste:</p> <p>The Company's waste is mainly categorized into domestic waste, engineering experimental material, and computer peripheral equipment waste, with no hazardous waste generated. Domestic waste is further divided into general and recyclable waste; general waste is gathered in the garbage collection and distribution facility in Tai Yuen Hi-Tech Industrial Park, and subsequently transported to the waste incineration plant by the Park, whereas recyclable wastes are gathered in the Company's temporary waste storage zone by our colleagues, and are incinerated or reused by qualified waste disposal companies.</p> <p>Domestic waste has only been tracked since Q4 2023. From 2024 to 2025, the majority of the waste generated consisted of recyclable materials (including engineering test materials and discarded computer peripheral equipment). The data are as follows:</p> <p>Engineering waste treatment:</p> <table border="1"> <thead> <tr> <th>Treatment Method</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Incineration</td> <td>0.2594 metric tons</td> <td>0.2096 metric tons</td> </tr> <tr> <td>Recycling and Reuse</td> <td>0.1880 metric tons</td> <td>0.3220 metric tons</td> </tr> <tr> <td>Total</td> <td>0.4474 metric tons</td> <td>0.5316 metric tons</td> </tr> <tr> <td>Recycling and Reuse Rate</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table> <p>Domestic waste treatment:</p> <table border="1"> <thead> <tr> <th>Type</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>General waste</td> <td>2.1399kgs</td> <td>2.8580kgs</td> </tr> <tr> <td>Recyclable waste</td> <td>3.9214kgs</td> <td>5.4683kgs</td> </tr> <tr> <td>Total</td> <td>6.0613kgs</td> <td>8.3263kgs</td> </tr> </tbody> </table> <p>In response to global energy</p>	Treatment Method	2024	2025	Incineration	0.2594 metric tons	0.2096 metric tons	Recycling and Reuse	0.1880 metric tons	0.3220 metric tons	Total	0.4474 metric tons	0.5316 metric tons	Recycling and Reuse Rate	100%	100%	Type	2024	2025	General waste	2.1399kgs	2.8580kgs	Recyclable waste	3.9214kgs	5.4683kgs	Total	6.0613kgs	8.3263kgs	
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			<p>conservation and carbon reduction policies, the Company has adopted the following measures:</p> <p>1. Greenhouse Gas Emissions: The Company has designated 2024 as the base year for greenhouse gas (GHG) inventory. The organizational boundary covers the Company (including subsidiaries). The 2024 GHG inventory was completed based on the international standard ISO 14064-1: 2018. GHG inventory results are disclosed annually, improvement targets are set, and carbon reduction effectiveness is reviewed year by year. It is expected that, using the 2025 greenhouse gas inventory data as the baseline, energy intensity will be reduced by 2%-4% during the period from 2026 to 2030.</p> <p>2. Energy Management: Office lighting is managed by zones, with scheduled shutdowns for 30 minutes during the lunch break. Employees are encouraged to turn off air conditioning and lighting when not in use, especially in office and public areas. Indoor air conditioning temperature is set between 26–28°C to minimize energy waste. Using 2025 as the base year, the Company will implement internal energy management to conduct energy-saving planning and design, incorporating efficiency standards for energy-consuming equipment as a key criterion for future replacements. The Company targets a 1% reduction in energy intensity in 2026.</p> <p>3. Water Resource Management: Energy Technology is located in the Tai Yuen Hi-Tech Industrial Park and uses only general domestic water. The park is equipped with wastewater recycling facilities; recycled water is used for irrigating greenery within the park. All domestic wastewater is treated by the park's treatment system before being discharged, causing minimal impact on natural water sources. The Company promotes water conservation by installing water-saving devices to regulate water flow and replaces old equipment with faucets bearing the Water-Saving Label. Regular inspections</p>	

Items for advocacy	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
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			<p>are conducted on water pumps, tanks, faucets, pipe joints, wall pipes, and underground pipelines to detect leakage.</p> <p>In 2024, the total water consumption was 2,046.54 m³ and water intensity was 1.8704 m³ per million NTD in revenue (individual entity). The Company aims to reduce water intensity by 1% in 2026 and by 2% by 2030.</p> <p>5. Waste Management: The majority of the Company's waste consists of domestic waste, engineering test materials, and obsolete computer peripherals. No hazardous industrial waste is produced.</p> <p>(1) Strengthen advocacy for waste separation and recycling. (2) Weigh general waste daily to calculate waste reduction performance. (3) The Company does not provide disposable tableware and encourages employees to use reusable utensils to reduce waste generation. (4) The Company aims to reduce waste intensity by 2% within three years.</p>	
<p>Social issues</p> <p>(1) Has the Company established related management policy and procedure in accordance with applicable legal rules and international conventions on human rights?</p>	✓		<p>(1) In response to the global trend of sustainable development and responsible supply chain management, the Company recognizes that the protection of human rights is both a moral obligation and a key element of corporate governance, risk management, and long-term competitiveness. As a technology provider in the MOS and motor driver IC sectors, the Company is committed to safeguarding the fundamental human rights of its employees and fostering an environment in which such rights are respected and protected. The Company strictly complies with international human rights standards, including the Universal Declaration of Human Rights, the United Nations Global Compact (UNGC) principles, and conventions of the International Labour Organization (ILO), as well as applicable human rights-related laws and regulations in the jurisdictions where it operates. On this basis, the Company has established its Human Rights Policy to ensure alignment with international standards and industry</p>	No significant differences

Items for advocacy	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
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			<p>practices. Taking into account human rights incidents identified in prior years and the human rights risk factors associated with its industry, the Company assesses potential human rights issues and potentially affected groups, and accordingly formulates its Human Rights Policy, along with risk mitigation and remediation measures. The scope of the policy covers all employees, suppliers, business partners, and other stakeholders, including communities in which the Company operates. In response to increasingly complex social and environmental challenges, the Company is committed to the following:</p> <ol style="list-style-type: none"> (1) Prohibiting all forms of child labor, forced labor, and discrimination, while safeguarding employees' dignity and workplace safety. The Company maintains reasonable working hours and compensation systems to ensure fair treatment and adequate rest. (2) Promoting gender equality and fostering a diverse and inclusive culture, creating a workplace free from harassment and bias. (3) Respecting personal privacy and data protection rights, and managing information in compliance with applicable laws and regulations. (4) Strengthening human rights risk management across the supply chain by incorporating human rights provisions into the Supplier Code of Conduct. (5) Requiring all suppliers to sign and comply with such standards, and ensuring adherence to human rights requirements through due diligence, on-site audits, and continuous improvement mechanisms. <p>The Company has established internal employee suggestion mailboxes and provides dedicated communication channels on its official website, enabling all employees and external stakeholders to report and communicate human rights-related matters with the responsible departments, including policy improvement suggestions, potential risk alerts, and grievances concerning human rights violations. To ensure impartial review and investigation of complaints and reports, a</p>	

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(2) Has the Company established and implemented reasonable employee benefit measures (including compensation, paid leave, and other benefits), and are operational performance	✓		<p>cross-functional committee composed of department heads and the Internal Audit Office has been established to handle the investigation, review, and formulation of corrective actions for human rights-related cases.</p> <p>The Company conducts annual audits of its overseas operating sites and suppliers, with a particular focus on those identified as having significant potential risks, to verify whether any human rights violations have occurred.</p> <p>As of the end of 2025, audit results indicated that there were no overseas operating sites or suppliers with violations or potential human rights risks. The Company will continue to monitor their compliance status to ensure alignment with its human rights standards.</p> <p>In 2025, no human rights incidents were reported, including zero cases of discrimination, zero violations of employees' rights to freedom of association and collective bargaining, zero cases of child labor, zero cases of forced labor, and zero violations of indigenous peoples' rights.</p> <p>The Company will continue to strengthen human rights awareness and training to maintain a zero-incident record in the future.</p> <p>In 2025, the Company organized legal-themed seminars and will continue to expand the number and duration of related training programs in the future.</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Lecture</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td>April 16, 2025</td> <td>Legal Seminar: Personal Data Protection Act (2025)</td> <td>2H</td> </tr> <tr> <td>July 16, 2025</td> <td>Workplace Stress Management and Wellness Seminar (2025)</td> <td>1.5H</td> </tr> <tr> <td>July 23, 2025</td> <td>Prevention of Insider Trading and Short-Swing Profit Recapture Rights</td> <td>2H</td> </tr> </tbody> </table> <p>(2) The Company has established Work Principles, the contents of which include the implementation of an employee benefits plan (including compensation, paid leave and other benefits), with Rules for Managing Performance Evaluations in place as well, to ensure that the</p>	Date	Lecture	Hours	April 16, 2025	Legal Seminar: Personal Data Protection Act (2025)	2H	July 16, 2025	Workplace Stress Management and Wellness Seminar (2025)	1.5H	July 23, 2025	Prevention of Insider Trading and Short-Swing Profit Recapture Rights	2H	No significant differences
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<p>and results appropriately reflected in employee compensation?</p> <p>(3) Has the Company provided a safe and health work environment for the employees, and provided education on labor safety and health regularly?</p>	✓		<p>award and penalty system is being carried out. The Company's Articles of Incorporation stipulates that, if the Company makes a profit (i.e., net profit before tax, without deducting the amount of employee and director compensation) for the financial year, 1–15% of the profit will be set aside for employee compensation. The performance of each employee will be evaluated in accordance with the Regulations Governing Performance Evaluations, and the relevant remuneration and compensation will be positively correlated with the Company's operational results in order to share the achievements with employees.</p> <p>(3)To enter the Company's points of entrance, one needs to swipe their card key for access, and the work environment is subject to fire safety evaluations each year, with regular cleanup services and disinfecting as well. In addition to having labor and health insurances, employees are also granted a group insurance policy that is entirely at the expense of the Company, to ensure that the employees receive well-rounded protection, complete with an employee physical examination held regularly once every year. In 2024, the Company engaged professional massage therapists to provide weekly onsite services, helping employees relax both physically and mentally. To effectively implement occupational safety and health (OSH) management and ensure a safe working environment, inergy Technology has designated full-time OSH officers, first aid personnel, and fire safety managers, all of whom receive regular retraining. In light of several recent occupational accidents in Taiwan that have resulted in injuries and fatalities, the Company has not only promoted disaster prevention knowledge through seminars but has also placed strong emphasis on practical fire safety drills. These drills aim to strengthen emergency response teams and ensure employee familiarity with evacuation procedures. In summary, the Company remains committed to maintaining a safe and hygienic working environment, promoting employee health, and minimizing occupational hazards in the workplace.</p> <p>The Company's occupational safety and</p>	No significant differences

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(4) Has the Company established the training program for the effective planning of career development for the employees?	✓		<p>health training record is as follows:</p> <table border="1"> <thead> <tr> <th>Type of Drill</th> <th>Required Frequency</th> <th>Actual Frequency</th> <th>Number of Participants</th> </tr> </thead> <tbody> <tr> <td>Fire Safety Team Drill</td> <td>2</td> <td>2</td> <td>4</td> </tr> <tr> <td>Emergency Evacuation</td> <td>1</td> <td>1</td> <td>81</td> </tr> <tr> <td>Total</td> <td>3</td> <td>3</td> <td>85</td> </tr> </tbody> </table> <p>(4)The Company conducts an orientation of educational training for each newly hired employee, and encourages each department to participate in external continuing education that align with their work, to improve their professional competency.</p> <p>Employee Training Hours for the Past 3 years</p> <table border="1"> <thead> <tr> <th>Year</th> <th>In-House Training</th> <th>External Training</th> <th>Total Training Hours</th> <th>Total Attendance</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>398.5</td> <td>372</td> <td>770.5</td> <td>185</td> </tr> <tr> <td>2024</td> <td>449.5</td> <td>316</td> <td>765.5</td> <td>283</td> </tr> <tr> <td>2025</td> <td>243.5</td> <td>604.5</td> <td>848</td> <td>195</td> </tr> </tbody> </table>	Type of Drill	Required Frequency	Actual Frequency	Number of Participants	Fire Safety Team Drill	2	2	4	Emergency Evacuation	1	1	81	Total	3	3	85	Year	In-House Training	External Training	Total Training Hours	Total Attendance	2023	398.5	372	770.5	185	2024	449.5	316	765.5	283	2025	243.5	604.5	848	195	No significant differences
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(5) Does the Company comply with laws, regulations, and international standards when handling issues such as customer health and safety, customer privacy, and marketing and labeling of products and services? Has the Company established a policy and complaint procedure to protect consumer and customer rights and interests?	✓		(6) The Company follows the relevant intellectual property laws and international standards when it comes to product and service marketing and labeling, in order to safeguard relevant rights and benefits, and has established the Operating Procedures for Customer Complaints as a basis for handling complaints from customers.	No significant differences																																				
(6) Has the Company established a supplier management policy that requires suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights issues? Has the Company established an implementation method for	✓		(6) In regards to the suppliers the Company is collaborating with, all affairs are handled in accordance with the Supplier Management rules, and although the Company has not specifically demanded that the suppliers follow regulations relevant to environmental protection, work safety and hygiene or labor rights issues, but when the suppliers' actions have a significant impact on the	No significant differences																																				

Items for advocacy	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons						
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such?			<p>environment or society as a whole, the Company will take into consideration the severity of the situation and determine whether the partnership will be stopped or terminated.</p> <p>The Company has requested its suppliers to sign the Supplier Code of Conduct and the Commitment to Human Rights/Ethical Corporate Management and Environmental Sustainability. In the future, the signing of these documents will be mandatory for qualified suppliers.</p> <table border="1"> <thead> <tr> <th>Supplier Sustainability Management Performance</th> <th>Supplier Implementation Status as of December 2025</th> </tr> </thead> <tbody> <tr> <td>Signing of the Supplier Code of Conduct</td> <td>39 suppliers/81%</td> </tr> <tr> <td>Signing of the Commitment to Human Rights/Ethical Corporate Management and Environmental Sustainability</td> <td>42 suppliers/88%</td> </tr> </tbody> </table>	Supplier Sustainability Management Performance	Supplier Implementation Status as of December 2025	Signing of the Supplier Code of Conduct	39 suppliers/81%	Signing of the Commitment to Human Rights/Ethical Corporate Management and Environmental Sustainability	42 suppliers/88%	
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5. Does the Company refer to international standards or guidelines in the preparation of its reports, such as Sustainability Report/ESG Report, that disclose non-financial information? Has the Company obtained a third-party verification or assurance opinion on previously-disclosed reports?	✓		<p>The Company prepared its first Sustainability Report in 2023 based on internationally recognized reporting frameworks and guidelines for non-financial information. The report has been disclosed on the Market Observation Post System (MOPS) and the Company's official website. However, it has not yet obtained assurance or verification opinions from a third-party assurance provider.</p> <p>The Company has established the Practical Rules for Sustainable Development and published it on both the TWSE MOPS and the Company's website. These rules aim to implement sustainability in day-to-day operations and activities by actively promoting the Company's governance and providing employees with a good work environment.</p> <p>The data collection and preparation of the 2024 Sustainability Report are currently underway. The report will adopt internationally recognized frameworks or guidelines to disclose the Company's sustainability practices. The Company will also strive to complete third-party assurance or verification to enhance the reliability of non-financial information disclosure.</p>	No significant differences						
<p>6. If the Company has established the sustainable development principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the principles and their implementation:</p> <p>The Company has established the Practical Rules for Sustainable Development, and continues to push for the implementation of sustainable development for corporations, which is largely similar with the principles.</p>										

Items for advocacy	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
<p>7. Other important information to facilitate better understanding of the Company's sustainable development practices:</p> <p>(1) The Company occasionally participates in charitable activities as a way to give back to the community. In 2023, the Company provided NT\$200,000 in funding to the Grown-up with Hands Family of the Hsinchu County Catholic Shih-Kuang Nursing Home, subscribed to farm products from the Grown-up with Hands Family – Gen-Hsin Farm for 1 year at NT\$20,000, and donated 14 used computer monitors.</p> <p>(2) In 2024, the Company continued to support the Grown-up with Hands Family of the Hsinchu County Catholic Shih-Kuang Nursing Home by providing NT\$200,000 in funding and subscribing to farm products from the Grown-up with Hands Family – Gen-Hsin Farm for 1 year at NT\$20,000. Sponsored the WPG Ladies Golf Open with a contribution of NT\$200,000.</p> <p>(3) In 2025, the Company continued to provide financial support of NT\$200,000 for the Catholic Shih Kuang Social Welfare Foundation – Zhuozhuo Home, and provided vegetable sponsorship for the Gengxin Garden under Zhuozhuo Home amounting to NT\$12,000. The Company also continued to sponsor the WPG Ladies Golf Open with a contribution of NT\$200,000.</p> <p>The Company donated an echocardiography system (valued at NT\$2,082,500) to National Taiwan University Hospital Hsinchu Branch to support enhanced healthcare capacity and promote community healthcare.</p>				

Note 1:

1.Greenhouse Gas Inventory Plan for 2025 for the Parent and Subsidiary Companies

Year	Item No.	Task Description	Implementation Status	Voluntary Disclosure and Expected/Actual Completion Date	Regulation Enactment and Implementation/Disclosure Date
2025	1	Greenhouse Gas Inventory Process: Initiation of GHG Inventory Inventory Boundary: Hsinchu Headquarters/ Mainland China Subsidiaries	Collection of annual activity data and supporting evidence	February 2025 to February 2026	2026
	2	Compilation of GHG Emission List and Preparation of Inventory Report	Planned timeline for information consolidation	April 2026	
	3	Internal Verification	Formulation of internal verification plan Initiation of internal verification	April 2026	
	5	Disclosure at Annual Shareholders Meeting Report	Disclosed self-assessed data in the annual report upon completion of internal verification.	May 2026	
	4	External Assurance (Limited Assurance)	Formulation and initiation of external verification plan Verification body: KPMG Carbon Resource Assurance and Advisory Services Co., Ltd.	May 2026	As a TPEX-listed company with paid-in capital below NT\$2 billion, the Company is required to obtain a verification statement by 2029 and has achieved early compliance.
	6	Completion of GHG Verification	Obtain the 2025 ISO 14064-1 Greenhouse Gas Verification Statement	June 2026	

2.2025 Sustainability Work Plan for the Company and Its Subsidiaries

Year	Item No.	Task Description	Implementation Status	Voluntary Disclosure and Expected/Actual Completion Date	Regulation Enactment and Implementation/Disclosure Date
2025 2025	1	Data Collection by Functional Teams	Collect relevant data for each item and review associated processes	January 2025 – May 2026	Implemented in accordance with applicable laws and regulations. Implemented in accordance with applicable laws and regulations
	2	Periodic Reporting on Operational Status	(1) Data collection by each functional team (2) Progress reporting for short-, medium-, and long-term goals	May 5, 2025 July 25, 2025 October 28, 2025	
	3	Stakeholder Engagement and Identification of Material Topics	(1) Conducted stakeholder and material topic surveys during the designated period (2) Compiled and analyzed survey results (3) Submitted stakeholder engagement outcomes and material topics to the Sustainability Committee for review and approval	September 2025 October 2025 Reviewed by the Sustainability Committee on October 28, 2025 Approved by the Board of Directors on November 5, 2025	
	4	Short-, Medium-, and Long-Term Objectives	Progress Report on Short-, Medium-, and Long-Term Objectives for 2025	Reviewed by the Sustainability Committee on February 24, 2026 Reported to the Board of Directors on March 4, 2026	
			Established Short-, Medium-, and Long-Term Objectives for 2026	Reviewed by the Sustainability Committee on February 24, 2026 Reported to the Board of Directors on March 4, 2026	
	5	Internal Control Audit	Sustainability management data and process audits	March 2026	
	6	Prepared the Sustainability Report in accordance with the Global Reporting Initiative Standards and the Sustainability Accounting Standards Board Standards.	6.1 Collected sustainability-related information from each functional team 6.2 Defined report structure and commenced drafting 6.3 Conducted greenhouse gas inventory and obtained verification statement 6.4 Reviewed and proofread content across all sections 6.5 Performed report design and layout 6.6 Submitted to the Sustainability Committee for approval, followed by Board resolution, and filed on the ESG platform	January-March 2026 March-May 2026 May-June 2026 June 2026 July-August 2026 August 2026	
	7	External Assurance	7.1 Verification Body: KPMG Taiwan 7.2 Scope of Verification: Three indicators 7.3 Verification Period: Mid-June 2026 7.4 Submitted together with the Sustainability Report to the Sustainability Committee for approval, followed by Board resolution, and filed on the ESG platform	Mid-June 2026 Obtained the verification statement following approval by the Board of Directors in August 2026	

2. Implementation Status of Climate-Related Disclosures by TWSE/TPEX-Listed Companies

Item	Implementation Status
<p>1. Climate-Related Information Implementation Status</p> <p>(1). Description of the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>In response to the high uncertainty of climate change and the rapid shifts in policy and market conditions, the Company regularly convenes senior management from various departments to identify significant climate-related risks and opportunities. This approach enables the Company to proactively monitor and assess potential impacts of climate change, stay attuned to market dynamics, and incorporate a more comprehensive perspective into its overall business strategy planning.</p> <p>In March 2024, the Company established the ESG Sustainable Development Committee under the Board of Directors as the primary decision-making and execution body for sustainability at inergy Technology. The Committee is chaired and convened by the Chairperson of the Board and holds regular quarterly meetings. It is responsible for formulating, promoting, and strengthening action plans and capital expenditures related to key sustainability policies across the Group's entities—including climate-related issues. The Committee also reviews, monitors, and revises the implementation and effectiveness of sustainability initiatives and reports the results to the Board of Directors.</p> <p>Under the ESG Sustainable Development Committee, an executive unit—the Management Center—has been established to incorporate sustainability into the Company's operations and key strategic decision-making. The Management Center leads four working groups: the Environmental, Safety, and Health Group; the Employee Relations and Social Engagement Group; the Corporate Governance Group; and the Product and Service Group. It coordinates the implementation of sustainability initiatives across various dimensions and convenes meetings at least twice a year.</p> <p>Since 2023, in addition to regularly overseeing the performance of corporate sustainability-related activities, the ESG Sustainable Development Committee of inergy Technology has supervised the Sustainability Execution Task Force. This task force is responsible for gathering issues of concern from stakeholders and monitoring domestic and international regulatory and policy developments. Meetings are held semi-annually, during which each working group reports on their implementation progress. The Committee also regularly reviews inergy Technology's sustainability strategies and short- to medium-term plans, making adjustments as necessary in response to actual circumstances. It reports to the Board of Directors on matters such as sustainability</p>

Item	Implementation Status			
	management strategies and goals, annual sustainability project performance, and greenhouse gas inventory results, while also committing to the continued promotion and execution of the Company's sustainability management strategies and objectives.			
2. Description of how the identified climate-related risks and opportunities impact the Company's business, strategy, and financial planning over the short, medium, and long term.	Risk/Opportunity	Climate-Related Risks and Opportunities	Potential Impact on Operations and Finance	Response Strategies and Management Policies
3. Description of the financial impacts of extreme weather events and transition actions.	Transition Risk	Policy and Legal	<ul style="list-style-type: none"> ➤The global implementation of carbon taxes and carbon border adjustment mechanisms, along with Taiwan's alignment with the carbon neutrality roadmap, is expected to increase operational costs. As the low-carbon era approaches, companies must accelerate their low-carbon transition. ➤In response to the Climate Change Response Act, companies must account for the energy use of its data center facilities, operational sites, and even employee commuting. If suppliers pass on the cost of carbon taxes due to regulatory compliance, it may lead to increased operating costs and reduced gross profit margins. 	<ul style="list-style-type: none"> ➤The Financial Supervisory Commission (FSC) requires all TWSE/TPEX-listed companies to complete greenhouse gas (GHG) inventory and third-party verification by 2027 and 2029, respectively. Inergy Technology proactively conducted an entity-level GHG inventory in 2023, obtaining the ISO 14064-1 Greenhouse Gas Inventory Verification Statement. In 2024, the Company expanded the scope of its greenhouse gas inventory to cover operations within the consolidated financial reporting scope and obtained an assurance statement following verification by KPMG Taiwan. ➤Inergy Technology regularly

Item	Implementation Status			
				reports the progress and results of its GHG inventory and verification schedule, as well as related internal policies, to the Board of Directors.
		Technology	<ul style="list-style-type: none"> ➤ Whether there is corresponding technical and production model support for the development of low-carbon products. ➤ Investment in technological innovation and development. 	<ul style="list-style-type: none"> ➤ Development of miniaturized chips to reduce carbon emissions during production. ➤ Advancement of battery storage IC technologies and improvement in energy efficiency. ➤ Introduction of qualified manufacturers that adopt low-carbon and low-power-consumption processes.
		Market	<ul style="list-style-type: none"> ➤ Market demand for energy-saving and low-carbon products is growing stronger. Many industries are aligning with international regulations regarding the energy efficiency and carbon footprint of end products. To enhance competitiveness and meet market expectations, customers are significantly reducing their procurement of non-energy-efficient and high-carbon products. If the 	<ul style="list-style-type: none"> ➤ Continue developing high-performance and low-carbon emission products to meet the needs of end-use products and align with international energy-saving trends. ➤ Strengthen customer relationship management: Enhance customer loyalty and purchasing intention through proactive communication and

Item	Implementation Status			
			<p>Company's products fail to meet customer requirements, it may result in declining revenue and the inability to recover early-stage R&D investments.</p> <p>➤ Suppliers and manufacturers may experience increased production costs due to carbon taxes and emissions trading schemes. The transfer of these additional costs to the Company would lead to a rise in operating expenses.</p>	<p>engagement to mitigate revenue loss.</p> <p>➤ Reduce the risk of supply chain disruption: Explore the possibility of adopting a diversified supplier strategy to stabilize raw material sources and meet supply needs; negotiate with suppliers to increase buffer stock levels and improve inventory turnover.</p>
	Physical Risk	Immediate Risk	<p>➤ Increased severity of disasters caused by global extreme weather events, such as typhoons, hurricanes, heavy rainfall, extreme heat, and earthquakes, may result in power outages; disruptions in land, sea, and air transportation; and employee absenteeism. These events could reduce or halt production capacity and delivery, directly or indirectly affecting operations.</p>	<p>➤ To prevent operational losses caused by sudden power outages, an uninterruptible power supply (UPS) system capable of providing power for up to 20 minutes has been installed for the servers.</p> <p>➤ Additional disaster prevention equipment has been procured and upgraded, along with enhanced disaster awareness training and drills for personnel.</p>
		Long-term Risk	<p>➤ The rise in average annual temperatures and the increase in electricity consumption across Taiwan may result in rolling blackouts or even total power</p>	<p>➤ Continue to utilize the intelligent management system to monitor air conditioning, lighting, and temperature and humidity levels in real time.</p>

Item	Implementation Status			
			<p>outages. If electricity is interrupted, all operational equipment and server rooms will cease to function, preventing employees from performing their duties and thereby causing business disruptions.</p> <ul style="list-style-type: none"> ➤ Prolonged periods of high temperatures and heatwaves lead to increased electricity consumption, resulting in higher operating costs. ➤ Insufficient rainfall may cause regional water shortages, which can affect the stability of supply chain processes and even interrupt production. This could damage products currently in production, leading to losses and insufficient production capacity. 	<ul style="list-style-type: none"> ➤ Implement various energy management measures to promote a low-carbon lifestyle, including: <ul style="list-style-type: none"> a. Using appliances and lighting equipment certified with Grade 1 energy efficiency labels. b. Promoting awareness of water and electricity conservation.
	Opportunities	Increase in low-carbon products and services, as well as research and innovation	<ul style="list-style-type: none"> ➤ In response to the global trend of carbon reduction, the Company has expanded its portfolio of low-carbon products, including high-efficiency and low-power chips, cloud-based or AI-related application chips, smart energy-saving chips, and battery storage chips. By developing low-carbon products, the 	<ul style="list-style-type: none"> ➤ Enhance energy efficiency and reduce power consumption across the entire product line, strengthen low-carbon design and processes, and expand product application scenarios. ➤ Seek advanced packaging technologies that improve chip performance while achieving low-carbon and plastic

Item	Implementation Status			
			<p>Company aims to enhance market competitiveness, increase market share, and boost revenue.</p> <ul style="list-style-type: none"> ➤ Invest resources in new product development to ensure alignment with customer expectations. ➤ Ensure that new designs can be supported by corresponding suppliers with low-carbon manufacturing processes. 	<p>reduction goals, and promote the adoption of a low-carbon supply chain.</p> <ul style="list-style-type: none"> ➤ Expand the application of products into new low-carbon and carbon-reduction related fields ➤ Increase product demand and revenue.
		Market	<ul style="list-style-type: none"> ➤ Under the trend of green and low-carbon development, customer and consumer demand for energy-efficient products has increased. The adoption of a green supply chain and green manufacturing processes can enhance customer and investor confidence, thereby boosting the Company's reputation, competitiveness, and overall corporate value. 	<ul style="list-style-type: none"> ➤ Low power and energy saving have become critical global issues. inergy Technology was founded with a focus on energy-saving ICs, and continues to be pursue that mission to this day. ➤ Develop low-carbon products to increase market share: The global trend toward carbon reduction has led to increased demand for low-power and carbon-reducing products. Through the development of such products, the Company can enhance market competitiveness, increase market share, and boost revenue.

Item	Implementation Status		
		Energy Efficiency	<ul style="list-style-type: none"> ➤ In response to global climate change and regulatory requirements on corporate carbon emissions, the government has announced the Sustainable Development Action Plans for TWSE- and TPEX-listed Companies, which aims to achieve net-zero emissions by 2050. ➤ Energy Technology has proactively planned for GHG emissions inventory and management. ➤ With green energy as its core focus, Energy Technology continues to develop high-efficiency, low-power, and low-carbon ICs. ➤ An intelligent management system is utilized to monitor air conditioning, lighting, and temperature and humidity throughout the premises. Outdated and high-energy equipment is gradually replaced, and regular maintenance is conducted to ensure optimal energy efficiency and performance. ➤ Energy-saving awareness is continuously promoted among employees.
4. Description of how climate-related risk identification, assessment, and management processes are integrated into the Company's overall risk	The Board of Directors serves as the highest decision-making body for the Company's risk control and directly oversees the risk governance framework. To strengthen risk assessment and enhance management capabilities, the Board resolved in 2024 to establish the Sustainable Development Committee, which is responsible for identifying and managing risks related to business operations, including both physical and transitional risks associated with climate change, and for leading the planning of corresponding response measures. The Company is committed to keeping risks arising from business activities within acceptable levels by establishing sound risk management		

Item	Implementation Status
management framework.	principles. A Risk Management Task Force conducts risk identification and analysis across seven major aspects—operations, finance, geopolitical, legal compliance, ESG, human resources, and information security—based on the scope of each department’s responsibilities. The task force also updates the annual key risk identification matrix. Based on the identified risks, each department formulates response strategies, and the task force integrates and manages risks that may affect the Company’s operations and profitability. At least once a year, the task force reports to the Board of Directors on the status of risk management implementation and control, and it monitors and reviews the performance of the management team in executing risk management, with the goal of strengthening the Company’s organizational resilience.
5. If scenario analysis is used to assess the resilience of the Company in the face of climate change risks, the applied scenarios, parameters, assumptions, analytical factors, and key financial impacts should be described.	Not applicable.
6. If there is a transition plan to manage climate-related risks, the content of the plan should be described, along with the metrics and targets used to identify and manage physical and transition risks.	
7. If internal carbon pricing is used as a planning tool, the basis for determining the price should be disclosed.	
8. If climate-related targets have been set, information	

Item	Implementation Status
<p>should be disclosed regarding the covered activities, greenhouse gas emission scopes, planning timelines, and annual progress toward achievement. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet the targets, the sources and quantities of the offsets or the number of RECs used should also be disclosed.</p>	
<p>9. Greenhouse gas inventory and assurance status, reduction targets, strategies, and action plans (Additional details to be provided in Sections 1-1 and 1-2)</p>	<p>Please provide a description of the Company's greenhouse gas inventory and assurance status for the past 2 years.</p>
<p>Greenhouse Gas Inventory and Assurance Status for the Past 2 Years</p>	
<p>1. Disclosure of greenhouse gas emissions (metric tons CO₂e), emission intensity (metric tons CO₂e per NT\$1 million), and data coverage scope for the past 2 years</p>	<p>The greenhouse gas (GHG) inventory data for the past 2 years have been compiled based on the operational control approach (or other approaches adopted by the Company, such as the equity share approach or financial control approach). The data include GHG emissions from the Company and all subsidiaries included in the consolidated financial statements. The details are as follows:</p>

Item	Implementation Status							
	Inventory Boundary	Scope	2024		2025			
			Emissions (metric tons CO ₂ e)	Emission Intensity (metric tons CO ₂ e/NT\$1 million revenue)	Emissions (metric tons CO ₂ e)	Emission Intensity (metric tons CO ₂ e/NT\$1 million revenue)		
	The Company	Scope 1 Direct GHG Emissions	27.3999	Not applicable.	157.6034	Not applicable.		
		Scope 2 Indirect GHG Emissions (from energy consumption)	298.3549		339.7457			
		Scope 3 – Other Indirect Emissions	312.0359		481.8617			
		Subtotal	637.7907		0.5900		979.2108	0.6981
	All subsidiaries included in the consolidated financial statements	Scope 1 Direct GHG Emissions	27.5529	Not applicable.	0.1530	Not applicable.		
		Scope 2 Indirect GHG Emissions (from energy consumption)	307.2257		15.7785			
		Scope 3 – Other Indirect Emissions	334.6018		15.9260			
		Subtotal	669.3804		0.6118		31.8575	2.879

Item	Implementation Status																																	
	<p>Note 1: Direct emissions (Scope 1) refer to GHG emissions from sources that are owned or controlled by the Company. Energy indirect emissions (Scope 2) refer to GHG emissions resulting from the generation of purchased electricity, heat, or steam consumed by the Company. Other indirect emissions (Scope 3) refer to emissions that are a consequence of the Company’s activities, but occur from sources not owned or directly controlled by the Company.</p> <p>Note 2: The coverage of direct emissions and energy indirect emissions must comply with the timeline specified in Article 10, Paragraph 2 of the applicable regulation. Information on other indirect emissions may be disclosed voluntarily.</p> <p>Note 3: GHG inventory standards are based on either the Greenhouse Gas Protocol or ISO 14064-1 as published by the International Organization for Standardization (ISO).</p> <p>Note 4: Emission intensity may be calculated per unit of product/service or revenue. However, at a minimum, emission intensity calculated based on revenue (NT\$1 million) shall be disclosed.</p>																																	
<p>2. Disclosure of the assurance status for the past 2 years as of the date of publication of the annual report, including the scope of assurance, assurance provider, assurance standards, and assurance opinion.</p>	<p>The following outlines the GHG assurance status over the past 2 years for the Company and its subsidiaries included in the consolidated financial statements:</p> <table border="1" data-bbox="595 699 2038 1396"> <thead> <tr> <th colspan="2" data-bbox="595 699 1339 770">Scope of Assurance</th> <th data-bbox="1339 699 1677 770">2024 Emissions (metric tons CO₂e)</th> <th data-bbox="1677 699 2038 770">2025 Emissions (metric tons CO₂e)</th> </tr> </thead> <tbody> <tr> <td data-bbox="595 770 831 1098" rowspan="5">The Company</td> <td data-bbox="831 770 1339 842">Scope 1 Direct Greenhouse Gas Emissions</td> <td data-bbox="1339 770 1677 842">27.3999</td> <td data-bbox="1677 770 2038 842">Note</td> </tr> <tr> <td data-bbox="831 842 1339 914">Scope 2 Indirect Greenhouse Gas Emissions</td> <td data-bbox="1339 842 1677 914">298.3549</td> <td data-bbox="1677 842 2038 914">Note</td> </tr> <tr> <td data-bbox="831 914 1339 986">Scope 3 Other Indirect Emissions</td> <td data-bbox="1339 914 1677 986">312.0359</td> <td data-bbox="1677 914 2038 986">Note</td> </tr> <tr> <td data-bbox="831 986 1339 1026">Total</td> <td data-bbox="1339 986 1677 1026">637.7907</td> <td data-bbox="1677 986 2038 1026">Note</td> </tr> <tr> <td data-bbox="831 1026 1339 1098">Percentage of Total Emissions Disclosed in Section 1-1-1</td> <td data-bbox="1339 1026 1677 1098">100%</td> <td data-bbox="1677 1026 2038 1098">Note</td> </tr> <tr> <td data-bbox="595 1098 831 1396" rowspan="4">All subsidiaries included in the consolidated financial statements</td> <td data-bbox="831 1098 1339 1169">Scope 1 Direct Greenhouse Gas Emissions</td> <td data-bbox="1339 1098 1677 1169">27.5529</td> <td data-bbox="1677 1098 2038 1169">Note</td> </tr> <tr> <td data-bbox="831 1169 1339 1241">Scope 2 Indirect Greenhouse Gas Emissions</td> <td data-bbox="1339 1169 1677 1241">307.2257</td> <td data-bbox="1677 1169 2038 1241">Note</td> </tr> <tr> <td data-bbox="831 1241 1339 1281">Total</td> <td data-bbox="1339 1241 1677 1281">334.6018</td> <td data-bbox="1677 1241 2038 1281">Note</td> </tr> <tr> <td data-bbox="831 1281 1339 1396">Percentage of Total Emissions Disclosed in Section 1-1-1</td> <td data-bbox="1339 1281 1677 1396">100%</td> <td data-bbox="1677 1281 2038 1396">Note</td> </tr> </tbody> </table>	Scope of Assurance		2024 Emissions (metric tons CO ₂ e)	2025 Emissions (metric tons CO ₂ e)	The Company	Scope 1 Direct Greenhouse Gas Emissions	27.3999	Note	Scope 2 Indirect Greenhouse Gas Emissions	298.3549	Note	Scope 3 Other Indirect Emissions	312.0359	Note	Total	637.7907	Note	Percentage of Total Emissions Disclosed in Section 1-1-1	100%	Note	All subsidiaries included in the consolidated financial statements	Scope 1 Direct Greenhouse Gas Emissions	27.5529	Note	Scope 2 Indirect Greenhouse Gas Emissions	307.2257	Note	Total	334.6018	Note	Percentage of Total Emissions Disclosed in Section 1-1-1	100%	Note
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Item	Implementation Status		
	Assurance Provider	KPMG Taiwan	Note
	Description of Assurance Scope	ISO 14064-1: 2018 TWSAE 3410	Note
	Assurance Opinion / Conclusion	Categories 1 and 2 – Reasonable Assurance Categories 3 and 4 – Limited Assurance	Note
	<p>Note: As the Company had not yet obtained the complete GHG assurance opinion as of the date of publication of this annual report, the full assurance information will be disclosed in the Sustainability Report and included in the following year’s annual report.</p>		
<p>3. Disclosure of the base year and data for GHG emission reduction, reduction targets, strategies and action plans, and progress toward achieving the targets.</p>	<p>Base Year and GHG Emission Reduction Targets The Company has designated 2023 as the base year for its GHG emissions inventory. The organizational boundary for the inventory includes the Company only (excluding subsidiaries). The Company completed its GHG inventory for 2023 in accordance with the international standard ISO 14064-1: 2018. GHG inventory results are disclosed annually, and improvement targets are established accordingly. The Company reviews carbon reduction performance on a yearly basis and has set a target to reduce energy intensity by 1% within 3 years.</p> <p>GHG Emission Reduction Strategies and Action Plans In response to global energy-saving and carbon-reduction policies, the Company has implemented the following measures:</p> <ol style="list-style-type: none"> 1. Introduce intelligent energy-saving systems to monitor the usage and flow of energy related to air conditioning, lighting, and temperature and humidity control. 2. Promote energy-saving practices such as turning off lights, air conditioning, and computers after work, and regularly shutting down unnecessary energy-consuming equipment. 3. Conduct regular inspections of energy-related office equipment and prioritize the procurement of high-efficiency products with environmental and energy-saving certifications. 4. Encourage employees to use public transportation, electric vehicles, or carpooling to help reduce energy intensity. 5. Promoted paperless operations and reduced the use of single-use tableware to minimize waste generation at the source. <p>Progress Toward Emission Reduction Target: None</p>		

(6) Implementation of Ethical Corporate Management and Explanation of Differences, If Any, from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons Thereof

Evaluation item	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
1. Establishment of Ethical Corporate Management Best Practice Principles and programs				
(1) Has the Company established an ethical corporate management policy that has been approved by the Board of Directors, and clearly stated the ethical corporate management policy and practices, as well as the commitment of the Board of Directors and the top management to actively implementing the management in the Articles of Incorporation and external documents?	✓		(1) The Company has in place Ethical Corporate Management Best Practice Principles and Principles for Ethical Actions, both acting as guidance for the Company's Board of Directors and managing leaders to operate with honesty and integrity. The managing team follows the Company Act, the Securities and Exchange Act and other laws relevant to commercial actions while grounded in the spirit of running the Company with honesty and integrity, and ensuring to remain so when managing operations internally and in handling external commercial activities.	No significant differences
(2) Has the Company established a mechanism to assess unethical conduct risks? Does that Company regularly analyze and evaluate the business activities within its scope of business that have a higher risk of unethical conduct? Has the Company accordingly formulated a plan to prevent unethical conduct, covering at a minimum the preventive measures for the acts mentioned in Article 7-2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		(2) The Company's Ethical Corporate Management Best Practice Principles states that committing bribery and receiving bribes, inappropriate charity donations or sponsors, the provision or acceptances of unreasonable gifts, services or other inappropriate benefits, the infringement of business secrets, trademark rights, patent rights, copyrights and other intellectual property rights, acts or products of unfair competition, directly or indirectly damaging consumers' rights, health and safety or that of stakeholders while doing R& D, purchase, manufacturing, providing or selling services are all prohibited. The Company has also established Work Principles and Methods for Reporting Dishonest and Illegal Actions, and along with the rest of the internal control system, are all means of prevention.	No significant differences

Evaluation item	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
(3) Whether the Company has stipulated the operating procedures, conduct guidelines, disciplinary actions against violations as well as grievance system in the plan to prevent unethical conducts, implemented the execution thereof, and regularly reviewed and revised the aforementioned plan?	✓		(3) The Company's Ethical Corporate Management Best Practice Principles and Principles for Ethical Actions prohibit actions that are dishonest, and on top of these guidelines, there is also Methods for Reporting Dishonest and Illegal Actions in place, with an email for reporting, to be published on the Company website, providing the means and channels for dishonest or illicit actions to be reported and handled accordingly. The Company will also be monitoring the most recent laws, regulations or updates at all times, for reflection and amendments.	No significant differences
2. The Materialization of Ethical Management				
(1) Has the Company evaluated the record on ethical practices of its counterparties, and has specified the clause of business ethic in the agreements binding the Company and its counterparties?	✓		(1) The Company has signed the Supplier Code of Conduct and the Commitment to Ethical Corporate Management and Environmental Sustainability with its clients and suppliers. It has also established the Customer Credit Management Guidelines and Supplier Management Procedures as the basis for conducting credit investigations on clients and supplier evaluations, respectively. These measures are implemented to carefully select trading counterparts and to prevent unethical business activities.	No significant differences
(2) Has the Company established a dedicated unit under the Board of Directors to promote ethical corporate management, and to report to the Board of Directors on a regular basis (at least once a year) regarding Ethical Corporate Management Best Practice Principles and plans, in order to prevent unethical conduct and to monitor their implementation?	✓		(2) The Management Office is designated as the responsible unit for ethical corporate management. It has established the Code of Ethical Conduct and the Ethical Corporate Management Best Practice Principles, which are incorporated into the Company's employee regulations. The Management Office also takes the lead in overseeing legal compliance matters. The promotion and implementation of ethical corporate management and the prevention of unethical conduct are led by the President. The implementation status is reported to the Board of Directors annually to ensure the Company's commitment to ethical corporate practices. Additionally, the Audit Office conducts regular audits of the Company's internal control system in accordance with the annual audit plan to ensure effective supervision of ethical	No significant differences

Evaluation item	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons										
	Yes	No	Summary											
(3) Has the Company mapped out the policy for the avoidance of the conflict of interest and has provided suitable channels for such purpose, and properly pursued the policy?	✓		<p>corporate management implementation. Reports concerning the Company’s ethical corporate management policies, programs for the prevention of unethical conduct, and the status of supervision and implementation were presented to the Board of Directors at the following meetings:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Meeting Title</th> </tr> </thead> <tbody> <tr> <td>March 5, 2026</td> <td>5th Meeting of the 7th Board of Directors</td> </tr> <tr> <td>February 21, 2025</td> <td>12th Meeting of the 6th Board of Directors</td> </tr> <tr> <td>March 5, 2024</td> <td>8th Meeting of the 6th Board of Directors</td> </tr> <tr> <td>March 8, 2023</td> <td>4th Meeting of the 6th Board of Directors</td> </tr> </tbody> </table> <p>(3) The Company has established the “Code of Ethical Corporate Management” and the “Code of Ethical Conduct” to regulate and prevent conflicts of interest. If a director, managerial officer or other relevant personnel of the Company is an interested party in relation to an agenda item concerning a material decision or transaction in a Board of Directors meeting, they are to be recused and refrain from participating in discussions or votes due to being an interested party.</p>	Date	Meeting Title	March 5, 2026	5th Meeting of the 7th Board of Directors	February 21, 2025	12th Meeting of the 6th Board of Directors	March 5, 2024	8th Meeting of the 6th Board of Directors	March 8, 2023	4th Meeting of the 6th Board of Directors	No significant differences
Date	Meeting Title													
March 5, 2026	5th Meeting of the 7th Board of Directors													
February 21, 2025	12th Meeting of the 6th Board of Directors													
March 5, 2024	8th Meeting of the 6th Board of Directors													
March 8, 2023	4th Meeting of the 6th Board of Directors													
(4) Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management? Has the internal auditing unit prepared an audit plan based on the assessment results for unethical conduct risks, and checked compliance with the unethical conduct prevention plan accordingly, or appointed a CPA to conduct the audit?	✓		<p>(4) In order to reasonably ensure the results and efficiency of operations, and the reliability, timeliness, transparency of reports and the compliance of relevant regulations and laws, the Company has an accounting system and internal control system in place (several parts relevant to directors, trading partners and employees are listed in the following summarization), in addition to the internal auditing carried out by the audit office in accordance with the annual audit plan, professional accounting firms are entrusted to conduct evaluations regularly, all in the spirit of operating the Company with honesty and integrity.</p> <p>1. Article 15 of the Company’s Rules of Procedure for Board of Directors Meetings mentions the recusal procedure for directors who are stakeholders; when the director or the corporation they represent is likely to prejudice the interest of this Corporation regarding items on the Board of Directors meeting agenda, that director</p>	No significant differences										

Evaluation item	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons												
	Yes	No	Summary													
(5) Has the Company organized internal and external training on ethical management?	✓		<p>may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.</p> <p>2. The Company has in place the Rules for Managing Client Credit Operations and the Rules for Managing Supplier Operations respectively, to be used as a basis when conducting credit checks for clients and evaluating suppliers, to choose transaction partners with caution and avoid commercial activity that is dishonest and without integrity.</p> <p>3. Article 8 of the Company's Work Principles state that the employees' handling of official business must adhere to the principles of honesty and integrity, and states in the employees' hiring contract that they are not to be involved in corruption and malpractices, accept gifts from others or other violations, and has arranged in the educational training for new hires a briefing titled Information Security. Additionally, all employees have signed an Employee Non-disclosure Agreement.</p> <p>(5) The Company has published the Ethical Corporate Management Best Practice Principles and the Principles for Ethical Actions, as well as relevant regulations, on the TWSE MOPS and the Company website for employees and stakeholders' perusal at all times, to publicize the Company's ideals and principles in operating with honesty and integrity.</p> <p style="text-align: center;">2025 training courses</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Lecture</th> <th>Hours</th> <th>Number of person</th> </tr> </thead> <tbody> <tr> <td>Jul. 23, 2025</td> <td>Prevention of Insider Trading and Short-Swing Profit Recapture Rights</td> <td>2H</td> <td>30</td> </tr> <tr> <td>2025</td> <td>New Employee Orientation Training</td> <td>6H</td> <td>29</td> </tr> </tbody> </table>	Date	Lecture	Hours	Number of person	Jul. 23, 2025	Prevention of Insider Trading and Short-Swing Profit Recapture Rights	2H	30	2025	New Employee Orientation Training	6H	29	No significant differences
Date	Lecture	Hours	Number of person													
Jul. 23, 2025	Prevention of Insider Trading and Short-Swing Profit Recapture Rights	2H	30													
2025	New Employee Orientation Training	6H	29													
<p>3. The reporting system of the Company in action</p> <p>(1) Has the Company established a reporting and reward system and the</p>	✓		<p>(1) The Company has in place "Methods for Reporting Dishonest and Illegal Actions", with an email for reporting, to be published on the Company website, providing the</p>	No significant differences												

Evaluation item	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
<p>channels for facilitating the report on unethical practices, and has appointed designated personnel to handle the subject of reporting?</p> <p>(2) Has the Company created a standard operating procedure (SOP) for the investigation of reported matters, follow-up measures to be taken after the completion of the investigation, and relevant confidentiality mechanisms?</p> <p>(3) Has the Company taken protection measures to protect the whistleblower from improper treatment after whistleblowing on unethical practices?</p>	<p>✓</p> <p>✓</p>		<p>means and channels for dishonest or illicit actions to be reported and handled accordingly.</p> <p>(2) The Company has in place "Methods for Reporting Dishonest and Illegal Actions" for dishonest or illicit actions to be reported and handled accordingly, and the identities of whistleblower or the investigators involved in the matter, as well as the contents of the report, the relevant evidence etc., will be kept confidential and protected.</p> <p>(3) The Company has in place "Methods for Reporting Dishonest and Illegal Actions" for dishonest or illicit actions to be reported and handled accordingly, with the promise to protect the whistleblower from being punished unjustly due to the reporting.</p>	<p>No significant differences</p> <p>No significant differences</p>
<p>4. Enhancing Information Disclosure</p> <p>Has the Company disclosed the content of Ethical Corporate Management Best Practice Principles and the result at its official website and MOPS?</p>	<p>✓</p>		<p>The Company has published the Ethical Corporate Management Best Practice Principles and the Principles for Ethical Actions, as well as relevant regulations, on the TWSE MOPS and the Company website.</p>	<p>No significant differences</p>
<p>5. If the company has established its Ethical Corporate Management Best Practice Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"; please describe any discrepancy between the policies and their implementation:</p> <p>The Company has established the Ethical Corporate Management Best Practice Principles, and continues to follow the principles of honesty and integrity, which is largely similar with the principles established.</p>				
<p>6. Other important information to facilitate a better understanding of the company's Ethical Corporate Management Best Practice Principles (e.g., review and amendment of the company's Ethical Corporate Management Best Practice Principles):</p> <p>The Company will also be constantly monitoring the most recent domestic and international developments in honest operations to improve on the current operating policies in place and measures being promoted, and will publish the Company's material financial information on the TWSE MOPS for reporting and announcing each month, for the perusal of investors and stakeholders.</p>				

- (7) Other important information sufficient to facilitate the understanding of the operation of corporate governance may be disclosed together: None.
- (8) The following items regarding the implementation of the internal control system shall be disclosed:
1. Internal Control System Statement: Please refer to appendix 1
 2. If a CPA is appointed to review the internal control system, the review report shall be disclosed: not applicable
- (9) Major resolutions of a shareholders' meeting, Board of Directors meeting, audit committee meeting and remuneration committee meeting during the most recent year or during the current fiscal year up to the date of publication of the annual report.

1. Major resolutions and execution status of the Company's Shareholders' Meeting in 2025.

Date	Major Resolutions	Implementation Status
June 6, 2025 (general meeting)	1. Proposal to approve the 2024 Business Report and Financial Statements. 2. Proposal to approve the 2024 Earnings Distribution Plan.	Resolution approved. The resolution was passed to distribute a cash dividend of NT\$2 per share. Set June 30, 2025 as the ex-dividend record date, and distributed cash dividends on July 11, 2025.
	3. Proposal to approve amendments to certain provisions of the "Articles of Incorporation"	Resolved and approved, and implemented in accordance with the amended provisions.
	4. Proposal to approve the amendment of certain provisions in the Procedures for Acquisition or Disposal of Assets.	Resolved and approved, and implemented in accordance with the amended provisions.
	5. Proposal to approve amendments to certain provisions of the "Rules of Procedure for Shareholders' Meetings"	Resolved and approved, and implemented in accordance with the amended provisions.
	6. Proposal to approve a full re-election of the Board of Directors	1. List of Elected Directors: John Lin, Frank Huang, William Liao, Representative of Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg) - Tony Huang 2. List of Elected Independent Directors: Jaene-Long Jiang, Huang-Zhong Zheng, Mao-Sheng Wu, Hung-Lin Lai
	7. Proposal to approve the lifting of non-compete restrictions for newly elected directors	Resolved and approved.

2. Major resolutions and implementation status of the Board of Directors, Audit Committee, and Remuneration Committee of the Company in 2025 and early 2026 (until March 4, 2026):

Date (term and session)	Major Resolutions	Implementation Status
February 21, 2025 12th Meeting of the 6th Board of Directors	<ol style="list-style-type: none"> 1. Proposal for the 2024 Performance Evaluation Report of the Company’s managerial officers and Internal Audit Supervisor (Note 2) 2. Proposal for the distribution of 2024 remuneration to directors and employees. (Note 2) 3. Proposal to approve the 2024 Business Report and Financial Statements. (Note 1) 4. Proposal for the Distribution of Earnings for 2024 (Note 1) 5. Proposal for the Assessment of the Effectiveness of the Internal Control System and the Internal Control System Statement for 2026. (Note 1) 6. Proposal to amend certain provisions of the “Procedures for Acquisition or Disposal of Assets” (Note 1) 7. Proposal to amend certain provisions of the “Rules of Procedure for Shareholders’ Meetings” (Note 1) 8. Proposal to evaluate the independence and qualifications of the Company’s certifying CPAs with reference to Audit Quality Indicators (AQIs) (Note 1) 9. Proposal for the appointment of certifying CPAs for 2025 (Note 1) 10. Proposal to amend the Company’s pre-approved list of non-assurance services 11. Proposal for a full re-election of the Board of Directors 12. Proposal to lift the non-compete restrictions for newly elected directors 13. Proposal for the nomination and qualification review of candidates for the election of directors (including independent directors) 14. Proposal to define “entry-level employees” of the Company 15. Proposal to amend certain provisions of the Company’s “Articles of Incorporation” (Note 1) 16. Proposal for the date and agenda of the Company’s 2025 Annual General Meeting 17. Proposal to handle shareholder written proposals and matters related to the nomination rights of director (including independent director) candidates for the 2025 Annual General Meeting 18. Proposal for the Company’s credit facilities with financial institutions 	Implemented in accordance with the resolution
May 7, 2025 13th Meeting of the 6th Board of Directors	<ol style="list-style-type: none"> 1. Proposal for the adjustment of remuneration for the Company’s managerial officers and chief audit executive for 2025 (Note 2) 2. Proposal for the distribution of directors’ remuneration, and employee compensation for managerial officers and the Internal Audit Supervisor for 2024 (Note 2) 3. Proposal to establish the Company’s “First Share Repurchase (First in 2025) Transfer to Employees Plan” (Note 2) 4. Proposal for the Company’s consolidated financial statements for the first quarter of 2025 (Note 1) 5. Proposal to amend certain provisions of the “Organizational Regulations of the Remuneration Committee” 6. Proposal to amend certain provisions of the “Organizational Regulations of the Audit Committee” 7. Proposal to amend certain provisions of the “Corporate Governance Best Practice Principles” 8. Proposal to amend certain provisions of the “Rules of Procedure for Board of Directors Meetings” 9. Proposal to amend the internal control system for the payroll cycle (Note 1) 	Implemented in accordance with the resolution

Date (term and session)	Major Resolutions	Implementation Status
	10. Proposal for the Company’s credit facilities with financial institutions	
June 3, 2025 14th Meeting of the 6th Board of Directors	1. Proposal for the acquisition of production testing equipment by the Company 2. Proposal for the Company’s first share repurchase	Implemented in accordance with the resolution
June 6, 2025 1st meeting of the 7th Board of Directors	1. Proposal for the election of the Chairperson of the 7th Board of Directors 2. Proposal for the appointment of members of the 4th Remuneration Committee	Implemented in accordance with the resolution
August 1, 2025 2nd Meeting of the 7th Board of Directors	1. Proposal for the Company’s business report and financial statements for the second quarter of 2025 (Note 1) 2. Proposal to approve the 2024 Sustainability Report 3. Proposal to revise the adjustment mechanism for the variable portion of employee compensation for managerial officers, together with amendments to certain provisions of the “Remuneration Policy and Payment Guidelines for Directors, Functional Committee Members, and Managerial Officers” (Note 2) 4. Proposal to adjust the distribution of employee compensation for managerial officers and the Internal Audit Supervisor for 2024 (Note 2) 5. Proposal to amend the Company’s “First Share Repurchase (First in 2025) Transfer to Employees Plan” (Note 2) 6. Proposal for the appointment of members of the 2nd Sustainability Development Committee (Note 2) 7. Proposal to renew liability insurance coverage for directors and key officers	Implemented in accordance with the resolution
September 11, 2025 3th Meeting of the 7th Board of Directors	1. Proposal for the acquisition of office real estate in Phase 8 of Tai Yuen Hi-Tech Industrial Park by the Company 2. Proposal for the review and approval of the Company’s internal audit reports, annual audit plan, actual implementation report filings, and statements on improvements of internal control deficiencies and irregularities 3. Proposal to establish the “Procedures for Share Repurchase Operations” 4. Proposal to classify certain accounts receivable as non-loan in nature, where, as of August 2025, such receivables have exceeded normal credit terms by more than three months and are of significant amounts 5. Proposal for the Company’s credit facilities with financial institutions	Implemented in accordance with the resolution
November 5, 2025 4th Meeting of the 7th Board of Directors	1. Proposal for the Company’s consolidated financial statements for the third quarter of 2025 (Note 1) 2. Proposal for the Company’s budget for 2026 3. Proposal for the Company’s 2025 audit plan and internal audit resource plan 4. Proposal to amend the “Authorization Matrix” and the “Delegation of Authority Policy” 5. Proposal to amend the “Sustainability Development Best Practice Principles” and the “Code of Ethical Corporate Management” 6. Proposal to amend the “Internal Control System (General Principles),” the “Detailed Rules for Internal Audit Implementation,” and the “Procedures for Self-Assessment of Internal Control System” (Note 1) 7. Proposal to appoint the executive director and supervisor of the subsidiary, Guanghong Power Driver (Shenzhen) Electronics R&D Technology Co., Ltd. 8. Proposal to approve the stakeholders and material topics to be disclosed in the 2025 Sustainability Report 9. Proposal for the Company’s credit facilities with financial institutions	Implemented in accordance with the resolution
November 27, 2025 5th Meeting of the 7th Board of Directors	1. Proposal for the private placement of common shares by the Company (Note 1) 2. Proposal for the date and agenda of the Company’s first extraordinary shareholders’ meeting in 2026	Implemented in accordance with the resolution
March 4, 2026 6th Meeting of the 7th Board of	1. Proposal for the 2025 performance evaluation report of the Company’s managerial officers and Internal Audit Supervisor (Note 2)	Implemented in accordance with the

Date (term and session)	Major Resolutions	Implementation Status
Directors	2. Proposal for the subscription list and share transfer agreements for the Company's first share repurchase in 2025 to be transferred to managerial and non-managerial employees (Note 2) 3. Proposal for the Company's parent company only financial statements, consolidated financial statements, and business report for 2025 (Note 1) 4. Proposal for the distribution of earnings for 2025 (Note 1) 5. Proposal for the 2025 evaluation of the effectiveness of the internal control system and the Internal Control System Statement (Note 1) 6. Proposal to amend certain provisions of the payroll cycle (Note 1) 7. Proposal to amend certain provisions of the "Code of Ethical Conduct" (Note 1) 8. Proposal to amend certain provisions of the "Procedures for Loaning of Funds to Others" and the "Procedures for Endorsement and Guarantee" (Note 1) 9. Proposal to evaluate the independence and qualifications of the Company's certifying CPAs with reference to Audit Quality Indicators (AQIs) (Note 1) 10. Proposal for the appointment of certifying CPAs for 2026 (Note 1) 11. Proposal to lift the non-compete restrictions for directors and independent directors (Note 1) 12. Proposal for the date and agenda of the Company's 2026 Annual General Meeting	resolution

Note 1: In accordance with Article 14-5 of the Securities and Exchange Act, the proposals approved by the Audit Committee meeting were submitted to the Board of Directors meeting for resolution on the same day.

Note 2: In accordance with Article 7 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange, the proposals approved by the Remuneration Committee meeting, were submitted to the Board of Directors meeting for a resolution on the same day.

- (10) Where, during the most recent year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None

4. Information on the professional fees of the attesting CPAs

(1) Professional fees of the CPAs

Unit: NT\$1,000

Accounting Firm	Names of CPAs	Duration of Audit	Audit fee	Non-Audit fee (note)	Total	Note (Service option/amount of public expenses)
KPMG Taiwan	Yun-Chu Yang	January 1, 2025 - December 31, 2025	2,620	624	3,244	Non-audit public expenses include the following: 1 Non-audit public expenses include the following: 1. Transfer pricing deeds / 100 2. Tax compliance audit and the compensation examination form for full-time employees who are not in managing positions /30 3. Industry and business registration / 10 4. Provisional payment of income tax / 100 5. Greenhouse Gas Assurance Services / 160 6. Reimbursements for travel, paperwork, printing expenses etc. /224
	Ya-Lin Chen					

Note: The list of non-audit fee is shown in the note column, with the service options listed as well.

(2) If there is a change in the accounting firm, and the audit fees paid for the fiscal year in which the change took place are lower than those paid for the fiscal year immediately preceding the change: There is no such situation.

(3) When the audit fees paid for the current fiscal year are lower than those paid for the immediately preceding fiscal year by 10% or more: There is no such situation.

5. Information on replacement of CPA

There is no such situation.

6. Where the company's chairman, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPA or at an affiliated enterprise of such accounting firm

There is no such situation.

7. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent

- (1) Instances in which a major quantity of shares belonging to directors, supervisors, managerial officer or shareholders holding greater than a 10 percent stake in the Company is transferred or otherwise changes hands in recent years up to the date of publication of the annual report

Unit: Shares

Title	Name	2025		As of April 17, 2026	
		Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares	Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares
Chairman and President	John Lin	—	—	—	—
Director	Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)	—	—	—	—
	Representative: Tony Huang	—	—	—	—
Director	Frank Huang	—	—	—	—
Director and vice president	William Liao	—	—	—	—
Independent director	Huang-Zhong Zheng	—	—	—	—
Independent director	Hung-Lin Lai	—	—	1,000	—
Independent director	Mao-Sheng Wu	—	—	—	—
Independent director	Jaene-Long Jiang	—	—	—	—
Vice president of Power Device Affairs Office	Victor Lin	—	—	(9,000)	—
Senior Manager of Management Office	Angel Pan	—	—	—	—
Major Shareholder	Motech Industries Inc.	—	—	—	—

- (2) Information on the counterparty in the any transfer of equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent is a related party: There is no such situation.
- (3) Information on the counterparty in any such pledge of equity interests is a related party: There is no such situation.

8. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

April 17, 2026; Unit: Shares; %

Name	Own shareholdings		Shares Held by Spouse & minor children		Shareholdings held through nominees		If there are related parties, spouses, kindred within the 2nd degree of kinship among the 10 largest shareholders, give the names and affiliations of such shareholders		Note
	Number of Shares	Ratio of share-holding	Number of Shares	Ratio of share-holding	Number of Shares	Ratio of share-holding	Title (or name)	Relation	
Motech Industries, Inc.	8,558,750	18.72	—	—	—	—	—	—	—
Representative: Yung-Hui Tseng	—	—	—	—	—	—	—	—	—
Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg), under the custody of Yuanta Commercial Bank	3,380,000	7.39	—	—	—	—	—	—	—
Representative: Yu-Shu Yu	—	—	—	—	—	—	—	—	—
John Lin	1,294,540	2.83	416,000	0.91	—	—	—	—	—
Citibank (Taiwan) Commercial Bank, Ltd., as custodian for the UBS Europe SE investment account	1,188,000	2.60	—	—	—	—	—	—	—
William Liao	1,120,220	2.45	359,503	0.78	—	—	—	—	—
Ti-Yu Hsiao	780,520	1.71	—	—	—	—	—	—	—
Chung-Yao Ni	728,034	1.59	—	—	—	—	—	—	—
Tsung-Lin Wu	529,496	1.16	—	—	—	—	—	—	—
Yuanta Securities Co., Ltd. – Securities Lending Account	493,322	1.08	—	—	—	—	—	—	—
Chih-Hua Jao	440,000	0.96	—	—	—	—	John Lin	Spouse's Younger Brother	—

9. The total number of shares held in any single enterprise by the Company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company; and combined overall shareholding ratio.

Unit: Shares; %

Investee (note 1)	Investment made by the Company		Investment made by directors, supervisors, managerial official and direct or indirect subsidiaries		Combined investment	
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio
inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	Note	100%	0	0	Note	100%

Note: This is a limited company with no shares issued.

III. Capital Overview

1. Capital and Shares

(1) Sources of Capital Stock

1. Formation process of Capital Stock

Unit: 1000 shares; NT\$1,000

Period	Price at issuance (NT\$)	Authorized capital stock		Paid in capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital Stock	Property other than cash is paid by subscribers	Other
November 2007	10	8,000	80,000	8,000	80,000	Capital stock at establishment	—	Note 1
November 2008	11	20,000	200,000	13,600	136,000	Capital increased by cash	—	Note 2
January 2010	15	20,000	200,000	20,000	200,000	Capital increased by cash and technical know-how other than cash	Technical pricing 1,400,000 shares	Note 3
May 2011	12	35,000	350,000	26,500	265,000	Capital increased by cash	—	Note 4
May 2013	10	50,000	500,000	35,100	351,000	Capital increased by cash	—	Note 5
August 2018	10	50,000	500,000	38,140	381,400	3,040,000 shares converted into employee stock option certificates	—	Note 6
December 2018	35	50,000	500,000	40,640	406,400	Capital increased by cash	—	Note 7
March 2022	116	50,000	500,000	45,720	457,200	Initial OTC cash capital increases	—	Note 8

Effective (approval) date and document number:

Note 1: Approved by Letter Ching-shou-chung-tzu-ti-09632989370 on record dated November 1, 2007.

Note 2: Approved by Letter Ching-shou-chung-tzu-ti-09733440480 on record dated November 13, 2008.

Note 3: Approved by Letter Ching-shou-chung-tzu-ti-09835274430 on record dated January 6, 2010.

Note 4: Approved by Letter Ching-shou-chung-tzu-ti-10031998920 on record dated May 13, 2011.

Note 5: Approved by Letter Ching-shou-chung-tzu-ti-10233485700 on record dated May 15, 2013.

Note 6: Approved by Letter Ching-shou-chung-tzu-ti-10733495050 on record dated August 23, 2018.

Note 7: Approved by Letter Ching-shou-chung-tzu-ti-10733719020 on record dated December 5, 2018.

Note 8: Approved by Letter Ching-shou-chung-tzu-ti-11133140070 on record dated March 11, 2022.

2. Type of Share

June 18, 2025; Unit: Shares

Type of share	Authorized Capital Stock			Note
	Outstanding shares	Unissued share	Total	
Ordinary share	45,720,000	14,280,000	60,000,000	TPEX listed

(2) List of Major Shareholders

April 17, 2026; Unit: Shares; %

Name of major shareholder	Shares	Shareholding	Shareholding ratio
Motech Industries, Inc.		8,558,750	18.72
DIODES TAIWAN S.A R.L., TAIWAN BRANCH (LUXEMBOURG), under the custody of Yuanta Commercial Bank		3,380,000	7.39
John Lin		1,294,540	2.83
Citibank (Taiwan) Commercial Bank, Ltd., as custodian for the UBS Europe SE investment account		1,188,000	2.60
William Liao		1,120,220	2.45
Ti Yu Hsiao		780,520	1.71
Chung-Yao Ni		728,034	1.59
Tsung-Lin Wu		529,496	1.16
Yuanta Securities Co., Ltd. – Securities Lending Account		493,322	1.08
Chih-Hua Jao		440,000	0.96

(3) The Company's dividend policy and implementation thereof

1. Stock dividend policies as stated by the Company's Articles of Incorporation

The Company is a technology enterprise characterized by high R&D intensity and is currently in a growth phase. To support long-term capital planning and ensure sustainable operations and stable growth, the Company adopts a residual dividend policy. When distributing dividends to shareholders, the Company considers factors such as capital budget planning, financial structure, and funding needs for future operational plans. Each year, no less than 10% of the accumulated distributable earnings are allocated as shareholder dividends. However, if the accumulated distributable earnings are less than 10% of the paid-in capital, the dividends may be withheld.

No dividends will be distributed in the absence of earnings. Dividends may be distributed in the form of stock dividends or cash dividends; however, cash dividends cannot be less than 10% of the total dividends distributed for the year.

2. Distribution of dividends as proposed by the shareholders' meeting

The Board of Directors meeting held on March 4, 2026, proposed the distribution of the Company's 2025 earnings as follows. After the proposal is approved by the regular shareholders meeting on June 15, 2026, authorization will be given to the Chairman to set the ex-dividend date.

inergy Technology Inc.
Earnings Distribution Table
2025

Currency: NTD

Category	Amount
Beginning undistributed earnings	\$49,048,012
Add: 2025 net profit after tax	(3,995,989)
Appropriations	
Legal reserve (10%)	0
Special reserve	(3,591,813)
Accumulated distributable earnings	41,460,210
Dividend to shareholders - in cash (NT\$0.6 per share)	(27,027,600)
Ending undistributed earnings	14,432,610

Chairman: John Lin	Manager: John Lin	Chief Accountant: Angel Pan
[With seal: John Lin]	[With seal: John Lin]	[With seal: Angel Pan]

- Note:
1. As stipulated in Decree No. 871941343 by the MOF dated April 30, 1998, the distribution of earnings shall adopt an individual identification method. Therefore, the most recent year's earnings is prioritized for the current year's distribution of earnings.
 2. Dividends and bonuses to shareholders amounting to NT\$27,027,600 will be distributed from 2025 earnings, with a planned cash dividend of NT\$0.6 per share. The calculation is based on the 45,046,000 shares issued and outstanding as of March 3, 2026. The total amount of cash dividends to be distributed to each shareholder is calculated to the nearest NT\$1 and rounded down. Fractional amounts of cash dividends equaling less than NT\$1 will be recognized as other types of income of the company.
 3. Predicted changes in dividend policies in the future: none.

(4) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: not applicable.

(5) Profit-sharing compensation of employees, directors, and supervisors:

1. The percentages or ranges with respect to employee, director, and supervisor profit-sharing compensation, as set forth in the Company's Articles of Incorporation.

If the Company records a profit in a year, the Company shall appropriate 1-15% of the profit for employee's compensation, and no more than 5% of the profit for directors' compensation. If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses.

The distribution of bonus to employees -- determined thus by the Board's criteria -- may be made by way of cash or shares, and only cash for directors.

The two items mentioned above are specifically decided by the Board, and therefore a report of the distribution shall be submitted to the shareholders' meeting.

2. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

Due to the Company's after-tax loss in 2025, no employee compensation was distributed; therefore, this item is not applicable.

3. Information on any approval by the Board of Directors of distribution of profit-sharing compensation: Not Applicable.

4. Differences between the proposal for the previous year (2024) and the actual distribution of employee, director, and supervisor compensation (including the number and price of shares and the amount distributed), and the recognized employee, director, and supervisor compensation, reasons, and the handling thereof:

Unit: 1,000 shares/NT\$1,000

Item	Distribution amount as approved by the Board of Directors	Estimated figure for the year in which these expenses are recognized	Discrepancy amount	No. of shares (1,000 shares)	Price of shares (NT\$)	Explanation of the discrepancy
Employee compensation	7,230	7,230	None	None	None	N/A
Director compensation	2,300	2,300	None	None	None	N/A

(6) Repurchase of Company shares:

April 17, 2026

Repurchase Round:	First
Board Resolution Date	August 3, 2025
Purpose of Repurchase	Transfer of shares to employees
Planned Repurchase Period	June 4, 2025 – August 3, 2025
Planned Repurchase Quantity	1,500,000 common shares
Repurchase Price Range	NT\$45.00 - NT\$88.07 per share
Actual Repurchase Period	June 6, 2025 - August 1, 2025
Shares Repurchased	674,000 common shares
Average Repurchase Price	NT\$57.71 per share
Total Repurchase Amount	NT\$38,894,609
Repurchased Shares as a Percentage of Planned Quantity	44.93%
Shares Cancelled or Transferred	0 shares
Cumulative Shares Held by the Company	674,000 shares
Cumulative Shares Held as a Percentage of Total Issued Shares	1.47%

2. Status of Corporate bond, preferred share, global depository receipts, employee stock options, new restricted employee shares and issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies

- (1) Status of Corporate bond: There is no such situation.
- (2) Status of preferred share: There is no such situation.
- (3) Status of the global depository receipts: There is no such situation.
- (4) Status of employee stock options
 1. For employee stock options that have not yet vested, the annual report must disclose the status as of the date of publication and the effect on shareholders' equity: There is no such situation.
 2. Names and acquisition/subscription status of managerial officers who have obtained employee stock options as well as the top ten employees in terms of the number of stock options exercisable, cumulative to the date of publication of the annual report.

April 17, 2026; Unit: Shares; %; NT\$

Title	Name	Number of Subscribable Shares Acquired	Percentage of Subscribable Shares Acquired to Total Issued Shares	Exercised				Not exercised				
				Number of Subscribable Shares	Price of Subscribable Shares	Amount of Subscribable Shares	Percentage of Subscribable Shares to Total Issued Shares	Number of Subscribable Shares	Price of Subscribable Shares	Amount of Subscribable Shares	Percentage of Subscribable Shares to Total Issued Shares	
Managerial officers	Chairman and President	John Lin	735,000	1.81	675,000	10	6,750,000	1.66	-	-	-	-
	Vice President	William Liao										
	Operating Vice President	En ○ Cheng (note)										
	Manager of Management Office	Angel Pan										
Employees	Vice President	Cheng ○ Lin	1,992,000	4.90	1,882,000	10	18,820,000	4.63	-	-	-	-
	Director	Hao ○ Chien										
	Director	Wen ○ Hsu										
	Director	Sheng ○ Wu (note)										
	Director	Hsueh ○ Chen (note)										
	Manager	Ming ○ Liu										
	Senior Manager	Jen ○ Hsieh										
	Senior Technology Manager	Chieh ○ Lin										
	Vice Manager	Yu ○ Fu										
	Vice Manager	Wei ○ Chen (note)										

Note: Former employee

- (5) Status of new restricted employee shares: None
- (6) Status regarding issuance of new shares in connection with mergers or acquisitions of other companies' shares: None

3. Implementation of the Company's capital allocation plans

For the period as of the quarter preceding the date of publication of the annual report, the Company does not have any uncompleted public issue or private placement of securities, or any that were completed in the most recent 3 years but have not yet fully yielded the planned benefits.

IV. Operational Overview

1. Business Content

(1) Business scope

1. The business content is recorded as follows according to the business information registered by the Ministry of Economic Affairs

I501010 Product Designing

F113020 Wholesale of Electrical Appliances

F119010 Wholesale of Electronic Materials

F213010 Retail Sale of Electrical Appliances

F219010 Retail Sale of Electronic Materials

F401010 International Trade

ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Proportion of operation

Unit: NT\$1,000: %

Main product \ Year	2024		2025	
	Sales amount	Proportion of operation	Sales amount	Proportion of operation
Power semiconductor device (Power MOSFETs)	835,601	76.37	958,831	67.82
BLDC Motor Driver System (Brushless DC Motor Drive System)	164,003	14.99	307,311	21.74
Other (SoC cooling fan driven ICs)	94,581	8.64	147,625	10.44
Total	1,094,185	100.00	1,413,767	100.00

3. Current product (service) options

Product category	Product introduction
Power semiconductor device (Power MOSFETs)	<p>20V - 650V Power MOSFETs provide the energy adaptations or the on-off switches for electrical appliances, and through the control of energy source control IC, turns the single DC power supply from batteries and power supply units into the voltage for various electric circuits, providing electric supply control and protection.</p> <p>Silicon carbide power device products, addressing the rapidly growing market demand for high-voltage and high-frequency applications. The Company's products are primarily applied in cloud database servers, thermal modules for 5G communication equipment, AI servers, electric vehicle charging stations, motor drives for</p>

	energy-efficient home appliances, energy storage systems, and mobile platforms.
BLDC Motor Driver System (Brushless DC Motor Drive System)	Through the integration of digital firmware chips and driver ICs, power MOSFET devices, intelligent power modules (IPMs), and sensor systems, the Company provides intelligent integrated systems for brushless DC variable-frequency motors, which are used in smart home appliances, AI thermal management systems, machine tools, and other emerging applications.
SoC cooling fan driven IC	Highly integrated power ICs for cooling fan systems integrate power devices and sensors to simplify system circuitry and reduce customers' overall manufacturing costs. This high level of integration is well suited to the trend toward miniaturization while reducing component count and enhancing system stability and reliability.

4. New products in the development plan (service)

Product category	New products planned for development
Power semiconductor devices (Power MOSFETs)	<ol style="list-style-type: none"> 1. Next-generation silicon-based power MOSFET devices designed to reduce energy loss during high-current conduction and switching, designed specifically for high-current AI server power supplies and industrial control systems. 2. Development of automotive power MOSFET products. 3. Expansion of the silicon carbide product lines for applications in next-generation AI server power designs and energy storage systems.
BLDC Motor Driver System (Brushless DC Motor Drive System)	<ol style="list-style-type: none"> 1. Developed firmware technologies targeting key application areas (server cooling, charging station cooling, and smart home appliances) and emerging fields (robotics). Introduced intelligent algorithms and adaptive functions to significantly enhance system performance and control capabilities. 2. High-power, high-efficiency, energy-conserving cooling system in cloud computing databases
SoC cooling fan driven IC	<ol style="list-style-type: none"> 1. Highly integrated powered IC under 12V/24V 2A, to be applied to the energy-conserving cooling system in cloud computing databases 2. Development of Automotive Fan Driver IC Products

(2) Industry overview

1. Current industry overview and development

① The industry overview of power semiconductors

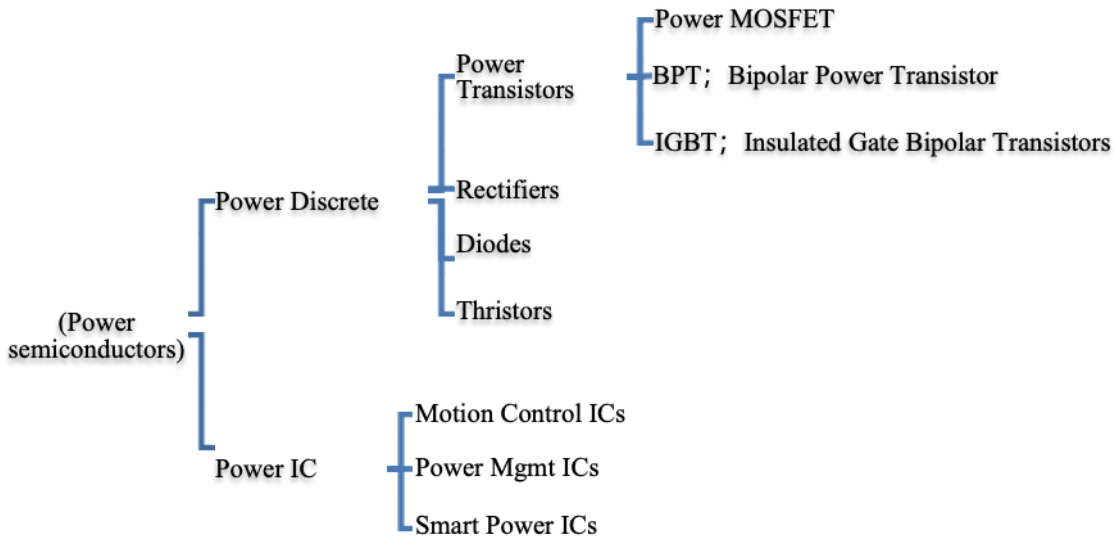
Power semiconductors are a part of the semiconductor industry, they are used as a switch or rectifier for power switch or circuit control in power electronics, and are the core device in electric power processing, as well as the channel of communication between light current systems and high current operations. Typical power processing functions include frequency conversion, voltage transformation, current conversion, power amplification, and power management. In addition to ensuring normal equipment operation, these functions help improve energy efficiency, reduce power loss, and enhance the performance of electronic systems.

Market research organization Business Wire divides power semiconductors into two major categories: Power discrete and power IC (see graph 1), both taking up about 50% of the semiconductor market value. Among them, the power discrete include power MOSFETs, bipolar junction transistor and insulated gate bipolar transistors, etc. The driver circuit in power MOSFETs are comparatively simpler, requires less driver power, with additional advantages like a faster switch and higher work frequency, making it most widely used in electronic products and the largest product on the market.

According to research by TechSci Research and World Semiconductor Trade Statistics, the global power semiconductor market reached US\$30.9 billion in 2025 and is projected to reach US\$49.97 billion by 2030.

With the rapid expansion of AI applications and cloud data center infrastructure, along with the continued growth of automotive electrification, demand for high-performance power devices offering high efficiency, high reliability, and low energy loss is expected to increase steadily. In response to stringent energy conversion efficiency requirements, demand for power semiconductor devices with low on-resistance is continuing to rise. High-performance power semiconductors capable of handling high voltage and high current, as well as third-generation semiconductors, are expected to see sustained market growth.

Graph 1. Categories of power semiconductors



Source: BusinessWire

② The industry overview for BLDC motors

Motors, as core components that convert electrical energy into mechanical energy, are widely used across a wide range of applications, including aerospace, automobiles, motorcycles, pumps, industrial equipment, and household appliances. According to a report by the International Energy Agency (IEA), motor-related energy consumption accounted for approximately 53% of total global energy consumption in 2025. In pursuit of global net-zero targets, enhancing the efficiency of motor systems has become an essential path for overall industrial transformation.

Traditional AC induction motors offer cost advantages; however, their energy efficiency and reliability may be limited in certain applications. For example, household AC fans typically achieve a power conversion efficiency of only around 20%–30%, with a significant portion of energy lost during the conversion process. In addition, AC induction motors rely on carbon brushes for current commutation. Over time, these brushes generate wear and debris, requiring periodic maintenance and limiting their suitability for applications that demand high reliability.

Brushless DC (BLDC) motors utilize electronic components for commutation control, employing inverters to precisely regulate three-phase currents, thereby replacing traditional mechanical brushes and commutators. From a technical perspective, BLDC motors offer the following advantages:

- Improved energy efficiency: BLDC motors achieve significantly higher input-to-output conversion efficiency than AC motors, effectively reducing energy consumption.

- Lower maintenance costs and longer service life: Electronic commutation eliminates brush-related friction, sparks, and wear, resulting in quieter operation and substantially reduced long-term maintenance costs.
- Enhanced control precision: With fast response and lower rotor heat generation, BLDC motors are well suited for motion control systems requiring precise positioning and continuous actuation.

Driven by the advances in green energy and sustainable development, high-efficiency motors have become a key driver of modern industries, electric vehicles, and energy-efficient consumer electronics. According to Fortune Business Insights, the global BLDC motor market reached US\$24.01 billion in 2025 and is projected to reach US\$47.85 billion by 2034, representing a compound annual growth rate (CAGR) of 7.95%.

BLDC motors are rapidly replacing traditional motors and have become a critical technology for achieving high performance and reliability in modern electromechanical systems. The rapid growth of AI computing, cloud data centers and data transmission and processing in connected vehicles has significantly increased demand for advanced thermal management in cloud servers. The Company's motor driver solutions have already entered mass production and are expected to contribute to substantial revenue growth.

③ Future Development

A. Advancement of High-Performance Power Device Products

In response to growing demand from AI computing, upgrades to server power architecture, energy storage systems, and the electric vehicle market, the Company will continue to invest in research and development to enhance product performance through technological innovation. The Company is committed to developing high-performance power devices featuring ultra-high current capacity and ultra-low on-resistance, positioning itself as a key technology provider in the fields of high-performance computing and energy transition.

B. Integration of Intelligent Algorithms to Develop Advanced BLDC Driver Solutions

With strong end-market demand for advanced thermal management, precise control, and low-noise operation, system design requires the integration of IC design, motor control algorithms, and motor engineering expertise. The Company focuses on key application areas, including server cooling, energy storage thermal management, smart home appliances, and robotics, to deliver high-performance integrated solutions.

C. Development of Highly Integrated and Miniaturized Products

In line with the trend toward lightweight, thin, compact, and small electronic systems, the Company aims to achieve greater integration to improve system efficiency and reduce energy loss. By leveraging system-on-chip (SoC) technologies to reduce peripheral components, the Company aims to meet the demand for product miniaturization and high efficiency.

D. Establishing tight-knit partnerships across the industry's upstream and downstream operations

The core of power semiconductor products is dependent on circuit design capability, circuit layout technology, wafer manufacturing cooperative, assembly and test quality, and sales people's marketing abilities, managing the advantages in each and every section. Because of this, the Company not only focuses on the solid design abilities of the product development team, it is also intent on fostering a tight-knit collaborative partnership with wafer foundries upstream and packaging plants downstream in terms of working together on manufacturing technology. This provides steady production capacity and also allows the manufacturing technology in the process of product development to receive ample support, and thus be able to make products with high yield rates, stable delivery dates and have a competitive edge, allowing the Company to edge forward in a fiercely competitive environment. On the sales and marketing aspect, the Company's sales team has years of experience in sales channels for electrical products, and with the assistance of professional technical services and product application, is able to expand on the opportunity to foster strategic collaborations with end product manufacturers, and by participating in the clients' design-in process, speed up the product development and bolster its competitiveness in the market.

2. The connection between the industry's upstream, midstream and downstream.

Taiwan's semiconductor industry is well developed, with many professional corporations involved in IC design, wafer material, silicon wafer, reticle making, IC production, assembly, lead frame, testing and peripheral support etc., creating a situation where the vertical division of labor is obvious, with growing professionalism, allowing Taiwan's IC industry system to have a more complete structure of upstream, midstream and downstream. The Company is in the integrated circuit (IC) design industry, which is at the very front of the semiconductor industry system and is without an upstream connection; it puts its finished designs into the hands of the midstream partner, the professional wafer foundries, for manufacturing, and later the assembly and testing foundries downstream are able to assemble and test the products. The relationship between the upstream, midstream and downstream of the semiconductor industry and their definitions by the industry is as follows:

Graph 2. The relationship between the upstream, midstream and downstream of the semiconductor industry

Industry position	Business scope	Explanation
Upstream	Integrated circuit design	Design the necessary circuits or devices in accordance with the application needs of the client, and by using the production platform of the midstream wafer foundries
Mid-stream	Manufacturing of wafers	Wafers pass through the manufacturing processes of oxidation, diffusion, exposure, etching, deposition and texturing etc., giving the devices and electric circuits the functions they were designed to execute
Downstream	Assembly, testing	Slicing, connecting and packaging the wafers made by chip foundries, then testing each product for their characteristics.

3. The various development trends of products

- (1) Digital program control, driver, sensor integrated circuit.
- (2) High efficiency, high power density, high reliability and competitive cost-performance ratio are still key in the basis of competition.
- (3) High-Performance Power Devices
- (4) Digital-Analog integration focused IC
- (5) Upgraded motor control algorithms by incorporating intelligent algorithms and adaptive functions.
- (6) Provided integrated solution services combining control, analog, power devices, and firmware-based intelligent algorithms.

4. Competition

- (1) The low probability of oligopoly in the semiconductor industry

In the development of the world's power semiconductor field, the most advanced integration technology and the main market is still controlled by global IDM giants, such as Infineon Technologies (Germany), ON Semiconductor (USA), STMicroelectronics (Switzerland), Mitsubishi Electric (Japan), Vishay Intertechnology (USA), Fuji Electric (Japan) and NXP Semiconductors (the Netherlands) etc., and Taiwan's manufacturers mostly fall under the category of integrated circuit designers. Yet, with the large number of different power analog device types, with many being customized products and each manufacturer having different strengths, the industry has not seen instances of oligopolizing like that of the digital IC market. For Taiwan's manufacturers, the obvious choice to be made for boosting international competitiveness would be to strengthen autonomous technology breakthroughs and provide customized and timely services. The Company has in-house process design capabilities for power devices and maintains long-term, close collaboration with wafer foundries. It continues to invest in new technology platforms to enhance product performance, with the aim of matching the performance, quality, and service standards of leading international companies.

(2) Collaborate with the motor industry to enhance the competitiveness of both parties

In the DC-AC inversion of the analog IC sector, the application market requires more customized services. The Company has cultivated extensive experience in motor-related applications and technology development for over a decade. As end applications demand higher standards in efficiency, vibration, and noise performance, customer requirements for motor driver control ICs, as well as system performance and quality have also increased accordingly. Leveraging its outstanding product performance, the Company has earned customer recognition and trust, and has obtained certifications and achieved mass production with leading Japanese motor manufacturers and major home appliance brands in China.

Brushless DC motor driver modules are at the core of motor control, integrating digital firmware, driver ICs, power MOSFET devices, intelligent power modules (IPMs), and sensing technologies. In addition to strong hardware design capabilities, the Company has established long-term, close collaboration with customers and possesses extensive expertise in customized development. To address the cross-disciplinary demands of the motor and semiconductor industries, the Company provides comprehensive services ranging from control firmware to circuit design. In key applications such as AI server thermal management, where system requirements for reliability and efficiency continue to rise, the Company has incorporated intelligent algorithms and adaptive control functions to significantly enhance energy efficiency and control precision. Through strategic partnerships with motor manufacturers and in-depth industry specialization, the Company improves product performance while optimizing costs, transforming semiconductor technologies into competitive advantages for customers and jointly expanding into high-end markets. This integrated approach to technology and services has established meaningful barriers to entry for potential competitors.

(3) Overview of technology and development

1. The R&D funding invested in recent years, up to the date of publication of the annual report.

Unit: NT\$1,000; %

Item \ Year	2024	2025
R&D expense (A)	97,102	114,949
Net operating revenue(B)	1,094,185	1,413,767
Ratio to operating revenue (A)/(B)	8.87	8.13

2. Technology or products successfully developed in recent years, up to the date of publication of the annual report.

Year	Technology or products successfully developed
2025	<ul style="list-style-type: none"> ● Introduced ultra-low impedance, high-current power component into AI server power systems ● Deployed medium-voltage power and battery management MOSFET products in the automotive market ● Launched silicon carbide (SiC) product portfolio

(4) The development plan for long-term and short-term businesses

1. Short-term business development plans

(1) Development strategies

- A. Continue the development of high-current, low on-resistance power semiconductor devices, high-speed and high-efficiency servo motor driver systems, and highly integrated, high-current SoC motor driver ICs, and incorporate intelligent algorithms into motor control for key applications.
- B. Applied to battery energy storage system, vehicle battery, charging stations, communication cloud cooling system solution, gaming and CPU cooling.

(2) Marketing strategies

- A. Continue to expand into the energy conserving/storage market in China, Japan, India, South Korea, Southeast Asia, the United States and Europe.

(3) Production strategies

- A. Utilizing Taiwan's advantages in wafer foundry and supply chain integration to provide the most competitive products.

(4) Plans for operation and finances

- A. Prioritizing employee and shareholder rights and benefits, reinforcing employees' educational training and increasing operation performances.
- B. Expanding revenue performance, making the most out of business capital.

2. Long-term R&D plan

(1) Development strategies

- A. Continue the development of next generation high current low-on resistance power semiconductor devices, high rotational speed high efficiency servo motor driver system, and highly integrated, high-current SoC motor driver ICs, and incorporate intelligent algorithms into motor control for key applications.
- B. Driver IC integrated Power MOSFET module.
- C. High voltage SiC devices.

(2) Marketing strategies

- A. Actively establish sales channels and retail locations around the world, and provide professional and timely services that are market-centric.
- B. Closely monitoring changes in the industry, market trends and master key technologies, focusing on integrated products that are more advanced and with higher precision, at the same time planning to develop more products with vision and align with the Company's core advantages.
- C. Foster stable, long-term partnerships with clients and work together on development of new, innovative products.

(3) Production strategies

- A. Continue maintaining a good relationship with chip foundries, developing new technologies together and retaining competitiveness.
- B. Collaborating strategically with assembly and testing plants to establish a distinctness in assembly and testing technology.

(4) Plans for operation and finances

- A. Continue increasing revenue and management capabilities, moving in the direction of a globalized enterprise.

2. Overview of the market and production/sales

(1) Market analysis

1. Sales locations for major products (services)

Unit: NT\$1,000; %

Region \ Year		2024		2025	
		Sales amount	Ratio	Sales amount	Ratio
Domestic		342,647	31.32	496,881	35.15
Export	Vietnam	20,438	1.87	10,382	0.73
	China	730,496	66.76	906,331	64.11
	Other	604	0.05	173	0.01
	Sub-total	751,538	68.68	916,886	64.85
Total		1,094,185	100.00	1,413,767	100.00

2. Market share

The Company is a fabless design company engaged in the research, design, development, and sale of power semiconductor chips. According to data by TechSci Research and World Semiconductor Trade Statistics, the global power semiconductor market reached US\$30.9 billion in 2025 and is projected to reach US\$49.97 billion by 2030. Based on the Company's total revenue in 2025, its estimated share of the global power semiconductor market remains below 1%, indicating significant potential for further growth and market expansion.

3. The market's supply, need and growth in the future

(1) Power MOSFETs

Power MOSFETs are widely used in power conversion across a broad range of electronic products. They offer advantages such as low on-resistance, low power loss, simple drive circuitry, and favorable thermal resistance characteristics, making them particularly suitable for power control applications in PCs, mobile phones, power banks, electric vehicles, and uninterruptible power supply (UPS) systems. In response to increasingly stringent energy conversion efficiency requirements, demand for low on-resistance power semiconductor devices continues to grow significantly. As such devices require larger die sizes, wafer consumption increases substantially, further driving market expansion and application growth. With the rapid development of AI computing, server infrastructure, and automotive electrification, demand for high-performance power devices characterized by high efficiency, high reliability, and reduced energy loss is expected to continue to increase.

According to research by TechSci Research and World Semiconductor Trade Statistics, the global power semiconductor market reached US\$30.9 billion in 2025 and is projected to reach US\$49.97 billion by 2030. With the rapid expansion of AI applications and cloud data center infrastructure, along with the growth of automotive electrification, the market for high-performance power devices offering high efficiency, high reliability, and reduced energy loss is expected to continue expanding.

(2) The Market for Brushless DC (BLDC)

Brushless DC (BLDC) motors have gained increasing attention due to their long service life, low maintenance costs, low energy consumption, and higher tolerance to voltage fluctuations. According to Grand View Research, in 2024, BLDC motors accounted for 50.1% of the DC motor market for units below 750 watts, indicating a transition from niche applications to mainstream applications. BLDC motors are widely used across various applications, including fans, pumps, compressors, machine tools, smart home appliances, electric vehicles, power tools, and automation and robotics. They currently have high penetration in high-end applications such as servo systems and robotics, and are gradually expanding into mid-range markets, supported by global energy-saving policies and strong market momentum.

According to Fortune Business Insights, the global BLDC motor market reached US\$24.01 billion in 2025 and is projected to reach US\$47.85 billion by 2034, representing a compound annual growth rate (CAGR) of 7.95%. As a core driver for energy efficiency and high performance in modern industrial and consumer electronics, BLDC motors are gradually replacing traditional motors due to their advantages in efficiency and low maintenance. The rapid growth of AI computing, cloud data centers, and data transmission and processing in connected vehicles has significantly increased demand for advanced thermal management in cloud servers. The Company's motor driver solutions have entered mass production and are expected to contribute to substantial revenue growth.

4. Competition niche

(1) Professional, stable management team

The Company's management team has accumulated over 20 years of techniques and experiences, the managing staff are all seasoned professionals in the industry, with the ability to grasp the products' key technologies and are all capable of developing individually new products, considering the variables in mass production in the product's early design stages, ensuring that the product is stable in quality and in yield rate, drawing approval from the clients in regard to the Company's products.

A. The power semiconductor device development team

In the work it has done in developing power semiconductor devices, the Company's development team has over 20 years of design and manufacturing experiences, reliability and key professional technologies, allowing them to develop products with leading design techniques, including rapid switching, low packaging resistance design, chip scale package, split GaTe MOSFET, high electrostatic protection, impact resistant and has a stable yield rate, with qualities and efficiency that are lauded by clients.

B. Development team of brushless DC driver control

The Company leverages years of accumulated motor control software expertise, integrates half-bridge driver ICs, Hall sensor ICs, and integrated MOSFET driver technologies, and utilizes programmable digital software/firmware to provide customers with highly integrated system-on-chip (SoC) solutions.

Leveraging the Company's accumulated expertise in motor control software technologies, together with half-bridge driver ICs, Hall sensor ICs, and integrated MOSFET driver technologies, the Company provides customers with highly integrated system-on-chip (SoC) solutions through digitally programmable software/firmware.

By maintaining close collaboration with leading customers across various industries and actively participating in front-end design processes, the Company helps reduce production costs and design complexity while optimizing end-product performance in areas such as thermal dissipation, operational vibration, operating efficiency, and precision control.

C. Using BLDC driver control module technology to get to Digital-Analog integrated programmable SoC cooling fan driver IC

The foundation that is the motor driver module control technology that the Company has developed and accumulated for many years integrates design with relevant software, hardware and sensor technology, and paired with advanced manufacturing technology, developed a highly integrated SoC cooling fan driver IC, including the control interface platform, digital programmable software programming, low noise wave control, driver integrated MOSFET integrated Hall IC, providing clients with highly integrated SoC IC.

- (2) Manage chip foundry sources and foster long-term collaboration with assisting manufacturers

The power semiconductor devices (power MOSFETs) produced by the Company have long used Taiwan's most advanced 8 inch wafer foundries, using 0.18 um and smaller manufacturing technologies for production, making devices of excellent quality with cost advantages.

The Company, having taken into consideration the manufacturing technology, quality yield rate, facility production rate, co-development strategies and other aspects, have been collaborating on development with Taiwan's international-level wafer foundries since its founding. Said international level chip foundry is the Company's main manufacturing supplier of IC chip wafers, producing motor driver IC that has proven to be competitive worldwide.

5. The development mission's advantages, disadvantages and responding strategies

(1) Advantageous elements

A. Leading technology, steep learning curve for DC to AC conversion

The development of power semiconductor devices and brushless DC motor driver control requires long haul investment, the key being accumulating experiences and the ability to integrate across different technologies. The Company has invested ten years in brushless DC motor driver technology, in order to provide (1) firmware control, (2) highly-integrated IC, (3) power semiconductor(power MOSFETs), (4) power control IC and (5) motor design integration technology. Through strategic partnerships with motor manufacturers and in-depth industry specialization, the Company enhances product performance and optimizes costs, transforming semiconductor technologies into competitive advantages for customers and jointly expanding into high-end markets. This approach creates barriers to entry for potential competitors across both technological and service domains.

B. The rise of environmental protection and energy conservation awareness, and energy conservation laws and demands across countries

Driven by environmental protection and energy-saving initiatives, the market is undergoing a transition toward low-carbon and high-efficiency solutions. Governments worldwide are imposing increasingly stringent energy efficiency regulations on household appliances and industrial equipment, making energy performance a critical threshold for market entry. Owing to their superior efficiency, brushless DC motors are expected to progressively replace traditional motors, supporting steady market growth in the future.

According to TechSci Research and World Semiconductor Trade Statistics, the global power semiconductor market reached US\$30.9 billion in 2025 and is projected to reach US\$49.97 billion by 2030. With the rapid expansion of AI applications, cloud data center infrastructure, and automotive electrification, demand for high-performance power devices offering high efficiency, high reliability, and reduced energy loss is expected to continue increasing. This also represents a key focus of the Company's technology development.

(2) Disadvantages and responding strategies

A. Long product introduction and approval period

Products for industrial control, advanced motor control, energy storage systems, and advanced power management require high reliability and are subject to rigorous and complex certification processes. The development cycle – from project initiation with customers, through validation and pilot production, to mass production – is lengthy and requires substantial engineering and development resources.

Responding strategies

Select partnering clients and cases with caution, establish a development platform that is modularized, to speed up the scale adjustment time and also reduces development human resource costs.

B. The import and sales of products are all in foreign currency, making profit vulnerable due to fluctuations in exchange rate

The Company's purchases and sales are primarily conducted in US dollars, and while offsetting occurs, due to the amount due being larger than the amount paid, the fluctuating exchange rates will cause considerable damage to the Company.

Responding strategies

There are professionals in the Company's financial department monitoring exchange rate fluctuations at all times, collecting information on the changes in international currency and exchange rates, and is well-informed on the future trends of international currencies, also keeping in touch with partner banks and utilizing the banks' professional consultation services, conducting currency exchanges when necessary to reduce risks in accordance with the Company's capital needs. Additionally, when the Company quotes its clients, it will also take into consideration elements such as exchange rate fluctuations, to avoid the rate changes causing material impact on the Company's profits.

(2) Important uses of major products and the manufacturing processes

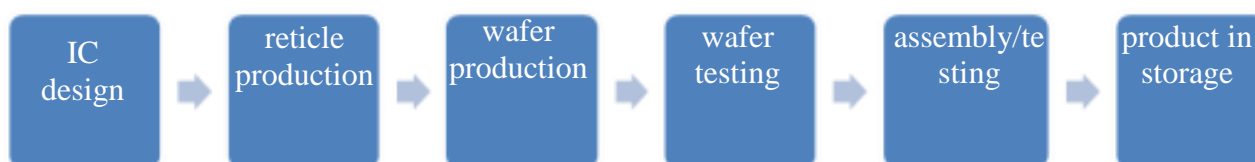
1. Important uses of major products

Major products	Important uses and functions
Power semiconductor devices (Power MOSFETs)	20V - 650V Power MOSFETs provide the power conversion and on-off switching for electrical appliances, and through control by power management IC, convert the single DC power supply from batteries and power supply units into the voltage required by various electric circuits, providing power supply control and protection. Silicon carbide power device products, addressing the rapidly growing market demand for high-voltage and high-frequency applications. The Company's products are primarily applied in cloud data center servers, thermal modules for 5G communication equipment, AI servers, electric vehicle

Major products	Important uses and functions
	charging stations, motor drives for energy-efficient home appliances, energy storage systems, and mobile platforms.
BLDC Motor Driver System (Brushless DC Motor Drive System)	Through the integration of digital firmware chips and driver ICs, power MOSFET devices, intelligent power modules (IPMs), and sensor systems, the Company provides intelligent integrated systems for brushless DC variable-frequency motors, which are used in smart home appliances, AI thermal management systems, machine tools, and other emerging applications.
SoC cooling fan driven IC	Highly integrated power ICs for cooling fan systems integrate power devices and sensors to simplify system circuitry and reduce customers' overall manufacturing costs. This high level of integration supports the industry trend toward miniaturization, reduces component count, and enhances system stability and reliability.

2. Manufacturing processes of main products

The Company's main business involves the design, development, application services and selling of integrated circuits, focusing on product development and market sales, and does not invest in production and manufacturing facilities. Chip manufacturing and testing are both entrusted to professional chip foundries and packaging and testing plants for manufacturing, packaging and testing; other than conducting material examinations upon purchase, the Company is not involved in any production of chips. In the manufacturing process mentioned below, the Company is responsible for laying down the scale, integrated circuit design and post-sales services etc. Reticle production, wafer manufacturing, wafer testing, wafer slicing, packaging and product testing are all conducted by professional foundries, with the main products' manufacturing process as follows:



(3) Supply of major raw materials

Major raw materials	Supply status
Epitaxial wafer	Good
Wafer foundry	Good

(4) A list of any suppliers and clients accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the 2 most recent years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures. Where the Company is prohibited by contract from revealing the name of a client, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name

1. List of main suppliers for the most recent 2 years

Unit: NT\$1,000; %

Item	2024				2025				As of Q1 2026			
	Title	Amount	Percentage in net purchase amount of the year	Relationship with issuer	Title	Amount	Percentage in net purchase amount of the year	Relationship with issuer	Title	Amount	Percentage in net purchase amount as of Q1 for current year [%]	Relationship with issuer
1	Vanguard International Semiconductor Corporation	281,585	33.67	None	Powerchip Semiconductor Manufacturing Corporation	369,396	33.94	None	Powerchip Semiconductor Manufacturing Corporation	198,592	49.79	None
2	Powerchip Semiconductor Manufacturing Corporation	203,884	24.38	None	Vanguard International Semiconductor Corporation	,262,914	24.16	None	Vanguard International Semiconductor Corporation	72,938	18.29	None
3	TSMC	84,969	10.16	None	Micro Silicon Electronics	84,281	7.74	None	Micro Silicon Electronics	33,945	8.51	None
4	Company B	61,392	7.34	None	Company B	82,849	7.61	None	TSMC	19,516	4.89	None
	Other	204,550	15.60	—	Other	288,961	26.55	—	Other	73,848	18.52	—
	Net purchase amount	836,380	100.00	—	Net purchase amount	1,088,401	100.00	—	Net purchase amount	398,839	100.00	—

Reason for increase/decrease: The changes were primarily due to the Company's comprehensive assessment of factors such as supplier production capacity, delivery schedules, and end-market demand, which led to adjustments in the procurement volume from individual suppliers for key raw materials.

2. List of major clients

Unit: NT\$1,000; %

Item	2024				2025				As of Q1 2026			
	Title	Amount	Percentage in net sales amount of the year	Relationship with issuer	Title	Amount	Percentage in net sales amount of the year	Relationship with issuer	Title	Amount	Percentage in net sales amount as of Q1 for the current year [%]	Relationship with issuer
1	Company A	193,429	17.68	None	Company A	272,425	19.27	None	Company A	176,380	34.27	None
2	Company D	167,718	15.33	None	Yangzhou Yangjie Electronic Technology Co., Ltd	163,683	11.58	None	Company B	71,530	13.90	None
3	Yangzhou Yangjie Electronic Technology Co., Ltd	98,653	9.02	None	Company D.	138,290	9.78	None	Yangzhou Yangjie Electronic Technology Co., Ltd	51,101	9.93	None
	Other	634,385	57.98	—	Other	839,369	59.37	—	Other	215,689	41.90	—
	Net sales amount	1,094,185	100.00	—	Net sales amount	1,413,767	100.00	—	Net sales amount	514,700	100.00	—

Reason for increase/decrease: Primarily driven by the ramp-up of new customer projects, increased demand across product lines, and the mass production of new products.

3. The number of employees, average years of service, average age, and educational background distribution over the most recent 2 years (as of the publication of the annual report) are as follows:

Unit: person

Item		Year		
		2024	2025	As of March 31, 2026
Number of employees	Sales and management staff	51	51	60
	R&D staff	38	43	42
	Total	89	94	102
Average age (years)		41.68	40.63	42.35
Average period in service (year)		4 years and 9 months	4 years and 6 months	4 years and 9 months
Ratio of education level (%)	PhD	2.25%	3.19%	2.94%
	Masters	24.72%	29.79%	26.47%
	University (Junior college)	69.66%	63.83%	67.65%
	High school (and under)	3.37%	3.19%	2.94%

4. Disbursements for environmental protection

Any losses suffered by the Company in the most recent year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: No such situation.

5. Labor relations

(1) All of the Company's employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Employee benefit plans

The Company provides benefits including labor insurance, health insurance, employee group insurance, employee health examinations, year-end bonuses and performance bonuses. Other company benefits include annual trips, department meal outings, subsidies for marriage, funerals etc., three holiday bonuses and birthday bonuses.

2. Employees' continuing education and training

The Company has well-rounded educational training planned for its employees, including orientation for new hires, professional technique courses, personal performance courses etc.

3. Employee retirement systems and the status of implementation

The Company has established employee retirement plans at its domestic and overseas operating sites in accordance with applicable local laws and regulations. In Taiwan, the Company maintains a defined benefit plan in accordance with the Labor Standards Act and a defined contribution plan under the Labor Pension Act.

In 2025, 100% of employees were covered by the defined contribution plan.

Pursuant to the Labor Standards Act, retirement benefits are calculated based on employees' years of service prior to retirement and the average monthly salary over the six months preceding retirement.

Under the Labor Pension Act, the Company makes monthly pension contributions to individual employee accounts maintained by the Bureau of Labor Insurance, with contributions of no less than 6% of each employee's monthly salary.

In 2025, the Company recognized pension expense under the defined contribution plan amounting to NT\$4.7 million.

4. The status of labor-management agreements

All of the Company's regulations follow the Labor Standards Act, holding labor-management meetings regularly, with labor representatives and management representatives communicating and deciding on agenda items involving labor rights and benefits through the meetings.

5. Measures for preserving employees' rights and interests

The Company has established Work Principles, and a variety of management regulations and systems, with the contents stating clearly employees' rights, obligations and benefits, in order to protect employees' rights.

- (2) In recent years up to the date of publication of the annual report, losses suffered by the Company due to labor-management disputes (including labor examinations that discovered violations of the Labor Standards Act, all violations should be listed with the penalty date, penalty number, article of law violated, contents of violated article, content of penalty) and disclose the current and future estimation of potential sums incurred as well as responding measures, if the amount is beyond the scope of reasonable estimations, an explanation should be given in regard to the reason.

The Company has fostered an amicable labor-management relationship, and has not suffered any losses due to labor-management disputes, with lesser chances of something similar occurring in the future.

6. Cyber Security Management

- (1) Specify the cyber security risk management framework, cyber security policies, specific management plans, and cyber security management resources.

1. Cyber security risk management framework

The Company's information security risk management framework is established under the Management Office, with the Information Management Department responsible for its implementation. A dedicated Chief Information Security Officer and at least one full-time information security personnel are appointed. The Information Management Department oversees the planning and execution of information security systems, including network and system management, and collaborates with the internal audit unit to conduct information security audits. The Information Management Department, together with senior management of the Management Office, holds regular meetings with the President to discuss information security issues within the Company.

2. Cyber security policies

To ensure the smooth operation of the Company's business, prevent data infringement resulting from unauthorized access to the Company's information system, and ensure data confidentiality, integrity and availability, the Company has established the Control Procedures for Handling Computerized Information as part of the internal control system. The Procedures include the division of functions and duties between the information unit and the user unit; the division of functions and duties of the information-processing unit; control of system development and program modification; control of preparing system documentation; program and data access control; data input/output control; data processing control; file and equipment security control; control of purchase, usage, and maintenance of software and hardware; control of system recovery plan and testing procedures; control of disclosure and reporting of information, control of information flow security inspection; computer storage device disposal control; and protection of personal data in computer processing, which have all been implemented by the Company.

3. Specific management plans

The Company attaches great importance to the management of information security. Specific practices have been adopted to protect and manage information security in five main aspects:

- (1) Employee management

The Employee Contract between the Company and employees stipulates that the intellectual property ownership of all creations and inventions by employees during their employment belongs to the Company. Additionally, the Company also enters into a detailed confidentiality agreement with its employees, under which employees are obligated to keep confidential, both during their employment and after the termination of their employment contract, all business information, technology, manufacturing processes, programs, procedures, designs, and any other trade secrets to which they have access during their employment that can be used for the design, sale, or operation of the Company; the Company may impose penalties in accordance with the work rules and, depending on the seriousness of the case, pursue civil and criminal liability in the event of a violation of the contract. In order

to ensure that employees develop correct concepts and good work habits, the Company holds periodic meetings on various subjects to disseminate ideas to employees, including the protection of trade secrets, access control rules, and the principles for disclosure of information to the public.

To enhance employees' information security awareness, the Company disseminates information on potential security threats and corresponding countermeasures to employees on an ad hoc basis—through training sessions, awareness videos, e-mails, and other communication channels. This helps prevent employees from inadvertently falling into cybersecurity traps and strengthens their awareness of security risks.

(2) Device control

Antivirus software is required to be installed on all Company computer equipment and is managed through Active Directory. Any devices not authorized to join the Company domain are blocked from accessing the internal network through Active Directory, thereby preventing non-compliant devices from affecting internal systems and infrastructure. A multi-layered defense and detection mechanism is established via network firewalls, and antivirus software is installed on all endpoint devices. Centralized monitoring and protection are implemented to reduce the risk of cyberattacks and ensure comprehensive visibility of the Company's cybersecurity status.

For critical operational services and data, both on-site and off-site backups are maintained, and regular restoration drills are conducted. This ensures that in the event of unavoidable system or database failure or service interruption, the information systems can be restored within the expected recovery time.

(3) Privilege management

Employees are required to authenticate their identity (i.e., use a system account and password) when logging into their personal computers to avoid identity theft and fraud. All R&D projects have strict access controls, where project members are required to submit an application form for access privileges and are only granted access by information management personnel after being approved by a supervisor. Additionally, access privileges are reviewed annually to ensure the accuracy of privilege management.

(4) Data management

The Company's R&D related data are stored in professional storage devices with high availability and redundancy. These data are not only protected by access control mechanisms, which only grant access to authorized members, but are also secured with full backup on a regular basis as well as remote backup to ensure the ability of disaster recovery.

(5) Output management

An application must be submitted when providing a document to customer externally. After being approved by business processing personnel and the unit director, information personnel will upload the encrypted data directly to the space designated for document downloads by the Company's customers without any manual intervention or operation. The designated space only allows access to the specific IP address provided by the customer, with the open-access time for connection set to 1 month.

4. Resources Invested in Cybersecurity Management

Since 2021, the Company has actively invested in corporate information security initiatives by allocating appropriate personnel and equipment to plan, monitor, and implement its information security system. The key measures and results are as follows:

- a. A dedicated annual budget is allocated to strengthen IT infrastructure and cybersecurity measures. From 2021 to 2025, the total investment in cybersecurity management amounted to NT\$8,741,000.
- b. The Company has purchased cybersecurity insurance starting from 2021 to enhance protection against information security risks.
- c. Employee awareness of cybersecurity has been strengthened through annual training. In addition to 12 hours of training per year for dedicated cybersecurity personnel, new hires and all employees also receive regular cybersecurity education and are briefed on the Company's information security policies.

- (2) List any losses suffered by the securities firm in the most recent year due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: No such situation.

7. Important contracts

Contracts that would affect shareholders' equity, where said contracts were either still effective up to the date of publication of the annual report are listed below:

Type of contract	Contracting parties	Commencement dates and expiration dates of contracts	Major content	Restrictive clauses
Loan contracts	Chang Hwa Bank	2025/10/31— 2026/10/31	Material purchase and working capital turnover Short-term loan	None
Loan contracts	Chang Hwa Bank	2020/12/04— 2035/12/04	Construction loan Mid to long-term loan	None
Loan contracts	First Bank	2025/8/12— 2026/8/12	Material purchase and working capital turnover Short-term loan	None
Loan contracts	First Bank	2025/3/7— 2026/3/7	Export Bills Purchased Short-term loan	None
Loan contracts	E.SUN Commercial Bank	2021/01/21— 2036/01/21	Construction loan Mid to long-term loan	None
Loan contracts	Bank Sinopac Company Limited	2025/3/25— 2026/3/31	Material purchase and working capital turnover Short-term loan	None
Production reservation Agreement	Company A	2025/7/1-2028/6/30	Advance reservation of wafers for main products	Obligation to remain confidential

V. Review and Analysis of Financial Position and Financial Performance and Risk Matters

1. Financial Position

Main reasons for any material change in the company's assets, liabilities, or equity during the past 2 fiscal years, and describe the effect thereof

Unit: NT\$1,000

Item \ Year	2024	2025	Increase (decrease) changes	
			Amount	Variation ratio(%)
Current assets	1,386,904	1,113,811	(273,093)	(19.69)
Property, plant and equipment	320,740	326,430	5,690	1.77
Intangible assets	7,706	7,293	(413)	(5.36)
Other assets	90,604	229,793	139,189	153.62
Total assets	1,805,954	1,677,327	(128,627)	(7.12)
Current liabilities	389,056	410,270	21,214	5.45
Long-term liabilities	165,682	150,603	(15,079)	(9.10)
Other liabilities	42,786	45,947	3,161	7.39
Total liabilities	597,524	606,820	9,296	1.56
Capital Stock	457,200	457,200	0	-
Capital surplus	570,003	570,003	0	-
Retained earnings	185,320	89,884	(95,436)	(51.50)
Other equity item	(4,093)	(46,580)	(42,487)	1038.04
Total equity	1,208,430	1,070,507	(137,923)	(11.41)
<p>For accounts with a change of more than 20% and a change in amount exceeding NT\$10 million, the explanations are as follows:</p> <ol style="list-style-type: none"> 1. Decrease in current assets: Primarily due to cash outflows for litigation expenses related to a patent infringement case and the deposit of an appellate bond, as well as the reclassification of other financial assets—current to non-current. 2. Increase in other assets: Primarily due to the reclassification of refundable deposits from current to non-current. 3. Decrease in retained earnings: Primarily due to net loss for the period and the distribution of cash dividends 4. Decrease in other equity items: Due to the repurchase of treasury shares. 				

2. Financial performance

- (1) Comparison and analysis of financial performances: explain the reasons for any material changes over the most recent 2 years in operating revenue, operating income, and income before tax

Unit: NT\$1,000

Item \ Year	2024	2025	Increase (decrease) changes	
			Amount	Variation ratio(%)
Net operating revenue	1,094,185	1,413,767	319,582	29.21
Operating cost	759,826	1,043,833	284,007	37.38
Gross operating profit	334,359	369,934	35,575	10.64
Operating expense	213,525	305,473	91,948	43.06
Net operating profit	120,834	64,461	(56,373)	(46.65)
Non-operating revenue and expense	69,806	(72,063)	(141,869)	(203.23)
Net profit before tax	190,640	(7,602)	(198,242)	(103.99)
Minus: income tax expense	38,223	(3,606)	(41,829)	(109.43)
Net profit for current period	152,417	(3,996)	(156,413)	(102.62)

For accounts with a change of more than 20% and a change in amount exceeding NT\$10 million, the explanations are as follows:

1. Increase in net operating revenue: Primarily due to increased customer orders and the mass production of new products.
2. Increase in operating expenses: Primarily due to litigation expenses related to patent infringement and increased research and development expenses.
3. Decrease in operating income: Attributable to the increase in operating expenses.
4. Decrease in non-operating income and expenses: Primarily due to foreign exchange losses and the recognition of compensation losses arising from an unfavorable first-instance judgment in a litigation case.
5. Decrease in profit before tax, income tax, and net income for the period: Attributable to the increase in operating expenses and the decrease in non-operating income and expenses.

- (2) Forecast the Company's expected sales volume and provide the basis, and describe the effect upon the company's financial operations as well as measures to be taken in response

In accordance with estimated needs of the clients, consideration of production capacity planning and the basis of operation performances of the past, the Company decides on its goal for shipping each year. Sales numbers are predicted to continue to grow in the future, and with financial cooperation, growth in sales and the balance of profit will continue to bolster a healthy, stable financial backdrop for the Company.

3. Cash flow

(1) Analysis of cash flow changes in recent years

Unit: NT\$1,000; %

Item \ Year	2024	2025	Increase (decrease) changes	
			Amount	Variation ratio (%)
Cash provided by (used in) operating activities	172,459	(22,087)	(194,546)	(112.81)
Cash provided by (used in) investing activities	59,997	(52,651)	(112,648)	(187.76)
Cash provided by (used in) financing activities	(18,453)	(218,287)	(199,834)	1,082.94
Exchange rate effects	(1,126)	(48)	1,078	95.74
Net cash provided by (used in)	212,877	(293,073)	(505,950)	(237.67)
Analysis of Changes: (1) Increase in cash outflows from operating activities: Primarily due to the net loss for the period and an increase in inventories. (2) Increase in cash outflows from investing activities: Attributable to the refund of refundable deposits received in the prior year. (3) Increase in cash outflows from financing activities: Primarily due to the distribution of cash dividends and the repurchase of treasury shares.				

(2) Improvement plan for liquidity deficiencies

The Company has no shortage of cash, so there is no risk of liquidity deficiencies.

(3) Cash flow analysis for the next year (2026)

Unit: NT\$1,000

Beginning of year cash balance	Expected net operating activities cash flow for the whole year	Expected net cash inflow (outflow) of investing and financing activities for the whole year	Estimated cash surplus (deficit)	Correction action for cash deficit	
(1)	(2)	(3)	(1)+(2)-(3)	Investment plan	Wealth plan
466,545	301,141	(88,836)	678,850	—	—
1. Analysis of Cash Flow Changes (1) Operating activities: Cash inflows were primarily generated from increased revenue. (2) Investing activities: Cash inflows primarily resulted from the acquisition of new office facilities and R&D equipment. (3) Financing activities: Cash outflows were primarily due to dividend payments, mortgage borrowings for the new office premises, and interest payments. 2. Remedial Measures for Projected Cash Shortfalls: Not applicable.					

4. Impact of Major Capital Expenditures on Financial Operations in the Most Recent Year:

There is no such situation.

5. Policy for the Most recent year on Reinvestment in Other Companies, Main Reasons for Profits/Losses Resulting Therefrom, Plans for Improvement, and Investment Plans for the Coming Fiscal Year:

(1) Reinvestment policies

Due to operation needs or the Company's future growth, the Company will turn to re-investments and use the internal control system's Investment Cycle and the Handling Procedures for the Acquisition and Disposal of Assets as the basis for conducting reinvestment businesses, to be in control of relevant business and financial situations. To boost supervision and management of reinvestment companies, the Company's internal control system includes the Rules for Supervising and Managing Subsidiary, establishing regulations relevant to the disclosure of information, finances, businesses, inventory and financial management, allowing the Company to make the most out of its reinvestments.

(2) Reinvestment profit or loss and improvement plan

December 31, 2025; Unit: NT\$1,000

Reinvestment company	Percentage held	Investment profit (loss) recognized in the most recent (2025) year	Main Reason for Profit or Loss	Improvement Plan
Energy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	100%	10,420	Customer demand and order pull-ins	None

(3) Plans for reinvestment in the next year: There are no investment plans for the next year up to the date of publication of the annual report.

6. The analysis and evaluation of items of risk

(1) The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future.

1. Interest rate

(1) The effect upon the Company's profits (losses)

Unit: NT\$1,000; %

Item \ Year	2024		2025	
	Amount	Ratio to net operating revenue	Amount	Ratio to net operating revenue
Interest income	21,056	1.92	7,702	0.54
Interest expense	4,736	0.43	5,006	0.35

Source: Financial reports audited by the CPAs of each period.

The Company's interest income for 2024 and 2025 was NT\$21,056,000 and NT\$7,702,000, respectively, accounting for 1.92% and 0.54% of the net operating revenue for each year. The impact is considered immaterial.

Moreover, the Company's interest expenses for 2024 and 2025 were NT\$4,736,000 and NT\$5,006,000, respectively, accounting for 0.43% and 0.35% of the net operating revenue for each year. The impact on the Company's profit and loss was also limited.

(2)Response measures in the future

As the Company's operation scale and profitability grow, it has ample private capital and increasingly relies less on loans from financial institutions, but the Company remains on good relationships with the banks and monitors interest rates at all times, also strives to get the best discounts for interest rates.

2. Exchange rates

(1)The effect upon the Company's profits (losses)

Unit: NT\$1,000; %

Item \ Year	2024		2025	
	Amount	Ratio to net operating revenue	Amount	Ratio to net operating revenue
Net foreign exchange gains (losses)	51,319	4.69	(36,077)	(2.55%)

Source: Financial reports audited by the CPAs of each period

The Company's net foreign exchange gains (losses) in 2024 and 2025 are NT\$51,319,000 and NT\$(36,077,000) respectively, taking up 4.69% and (2.55)% of the Company's annual net operating revenue in respective years. The foreign exchange gains and losses are primarily caused by ripples in the US dollar exchange rate.

(2)Response measures in the future

Financial staff are monitoring market information and changes in the exchange market at all times, making appropriate foreign currency control and adjustments with the aim to keep the impact of the exchange rate differences to a minimum for the Company.

3. The inflation

The Company's gains and losses in the past have not been majorly impacted by inflation, and it will be monitoring closely the changes in market prices in the future, adjusting its product prices to deflate the impact of inflation as necessary.

- (2) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

The Company has established Operating Procedures for Lending Funds to Others, the Operating Procedures for Endorsement Guarantees, and the Handling Procedures for the Acquisition and Disposal of Assets, all fit to be used as guidelines for the Company to follow. In recent years and up to the date of publication of the annual report, the Company has not participated in high-risk, high-leverage investments and the transaction of derivatives, lending funds to others, endorsements, guarantees; the main reasons for the profits/losses generated thereby.

- (3) Research and development work to be carried out in the future, and further expenditures expected for research and development work.

The Company will continue to work on developing and designing power semiconductor devices (power MOSFETs) and BLDC Motor Driver System (Brushless DC Motor Drive System), products expected to receive investments of R&D funding will be listed in accordance with development process, and continue to invest in professional technicians, facilities and new technologies, to ensure the Company's advantages in competition.

- (4) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response.

In recent years and up to the date of publication of the annual report in 2026, the Company's financial operations have not been affected by important policies adopted and changes in the legal environment at home and abroad. The Company's operations complying with domestic and overseas laws and regulations, and its close monitoring of policy development and regulation changes and trends at home and abroad, as well as scheduling professional staff to partake in internal, external training courses, or consulting professionals or organizations when necessary, in response to policy and law changes at home and abroad, makes it less likely to be majorly affected by important policies adopted and changes in the legal environment at home and abroad.

- (5) Effect on the Company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response.

In recent years and up to the date of publication of the annual report in 2026, the Company's financial operations have not been affected by developments in science and technology (including cyber security risks) as well as industrial change, and the Company has been closely monitoring changes and developments in technology and techniques as well as the industry's changes, with environmental protection and energy conservation becoming a global trend and consensus, leading the Company to constantly improving its development capacity and bringing innovative concepts into the design and development of new products, actively expanding application markets in response to changes in the field of technology and how the industry's changes will affect the Company.

In addition, on the risk control of cyber security, the Company has established an Operating Procedures for Handling and Controlling Computerized Data and the Cyber Security Management Act, to regulate the Company's cyber security, and appropriate cyber security protection measures will be adopted to ensure the stability and security of the system, the Company will also continue to boost the current computer software, hardware and technology support, to ensure that the system and facilities are operating smoothly.

- (6) Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response.

In recent years and up to the date of publication of the annual report in 2026, the Company's crisis management have not been affected by any changes in corporate image, the Company has endeavored to maintain its image since its founding, and there have not been any issues that have caused damage to the corporate image or create corporate crisis. The Company's business philosophy is to constantly work on improving its technology and quality to satisfy client needs. In recent years, the Company's revenue has consistently broken record highs, with ongoing internal innovations and a good corporate image; as revenue grows, the Company must - in addition to striving for employee and shareholder profits - fulfill its social responsibility as a corporation.

- (7) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken.

The Company has no plans of mergers in recent years and up to the date of publication of the annual report in 2026.

- (8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken.

As the Company is an IC design company at the upstream of the semiconductor industry, and by commissioning wafer production and packaging and testing to other manufacturers, it does not have any facilities, and in recent years and up to the date of publication of the annual report in 2026, the Company has no plans for any plant expansions.

- (9) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken.

1. In regards to purchases, the Company is an IC design company that does not have wafer foundries, its main purchase being that of wafers, and in the manufacturing process, IC design companies need to consider the wafer foundries' manufacturing technology, quality yield rate, production capacity and dates of delivery etc. In the interest of focusing on product development, it often is inclined to maintain long-term collaborative partnerships with a single or a few specific manufacturers. The Company and its current wafer supplier have been collaborating for many years and share a good partnership, and will continue working together on developing new products and mass production, maintaining a stable working relationship in the long run. In addition, the Company works with at least two qualified suppliers for items it purchases, to prevent inventory in short supply or supply disruption.

2. In the sales aspect, no single client reached a net sales amount of over 20% in 2025 and 2026, therefore there are no risks associated with the consolidation of sales. The Company will continue to develop products that satisfy the clients' needs and maintain the current stable partnerships.

- (10) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken.

There have been no events where a major quantity of shares belonging to a director or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands in recent years and up to the date of publication of the annual report in 2026.

- (11) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken.

There have been no changes in governance personnel or top management for the Company in recent years and up to the date of publication of the annual report in 2026.

- (12) Litigious and non-litigious matters.

1. If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that was finalized or remained pending during the most recent 2 years or during the current fiscal year up to the prospectus publication date, the prospectus shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case:

One of the Company's end customers has initiated a patent infringement lawsuit concerning the use of MOSFET products. The customer is seeking reimbursement of litigation expenses from multiple implicated MOSFET product suppliers, including the Company. As of the date of publication of this annual report, although a first-instance jury verdict in a Texas court in the United States was unfavorable, the end customer intends to file an appeal in accordance with legal procedures.

In 2025, the Company recognized approximately NT\$71.4 million in litigation expenses and domestic legal fees incurred in connection with this case. In addition, the Company has accrued approximately NT\$40.0 million as its estimated share of potential litigation damages, which may be reversed if a favorable judgment is obtained in the second instance.

The Company will continue to cooperate with the end customer in presenting evidence to demonstrate that the products in question are not involved in any infringement. As the relevant legal proceedings and negotiations are still ongoing, the Company is currently unable to estimate the potential outcome of the lawsuit or its possible impact on the Company.

2. If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving a company director, supervisor, President, de facto responsible person, or major shareholder with a stake of more than 10 percent, and the matter was finalized or remained pending during the most recent 2 years or during the current fiscal year up to the prospectus publication date: None.

- (13) Other important risks and responding measures: none.

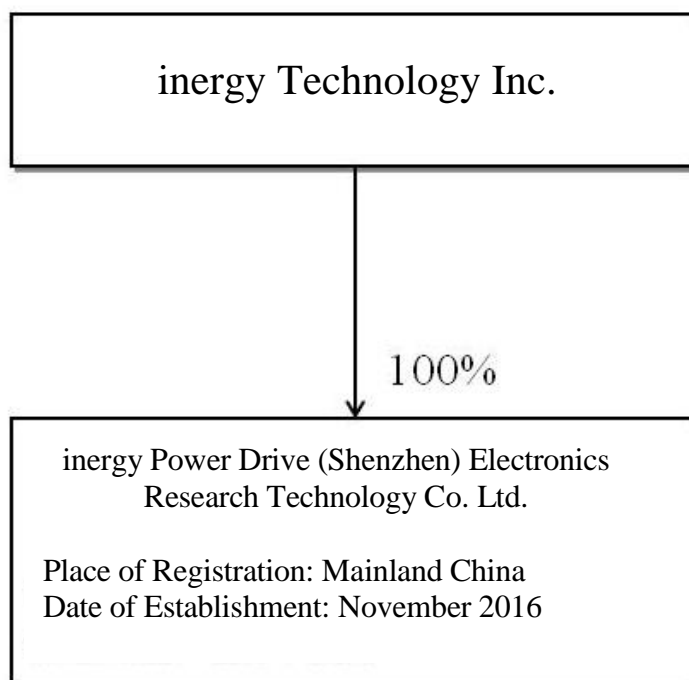
7. Other important items

None

VI. Special items to be included

1. Information related to the company's affiliates

(1) Affiliates Organization Chart



(2) Basic information of the Company's affiliates

December 31, 2025; Unit: NT\$1,000

Name of affiliates	Date of establishment	Address	Paid-in capital	Main business or production items
inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	November 1, 2016	Room 1503-1508, Building A, Xi Nian Center, No. 6021 Shennan Avenue, Tian'an Community, Shatou Street, Futian District, Shenzhen	US\$300	Sales of electrical products

- (3) Companies determined to have controlling and subordinate relations between them, in accordance with Article 369-3 of the Company Act: None.
- (4) The industries covered by the business operated by the affiliates overall: please refer to (2).
- (5) The names of the directors, supervisors, and President of each affiliate and the details of their shareholding or capital contribution in such affiliate

December 31, 2025; shares

Name of affiliates	Title	Name	Shareholding	
			Number of shares	Ratio (%)
Energy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	Executive director	John Lin	—	—
	Supervisor	William Liao	—	—

(6) Operating overview of affiliates

December 31, 2025; Unit: NT\$1,000

Name of affiliates	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit or loss	Profit or loss for current year (after-tax)	Earnings per share (NT\$)
Energy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	9,675	85,213	91,084	(5,871)	366,567	8,751	10,420	Note

Note: The limited company does not issue shares, so it is not applicable.

(7) Consolidated Financial Statements of Affiliated Enterprises

The relevant information has been disclosed in the consolidated financial report which has been audited and certified by CPAs in the most recent year, please refer to Appendix 4.

(8) Report of subsidiaries:

Please refer to the Market Observation Post System:

<https://mops.twse.com.tw/mops/#/web/t116sb01>

Home > Topics > Investor Relations > Private Placements > Private Placements

2. Private placement of securities in the most recent year and up to the date of publication of the annual report:

There is no such situation.

3. Other necessary supplementary notes

There is no such situation.

VII. Any matter in the most recent year and up to the date of publication of the annual report which has a significant impact on shareholders' equity or securities prices as stipulated in subparagraph 2 of paragraph 3 of Article 36 of the Securities and Exchange Act

There is no such situation.

Appendix 1

Statement on Internal Control

inergy Technology Inc.
Internal Control System Statement

Date: March 4, 2026

With regard to the 2025 internal control system, the Company declares the following based on the self-evaluation findings:

1. The Company is fully aware that establishing, implementing, and maintaining an internal control system are the responsibility of its Board of Directors and managerial officers. The Company has established such a system to provide reasonable assurance for attaining the aims of the effectiveness and efficiency of business operations (including profits, performance, safeguarding of asset security, etc.); reliability, timeliness, transparency of reporting; and compliance with the governing laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system provides assurance to the aforementioned aims only to a reasonable extent. Moreover, due to changes of environments and circumstances, the effectiveness of an internal control system may change accordingly. Nevertheless, the internal control system of the Company is equipped with a self-monitoring mechanism, and the Company takes corrective actions as soon as any fault is identified.
3. The Company determines the design and operating effectiveness of its internal control system in accordance with the determining factors provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The internal control system determining factors specified in the Regulations divide an internal control system into five elements based on its management: 1. Control Environment, 2. Risk Assessment,
3. Control Operations, 4. Information and Communications, and 5. Monitoring. Each element further contains several items. Refer to the Regulations for the aforementioned items.
4. The Company has adopted the aforementioned internal control system determining factors to examine the design and operating effectiveness of its internal control system.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company deems that the internal control system as of December 31, 2025 (including supervision and management of subsidiaries), which encompass internal controls for knowledge of the accomplishment degree of operating effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with the governing laws and regulations, are effectively designed and implemented, and reasonably assure accomplishment of the abovementioned aims.
6. This Statement constitutes the main content of the Company's annual report and prospectus, and will be made public. Any wrongful act pertaining to falsification or concealment involving the above public declaration will be subjected to legal liabilities under Articles 20, 32, 171, and 174 of, and other regulations relating to, the Securities and Exchange Act.
7. This Statement was approved by the Board Meeting of the Company held on March 4, 2026, where none of the nine attending directors expressed dissenting opinions, and all consented to the content of this Statement.

inergy Technology Inc. (with seal)

Chairman: John Lin (with seal)

President: John Lin (with seal)

Appendix 2

Audit committee's report
for 2025 financial statement

inergy Technology Inc.

Audit Committee Review Report

The Board of Directors has prepared and submitted the 2025 Business Report, Consolidated and Parent-Company Only Financial Statements, and Earnings Distribution Proposal. Of these, the Consolidated and Parent-Company Only Financial Statements have been duly audited by KPMG Taiwan, and audit reports have been produced.

The above Business Report, Consolidated Financial Statements, and Earnings Distribution Proposal have been examined and determined to be correct and accurate by the Audit Committee.

In light of the above, and in accordance with Article 14–4 of the Securities and Exchange Act and Article 219 of the Company Act, this Report is duly submitted.

Please take it under advisement.

Submitted to

The 2026 inergy Technology Inc. General Shareholders' Meeting

inergy

Technology Inc.

Audit Committee Convenor: Lai Hong Lin [With
signature: Lai Hong Lin]

March 4, 2026

Appendix 3

2025 Consolidated financial report and auditor's report

INERGY TECHNOLOGY INC. AND SUBSIDIARIES**Consolidated Financial Statements****With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024**

Address: 8F.-3, No. 8, Taiyuan 2nd St., Zhubei City, Hsinchu County, Taiwan
Telephone: 886-3-552-5766

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

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Representation Letter

The entities that are required to be included in the combined financial statements of inergy Technology Inc. as of and for the year ended December 31, 2025 under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, inergy Technology Inc. and subsidiaries do not prepare a separate set of combined financial statements.

Company name: inergy Technology Inc.
Chairman: Ming-Chang Lin
Date: March 4, 2026.



安侯建業聯合會計師事務所
KPMG

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Independent Auditors' Report

To the Board of Directors of inergy Technology Inc.:

Opinion

We have audited the consolidated financial statements of inergy Technology Inc. and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters we communicated in the auditor's report were as follows:

- The accuracy of the timing of revenue recognition

Please refer to note 4(n) “Revenue” for accounting policy and note 6(p) “Revenue from contracts with customers” for further information.

Description of the key audit matter:

The sales of products from the Group are subject to the terms and conditions agreed upon in sales contracts with customers, wherein it will affect the timing of revenue recognition and transfer of control to the buyer to be in compliance with the accounting standards. If the revenue is recognized prior to the customer having obtained the goods, it will result in an inappropriate timing of revenue recognition the period surrounding the reporting date. Therefore, the accuracy of the timing of revenue recognition has been identified as our key audit matter.

How the matter was addressed in our audit:

- Understanding the main types of revenues, contract contents, and transaction terms to assess the accuracy of the timing of revenue recognition.
- Conducting the variance analysis on the revenue from major customer.
- Testing the internal controls related to shipping operations and revenue recognition processes.
- Determining samples from sales transactions for a period before and after the balance sheet date to ensure the accuracy of the document related to revenue recognition.

Other Matter

Inergy Technology Inc. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yang, Yun-Chu and Chen, Ya-Ling.

KPMG

Taipei, Taiwan (Republic of China)

March 4, 2026

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2025</u>		<u>December 31, 2024</u>				<u>December 31, 2025</u>		<u>December 31, 2024</u>	
Assets		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	Liabilities and Equity		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
11xx	Current assets:					21xx	Current liabilities:				
1100	Cash and cash equivalents (note 6(a))	\$ 466,545	28	759,618	42	2100	Short-term borrowings (notes 6(i) and (v))	\$ 45,000	3	74,516	4
1172	Notes and accounts receivable, net (note 6(c))	278,726	16	205,892	11	2130	Contract liabilities-current (note 6(p))	913	-	697	-
1137	Current financial assets at amortised cost (note 6(b))	10,000	1	-	-	2170	Notes and accounts payable	247,817	15	198,354	11
1200	Other receivables	172	-	1,904	-	2200	Other payables (note 6(q))	53,918	3	46,198	3
130x	Inventories (note 6(d))	345,009	20	280,991	16	2230	Current tax liabilities	7,771	-	15,188	1
1476	Other current financial assets (notes 6(h) and 9)	630	-	124,208	7	2280	Lease liabilities-current (notes 6(j) and (v))	3,794	-	3,025	-
1479	Other current assets (note 6(h))	12,729	1	14,291	1	2320	Long term liabilities, current portion (notes 6(i) and 8)	15,079	1	14,780	1
	Total current assets	<u>1,113,811</u>	<u>66</u>	<u>1,386,904</u>	<u>77</u>	2399	Other current liabilities (notes 6(i) and 9)	<u>35,978</u>	<u>2</u>	<u>36,298</u>	<u>2</u>
15xx	Non-current assets:						Total current liabilities	<u>410,270</u>	<u>24</u>	<u>389,056</u>	<u>22</u>
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	32,445	2	36,405	2	25xx	Non-current liabilities:				
1600	Property, plant and equipment (notes 6(e), 8 and 9)	326,430	20	320,740	18	2540	Long-term borrowings (notes 6(i) and 8)	150,603	9	165,682	9
1755	Right-of-use assets (note 6(f))	5,794	-	6,972	-	2550	Non-current provisions (notes 6(k) and 9)	42,696	3	-	-
1780	Intangible assets (note 6(g))	7,293	-	7,706	-	2570	Deferred tax liabilities (note 6(m))	1,045	-	3,652	-
1840	Deferred tax assets (note 6(m))	23,937	1	15,212	1	2580	Lease liabilities-non-current (notes 6(j) and (v))	2,206	-	4,134	-
1920	Guarantee deposits paid (notes 8 and 9)	137,915	9	12,684	1	2645	Guarantee deposits received (note 9)	-	-	35,000	2
1980	Other non-current financial assets (notes 6(h) and 8)	14,823	1	15,424	1		Total non-current liabilities	<u>196,550</u>	<u>12</u>	<u>208,468</u>	<u>11</u>
1995	Other non-current assets (note 6(h))	14,879	1	3,907	-	2xxx	Total liabilities	<u>606,820</u>	<u>36</u>	<u>597,524</u>	<u>33</u>
	Total non-current asset	<u>563,516</u>	<u>34</u>	<u>419,050</u>	<u>23</u>	31xx	Equity (notes 6(b) and (n)):				
						3110	Ordinary shares	457,200	27	457,200	25
						3200	Capital surplus	570,003	34	570,003	32
						3300	Retained earnings	89,884	5	185,320	10
						3400	Other equity	(7,685)	-	(4,093)	-
						3500	Treasury shares	(38,895)	(2)	-	-
						3xxx	Total equity	<u>1,070,507</u>	<u>64</u>	<u>1,208,430</u>	<u>67</u>
1xxx	Total assets	<u>\$ 1,677,327</u>	<u>100</u>	<u>1,805,954</u>	<u>100</u>	2-3xxx	Total liabilities and equity	<u>\$ 1,677,327</u>	<u>100</u>	<u>1,805,954</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	2025		2024	
	Amount	%	Amount	%
4000 Operating revenue (note 6(p))	\$ 1,413,767	100	1,094,185	100
5000 Operating costs (notes 6(d), (e), (f), (l), (q) and 12)	<u>1,043,833</u>	<u>74</u>	<u>759,826</u>	<u>69</u>
5900 Gross profit from operations	<u>369,934</u>	<u>26</u>	<u>334,359</u>	<u>31</u>
6000 Operating expenses (notes 6(e), (f), (g), (j), (l), (q), 7 and 12):				
6100 Selling expenses	47,746	3	42,468	4
6200 Administrative expenses	142,778	10	73,955	7
6300 Research and development expenses	<u>114,949</u>	<u>8</u>	<u>97,102</u>	<u>9</u>
Total operating expenses	<u>305,473</u>	<u>21</u>	<u>213,525</u>	<u>20</u>
6900 Net operating income	<u>64,461</u>	<u>5</u>	<u>120,834</u>	<u>11</u>
7000 Non-operating income and expenses (notes 6(b), (j), (k) and (r)):				
7100 Interest income	7,706	-	21,061	2
7010 Other income	1,435	-	1,506	-
7020 Other gains and losses	(76,198)	(5)	51,975	5
7050 Finance costs	<u>(5,006)</u>	<u>-</u>	<u>(4,736)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>(72,063)</u>	<u>(5)</u>	<u>69,806</u>	<u>6</u>
7900 Income (loss) before tax	(7,602)	-	190,640	17
7950 Less: Income tax (benefits) expenses (note 6(m))	<u>(3,606)</u>	<u>-</u>	<u>38,223</u>	<u>3</u>
8000 Net (loss) income	<u>(3,996)</u>	<u>-</u>	<u>152,417</u>	<u>14</u>
8300 Other comprehensive income (notes 6(b) and (n)):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(3,960)	-	3,474	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total components of other comprehensive income that will not be reclassified to profit or loss	<u>(3,960)</u>	<u>-</u>	<u>3,474</u>	<u>-</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	368	-	(551)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total components of other comprehensive income that will be reclassified to profit or loss	<u>368</u>	<u>-</u>	<u>(551)</u>	<u>-</u>
8300 Other comprehensive income	<u>(3,592)</u>	<u>-</u>	<u>2,923</u>	<u>-</u>
8500 Total comprehensive income	<u>\$ (7,588)</u>	<u>-</u>	<u>155,340</u>	<u>14</u>
Profit (loss) attributable to:				
8610 Owners of parent	<u>\$ (3,996)</u>	<u>-</u>	<u>152,417</u>	<u>14</u>
Comprehensive income attributable to:				
8710 Owners of parent	<u>\$ (7,588)</u>	<u>-</u>	<u>155,340</u>	<u>14</u>
Earnings per share (expressed in New Taiwan dollars) (note 6(o))				
9750 Basic earnings per share	<u>\$ (0.09)</u>		<u>3.33</u>	
9850 Diluted earnings per share	<u>\$ (0.09)</u>		<u>3.33</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity					Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interests	Treasury shares	
Balance at January 1, 2024	\$ 457,200	594,692	23,867	6,027	24,040	53,934	553	(7,569)	(7,016)	-	1,098,810
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	1,631	-	(1,631)	-	-	-	-	-	-
Special reserve	-	-	-	989	(989)	-	-	-	-	-	-
Cash dividends	-	(24,689)	-	-	(21,031)	(21,031)	-	-	-	-	(45,720)
Net income	-	-	-	-	152,417	152,417	-	-	-	-	152,417
Other comprehensive income	-	-	-	-	-	-	(551)	3,474	2,923	-	2,923
Total comprehensive income	-	-	-	-	152,417	152,417	(551)	3,474	2,923	-	155,340
Balance on December 31, 2024	457,200	570,003	25,498	7,016	152,806	185,320	2	(4,095)	(4,093)	-	1,208,430
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	15,241	-	(15,241)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	(2,923)	2,923	-	-	-	-	-	-
Cash dividends	-	-	-	-	(91,440)	(91,440)	-	-	-	-	(91,440)
Net loss	-	-	-	-	(3,996)	(3,996)	-	-	-	-	(3,996)
Other comprehensive income	-	-	-	-	-	-	368	(3,960)	(3,592)	-	(3,592)
Total comprehensive income	-	-	-	-	(3,996)	(3,996)	368	(3,960)	(3,592)	-	(7,588)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(38,895)	(38,895)
Balance at December 31, 2025	\$ 457,200	570,003	40,739	4,093	45,052	89,884	370	(8,055)	(7,685)	(38,895)	1,070,507

See accompanying notes to consolidated financial statements.

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

INERGY TECHNOLOGY INC. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2025</u>	<u>2024</u>
Cash flows from (used in) operating activities:		
(Loss) income before tax	\$ (7,602)	190,640
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	34,667	33,696
Amortization expense	2,404	3,288
Finance costs	5,006	4,736
Interest income	(7,706)	(21,061)
Dividend income	(900)	(450)
Gain on disposal of property, plant and equipment	-	(202)
Others	42,195	(44)
Total adjustments to reconcile profit (loss)	<u>75,666</u>	<u>19,963</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	(72,655)	(73,769)
Other receivables	765	(767)
Inventories	(63,819)	(79,141)
Other current assets	1,562	10,235
Total changes in operating assets	<u>(134,147)</u>	<u>(143,442)</u>
Changes in operating liabilities:		
Contract liabilities	234	316
Notes and accounts payable	49,463	109,731
Other payables	9,245	19,117
Other current liabilities	196	190
Total changes in operating liabilities	<u>59,138</u>	<u>129,354</u>
Total changes in operating assets and liabilities	<u>(75,009)</u>	<u>(14,088)</u>
Total adjustments	<u>657</u>	<u>5,875</u>
Cash (outflow) inflow generated from operations	(6,945)	196,515
Income taxes paid	(15,142)	(24,056)
Net cash flows (used in) from operating activities	<u>(22,087)</u>	<u>172,459</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	(10,000)	-
Acquisition of property, plant and equipment	(50,795)	(33,398)
Proceeds from disposal of property, plant and equipment	-	216
(Increase) decrease in refundable deposits	(1,653)	73,050
Acquisition of intangible assets	(377)	(347)
Decrease (increase) in other financial assets	601	(944)
Interest received	8,673	20,970
Dividends received	900	450
Net cash flows (used in) from investing activities	<u>(52,651)</u>	<u>59,997</u>
Cash flows from (used in) financing activities:		
Proceeds from short-term borrowings	-	75,000
Repayment of short-term borrowings	(30,000)	-
Repayment of long-term borrowings	(14,780)	(14,522)
Decrease in guarantee deposits received	(35,000)	(25,000)
Payment of lease liabilities	(3,574)	(3,579)
Cash dividends paid	(91,440)	(45,720)
Payments to acquire treasury shares	(38,895)	-
Interest paid	(4,598)	(4,632)
Net cash flows used in financing activities	<u>(218,287)</u>	<u>(18,453)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(48)</u>	<u>(1,126)</u>
Net (decrease) increase in cash and cash equivalents	(293,073)	212,877
Cash and cash equivalents at beginning of period	<u>759,618</u>	<u>546,741</u>
Cash and cash equivalents at ending of period	<u>\$ 466,545</u>	<u>759,618</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Inergy Technology Inc. (the “Company”) was incorporated on November 1, 2007 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 8F-3 , No.8 Taiyuan 2nd St., Jhubei City., Hsinchu County, Taiwan. Inergy Technology Inc. and its subsidiaries (“the Group”) major operating activities are product designing, and wholesale and retail sale of electrical appliance, and wholesale and retail sale of electronic materials, and international trade.

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

The consolidated financial statements were authorized for issue by the Board of Directors on March 4, 2026.

(3) New standards, amendments and interpretations adopted:

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

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

- Amendments to IAS21 “Lack of Exchangeability”

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

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

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

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

(4) Summary of material accounting policies:

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

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (altogether referred to “IFRS Accounting Standards” endorsed by the “FSC”).

(b) Basis of preparation

(i) Basis of measurement

Except for the financial assets at fair value through other comprehensive income are measured at fair value, the consolidated financial statements have been prepared on a historical cost basis.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Financial reports of subsidiaries had been adjusted properly and the accounting policies used in subsidiaries are same to the Group’s accounting policies.

Changes in the Group’s ownership interest in a subsidiary that do not result in loss of control are accounted for as equity transactions.

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding		Description
			December 31, 2025	December 31, 2024	
The Company	Guanghong Power drive (Shenzhen) electronic technology co., LTD.	Selling of electronic products	100 %	100 %	Note

Note: The aforementioned subsidiary was recognized based on the audited financial statements by the certified public accountant.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currencies

(i) Foreign currency transactions

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

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

(Continued)

ENERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Foreign operations

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

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

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

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

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

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Cash and cash equivalents

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

(g) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment losses, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(Continued)

ENERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Fair value through other comprehensive income (FVOCI)

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

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

Dividend income from equity investments is recognized in profit or loss on the date on which the Group's right to receive payment is established, which is normally the ex-dividend date.

3) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on financial assets at amortized cost, including cash and cash equivalents, financial assets at amortized cost, notes and accounts receivable, other receivables and guarantee deposit paid, etc. Loss allowances for financial assets are deducted from the gross carrying amount of the assets. The recognition or reversal of the loss allowance is recognized in profit or loss.

The loss allowance for notes and accounts receivable is measured based on the expected credit losses over the assets' lifetime. For other financial assets measured at amortized cost, the allowance for impairment is determined by considering reasonable and supportable information that is available without undue cost or effort, including both qualitative and quantitative factors, as well as analyses based on the Group's historical experience, credit assessments, and forward-looking information. For financial assets for which credit risk has not increased significantly since initial recognition, the loss allowance is measured at the 12-month expected credit losses. If credit risk has increased significantly since initial recognition, the loss allowance is measured at lifetime expected credit losses.

At each reporting date, the Group assesses whether financial assets measured at amortized cost are credit-impaired. A financial asset is considered credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred. Evidence of credit impairment includes events such as default, significant delinquency or past-due status exceeding one year, or situations in which bankruptcy or other financial restructuring is highly probable.

When the Group no longer reasonably expects to recover all, or part of a financial asset, the gross carrying amount of the financial asset is reduced directly. This typically occurs when the Group determines that the debtor's assets or sources of income are insufficient to generate adequate cash flows to repay the amount written off, which may still be subject to enforcement actions to recover amounts due.

(Continued)

ENERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

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

5) Derecognition of financial liabilities

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

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

6) Offsetting of financial assets and liabilities

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

(h) Inventories

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

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

(i) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	Buildings and structures	
	Main buildings	50 years
	Others	8~10 years
2)	Machinery and equipment	1~5 years
3)	Transportation equipment	5 years
4)	Other equipment	3~5 years
5)	Office equipment	3~5 years
6)	Lease improvement	3~5 years

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

(j) Leases

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

(i) As a lease

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

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

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

(Continued)

ENERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

- fixed payments, including substantively fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the assessment on whether it will have the option to exercise a purchase, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

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

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

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

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(Continued)

ENERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) As a lessor

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

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

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The Group recognizes lease payments received under operating leases as income over the lease term as part of 'rent income'.

(k) Intangible assets

(i) Recognition and measurement

Intangible assets, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The Group's intangible assets is computer software, the estimated useful lives for current and comparative periods was 3 to 5 years.

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

(l) Impairment of non financial assets

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

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or the cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(m) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The Group periodically assesses the obligation of all litigation and claims and relative legal costs. Provision is recognized when it is probable that the present obligation as a result of a past event, will result in an outflow of resources and the amount can be reasonably estimated.

(n) Revenue

(i) Revenue from contracts with customers

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

1) Sale of goods

The Group recognizes revenue when control of the products has been transferred, when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

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

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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2) Financing components

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

(o) Government grants

The Group recognizes an unconditional government grant as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the government grants; they are then recognized as other income on a systematic basis over the useful life of the assets. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

The Group calculates the fair value of its loans from financial institutions with government assistance in the form of a guarantee based on the market interest rates, and recognizes the difference between the fair value of the loans and the amount paid as other income.

(p) Employee benefits

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

(q) Income taxes

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

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

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

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

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

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

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

There is no information about critical judgments in the consolidated financial statements.

Information about assumptions and estimation uncertainties that do not have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The accounting policy and disclosure of the Group include that measuring financial assets and liabilities at fair value through profit or loss. The Group's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value.

The Group strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date.

Please refer to note 6(s) for assumptions used in measuring fair value.

(6) Explanation of significant accounts:

- (a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	\$ 203	242
Demand and checking deposits	329,940	487,096
Time deposits	136,402	108,355
Cash equivalents (investments in bonds sold under repurchase agreement)	-	163,925
	<u>\$ 466,545</u>	<u>759,618</u>

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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Please refer to note 6(s) for the currency risk and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets

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

	December 31, 2025	December 31, 2024
Domestic listed companies	\$ <u>32,445</u>	<u>36,405</u>

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

During the years ended December 31, 2025 and 2024, the company received dividends income \$900 and \$450, respectively, of the equity investments designated at fair value through other comprehensive income.

There were no disposals of equity securities as at fair value through other comprehensive income and transfers of any cumulative gain or loss within equity relating to these investments as of 2025 and 2024.

(ii) Financial assets measured at amountized cost

	December 31, 2025	December 31, 2024
Time deposits with maturities over three months	\$ <u>10,000</u>	<u>-</u>

The Group assessed that it intends to hold these assets to maturity in order to collect the contractual cash flows, and that the cash flows represent solely payments of principal and interest on the outstanding principal amount. Accordingly, these assets are classified as financial assets measured at amortized cost.

The Group holds domestic time deposits, which bore a weighted-average interest rate of 1.69% for the year 2025, and will mature in September 2026.

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

(iv) The aforementioned financial assets were not pledged.

(c) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	\$ 147	4,302
Accounts receivable	278,579	201,590
Less: loss allowance	-	-
	\$ <u>278,726</u>	<u>205,892</u>

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivable. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information. The loss allowance provision was determined as follows:

	December 31, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	\$ 250,343	-	-
Overdue within 90 days	12,668	-	-
Overdue 91~180 days	1,991	-	-
Overdue more than 180 days	13,724	-	-
	\$ 278,726		-
	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	\$ 186,087	-	-
Overdue within 90 days	19,805	-	-
	\$ 205,892		-

There were no provisions or reversals of expected credit losses for the years ended December 31, 2025 and 2024.

The Group's notes and accounts receivable were not discounted and pledged. For further credit risk information, please refer to note 6(s).

(d) Inventories

	December 31, 2025	December 31, 2024
Raw materials	\$ 19,929	8,499
Work in process	233,982	218,968
Merchandise and finished goods	91,098	53,524
	\$ 345,009	280,991

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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Except for cost of goods sold and inventories recognized as expenses, the remaining gains or losses which were recognized as operating cost or deduction of operating cost were as follows:

	2025	2024
Losses (gains) on valuation of inventories	\$ 2,228	(44,390)

(i) The aforementioned gains on valuation of inventories were due to inventories, which had been recognized loss on valuation, had been sold or used.

(ii) The Group's inventories were not pledged.

(e) Property, plant and equipment

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

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Office equipment	Lease improvement	Total
Cost:								
Balance at January 1, 2025	\$ 73,697	195,627	116,607	1,297	1,234	10,848	802	400,112
Additions	-	2,288	14,669	-	156	1,092	-	18,205
Disposals	-	-	(14,197)	-	(97)	(5,118)	-	(19,412)
Reclassification (Note)	-	660	17,891	-	-	-	-	18,551
Effect of exchange rate changes	-	-	(2)	-	-	(6)	-	(8)
Balance at December 31, 2025	\$ 73,697	198,575	134,968	1,297	1,293	6,816	802	417,448
Balance at January 1, 2024	\$ 73,697	195,360	102,965	1,211	1,125	9,467	593	384,418
Additions	-	267	11,554	1,288	109	2,087	208	15,513
Disposals	-	-	(14,387)	(1,211)	-	(714)	-	(16,312)
Reclassification (Note)	-	-	16,457	-	-	-	-	16,457
Effect of exchange rate changes	-	-	18	9	-	8	1	36
Balance at December 31, 2024	\$ 73,697	195,627	116,607	1,297	1,234	10,848	802	400,112
Accumulated depreciation:								
Balance at January 1, 2025	\$ -	21,945	49,599	162	602	6,779	285	79,372
Depreciation	-	6,216	22,165	208	208	2,089	172	31,058
Disposals	-	-	(14,197)	-	(97)	(5,118)	-	(19,412)
Effect of exchange rate changes	-	-	(8)	9	-	(4)	3	-
Balance at December 31, 2025	\$ -	28,161	57,559	379	713	3,746	460	91,018
Balance at January 1, 2024	\$ -	15,863	43,019	1,211	402	5,007	173	65,675
Depreciation	-	6,082	20,955	161	200	2,467	112	29,977
Disposals	-	-	(14,387)	(1,211)	-	(700)	-	(16,298)
Effect of exchange rate changes	-	-	12	1	-	5	-	18
Balance at December 31, 2024	\$ -	21,945	49,599	162	602	6,779	285	79,372
Carrying value:								
Balance at December 31, 2025	\$ 73,697	170,414	77,409	918	580	3,070	342	326,430
Balance at January 1, 2024	\$ 73,697	179,497	59,946	-	723	4,460	420	318,743
Balance at December 31, 2024	\$ 73,697	173,682	67,008	1,135	632	4,069	517	320,740

(Note): Reclassifications are mainly the prepayments for business facilities being reclassified to property, plant and equipment.

As of December 31, 2025 and 2024, the property, plant, and equipment were subject to a registered debenture to secured bank loans and credit lines, the collateral for these long-term borrowings were disclosed in note 8.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(f) Right-of-use assets

The Group leases buildings and structures and equipment. The movements in right-of-use assets were as follows:

	<u>Buildings and structures</u>	<u>Equipment</u>	<u>Total</u>
Cost:			
Balance at January 1, 2025	\$ 11,337	636	11,973
Additions	-	2,859	2,859
Decreases	-	(1,271)	(1,271)
Effect of exchange rate changes	<u>5</u>	<u>-</u>	<u>5</u>
Balance at December 31, 2025	<u>\$ 11,342</u>	<u>2,224</u>	<u>13,566</u>
Balance at January 1, 2024	\$ 10,825	1,883	12,708
Additions	5,251	636	5,887
Decreases	(4,909)	(1,883)	(6,792)
Effect of exchange rate changes	<u>170</u>	<u>-</u>	<u>170</u>
Balance at December 31, 2024	<u>\$ 11,337</u>	<u>636</u>	<u>11,973</u>
Accumulated depreciation:			
Balance at January 1, 2025	\$ 4,365	636	5,001
Depreciation	2,911	698	3,609
Decreases	-	(901)	(901)
Effect of exchange rate changes	<u>63</u>	<u>-</u>	<u>63</u>
Balance at December 31, 2025	<u>\$ 7,339</u>	<u>433</u>	<u>7,772</u>
Balance at January 1, 2024	\$ 6,084	1,883	7,967
Depreciation	3,083	636	3,719
Decreases	(4,909)	(1,883)	(6,792)
Effect of exchange rate changes	<u>107</u>	<u>-</u>	<u>107</u>
Balance at December 31, 2024	<u>\$ 4,365</u>	<u>636</u>	<u>5,001</u>
Carrying value:			
Balance at December 31, 2025	<u>\$ 4,003</u>	<u>1,791</u>	<u>5,794</u>
Balance at January 1, 2024	<u>\$ 4,741</u>	<u>-</u>	<u>4,741</u>
Balance at December 31, 2024	<u>\$ 6,972</u>	<u>-</u>	<u>6,972</u>

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Intangible assets

The cost and accumulated amortization of the intangible assets of the Group for the years ended December 31, 2025 and 2024, were as follows:

	Computer Software
Costs:	
Balance at January 1, 2025	\$ 11,399
Additions	1,991
Decreases	(813)
Balance at December 31, 2025	<u>\$ 12,577</u>
Balance at January 1, 2024	\$ 15,506
Additions	347
Decreases	(4,464)
Effect of exchange rate changes	10
Balance at December 31, 2024	<u>\$ 11,399</u>
Accumulated amortization:	
Balance at January 1, 2025	\$ 3,693
Amortization	2,404
Decreases	(813)
Balance at December 31, 2025	<u>\$ 5,284</u>
Balance at January 1, 2024	\$ 4,860
Amortization	3,288
Decreases	(4,464)
Effect of exchange rate changes	9
Balance at December 31, 2024	<u>\$ 3,693</u>
Carrying value:	
Balance at December 31, 2025	<u>\$ 7,293</u>
Balance at January 1, 2024	<u>\$ 10,646</u>
Balance at December 31, 2024	<u>\$ 7,706</u>

(i) Amortization expense

For the years ended December 31, 2025 and 2024, the amortization of intangible assets is included in the consolidated statement of comprehensive income:

	2025	2024
Operating expense	<u>\$ 2,404</u>	<u>\$ 3,288</u>

(ii) Pledge

As of December 31, 2025 and 2024, the intangible assets were not pledged.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (h) Other financial assets, other current assets and other non-current assets

The details of the Group's other current financial assets were as follows:

	December 31, 2025	December 31, 2024
Guarantee deposits paid	<u>\$ 630</u>	<u>124,208</u>

The details of the Group's other current assets were as follows:

	December 31, 2025	December 31, 2024
Prepayments to suppliers	\$ 1,006	1,443
Tax refund	6,920	6,396
Others	<u>4,803</u>	<u>6,452</u>
	<u>\$ 12,729</u>	<u>14,291</u>

The details of the Group's other non-current financial assets were as follows:

	December 31, 2025	December 31, 2024
Restricted deposits	<u>\$ 14,823</u>	<u>15,424</u>

The details of the Group's other non-current assets were as follows:

	December 31, 2025	December 31, 2024
Prepayments for equipment	<u>\$ 14,879</u>	<u>3,907</u>

As of December 31, 2025 and 2024, the restricted deposits of the Group had been pledged as collateral, please refer to note 8.

- (i) Short-term and long-term borrowings

The details of the Group for short-term borrowings were as follows:

	December 31, 2025	December 31, 2024
Unsecured bank borrowings (in NTD)	<u>\$ 45,000</u>	<u>74,516</u>
Annual interest rate	<u>1.928%~2.085%</u>	<u>0.5%~2.12%</u>

The details of the Group for long-term borrowings were as follows:

	December 31, 2025			
	<u>Currency</u>	<u>Interest rate</u>	<u>Expiration</u>	<u>Amount</u>
Secured long-term borrowings	NTD	1.975%~2.12%	2035/12/04~2036/01/21	\$ 165,682
Less: Current portion				<u>15,079</u>
Total				<u>\$ 150,603</u>
Unused bank credit lines for short-term and long-term borrowings				<u>\$ 300,000</u>

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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	December 31, 2024			Amount
	Currency	Interest rate	Expiration	
Secured long-term borrowings	NTD	1.975%~2.12%	2035/12/04~2036/01/21	\$ 180,462
Less: Current portion				14,780
Total				\$ 165,682
Unused bank credit lines for short-term and long-term borrowings				\$ 250,000

- (i) For collateral for long-term borrowings, please refer to note 8.
- (ii) Government credit guarantee low-interest loans

On December 2, 2024, an additional unsecured bank loan of \$35,000 was obtained, with an annual interest rate of 0.5%, maturing on December 2, 2025. This loan was secured under the "Guidelines for the Ministry of Economic Affairs' Project Loans to Assist SMEs in Low-Carbon and Smart Transformation Development and Optimization of Infrastructure for Regulated and Specific Factories," and was obtained as a low-interest project loan from E.SUN Bank, fully guaranteed by the domestic government. The loan disbursement is recognized and measured at market interest rates, with the difference between the actual preferential interest rate and the market rate, in accordance with government grants, recognized as deferred income under other current liabilities.

(j) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2025	December 31, 2024
Current	\$ 3,794	3,025
Non-current	\$ 2,206	4,134

For the maturity analysis, please refer to note 6(s).

The amounts recognized in profit or loss were as follows:

	2025	2024
Interest expenses on lease liabilities	\$ 189	134
Expenses relating to short-term leases	\$ 152	154
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 125	130

The amounts recognized in the statement of cash flows by the Group were as follows:

	2025	2024
Total cash outflow for leases	\$ 4,040	3,997

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The Group leases buildings and structures for plants and office space. The leases of them typically run for a period of 1 to 5 years. The Group leases transportation equipment, with lease terms of 3 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

The Group also leases office and office equipment with contract terms of 1 to 2 years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(k) Provisions

	December 31, 2025	December 31, 2024
Litigation provisions	\$ 42,696	-

Litigation provisions are recognized by the Group as liabilities for pending lawsuits base on the assessment of potential future cash outflows. Please refer to note 9 for other related Information.

(l) Employee benefits

(i) Defined contribution plans

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

(ii) The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$4,706 and \$3,920 for the years ended December 31, 2025 and 2024, respectively.

(iii) The Group's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

The Group recognized the pension costs in accordance with the pension regulations were as follows:

	2025	2024
Operating expense	\$ 1,003	988

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Income taxes

(i) Income tax (benefits) expenses

The components of income tax (benefits) expenses were as follows:

	<u>2025</u>	<u>2024</u>
Current tax (benefits) expenses	\$ 7,726	24,670
Deferred tax (benefits) expenses		
Origination and reversal of temporary difference	(11,332)	13,553
Subtotal	(11,332)	13,553
Income tax (benefits) and expenses	<u>\$ (3,606)</u>	<u>38,223</u>

The Group did not recognized any amount of income tax expense (benefits) in equity and other comprehensive income for the years ended December 31, 2025 and 2024.

Reconciliation of income tax expense and profit before tax for 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
(Loss) income before tax	\$ (7,602)	190,640
Income tax using the Company's domestic tax rate	(1,520)	38,128
Additional tax on undistributed earnings	1,141	-
Effect of tax rates in foreign jurisdiction	521	(97)
Recognition of previously unrecognized tax losses	(1,399)	(431)
Changes in provision in prior periods	(1,021)	(270)
Others	(1,328)	893
	<u>\$ (3,606)</u>	<u>38,223</u>

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

The Group's unrecognized deferred tax assets were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Tax effect of deductible temporary differences	\$ 3,199	5,283
Loss carryforwards	2,945	4,512
	<u>\$ 6,144</u>	<u>9,795</u>

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom. As of December 31, 2025, the Group's loss carry-forward recognized and unrecognized as deferred tax assets and the expiry year were as follows:

<u>Year of loss</u>	<u>Unrecognized un-deducted loss</u>	<u>Recognized un-deducted loss</u>	<u>Expiry date</u>
2022	\$ 803	-	2027
2023	<u>2,142</u>	<u>-</u>	2028
	<u>\$ 2,945</u>	<u>-</u>	

The Group has no unrecognized deferred tax liabilities as of December 31, 2025 and 2024.

2) Recognized deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for 2025 and 2024 were as follows:

	<u>Loss on valuation of inventories</u>	<u>Unrealized exchange loss</u>	<u>Provisions</u>	<u>Others</u>	<u>Total</u>
Deferred tax assets:					
Balance at January 1, 2025	\$ 14,865	-	-	347	15,212
Recognized in profit or loss	<u>(1,226)</u>	<u>-</u>	<u>8,125</u>	<u>1,826</u>	<u>8,725</u>
Balance at December 31, 2025	<u>\$ 13,639</u>	<u>-</u>	<u>8,125</u>	<u>2,173</u>	<u>23,937</u>
Balance at January 1, 2024	\$ 24,441	119	-	553	25,113
Recognized in profit or loss	<u>(9,576)</u>	<u>(119)</u>	<u>-</u>	<u>(206)</u>	<u>(9,901)</u>
Balance at December 31, 2024	<u>\$ 14,865</u>	<u>-</u>	<u>-</u>	<u>347</u>	<u>15,212</u>
					<u>Unrealized exchange gains</u>
Deferred tax liabilities:					
Balance at January 1, 2025					\$ (3,652)
Recognized in profit or loss					<u>2,607</u>
Balance at December 31, 2025					<u>\$ (1,045)</u>
Balance at January 1, 2024					\$ -
Recognized in profit or loss					<u>(3,652)</u>
Balance at December 31, 2024					<u>\$ (3,652)</u>

(iii) Assessment

The Company's income tax returns for all years through 2023 were assessed by the tax authorities.

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(n) Capital and other equity

(i) Ordinary shares

As of December 31, 2025 and 2024, the Company's authorized ordinary shares consisted of 60,000 and 50,000 thousand shares, respectively, with a par value of \$10 per share, amounting to \$600,000 and \$500,000 of which 45,720 thousand shares were issued and outstanding. All issued shares were paid up upon issuance.

The Company resolved at the extraordinary shareholders' meeting held on January 14, 2026 to conduct a private placement of common shares through a cash capital increase. The number of common shares to be privately placed shall not exceed 8,700 thousand shares, and the private placement shall be completed in a single issuance within one year from the date of the shareholders' meeting resolution.

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2025	December 31, 2025
Cash subscription in excess of par value of shares	\$ 569,928	-
Employee stock options	75	75
	<u>\$ 570,003</u>	<u>75</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total ordinary shares outstanding.

On June 14, 2024, the shareholders' meeting resolved to distribute the cash dividends from the Company's capital surplus for an amount of \$24,689 with a face value of NTD0.54 per share. The related information can be found on websites such as the Market Observation Post System.

(iii) Retained earnings

The Company's article of incorporation stipulate that the Company's net earnings should first be used to offset any prior years' deficits. Of the remaining balance, 10% is to be appropriated as legal reserve until the accumulated legal reserve equals the Company's total paid-in capital. The remainder, if any, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted during the shareholders' meeting for approval.

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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As the Company is a technology intensive enterprise and is in its growth phase, it has adopted a more prudent approach in the appropriation of its remaining earnings as its dividend policy, in order to sustain its long-term capital needs and thereby maintain continuous development and steady growth. Cash dividends and share dividends are appropriated in consideration of the Company's budget for capital expenditures, financial condition, and future operating cash flows. The amount of dividends to shareholders shall not be less than 10% of the profit from the current year. However, when the accumulated distributable surplus is less than 10% of the paid-in capital, it may not be distributed. No dividends can be distributed if the Company has no unappropriated earnings. Earnings can be distributed in cash or in shares. For cash dividends, the amount should not be lower than 10% of the total shareholders' dividends.

1) Legal reserve

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

2) Special reserve

In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. If the Company has already reclassified a portion of earnings to special reserve under the preceding subparagraph, it shall make supplemental allocation of special reserve for any difference between the amount it has already allocated and the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than the after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of the undistributed prior-period earnings shall be reclassified to special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. The amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(iv) Earnings distribution

Earnings distribution for 2024 and 2023 were decided by the resolutions adopted at the general meetings of shareholders held on June 6, 2025 and June 14, 2024, respectively, as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Amount per share (in dollars)</u>	<u>Total amount</u>	<u>Amount per share (in dollars)</u>	<u>Total amount</u>
Dividends distributed to ordinary shareholders:				
Cash	\$ <u>2</u>	<u>91,440</u>	<u>0.46</u>	<u>21,031</u>

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

On March 4, 2026, the Company's Board of Directors resolved to appropriate the 2025 earnings. These earnings were appropriated as follows:

	2025	
	Amount per share	Total amount
Dividends distributed to ordinary shareholders :		
Cash	\$ 0.6	27,028

The related information mentioned above can be found on websites such as the Market Observation Post System.

(v) Treasury shares

In order to transfer shares to its employees, the Company decided to repurchase 1,500 thousand shares, at a price ranging from NT45 to NT88.07 per share, between June 4 and August 3, 2025, based on a resolution approved during its board meeting held on June 3, 2025. As of December 31, 2025, the Company has repurchased a total of 674 thousand shares for \$38,895.

In accordance with the Securities and Exchange Act, treasury shares held by the Company may not be pledged, nor are they entitled to dividends or voting rights prior to the transfer.

(vi) Other equity interests (net of taxes)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2025	\$ 2	(4,095)	(4,093)
Exchange differences on translation of foreign financial statements	368	-	368
Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	-	(3,960)	(3,960)
Balance at December 31, 2025	\$ 370	(8,055)	(7,685)
Balance at January 1, 2024	\$ 553	(7,569)	(7,016)
Exchange differences on translation of foreign financial statements	(551)	-	(551)
Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	-	3,474	3,474
Balance at December 31, 2024	\$ 2	(4,095)	(4,093)

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Earnings per share

The Group's basic and diluted earnings per share were calculated as follows:

	<u>2025</u>	<u>2024</u>
Basic earnings per share:		
Profit (loss) attributable to ordinary shareholders of the Company	\$ <u>(3,996)</u>	<u>152,417</u>
Weighted average number of ordinary shares outstanding (in thousands)	<u>45,403</u>	<u>45,720</u>
Basic earnings per share (in dollars)	\$ <u>(0.09)</u>	<u>3.33</u>
Diluted earnings per share:		
Profit (loss) attributable to ordinary shareholders of the Company	\$ <u>(3,996)</u>	<u>152,417</u>
Weighted average number of ordinary shares outstanding (in thousands)	45,403	45,720
Employee remuneration (thousands shares)	-	88
Weighted average ordinary shares outstanding (diluted) (thousands shares)	<u>45,403</u>	<u>45,808</u>
Diluted earnings per share (in dollars)	\$ <u>(0.09)</u>	<u>3.33</u>

For the year ended December 31, 2025, the employee compensation had anti-diluted effects and hence the employee compensation was not included in the calculation of effect on potentially diluted common stock.

(p) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2025</u>	<u>2024</u>
Primary geographical markets:		
Taiwan	\$ 496,881	342,647
China	906,331	730,496
Vietman	10,382	20,438
Others	<u>173</u>	<u>604</u>
	\$ <u>1,413,767</u>	<u>1,094,185</u>
Major products:		
Power semiconductor devices	\$ 958,831	835,601
Brushless DC Motors	307,311	164,003
Cooling Fan Driver	147,301	92,446
Others	<u>324</u>	<u>2,135</u>
	\$ <u>1,413,767</u>	<u>1,094,185</u>

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(ii) Contract balance

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities-current	<u>\$ 913</u>	<u>697</u>	<u>377</u>

For details on notes and accounts receivables and loss allowance, please refer to note 6(c).

The amount of revenue recognized for the year ended December 31, 2025 and 2024 that were included in the contract liabilities balances at the beginning of the period were \$670 and \$320, respectively.

The contract liabilities primarily relate to the advance consideration received from customers for the integrated circuit sales contracts, for which revenue is recognized when products are delivered to customers.

(q) Remuneration to employees and directors

On June 6, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 1%~15% shall be allocated as employee remuneration (including a minimum of 20% to those base-level employees) and a maximum of 5% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 1%~15% should be allocated as employee remuneration and no more than 5% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, could include employees of the subsidiaries who met certain specific requirements.

The Company estimated its employees' and directors' remuneration were as follows:

	2025	2024
Employees' remuneration	\$ -	7,230
Directors' remuneration	-	2,300
	<u>\$ -</u>	<u>9,530</u>

The abovementioned remuneration were calculated by using the Company's pretax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's articles of incorporation, and expensed under operating expenses. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year.

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the Company's financial statements of the years ended December 31, 2025 and 2024. The related information can be found on Market Observation Post System website.

(r) Non-operating income and expenses

(i) Interest income

	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ 7,702	21,056
Other interest income	<u>4</u>	<u>5</u>
	<u>\$ 7,706</u>	<u>21,061</u>

(ii) Other income

	<u>2025</u>	<u>2024</u>
Rent income	\$ 535	1,056
Dividend income	<u>900</u>	<u>450</u>
	<u>\$ 1,435</u>	<u>1,506</u>

(iii) Other gains and losses

	<u>2025</u>	<u>2024</u>
Foreign exchange gains (losses), net	\$ (36,077)	51,319
Gains on disposal of property, plant and equipment	-	202
Litigation loss	(40,624)	-
Others	<u>503</u>	<u>454</u>
	<u>\$ (76,198)</u>	<u>51,975</u>

(iv) Finance costs

	<u>2025</u>	<u>2024</u>
Interest expense	<u>\$ 5,006</u>	<u>4,736</u>

(s) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Concentration of credit risk

As of December 31, 2025 and 2024, the Group's notes and accounts receivable were concentrated on 4 and 5 customers, whose accounts represented 70% and 70% of the total notes and accounts receivable, respectively. In order to reduce the credit risk on these notes and accounts receivable, the Group evaluates the financial status of these customers and possible loss of accounts receivable periodically.

3) Receivable and debt securities

For credit risk exposure of notes and accounts receivables, please refer to note 6(c).

Other financial assets at amortized cost includes other receivables, other financial assets and guarantee deposits paid, all of these financial assets are considered to have low credit risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2025						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	\$ 210,682	228,241	63,451	18,270	54,810	91,710
Notes and accounts payable	247,817	247,817	247,817	-	-	-
Other payables	53,918	53,918	53,918	-	-	-
Lease liabilities	6,000	6,140	3,906	1,852	382	-
Guarantee deposits received	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 553,417</u>	<u>571,116</u>	<u>404,092</u>	<u>20,122</u>	<u>55,192</u>	<u>91,710</u>
December 31, 2024						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	\$ 254,978	276,610	93,550	18,270	54,810	109,980
Notes and accounts payable	198,354	198,354	198,354	-	-	-
Other payables	46,198	46,198	46,198	-	-	-
Lease liabilities	7,159	7,419	3,193	3,140	1,086	-
Guarantee deposits received	<u>70,000</u>	<u>70,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 576,689</u>	<u>598,581</u>	<u>376,295</u>	<u>56,410</u>	<u>55,896</u>	<u>109,980</u>

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

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Currency risk

1) Exposure to credit risk

The Group's significant exposure to foreign currency risk were as follows:

	December 31, 2025			December 31, 2024		
	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 21,462	31.430	674,547	27,342	32.785	896,400
CNY	18	4.4930	80	329	4.4889	1,477
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	\$ 11,593	31.430	364,367	8,054	32.785	264,049
CNY	200	4.4930	899	200	4.4889	898
<u>Non-monetary item</u>						
CNY	\$ 1,307	4.4930	5,871	3,711	4.4889	16,659

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets, guarantee deposits paid, notes and accounts payable, other payables, provisions that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD and CNY as of 2025 and 2024, would have increased (decreased) the income (loss) before tax by \$15,468 and \$31,647, respectively. The analysis is performed on the same basis for the years ended December 31, 2025 and 2024.

3) Foreign exchange gains and losses on monetary items

For the years ended December 31, 2025 and 2024, foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$(36,077) and \$51,319, respectively.

(iv) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial liabilities.

The following sensitivity analysis is based on the exposure to interest rate risk of the non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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If the interest rate had increased / decreased by 1%, the Group's net income (loss) would have increased / decreased by \$2,107 and \$2,206 for the years ended December 31, 2025 and 2024, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at floating variable rates.

(v) Other market price risk

For the years ended December 31, 2025 and 2024, the sensitivity analysis for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

<u>Price of the securities at the reporting date</u>	<u>2025</u>		<u>2024</u>	
	<u>Other comprehensive income after tax</u>	<u>Net income</u>	<u>Other comprehensive income after tax</u>	<u>Net income</u>
Increasing 5%	\$ <u>1,622</u>	<u>-</u>	<u>1,820</u>	<u>-</u>
Decreasing 5%	\$ <u>(1,622)</u>	<u>-</u>	<u>(1,820)</u>	<u>-</u>

(vi) Fair value

1) Categories and fair value of financial instruments

Except for the followings, carrying amount of the Group's financial assets and liabilities are valued approximately to their fair value, and are not based on observable market data and the value measurements which are not reliable. No additional fair value disclosure is required in accordance with the regulations.

	<u>December 31, 2025</u>				
	<u>Carrying amount</u>	<u>Fair value</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>		
Financial assets at fair value through other comprehensive income					
Domestic listed companies	\$ <u>32,445</u>	<u>32,445</u>	<u>-</u>	<u>-</u>	<u>32,445</u>
	<u>December 31, 2024</u>				
	<u>Carrying amount</u>	<u>Fair value</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>		
Financial assets at fair value through other comprehensive income					
Domestic listed companies	\$ <u>36,405</u>	<u>36,405</u>	<u>-</u>	<u>-</u>	<u>36,405</u>

2) Valuation techniques of financial instruments valued at fair value

The fair value of non-derivative financial instruments traded in an active market is based on the quoted market prices. The quotation, which is published by the main exchange center or that which was deemed to be a public bond by the Treasury Bureau of Central Bank, is included in the fair value of the listed securities instruments and the debt instruments in active markets with open bid.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm's length basis. Otherwise, the market is deemed to be inactive.

Normally, a market is considered to be inactive when:

- The bid-ask spread is increasing; or
- The bid-ask spread varies significantly; or
- There has been a significant decline in trading volume.

The fair value is based on the valuation techniques or the quotation from the counterparty. The fair value refers to the current fair value of the other financial instruments with similar conditions and characteristics, using a discounted cash flow analysis or other valuation techniques, such as calculations of using models (for example, applicable yield curve from Taipei Exchange, or average quoted price on interest rate of commercial paper from Reuters), based on the information acquired from the market at the balance sheet date.

When the financial instrument of the Group is not traded in an active market, its fair value is listed by category and attribute as follows:

- Unquoted equity instruments: The fair value, which is discounted for its lack of liquidity in the market, is determined based on the ratio of the quoted market price of the comparative listed company and its book value per share.

3) Level transfers of financial instruments

In March 2024, Micro Silicon Electronics Corp., which the Group holds an investment in equity shares of, listed its equity shares on a stock exchange and it is currently actively traded in the market. Because the equity shares now have published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy since the first quarter of 2024.

4) Movement of level 3

	Fair value through other comprehensive income
	Unquoted equity instruments
January 1, 2024	\$ 32,931
Total gains or losses:	
Recognized in other comprehensive income	1,656
Transfer out of level 3	(34,587)
December 31, 2024	\$ -

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ENERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(t) Management of financial risk

(i) Overview

The Group is exposed to the extent of the risks arising from financial instruments as below:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

Detailed information about exposure risk arising from the aforementioned risk was listed below. The Group's objective, policies and process for managing risks and methods used to measure the risk arising from financial instruments.

(ii) Risk management framework

The Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework, while the management is responsible for developing and monitoring the Group's risk management policies and reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, and evaluate the influence of market risks, and implement related policies to hedge financial risk. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee is assisted in its oversight role by the internal auditor. The internal auditor undertakes both regular and ad hoc reviews of risk management controls and the procedures, and the result of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations that arises principally from the Group's notes and accounts receivable and bank deposits.

The Group's finance department has established a credit policy, in which the Group analyzes each new customer individually for their credit worthiness before granting them standard payment terms and delivery terms. The Group's review includes obtaining external information. Credit limits are established for each customer and are reviewed quarterly. Any transactions which exceed the credit limits have to be approved by finance department and competent authorities.

According to the Group's policy, the Group can only provide guarantee to those who are listed under the regulation. As of December 31, 2025 and 2024, no guarantees were provided by the Group.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(iv) Liquidity risk

The Group maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows.

(v) Market risk

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

All such transactions are carried out within the guidelines set by the Board of Directors in order to manage market risk.

1) Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the NTD. The currencies used in these transactions are the USD and CNY.

The Group's currency risk management policy is reserving the foreign currency position arising from sales appropriately to remit the foreign currency expenditures and then meets the natural hedge.

2) Interest rate risk

The Group's long-term and short-term borrowings bear floating interest rates. The changes in effective rate, along with the fluctuation of the market interest rate, have an impact on the Group's future cash flow. In response to the changes in interest rates, the Group assesses the rate of bank loans and maintains good relationships with financial institutions to obtain lower financing costs. The Group also strengthens its management of working capital, reduces dependence on bank borrowings, and lowers its risk of changes in interest rates.

3) Other market price risk

The Group is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The management of the Group monitors the combination of equity securities and open-market funds in its investment portfolio based on cash flow requirements. Material investments within the portfolio are managed on an individual basis, and all buy-and-sell decisions are approved by the Board of Directors.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(u) Capital management

The Group's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital. The total equity is all components of equity. The Group oversees capital structure by review debt to asset ratio periodically.

As of December 31, 2025 and 2024, the debt to asset ratio of the Group were as follows :

	December 31, 2025	December 31, 2024
Total liabilities	<u>\$ 606,820</u>	<u>597,524</u>
Total assets	<u>\$ 1,677,327</u>	<u>1,805,954</u>
Debt to asset ratio	<u>36%</u>	<u>33%</u>

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

(v) Financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow were acquisitions of right-of-used assets under leases.

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes		December 31, 2025
			Foreign exchange movement	Others	
Short-term borrowings	\$ 74,516	(30,000)	-	484	45,000
Lease liabilities	7,159	(3,574)	(56)	2,471	6,000
Total liabilities from financing activities	<u>\$ 81,675</u>	<u>(33,574)</u>	<u>(56)</u>	<u>2,955</u>	<u>51,000</u>

	January 1, 2024	Cash flows	Non-cash changes		December 31, 2024
			Foreign exchange movement	Others	
Short-term borrowings	\$ -	75,000	-	(484)	74,516
Lease liabilities	4,791	(3,579)	60	5,887	7,159
Total liabilities from financing activities	<u>\$ 4,791</u>	<u>71,421</u>	<u>60</u>	<u>5,403</u>	<u>81,675</u>

(7) Related-party transactions

(a) Key management personnel remuneration

Key management personnel remuneration comprised:

	2025	2024
Short-term employee benefits	\$ 17,295	19,788
Post-employment benefits	319	310
	<u>\$ 17,614</u>	<u>20,098</u>

(b) Others related-party transactions: None.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant, and equipment:			
Land and buildings and structures	Long-term borrowings	\$ 244,111	247,379
Other non-current financial assets:			
Restricted time deposits	Payment guarantee and tariff guarantee	14,823	15,424
Guarantee deposits paid	Litigation Guarantee Deposit	42,696	-
		<u>\$ 301,630</u>	<u>262,803</u>

(9) Commitments and contingencies:

(a) The Group's unrecognized material contractual commitments were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Acquisition of property, plant, and equipment	<u>\$ 3,406</u>	<u>-</u>

(b) In order to control the supply of raw materials and the productivity of foundry, the Group sign several supply guarantee agreements with different suppliers, wherein the Group makes advance payment, which has a fixed amount and foundry production capacity, as well as pays guarantee deposits, to its supplier. The contracts have term periods ranging from 1 to 3 years. As of December 31, 2025 and 2024, the Group evaluated that all guarantee deposits are refunded. The details of guarantee deposits paid arising from the aforementioned contracts were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Guarantee depositis paid	<u>\$ 83,649</u>	<u>107,816</u>

In addition, the Group entered into several supply agreements with a sales customer. The contracts have term periods ranging from 1 to 4 years. As of December 31, 2025 and 2024, the security deposits paid by the sales customer amounted to \$35,000 and \$70,000, respectively, recognized as other current liabilities and guarantee deposits received. Also the guarantee notes issued by the Group for the aforementioned transactions were \$35,000 and \$70,000, respectively.

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The Company's end-customer has been accused of patent infringement in the United States District Court-Eastern District of Texas due to the use of MOSFET products, wherein the plaintiff is seeking to allocate the litigation costs and losses among several MOSFET product suppliers. Nonetheless, the Company is actively responding to, and defending against, the patent infringement lawsuit, in which the outcome of the litigation remains uncertain, and the substantive content of the case is still under evaluation.

As of reporting date, the Company has assessed the reasonableness of the estimated expenses or losses during each financial reporting period based on the nature of the lawsuit, the potential significance of the related costs or losses, and the progress of the litigation. Necessary adjustments have been made in a manner the Company deems appropriate. However, the final amount will not be determined until the conclusion of the litigation.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

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

By item	2025			2024		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	598	113,064	113,662	416	104,443	104,859
Labor and health insurance	73	9,496	9,569	48	7,817	7,865
Pension	33	5,676	5,709	21	4,887	4,908
Remuneration of directors	-	1,904	1,904	-	3,566	3,566
Others	45	4,096	4,141	29	3,339	3,368
Depreciation	8,938	25,729	34,667	6,802	26,894	33,696
Amortization	-	2,404	2,404	-	3,288	3,288

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

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

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties: None
- (iii) Significant marketable securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with Company	Account title	Ending balance				Highest Percentage of ownership (%)	Notes
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value		
The Company	Micro Silicon Electronics Corp.	-	Financial assets at fair value through other comprehensive income - non-current	900,000	32,445	1.31 %	32,445	1.31 %	-

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of paid-in-capital:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Guanghong Power Drive (Shenzhen) Elec.	The company's subsidiary	Sales	345,424	24.63 %	OA90	-	-	85,157	25.52%	(Note)

(Note): The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of paid-in-capital: None
- (vi) Business relationships and significant intercompany transactions:

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions				Percentage of the consolidated net revenue or total assets (Note 4)	Note
				Account name (Note 3)	Amount	Trading terms			
0	The company	Guanghong Power Drive (Shenzhen) Elec.	1	Accounts receivable	85,157	OA90	5.08%	(Note)	
"	"	"	1	Operating revenue	345,424	OA90	24.43%	(Note)	

Note: The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

Note 1: Company numbering is as follows:

Parent company—0

Subsidiary starts from 1

Note 2: The numbering of the relationship between transaction parties is as follows:

Parent company to subsidiary—1

Subsidiary to parent company—2

Subsidiary to subsidiary—3

Note 3: The section only discloses the information of sales and accounts receivable of inter-company transactions. The purchase and accounts payable of counter-party is not disclosed due to duplicate.

Note 4: Calculated by using the transaction amount, divided by the consolidated operating revenues and total assets.

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) Information on investees (excluding information on investees in mainland China): None
- (c) Information on investment in mainland China:

The following are the information on investment in mainland China for the year ended December 31, 2025:

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

Name of invested	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan at the beginning of this period	Investment flows		Accumulated outflow of investment from Taiwan at the end of this period	Net income (losses) of the investee (Note2)	Highest percentage of ownership (%)	Direct/Indirect percentage of ownership by the Company	Investment income (loss) recognized (Note2)	Carrying amount at the end of this period	Accumulated remittance of earnings in current period	Notes
					Outflow	Inflow								
Guanghong Power Drive (Shenzhen) Elec.	Electronic sales	9,675 (USD 300)	(Note 1)	9,675 (USD 300)	-	-	9,675 (USD 300)	10,420	100.00%	100.00%	10,420	(8,066)	-	(Note)

- (ii) Limitation on investment in mainland China:

Accumulated Investment in mainland China as of December 31, 2025 (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on Investment (Note 4)
9,675 (USD 300)	9,675 (USD 300)	642,305

Note : The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

Note 1: The Company invested in mainland China directly.

Note 2: The amount of net income (losses) was recognized based on the audited financial statements of the investee company.

Note 3: The investment was recorded at the exchange rate prevailing at transaction date.

Note 4: Amount of upper limit on investment was sixty percentage of total equity.

- (iii) Significant transactions:

The significant inter-company transactions with the subsidiary in mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(14) Segment information:

The Group has one reportable segment. This segment is mainly involved in manufacturing and selling of integrated circuit. The segment information is the same as those described in the consolidated financial reports. Please refer to the consolidated balance sheets and the consolidated income statement.

- (a) General information

The Group has one reportable segment. This segment is mainly involved in manufacturing and selling of integrated circuit.

- (b) Profit or loss data of the reporting segment, assets and liabilities of the segment, the basis of measurement, and the related eliminations :

The accounting policies of the operating segment are similar to those described in note 4 "significant accounting policies". Operating segment profit or loss is measured before taxation (excluding any extraordinary activity and foreign exchange gains or losses) and is used as the basis for assessing performance. The information relating to profit or loss, assets and liabilities of the segment are the same as those described in the consolidated financial statements, please refer to the consolidated balance sheets and the consolidated statements of comprehensive income.

- (c) Products and services information :

The Group is a single operation segment ; therefore, the Group's revenue was not disclosed by categories of products or services.

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Geographical information :

Segment revenue is based on the geographical location of customers and segment assets that are based on the geographical location of the assets. For the information on revenue from external customers, please refer to note 6(p).

<u>Geography</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current assets:		
Taiwan	\$ 350,314	333,262
China	<u>4,082</u>	<u>6,063</u>
Total	<u>\$ 354,396</u>	<u>339,325</u>

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other non-current assets, aside from financial instruments and deferred tax assets.

(e) Major customers

The amounts of sales to external customers representing greater than 10% of net revenue were as follows:

<u>Customer</u>	<u>2025</u>		<u>2024</u>	
	<u>Amount</u>	<u>Percentage of net revenue</u>	<u>Amount</u>	<u>Percentage of net revenue</u>
A Customer	\$ 272,426	19.27	193,429	17.68
B Customer	<u>163,683</u>	<u>11.58</u>	<u>167,718</u>	<u>15.33</u>
	<u>\$ 436,109</u>	<u>30.85</u>	<u>361,147</u>	<u>33.01</u>

Appendix 4

**The parent company only financial statement for 2025,
certified by a CPA**

INERGY TECHNOLOGY INC.**Parent Company Only Financial Statements****With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024**

Address: 8F.-3, No. 8, Taiyuan 2nd St., Zhubei City, Hsinchu County, Taiwan
Telephone: 886-3-552-5766

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

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Independent Auditors' Report

To the Board of Directors of inergy Technology Inc.:

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

- The accuracy of the timing of revenue recognition

Please refer to note 4(n) “Revenue” for accounting policy and note 6(q) “Revenue from contracts with customers” for further information.

Description of the key audit matter:

The sales of products from the Company are subject to the terms and conditions agreed upon in sales contracts with customers, wherein it will affect the timing of revenue recognition and transfer of control to the buyer to be in compliance with the accounting standards. If the revenue is recognized prior to the customer having obtained the goods, it will result in an inappropriate timing of revenue recognition the period surrounding the reporting date. Therefore, the accuracy of the timing of revenue recognition has been identified as our key audit matter.

How the matter was addressed in our audit

- Understanding the main types of revenues, contract contents, and transaction terms to assess the accuracy of the timing of revenue recognition.
- Conducting the variance analysis on the revenue from major customer.
- Testing the internal controls related to shipping operations and revenue recognition processes.
- Determining samples from sales transactions for a period before and after the balance sheet date to ensure the accuracy of the document related to revenue recognition.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yang, Yun-Chu and Chen, Ya-Ling.

KPMG

Taipei, Taiwan (Republic of China)
March 4, 2026

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
INERGY TECHNOLOGY INC.

Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2025</u>		<u>December 31, 2024</u>				<u>December 31, 2025</u>		<u>December 31, 2024</u>	
Assets		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	Liabilities and Equity		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
11xx	Current assets:					21xx	Current liabilities:				
1100	Cash and cash equivalents (note 6(a))	\$ 425,958	25	703,095	39	2100	Short-term borrowings (notes 6(j) and (w))	\$ 45,000	3	74,516	4
1137	Current financial assets at amortised cost (note 6(b))	10,000	1	-	-	2130	Contract liabilities-current (note 6(q))	785	-	58	-
1172	Notes and accounts receivable, net (note 6(c))	248,546	15	180,101	10	2170	Notes and accounts payable	247,817	15	198,354	11
1180	Accounts receivable-related parties, net (notes 6(c) and 7)	85,157	5	100,814	5	2200	Other payables (note 6(r))	51,023	3	42,399	2
1200	Other receivables	172	-	1,904	-	2220	Other payables-related parties (note 7)	899	-	898	-
130X	Inventories (note 6(d))	338,141	20	278,661	15	2230	Current tax liabilities	7,771	-	15,188	1
1476	Other current financial assets (notes 6(i) and 9)	630	-	124,208	7	2280	Lease liabilities-current (notes 6(k) and (w))	2,003	-	1,304	-
1479	Other current assets (note 6(i))	<u>12,654</u>	<u>1</u>	<u>14,205</u>	<u>1</u>	2320	Long-term liabilities, current portion (notes 6(j) and 8)	15,079	1	14,780	1
	Total current assets	<u>1,121,258</u>	<u>67</u>	<u>1,402,988</u>	<u>77</u>	2399	Other current liabilities (notes 6(j) and 9)	<u>35,942</u>	<u>2</u>	<u>36,271</u>	<u>2</u>
15xx	Non-current assets:						Total current liabilities	<u>406,319</u>	<u>24</u>	<u>383,768</u>	<u>21</u>
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	32,445	2	36,405	2	25xx	Non-current liabilities:				
1600	Property, plant and equipment (notes 6(f), 8 and 9)	325,140	19	319,228	18	2540	Long-term borrowings (notes 6(j) and 8)	150,603	9	165,682	9
1755	Right-of-use assets (note 6(g))	3,002	-	2,421	-	2550	Non-current provisions (notes 6(l), 8 and 9)	42,696	3	-	-
1780	Intangible assets (note 6(h))	7,293	-	7,706	-	2570	Deferred tax liabilities (note 6(n))	1,045	-	3,652	-
1840	Deferred tax assets (note 6(n))	23,937	2	15,212	1	2580	Lease liabilities—non-current (notes 6(k) and (w))	1,129	-	1,269	-
1920	Guarantee deposits paid (note 9)	137,588	8	12,357	1	2645	Guarantee deposits received (note 9)	-	-	35,000	2
1980	Other non-current financial assets (notes 6(i) and 8)	14,823	1	15,424	1	2650	Credit balance of investments accounted for using equity method (notes 6(e) and 7)	<u>8,066</u>	<u>-</u>	<u>17,847</u>	<u>1</u>
1995	Other non-current assets (note 6(i))	<u>14,879</u>	<u>1</u>	<u>3,907</u>	<u>-</u>		Total non-current liabilities	<u>203,539</u>	<u>12</u>	<u>223,450</u>	<u>12</u>
	Total non-current asset	<u>559,107</u>	<u>33</u>	<u>412,660</u>	<u>23</u>	2xxx	Total liabilities	<u>609,858</u>	<u>36</u>	<u>607,218</u>	<u>33</u>
						31xx	Equity (notes 6(b) and (o)):				
						3110	Ordinary shares	457,200	27	457,200	25
						3200	Capital surplus	570,003	34	570,003	32
						3300	Retained earnings	89,884	5	185,320	10
						3400	Other equity	(7,685)	-	(4,093)	-
						3500	Treasury shares	<u>(38,895)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
						3xxx	Total equity	<u>1,070,507</u>	<u>64</u>	<u>1,208,430</u>	<u>67</u>
	Total assets	<u>\$ 1,680,365</u>	<u>100</u>	<u>1,815,648</u>	<u>100</u>	2-3xxx	Total liabilities and equity	<u>\$ 1,680,365</u>	<u>100</u>	<u>1,815,648</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
INERGY TECHNOLOGY INC.

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		<u>2025</u>		<u>2024</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (notes 6(q) and 7)	\$ 1,402,702	100	1,080,981	100
5000	Operating costs (notes 6(d), (f), (g), (m), (r) and 12)	<u>1,048,309</u>	<u>75</u>	<u>756,139</u>	<u>70</u>
5900	Gross profit from operations	354,393	25	324,842	30
5910	Less: Unrealized profit (loss) from sales (note 7)	(2,190)	-	(981)	-
5920	Add: Realized profit (loss) from sales	<u>1,183</u>	<u>-</u>	<u>2,060</u>	<u>-</u>
5950	Gross profit from operations, net	<u>353,386</u>	<u>25</u>	<u>325,921</u>	<u>30</u>
6000	Operating expenses (notes 6(f), (g), (h), (k), (m), (r), 7 and 12):				
6100	Selling expenses	41,792	3	36,794	3
6200	Administrative expenses	140,935	10	72,154	7
6300	Research and development expenses	<u>114,949</u>	<u>8</u>	<u>97,102</u>	<u>9</u>
	Total operating expenses	<u>297,676</u>	<u>21</u>	<u>206,050</u>	<u>19</u>
6900	Net operating income	<u>55,710</u>	<u>4</u>	<u>119,871</u>	<u>11</u>
7000	Non-operating income and expenses (notes 6(b), (k), (l), (s) and 7):				
7100	Interest income	7,576	-	20,930	2
7010	Other income	1,435	-	1,037	-
7020	Other gains and losses	(77,873)	(5)	55,388	5
7050	Finance costs	(4,870)	-	(4,650)	-
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	<u>10,420</u>	<u>1</u>	<u>(1,936)</u>	<u>-</u>
	Total non-operating income and expenses	<u>(63,312)</u>	<u>(4)</u>	<u>70,769</u>	<u>7</u>
7900	Income (loss) before tax	(7,602)	-	190,640	18
7950	Less: Income tax (benefits) expenses (note 6(n))	<u>(3,606)</u>	<u>-</u>	<u>38,223</u>	<u>4</u>
8000	Net (loss) income	<u>(3,996)</u>	<u>-</u>	<u>152,417</u>	<u>14</u>
8300	Other comprehensive income (notes 6(b) and (o)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(3,960)	-	3,474	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income that will not be reclassified to profit or loss	<u>(3,960)</u>	<u>-</u>	<u>3,474</u>	<u>-</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	368	-	(551)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income that will be reclassified to profit or loss	<u>368</u>	<u>-</u>	<u>(551)</u>	<u>-</u>
8300	Other comprehensive income	<u>(3,592)</u>	<u>-</u>	<u>2,923</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ (7,588)</u>	<u>-</u>	<u>155,340</u>	<u>14</u>
	Earnings per share (expressed in New Taiwan dollars) (note 6(p))				
9750	Basic earnings per share	<u>\$ (0.09)</u>		<u>3.33</u>	
9850	Diluted earnings per share	<u>\$ (0.09)</u>		<u>3.33</u>	

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

INERGY TECHNOLOGY INC.**Statements of Changes in Equity****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings					Total other equity interest					Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interests	Treasury shares	
Balance at January 1, 2024	\$ 457,200	594,692	23,867	6,027	24,040	53,934	553	(7,569)	(7,016)	-	1,098,810
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	1,631	-	(1,631)	-	-	-	-	-	-
Special reserve	-	-	-	989	(989)	-	-	-	-	-	-
Cash dividends	-	(24,689)	-	-	(21,031)	(21,031)	-	-	-	-	(45,720)
Net income	-	-	-	-	152,417	152,417	-	-	-	-	152,417
Other comprehensive income	-	-	-	-	-	-	(551)	3,474	2,923	-	2,923
Total comprehensive income	-	-	-	-	152,417	152,417	(551)	3,474	2,923	-	155,340
Balance at December 31, 2024	457,200	570,003	25,498	7,016	152,806	185,320	2	(4,095)	(4,093)	-	1,208,430
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	15,241	-	(15,241)	-	-	-	-	-	-
Special reserve	-	-	-	(2,923)	2,923	-	-	-	-	-	-
Cash dividends	-	-	-	-	(91,440)	(91,440)	-	-	-	-	(91,440)
Net loss	-	-	-	-	(3,996)	(3,996)	-	-	-	-	(3,996)
Other comprehensive income	-	-	-	-	-	-	368	(3,960)	(3,592)	-	(3,592)
Total comprehensive income	-	-	-	-	(3,996)	(3,996)	368	(3,960)	(3,592)	-	(7,588)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(38,895)	(38,895)
Balance at December 31, 2025	\$ 457,200	570,003	40,739	4,093	45,052	89,884	370	(8,055)	(7,685)	(38,895)	1,070,507

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

INERGY TECHNOLOGY INC.**Statements of Cash Flows****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2025</u>	<u>2024</u>
Cash flows from (used in) operating activities:		
(Loss) income before tax	\$ (7,602)	190,640
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	32,569	31,520
Amortization expense	2,404	3,259
Interest expense	4,870	4,650
Interest income	(7,576)	(20,930)
Dividends income	(900)	(450)
Share of (gain) loss of subsidiaries, associates and joint ventures accounted for using equity method	(10,420)	1,936
Gain on disposal of property, plant and equipment	-	(202)
Unrealized profit or loss from sales	2,190	981
Realized profit or loss from sales	(1,183)	(2,060)
Others	42,195	(44)
Total adjustments to reconcile profit (loss)	<u>64,149</u>	<u>18,660</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	(68,445)	(54,725)
Accounts receivable-related parties	15,657	(55,963)
Other receivables	765	(767)
Inventories	(59,480)	(81,867)
Other current assets	1,551	9,396
Total changes in operating assets	<u>(109,952)</u>	<u>(183,926)</u>
Changes in operating liabilities:		
Contract liabilities-current	727	(319)
Notes and accounts payable	49,463	109,731
Other payables	10,153	17,643
Other payable-related parties	1	33
Other current liabilities	153	197
Total changes in operating liabilities	<u>60,497</u>	<u>127,285</u>
Total changes in operating assets and liabilities	<u>(49,455)</u>	<u>(56,641)</u>
Total adjustments	<u>14,694</u>	<u>(37,981)</u>
Cash inflow generated from operations	7,092	152,659
Income taxes paid	(15,142)	(24,056)
Net cash flows (used in) from operating activities	<u>(8,050)</u>	<u>128,603</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	(10,000)	-
Acquisition of property, plant and equipment	(50,612)	(31,862)
Proceeds from disposal of property, plant and equipment	-	216
Acquisition of intangible assets	(377)	(347)
(Increase) decrease in guarantee deposits paid	(1,653)	72,940
Decrease (increase) in other financial assets	601	(944)
Interest received	8,543	20,840
Dividends received	900	450
Net cash flows (used in) from investing activities	<u>(52,598)</u>	<u>61,293</u>
Cash flows from (used in) financing activities:		
Proceeds from short-term borrowings	-	75,000
Repayment of short-term borrowings	(30,000)	-
Repayments of long-term borrowings	(14,780)	(14,522)
Decrease in guarantee deposits received	(35,000)	(25,000)
Payment of lease liabilities	(1,912)	(1,868)
Cash dividends paid	(91,440)	(45,720)
Payments to acquire treasury shares	(38,895)	-
Interest paid	(4,462)	(4,546)
Net cash flows used in financing activities	<u>(216,489)</u>	<u>(16,656)</u>
Net (decrease) increase in cash and cash equivalents	<u>(277,137)</u>	<u>173,240</u>
Cash and cash equivalents at beginning of period	<u>703,095</u>	<u>529,855</u>
Cash and cash equivalents at ending of period	<u>\$ 425,958</u>	<u>703,095</u>

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
ENERGY TECHNOLOGY INC.

Notes to the Parent Company Only Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Energy Technology Inc. (the “Company”) was incorporated on November 1, 2007 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 8F-3, No.8 Taiyuan 2nd St., Jhubei City., Hsinchu County, Taiwan. The Company's major operating activities are product designing, and wholesale and retail sale of electrical appliances, and wholesale and retail sale of electronic materials, and international trade.

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

The parent-company-only financial statements were authorized for issue by the Board of Directors on March 4, 2026.

(3) New standards, amendments and interpretations adopted:

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

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

- Amendments to IAS21 “Lack of Exchangeability”

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

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

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

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

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

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

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

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

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

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

(4) Summary of material accounting policies:

The material accounting policies presented in the parent company only financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the parent company only financial statements.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

Except for financial assets at fair value through other comprehensive income are measured at fair value, the parent company only financial statements have been prepared on a historical cost basis.

(ii) Functional and presentation currency

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

(c) Foreign currencies

(i) Foreign currency transaction

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

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

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(ii) Foreign operations

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

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

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

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

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

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(e) Cash and cash equivalents

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

(f) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment losses, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

2) Fair value through other comprehensive income (FVOCI)

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

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

Dividend income from equity investments is recognized in profit or loss on the date on which the Company's right to receive payment is established, which is normally the ex-dividend date.

3) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets at amortized cost, including cash and cash equivalents, financial assets at amortized cost, notes and accounts receivable, other receivables and guarantee deposit paid, etc. Loss allowances for financial assets are deducted from the gross carrying amount of the assets. The recognition or reversal of the loss allowance is recognized in profit or loss.

The loss allowance for notes and accounts receivable is measured based on the expected credit losses over the assets' lifetime. For other financial assets measured at amortized cost, the allowance for impairment is determined by considering reasonable and supportable information that is available without undue cost or effort, including both qualitative and quantitative factors, as well as analyses based on the Company's historical experience, credit assessments, and forward-looking information. For financial assets for which credit risk has not increased significantly since initial recognition, the loss allowance is measured at the 12-month expected credit losses. If credit risk has increased significantly since initial recognition, the loss allowance is measured at lifetime expected credit losses.

At each reporting date, the Company assesses whether financial assets measured at amortized cost are credit-impaired. A financial asset is considered credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred. Evidence of credit impairment includes events such as default, significant delinquency or past-due status exceeding one year, or situations in which bankruptcy or other financial restructuring is highly probable.

When the Company no longer reasonably expects to recover all, or part, of a financial asset, the gross carrying amount of the financial asset is reduced directly. This typically occurs when the Company determines that the debtor's assets or sources of income are insufficient to generate adequate cash flows to repay the amount written off, which may still be subject to enforcement actions to recover amounts due.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

4) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

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

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

5) Derecognition of financial liabilities

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

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

6) Offsetting of financial assets and liabilities

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

(g) Inventories

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

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

(h) Investment in subsidiaries

When preparing the parent-company-only financial statements, the investments in subsidiaries, which are controlled by the Company are accounted for using the equity method. Under the equity method, the profit or loss for the period and other comprehensive income presented in the parent-company-only financial statements should be the same as the allocations of profit or loss for the period and of other comprehensive income attributable to the owners of the parent presented in the financial statements prepared on a consolidated basis; and the owners' equity presented in the parent-company-only financial statements should be the same as the equity attributable to the owners of the parent presented in the financial statements prepared on a consolidated basis. The Company also recognized its share in the changes in the equity of subsidiaries.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(i) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and structures	
Main buildings	50 years
Others	8~10 years
2) Machinery and equipment	1~5 years
3) Transportation equipment	5 years
4) Other equipment	3~5 years
5) Office equipment	3~5 years
6) Lease improvement	5 years

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

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(j) Leases

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

(i) As a lease

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

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

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

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

- fixed payments, including substantively fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the assessment on whether it will have the option to exercise a purchase, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modification.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

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

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

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

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

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

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

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

The Company recognizes lease payments received under operating leases as income over the lease term as part of 'net income'.

(k) Intangible assets

(i) Recognition and measurement

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

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The Company's intangible assets is computer software, the estimated useful lives for current and comparative periods was 3 to 5 years.

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

(l) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or the cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(m) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The Company periodically assesses the obligation of all litigation and claims and relative legal costs. Provision is recognized when it is probable that the present obligation as a result of a past event, will result in an outflow of resources and the amount can be reasonably estimated.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(n) Revenue

(i) Revenue from contracts with customers

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

1) Sale of goods

The Company recognizes revenue when control of the products has been transferred, when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

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

2) Financing components

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

(o) Government grants

The Company recognizes an unconditional government grant as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the government grants; they are then recognized as other income on a systematic basis over the useful life of the assets. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

The Company calculates the fair value of its loans from financial institutions with government assistance in the form of a guarantee based on the market interest rates, and recognizes the difference between the fair value of the loans and the amount paid as other income.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(p) Employee benefits

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

(q) Income taxes

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

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

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

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

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

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

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

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

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation.

(s) Operating segments

The Company discloses its segment reporting in the consolidated financial statements. Therefore, the Company does not disclose segment information in the parent company only financial statement.

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

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

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

There is no information about critical judgments in the parent company only financial statements.

Information about assumptions and estimation uncertainties that do not have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

The accounting policy and disclosure of the Company include that measuring financial assets and liabilities at fair value through profit or loss. The Company's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value.

The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- (a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- (b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
- (c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date.

Please refer to note 6(t) for assumptions used in measuring fair value.

(6) Explanation of significant accounts:

- (a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	\$ 203	229
Demand and checking deposits	307,325	430,586
Time deposits	118,430	108,355
Cash equivalents (investments in bonds sold under repurchase agreement)	-	163,925
	<u>\$ 425,958</u>	<u>703,095</u>

Please refer to note 6(t) for the currency risk and sensitivity analysis of the financial assets and liabilities of the Company.

- (b) Financial assets

- (i) Financial assets at fair value through other comprehensive income

	December 31, 2025	December 31, 2024
Domestic listed companies	<u>\$ 32,445</u>	<u>36,405</u>

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

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

During the years ended December 31, 2025 and 2024, the company received dividends income \$900 and \$450, respectively, of the equity investments designated at fair value through other comprehensive income.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2025 and 2024.

(ii) Financial assets measured at amountized cost

	December 31, 2025	December 31, 2024
Time deposits with maturities over three months	<u>\$ 10,000</u>	<u>-</u>

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

(iv) The aforementioned financial assets were not pledged.

(c) Notes and accounts receivable (including related parties)

	December 31, 2025	December 31, 2024
Notes receivable	\$ 147	4,302
Accounts receivable	248,399	175,799
Accounts receivable-related parties	85,157	100,814
Less: loss allowance	-	-
	<u>\$ 333,703</u>	<u>280,915</u>

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivable (including related parties). To measure the expected credit losses, notes and accounts receivable (including related parties) have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information. The loss allowance provision was determined as follows:

	December 31, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	\$ 305,320	-	-
Overdue within 90 days	12,668	-	-
Overdue 90~180 days	1,991	-	-
Overdue more than 181 days	<u>13,724</u>	-	<u>-</u>
	<u>\$ 333,703</u>		<u>-</u>

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	\$ 261,110	-	-
Overdue within 90 days	<u>19,805</u>	-	<u>-</u>
	<u><u>\$ 280,915</u></u>		<u><u>-</u></u>

There were no provisions or reversals of expected credit losses for the years ended December 31, 2025 and 2024.

The Company's notes and accounts receivable (including related parties) were not discounted and pledged. For further credit risk information, please refer to note 6(t).

(d) Inventories

	December 31, 2025	December 31, 2024
Raw materials	\$ 19,929	8,499
Work in process	232,853	218,847
Merchandise and finished goods	<u>85,359</u>	<u>51,315</u>
	<u><u>\$ 338,141</u></u>	<u><u>278,661</u></u>

Except for cost of goods sold and inventories recognized as expenses, the remaining gains or losses which were recognized as operating cost or deduction of operating cost were as follows:

	2025	2024
Losses (gains) on valuation of inventories	<u>\$ 2,723</u>	<u>(43,542)</u>

(i) The aforementioned gains on valuation of inventories were due to inventories, which had been recognized loss on valuation, had been sold or used.

(ii) The Company's inventories were not pledged.

(e) Credit balance of investments accounted for using equity method

The component of investments accounted for using the equity method at the reporting date was as follows:

	December 31, 2025	December 31, 2024
Subsidiaries	<u>\$ (8,066)</u>	<u>(17,847)</u>

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(i) Subsidiaries

For the related information, please refer to consolidated financial statements for the year ended December 31, 2025.

(ii) Pledge

As of December 31, 2025 and 2024, the investments accounted for using equity method were not pledged.

(f) Property, plant and equipment

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

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Office equipment	Lease improvement	Total
Cost :								
Balance at January 1, 2025	\$ 73,697	195,627	116,128	-	1,234	10,626	593	397,905
Additions	-	2,288	14,504	-	156	1,074	-	18,022
Disposals	-	-	(13,925)	-	(97)	(4,942)	-	(18,964)
Reclassification(Note)	-	660	17,891	-	-	-	-	18,551
Balance at December 31, 2025	<u>\$ 73,697</u>	<u>198,575</u>	<u>134,598</u>	<u>-</u>	<u>1,293</u>	<u>6,758</u>	<u>593</u>	<u>415,514</u>
Balance at January 1, 2024	\$ 73,697	195,360	102,504	1,211	1,125	9,252	593	383,742
Additions	-	267	11,554	-	109	2,048	-	13,978
Disposals	-	-	(14,387)	(1,211)	-	(674)	-	(16,272)
Reclassification(Note)	-	-	16,457	-	-	-	-	16,457
Balance at December 31, 2024	<u>\$ 73,697</u>	<u>195,627</u>	<u>116,128</u>	<u>-</u>	<u>1,234</u>	<u>10,626</u>	<u>593</u>	<u>397,905</u>
Accumulated depreciation:								
Balance at January 1, 2025	\$ -	21,945	49,245	-	602	6,613	272	78,677
Depreciation	-	6,216	22,076	-	208	2,062	99	30,661
Disposals	-	-	(13,925)	-	(97)	(4,942)	-	(18,964)
Balance at December 31, 2025	<u>\$ -</u>	<u>28,161</u>	<u>57,396</u>	<u>-</u>	<u>713</u>	<u>3,733</u>	<u>371</u>	<u>90,374</u>
Balance at January 1, 2024	\$ -	15,863	42,756	1,211	402	4,856	173	65,261
Depreciation	-	6,082	20,876	-	200	2,417	99	29,674
Disposals	-	-	(14,387)	(1,211)	-	(660)	-	(16,258)
Balance at December 31, 2024	<u>\$ -</u>	<u>21,945</u>	<u>49,245</u>	<u>-</u>	<u>602</u>	<u>6,613</u>	<u>272</u>	<u>78,677</u>
Carrying value:								
Balance at December 31, 2025	<u>\$ 73,697</u>	<u>170,414</u>	<u>77,202</u>	<u>-</u>	<u>580</u>	<u>3,025</u>	<u>222</u>	<u>325,140</u>
Balance at January 1, 2024	<u>\$ 73,697</u>	<u>179,497</u>	<u>59,748</u>	<u>-</u>	<u>723</u>	<u>4,396</u>	<u>420</u>	<u>318,481</u>
Balance at December 31, 2024	<u>\$ 73,697</u>	<u>173,682</u>	<u>66,883</u>	<u>-</u>	<u>632</u>	<u>4,013</u>	<u>321</u>	<u>319,228</u>

(Note): Reclassifications are mainly the prepayments for business facilities being reclassified to property, plant and equipment.

As of December 31, 2025 and 2024, the property, plant and equipment were subject to a registered debenture to secured bank loans and credit lines, the collateral for these long-term borrowings were disclosed in note 8.

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INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(g) Right-of-use assets

The Company leases buildings and structures and equipment. The movements in right-of-use assets were as follows:

	<u>Buildings and structures</u>	<u>Equipment</u>	<u>Total</u>
Cost:			
Balance at January 1, 2025	\$ 6,052	636	6,688
Additions	-	2,859	2,859
Decreases	-	(1,271)	(1,271)
Balance at December 31, 2025	<u>\$ 6,052</u>	<u>2,224</u>	<u>8,276</u>
Balance at January 1, 2024	\$ 6,052	1,883	7,935
Additions	-	636	636
Decreases	-	(1,883)	(1,883)
Balance at December 31, 2024	<u>\$ 6,052</u>	<u>636</u>	<u>6,688</u>
Accumulated depreciation:			
Balance at January 1, 2025	\$ 3,631	636	4,267
Depreciation	1,210	698	1,908
Decreases	-	(901)	(901)
Balance at December 31, 2025	<u>\$ 4,841</u>	<u>433</u>	<u>5,274</u>
Balance at January 1, 2024	\$ 2,421	1,883	4,304
Depreciation	1,210	636	1,846
Decreases	-	(1,883)	(1,883)
Balance at December 31, 2024	<u>\$ 3,631</u>	<u>636</u>	<u>4,267</u>
Carrying amount:			
Balance at December 31, 2025	<u>\$ 1,211</u>	<u>1,791</u>	<u>3,002</u>
Balance at January 1, 2024	<u>\$ 3,631</u>	<u>-</u>	<u>3,631</u>
Balance at December 31, 2024	<u>\$ 2,421</u>	<u>-</u>	<u>2,421</u>

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INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(h) Intangible assets

The cost and accumulated amortization of the intangible assets of the Company for the years ended December 31, 2025 and 2024, were as follows:

	Computer software
Costs:	
Balance at January 1, 2025	\$ 11,136
Additions	1,991
Decreases	<u>(550)</u>
Balance at December 31, 2025	<u><u>\$ 12,577</u></u>
Balance at January 1, 2024	\$ 15,253
Additions	347
Decreases	<u>(4,464)</u>
Balance at December 31, 2024	<u><u>\$ 11,136</u></u>
Accumulated amortization:	
Balance at January 1, 2025	\$ 3,430
Amortization	2,404
Decreases	<u>(550)</u>
Balance at December 31, 2025	<u><u>\$ 5,284</u></u>
Balance at January 1, 2024	\$ 4,635
Amortization	3,259
Decreases	<u>(4,464)</u>
Balance at December 31, 2024	<u><u>\$ 3,430</u></u>
Carrying value:	
Balance at December 31, 2025	<u><u>\$ 7,293</u></u>
Balance at January 1, 2024	<u><u>\$ 10,618</u></u>
Balance at December 31, 2024	<u><u>\$ 7,706</u></u>

(i) Amortization expense

For the years ended December 31, 2025 and 2024, the amortization of intangible assets is included in the statement of comprehensive income:

	2025	2024
Operating expense	<u><u>\$ 2,404</u></u>	<u><u>3,259</u></u>

(ii) Pledge

As of December 31, 2025 and 2024, the intangible assets were not pledged.

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INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

- (i) Other financial assets, other current assets and other non-current assets

The details of the Company's other current financial assets were as follows:

	December 31, 2025	December 31, 2024
Guarantee deposits paid	<u>\$ 630</u>	<u>124,208</u>

The details of the Company's other current assets were as follows:

	December 31, 2025	December 31, 2024
Prepayments to suppliers	\$ 1,006	1,443
Tax refund	6,920	6,396
Others	<u>4,728</u>	<u>6,366</u>
	<u>\$ 12,654</u>	<u>14,205</u>

The details of the Company's other non-current financial assets were as follows:

	December 31, 2025	December 31, 2024
Restricted deposits	<u>\$ 14,823</u>	<u>15,424</u>

The details of the Company's other non-current assets were as follows:

	December 31, 2025	December 31, 2024
Prepayments for equipment	<u>\$ 14,879</u>	<u>3,907</u>

As of December 31, 2025 and 2024, the restricted deposits of the Company had been pledged as collateral, please refer to note 8.

- (j) Short-term and long-term borrowings

The details of the Company for short-term borrowings were as follows:

	December 31, 2025	December 31, 2024
Unsecured short-term borrowings (in NTD)	<u>\$ 45,000</u>	<u>74,516</u>
Annual interest rate	<u>1.928%~2.085%</u>	<u>0.5%~2.12%</u>

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

The details of the Company for long-term borrowings were as follows:

December 31, 2025				
	Currency	Interest rate	Expiration	Amount
Secured long-term borrowings	NTD	1.975%~2.12%	2035/12/04~2036/01/21	\$ 165,682
Less: Current portion				15,079
Total				\$ 150,603
Unused bank credit lines for short-term and long-term borrowings				\$ 300,000
December 31, 2024				
	Currency	Interest rate	Expiration	Amount
Secured long-term borrowings	NTD	1.975%~2.12%	2035/12/04~2036/01/21	\$ 180,462
Less: Current portion				14,780
Total				\$ 165,682
Unused bank credit lines for short-term and long-term borrowings				\$ 250,000

- (i) For collateral for long-term borrowings, please refer to note 8.
- (ii) Government credit guarantee low-interest loans

On December 2, 2024, an additional unsecured bank loan of \$35,000 was obtained, with an annual interest rate of 0.5%, maturing on December 2, 2025. This loan was secured under the "Guidelines for the Ministry of Economic Affairs' Project Loans to Assist SMEs in Low-Carbon and Smart Transformation Development and Optimization of Infrastructure for Regulated and Specific Factories," and was obtained as a low-interest project loan from E.SUN Bank, fully guaranteed by the domestic government. The loan disbursement is recognized and measured at market interest rates, with the difference between the actual preferential interest rate and the market rate, in accordance with government grants, recognized as deferred income under other current liabilities.

(k) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2025	December 31, 2024
Current	\$ 2,003	\$ 1,304
Non-current	\$ 1,129	\$ 1,269

For the maturity analysis, please refer to note 6(t).

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

The amounts recognized in profit or loss were as follows:

	<u>2025</u>	<u>2024</u>
Interest expenses on lease liabilities	\$ <u>53</u>	<u>53</u>
Expenses relating to short-term leases	\$ <u>112</u>	<u>85</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>121</u>	<u>123</u>

The amounts recognized in the statement of cash flows by the Company were as follows:

	<u>2025</u>	<u>2024</u>
Total cash outflow for leases	\$ <u>2,198</u>	<u>2,129</u>

The Company leases buildings and structures for plants and office space. The leases of them typically run for a period of 1 to 5 years. The Company leases transportation equipment, with lease terms of 3 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

The Company also leases office equipment with contract terms of 1 to 2 years. These leases are short-term or leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(l) Provisions

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Litigation provisions	\$ <u>42,696</u>	<u>-</u>

Litigation provisions are recognized by the Company as liabilities for pending lawsuits based on the assessment of potential future cash outflows. Please refer to note 9 for potential future cash outflows. Please refer to note 9 for other related information.

(m) Employee benefits

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

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$4,706 and \$3,920 for the years ended December 31, 2025 and 2024, respectively.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(n) Income tax

(i) Income tax (benefits) expenses

The components of income tax (benefits) expenses were as follows:

	<u>2025</u>	<u>2024</u>
Current tax expenses	\$ <u>7,726</u>	<u>24,670</u>
Deferred tax (benefits) expenses		
Origination and reversal of temporary difference	<u>(11,332)</u>	<u>13,553</u>
Subtotal	<u>(11,332)</u>	<u>13,553</u>
Income tax expenses	<u>\$ (3,606)</u>	<u>38,223</u>

The Company did not recognized any amount of income tax expenses (benefits) in equity and other comprehensive income for the years ended December 31, 2025 and 2024.

Reconciliation of income tax expenses and profit before tax for the years ended December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
(Loss) income before tax	\$ <u>(7,602)</u>	<u>190,640</u>
Income tax using the Company's domestic tax rate	(1,520)	38,128
Additional tax on undistributed earnings	1,141	-
Change in provision in prior periods	(1,021)	(270)
Changes in unrecognized temporary differences	(2,084)	387
Others	<u>(122)</u>	<u>(22)</u>
	<u>\$ (3,606)</u>	<u>38,223</u>

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

The Company's unrecognized deferred tax assets were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Tax effect of deductible temporary differences	<u>\$ 3,199</u>	<u>5,283</u>

The Company has no unrecognized deferred tax liabilities as of December 31, 2025 and 2024.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

2) Recognized deferred tax assets and liabilities

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

	<u>Loss on valuation of inventories</u>	<u>Unrealized exchange losses</u>	<u>Provisions</u>	<u>Others</u>	<u>Total</u>
Deferred tax assets:					
Balance at January 1, 2025	\$ 14,865	-	-	347	15,212
Recognized in profit or loss	<u>(1,226)</u>	<u>-</u>	<u>8,125</u>	<u>1,826</u>	<u>8,725</u>
Balance at December 31, 2025	<u>\$ 13,639</u>	<u>-</u>	<u>8,125</u>	<u>2,173</u>	<u>23,937</u>
Balance at January 1, 2024	\$ 24,441	119	-	553	25,113
Recognized in profit or loss	<u>(9,576)</u>	<u>(119)</u>	<u>-</u>	<u>(206)</u>	<u>(9,901)</u>
Balance at December 31, 2024	<u>\$ 14,865</u>	<u>-</u>	<u>-</u>	<u>347</u>	<u>15,212</u>
				<u>Unrealized exchange gains</u>	
Deferred tax liabilities:					
Balance at January 1, 2025				\$ (3,652)	
Recognized in profit or loss				<u>2,607</u>	
Balance at December 31, 2025				<u>\$ (1,045)</u>	
Balance at January 1, 2024				\$ -	
Recognized in profit or loss				<u>(3,652)</u>	
Balance at December 31, 2024				<u>\$ (3,652)</u>	

(iii) Assessment

The Company's income tax returns for the years through 2023 were assessed by the tax authorities.

(o) Capital and other equity

(i) Ordinary shares

As of December 31, 2025 and 2024, the Company's authorized ordinary shares consisted of 60,000 and 50,000 thousand shares, respectively, with a par value of \$10 per share, amounting to \$600,000 and \$500,000 of which 45,720 thousand shares were issued and outstanding. All issued shares were paid up upon issuance.

The Company resolved at the extraordinary shareholders' meeting held on January 14, 2026 to conduct a private placement of common shares through a cash capital increase. The number of common shares to be privately placed shall not exceed 8,700 thousand shares, and the private placement shall be completed in a single issuance within one year from the date of the shareholders' meeting resolution.

(Continued)

INERGY TECHNOLOGY INC.
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(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2025	December 31, 2024
Cash subscription in excess of par value of shares	\$ 569,928	569,928
Employee stock options	75	75
	<u>\$ 570,003</u>	<u>570,003</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total ordinary shares outstanding.

On June 14, 2024, the shareholders' meeting resolved to distribute the cash dividends from the Company's capital surplus for an amount of \$24,689 with a face value of NTD0.54 per share. The related information can be found on websites such as the Market Observation Post System.

(iii) Retained earnings

The Company's articles of incorporation stipulate that Company's net earnings should first be used to offset any prior years' deficits. Of the remaining balance, 10% is to be appropriated as legal reserve until the accumulated legal reserve equals the Company's total paid-in capital. The remainder, if any, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted during the shareholders' meeting for approval.

As the Company is a technology-intensive enterprise and is in its growth phase, it has adopted a more prudent approach in the appropriation of its remaining earnings as its dividend policy, in order to sustain its long-term capital needs and thereby maintain continuous development and steady growth. Cash dividends and share dividends are appropriated in consideration of the Company's budget for capital expenditures, financial condition, and future operating cash flows. The amount of dividends to shareholders shall not be less than 10% of the profit from the current year. However, when the accumulated distributable surplus is less than 10% of the paid-in capital, it may not be distributed. No dividends can be distributed if the Company has no unappropriated earnings. Earnings can be distributed in cash or in shares. For cash dividends, the amount should not be lower than 10% of the total shareholders' dividends.

1) Legal reserve

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

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

2) Special reserve

In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. If the Company has already reclassified a portion of earnings to special reserve under the preceding subparagraph, it shall make supplemental allocation of special reserve for any difference between the amount it has already allocated and the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than the after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of the undistributed prior-period earnings shall be reclassified to special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. The amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

Earnings distribution for 2024 and 2023 were decided by the resolutions adopted at the general meetings of shareholders held on June 6, 2025 and June 14, 2024, respectively, as follows:

	2024		2023	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders :				
Cash	\$ <u>2</u>	<u>91,440</u>	<u>0.46</u>	<u>21,031</u>

On March 4, 2026, the Company's Board of Directors resolved to appropriate the 2025 earnings. These earnings were appropriated as follows:

	2025	
	Amount per share	Total amount
Dividends distributed to ordinary shareholders :		
Cash	\$ <u>0.6</u>	<u>27,028</u>

The related information mentioned above can be found on websites such as the Market Observation Post System.

(iv) Treasury shares

In order to transfer shares to its employees, the Company decided to repurchase 1,500 thousand shares, at a price ranging from NT45 to NT88.07 per share, between June 4 and August 3, 2025, based on a resolution approved during its board meeting held on June 3, 2025. As of December 31, 2025, the Group has repurchased a total of 674 thousand shares for \$38,895.

In accordance with the Securities and Exchange Act, treasury shares held by the Group may not be pledged, nor are they entitled to dividends or voting rights prior to the transfer.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(v) Other equity interests (net of taxes)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2025	\$ 2	(4,095)	(4,093)
Exchange differences on translation of foreign financial statements	368	-	368
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	(3,960)	(3,960)
Balance at December 31, 2025	<u>\$ 370</u>	<u>(8,055)</u>	<u>(7,685)</u>
Balance at January 1, 2024	\$ 553	(7,569)	(7,016)
Exchange differences on translation of foreign financial statements	(551)	-	(551)
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	3,474	3,474
Balance at December 31, 2024	<u>\$ 2</u>	<u>(4,095)</u>	<u>(4,093)</u>

(p) Earnings per share

The Company's basic and diluted earnings per share were calculated as follows:

	<u>2025</u>	<u>2024</u>
Basic earnings per share:		
(Loss) profit attributable to ordinary shareholders of the Company	\$ <u>(3,996)</u>	<u>152,417</u>
Weighted average number of ordinary shares outstanding (in thousands)	<u>45,403</u>	<u>45,720</u>
Basic earnings per share (in dollars)	\$ <u>(0.09)</u>	<u>3.33</u>
Diluted earnings per share:		
(Loss) profit attributable to ordinary shareholders of the Company	\$ <u>(3,996)</u>	<u>152,417</u>
Weighted average number of ordinary shares outstanding (in thousands)	45,403	45,720
Employee remuneration (thousands shares)	-	88
Weighted average ordinary shares outstanding (diluted) (thousands shares)	<u>45,403</u>	<u>45,808</u>
Diluted earnings per share (in dollars)	\$ <u>(0.09)</u>	<u>3.33</u>

(Continued)

INERGY TECHNOLOGY INC.
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For the year ended December 31, 2025, the employee compensation had anti-diluted effects and hence the employee compensation was not included in the calculation of effect on potentially diluted common stock.

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2025</u>	<u>2024</u>
Primary geographical markets:		
Taiwan	\$ 496,881	342,647
China	895,266	717,292
Vietnam	10,382	20,438
Others	173	604
	<u>\$ 1,402,702</u>	<u>1,080,981</u>
Major products:		
Power semiconductor devices	\$ 955,058	830,774
Brushless DC Motors	305,536	159,928
Cooling Fan Driver	141,823	88,241
Others	285	2,038
	<u>\$ 1,402,702</u>	<u>1,080,981</u>

(ii) Contract balance

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>January 1,</u> <u>2024</u>
Contract liabilities-current	<u>\$ 785</u>	<u>58</u>	<u>377</u>

For details on notes and accounts receivables (including related parties) and loss allowance, please refer to note 6(c).

The amount of revenue recognized for the years ended December 31, 2025 and 2024 that were included in the contract liabilities balances at the beginning of the period were \$54 and \$320, respectively.

The contract liabilities primarily relate to the advance consideration received from customers for the integrated circuit sales contracts, for which revenue is recognized when products are delivered to customers.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(r) Remuneration to employees and directors

On June 6, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 1%~15% shall be allocated as employee remuneration (including a minimum of 20% to those base-level employees) and a maximum of 5% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 1%~15% should be allocated as employee remuneration and no more than 5% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, could include employees of the subsidiaries who met certain specific requirements.

The Company estimated its employees' and directors' remuneration were as follows:

	<u>2025</u>	<u>2024</u>
Employees' remuneration	\$ -	7,230
Directors' remuneration	-	2,300
	<u>\$ -</u>	<u>9,530</u>

The abovementioned remuneration were calculated by using the Company's pretax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's articles of incorporation, and expensed under operation expense. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year.

There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the Company's financial statements of the years ended December 31, 2025 and 2024. The related information can be found on websites such as the Market Observation Post System.

(s) Non-operating income and expenses

(i) Interest income

	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ 7,572	20,925
Other interest income	4	5
	<u>\$ 7,576</u>	<u>20,930</u>

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(ii) Other income

	<u>2025</u>	<u>2024</u>
Rent income	\$ 535	587
Dividend income	<u>900</u>	<u>450</u>
	<u><u>\$ 1,435</u></u>	<u><u>1,037</u></u>

(iii) Other gains and losses

	<u>2025</u>	<u>2024</u>
Foreign exchange gains (losses), net	\$ (37,766)	54,963
Gains on disposal of property, plant and equipment	-	202
Litigation loss	(40,624)	-
Others	<u>517</u>	<u>223</u>
	<u><u>\$ (77,873)</u></u>	<u><u>55,388</u></u>

(iv) Finance costs

	<u>2025</u>	<u>2024</u>
Interest expense	<u>\$ 4,870</u>	<u>4,650</u>

(t) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

As of December 31, 2025 and 2024, the Company's notes and accounts receivable (including related parties) were concentrated on 4 and 5 customers, whose accounts represented 59% and 51% of the total notes and accounts receivable, respectively. In order to reduce the credit risk on these notes and accounts receivable, the Company evaluates the financial status of these customers and possible loss of accounts receivable periodically.

3) Receivable and debt securities

For credit risk exposure of notes and accounts receivables, please refer to note 6(c).

Other financial assets at amortized cost includes other receivables, other financial assets and guarantee deposits paid, all of these financial assets are considered to have low credit risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2025						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	\$ 210,682	228,241	63,451	18,270	54,810	91,710
Notes and accounts payable	247,817	247,817	247,817	-	-	-
Other payables (including related parties)	51,922	51,922	51,922	-	-	-
Lease liabilities	3,132	3,189	2,042	765	382	-
Guarantee deposits received	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 548,553</u>	<u>566,169</u>	<u>400,232</u>	<u>19,035</u>	<u>55,192</u>	<u>91,710</u>
December 31, 2024						
Non-derivative financial liabilities						
Long-term borrowings and short-term borrowings (including current portion)	\$ 254,978	276,610	93,550	18,270	54,810	109,980
Notes and accounts payable	198,354	198,354	198,354	-	-	-
Other payables (including related parties)	43,297	43,297	43,297	-	-	-
Lease liabilities	2,573	2,609	1,331	1,278	-	-
Guarantee deposits received	<u>70,000</u>	<u>70,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 569,202</u>	<u>590,870</u>	<u>371,532</u>	<u>54,548</u>	<u>54,810</u>	<u>109,980</u>

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

(iii) Currency risk

1) Exposure to currency risk

The Company's significant exposure to foreign currency risk were as follows:

	<u>December 31, 2025</u>			<u>December 31, 2024</u>		
	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 21,459	31.430	674,461	27,339	32.785	896,311
CNY	18	4.4930	80	329	4.4889	1,477
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	\$ 8,884	31.430	279,210	4,979	32.785	163,235
CNY	200	4.4930	899	200	4.4889	898
<u>Non-monetary items</u>						
CNY	\$ 1,307	4.4930	5,871	3,711	4.4889	16,659

(Continued)

INERGY TECHNOLOGY INC.
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2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable (including related parties), other receivables, other financial assets, guarantee deposits paid, notes and accounts payable and other payables (including related parties) that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD and CNY as of December 31, 2025 and 2024, would have increased (decreased) the income before tax by \$19,722 and \$36,683, respectively. The analysis is performed on the same basis for the years ended December 31, 2025 and 2024.

3) Foreign exchange gains and losses on monetary items

For the years ended December 31, 2025 and 2024, foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$(37,766) and \$54,963, respectively.

(iv) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial liabilities.

The following sensitivity analysis is based on the exposure to interest rate risk of the non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1%, the Company's net income would have increased / decreased by \$2,107 and \$2,206 for the years ended December 31, 2025 and 2024, respectively, with all other variable factors remaining constant. This is mainly due to the Company's borrowing at floating variable rates.

(v) Other market price risk

For the years ended December 31, 2025 and 2024, the sensitivity analysis for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	<u>2025</u>		<u>2024</u>	
	<u>Other comprehensive income after tax</u>	<u>Net income</u>	<u>Other comprehensive income after tax</u>	<u>Net income</u>
<u>Price of the securities at the reporting date</u>				
Increasing 5%	\$ <u>1,622</u>	<u>-</u>	<u>1,820</u>	<u>-</u>
Decreasing 5%	\$ <u>(1,622)</u>	<u>-</u>	<u>(1,820)</u>	<u>-</u>

(Continued)

INERGY TECHNOLOGY INC.
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(vi) Fair value

1) Categories and fair values of financial instruments

Except for the followings, carrying amount of the Company's financial assets and liabilities are valued approximately to their fair value, and are not based on observable market data and the value measurements which are not reliable. No additional fair value disclosure is required in accordance with the regulations.

	December 31, 2025				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic listed companies	\$ <u>32,445</u>	<u>32,445</u>	<u>-</u>	<u>-</u>	<u>32,445</u>
	December 31, 2024				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic unlisted companies	\$ <u>36,405</u>	<u>36,405</u>	<u>-</u>	<u>-</u>	<u>36,405</u>

2) Valuation techniques of financial instruments valued at fair value

The fair value of non-derivative financial instruments traded in an active market is based on the quoted market prices. The quotation, which is published by the main exchange center or that which was deemed to be a public bond by the Treasury Bureau of Central Bank, is included in the fair value of the listed securities instruments and the debt instruments in active markets with open bid.

A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm's length basis. Otherwise, the market is deemed to be inactive.

Normally, a market is considered to be inactive when:

- The bid-ask spread is increasing; or
- The bid-ask spread varies significantly; or
- There has been a significant decline in trading volume.

(Continued)

INERGY TECHNOLOGY INC.
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The fair value is based on the valuation techniques or the quotation from the counterparty. The fair value refers to the current fair value of the other financial instruments with similar conditions and characteristics, using a discounted cash flow analysis or other valuation techniques, such as calculations of using models (for example, applicable yield curve from Taipei Exchange, or average quoted price on interest rate of commercial paper from Reuters), based on the information acquired from the market at the balance sheet date.

When the financial instrument of the Company is not traded in an active market, its fair value is listed by category and attribute as follows:

- Unquoted equity instruments: The fair value, which is discounted for its lack of liquidity in the market, is determined based on the ratio of the quoted market price of the comparative listed company and its book value per share.

3) Level transfers of financial instruments

In March 2024, Micro Silicon Electronics Corp., which the Company holds an investment in equity shares of, listed its equity shares on a stock exchange and it is currently actively traded in the market. Because the equity shares now have published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy since the first quarter of 2024.

4) Movement of level 3

	Fair value through other comprehensive income
	Unquoted equity instruments
January 1, 2024	\$ 32,931
Total gains or losses:	
Recognized in other comprehensive income	1,656
Transfer out of level 3	(34,587)
December 31, 2024	\$ -

(u) Management of financial risk

(i) Overview

The Company is exposed to the extent of the risks arising from financial instruments as below:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

(Continued)

INERGY TECHNOLOGY INC.
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Detailed information about exposure risk arising from the aforementioned risk was listed below. The Company's objective, policies and process for managing risks and methods used to measure the risk arising from financial instruments.

(ii) Risk management framework

The Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework, while the management is responsible for developing and monitoring the Company's risk management policies and reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, and evaluate the influence of market risks, and implement related policies to hedge financial risk. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee is assisted in its oversight role by the internal auditor. The internal auditor undertakes both regular and ad hoc reviews of risk management controls and the procedures, and the result of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations that arises principally from the Company's notes and accounts receivable and bank deposits.

The Company's finance department has established a credit policy, in which the Company analyzes each new customer individually for their credit worthiness before granting them standard payment terms and delivery terms. The Company's review includes obtaining external information. Credit limits are established for each customer and are reviewed quarterly. Any transactions which exceed the credit limits have to be approved by finance department and competent authorities.

According to the Company's policy, the Company can only provide guarantee to those who are listed under the regulation. As of December 31, 2025 and 2024, no guarantees were provided by the Company.

(iv) Liquidity risk

The Company maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows.

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INERGY TECHNOLOGY INC.
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(v) Market risk

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

All such transactions are carried out within the guidelines set by the Board of Directors in order to manage market risk.

1) Currency risk

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily the NTD. The currencies used in these transactions are the USD and CNY.

The Company's currency risk management policy is reserving the foreign currency position arising from sales appropriately to remit the foreign currency expenditures and then meets the natural hedge.

2) Interest rate risk

The Company's long-term and short-term borrowings bear floating interest rates. The changes in effective rate, along with the fluctuation of the market interest rate, have an impact on the Company's future cash flow. In response to the changes in interest rates, the Company assesses the rate of bank loans and maintains good relationships with financial institutions to obtain lower financing costs. The Company also strengthens its management of working capital, reduces dependence on bank borrowings, and lowers its risk of changes in interest rates.

3) Other market price risk

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The management of the Company monitors the combination of equity securities and open-market funds in its investment portfolio based on cash flow requirements. Material investments within the portfolio are managed on an individual basis, and all buy-and-sell decisions are approved by the Board of Directors.

(v) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital. The total equity is all components of equity. The Company oversees capital structure by review debt to asset ratio periodically.

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As of December 31, 2025 and 2024, the debt to asset ratio of the Company were as follows:

	December 31, 2025	December 31, 2024
Total liabilities	<u>\$ 609,858</u>	<u>607,218</u>
Total assets	<u>\$ 1,680,365</u>	<u>1,815,648</u>
Debt to asset ratio	<u>36%</u>	<u>33%</u>

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

(w) Financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow were acquisitions of right-of-used assets under leases.

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows		December 31, 2025
		Cash flows	Others	
Short-term borrowings	\$ 74,516	(30,000)	484	45,000
Lease liabilities	<u>2,573</u>	<u>(1,912)</u>	<u>2,471</u>	<u>3,132</u>
Total liabilities from financing activities	<u>\$ 77,089</u>	<u>(31,912)</u>	<u>2,955</u>	<u>48,132</u>

	January 1, 2024	Cash flows		December 31, 2024
		Cash flows	Others	
Short-term borrowings	\$ -	75,000	(484)	74,516
Lease liabilities	<u>3,805</u>	<u>(1,868)</u>	<u>636</u>	<u>2,573</u>
Total liabilities from financing activities	<u>\$ 3,805</u>	<u>73,132</u>	<u>152</u>	<u>77,089</u>

(7) Related-party transactions

(a) Names and relationship with the company

The followings are entities that have had transactions with related party during the periods covered in the financial statements.

<u>Name of related party</u>	<u>Relationship with the Company</u>
Guanghong Power Drive (Shenzhen) Elec. (abbrev. Guanghong Drive)	The Subsidiary

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(b) Significant transactions with related parties

- (i) The amounts of significant sales and outstanding balances between the Company and related parties were as follows:

	<u>Sales</u>		<u>Receivables from related parties</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiaries—Guanghong Drive	\$ <u>345,424</u>	<u>287,222</u>	<u>85,157</u>	<u>100,814</u>

The implicit unrealized gross margin of unsold inventory that the Company sold to its subsidiaries were \$2,195 and \$1,188, recognized as investments accounted for using equity method, for the years ended December 31, 2025 and 2024, respectively.

The selling price and payment terms of sales to related parties depend on the economic environment and market competition, and are not significantly different from those with third-party customers. However, there are some deferred remittance situation occasionally.

(ii) Operating expenses

Operating expenses from transactions with related parties that the Company remit for techniques services were as follows:

	<u>2025</u>	<u>2024</u>
Subsidiaries—Guanghong Drive	\$ <u>10,737</u>	<u>10,693</u>

As of December 31, 2025 and 2024, the Company's accounts payable arising from the abovementioned transactions were amounting to \$899 and \$898, respectively.

(c) Key management personnel remuneration

Key management personnel remuneration comprised:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 16,775	19,253
Post-employment benefits	<u>319</u>	<u>310</u>
	<u>\$ 17,094</u>	<u>19,563</u>

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant, and equipment:			
Land and buildings and structures	Long-term borrowings	\$ 244,111	247,379
Other non-current financial assets:			
Restricted time deposits	Payment guarantee and tariff guarantee	14,823	15,424
Guarantee deposits paid	Litigation Guarantee Deposit	42,696	-
		<u>\$ 301,630</u>	<u>262,803</u>

(9) Commitments and contingencies:

(a) The Company's unrecognized material contractual commitments were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Acquisition of property, plant and equipment	<u>\$ 3,406</u>	<u>-</u>

(b) In order to control the supply of raw materials and the productivity of foundry, the Company sign several supply guarantee agreements with different suppliers, wherein the Company makes advance payment, which has a fixed amount and foundry production capacity, as well as pays guarantee deposits, to its supplier. The contracts have term periods ranging from 1 to 3 years. As of December 31, 2025 and 2024, the Company evaluated that all guarantee deposits are refunded. Guarantee deposits paid arising from the aforementioned contracts were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Guarantee deposits paid	<u>\$ 83,649</u>	<u>107,816</u>

In addition, the Company entered into several supply agreements with a sales customer. The contracts have term periods ranging from 1 to 4 years. As of December 31, 2025 and 2024, the security deposits paid by the sales customer amounted to \$35,000 and \$70,000, respectively, recognized as other current liabilities and guarantee deposits received. Also, the guarantee notes issued by the Company for the aforementioned transactions were \$35,000 and \$70,000, respectively.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

- (c) The Company's end-customer has been accused of patent infringement in the United States District Court-Eastern District of Texas due to the use of MOSFET products, wherein the plaintiff is seeking to allocate the litigation costs and losses among several MOSFET product suppliers. Nonetheless, the Company is actively responding to, and defending against, the patent infringement lawsuit, in which the outcome of the litigation remains uncertain, and the substantive content of the case is still under evaluation.

As of reporting date, the Company has assessed the reasonableness of the estimated expenses or losses during each financial reporting period based on the nature of the lawsuit, the potential significance of the related costs or losses, and the progress of the litigation. Necessary adjustments have been made in a manner the Company deems appropriate. However, the final amount will not be determined until the conclusion of the litigation.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

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

By item	By function	2025			2024		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		598	102,461	103,059	416	93,767	94,183
Labor and health insurance		73	8,591	8,664	48	6,940	6,988
Pension		33	4,673	4,706	21	3,899	3,920
Remuneration of directors		-	1,904	1,904	-	3,566	3,566
Others		45	3,886	3,931	29	3,120	3,149
Depreciation		8,938	23,631	32,569	6,802	24,718	31,520
Amortization		-	2,404	2,404	-	3,259	3,259

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

- (b) As of December 31, 2025 and 2024, the additional information for employee numbers and employee benefits were as follows:

	<u>2025</u>	<u>2024</u>
Average employee numbers	<u>92</u>	<u>80</u>
Director's number without serving concurrently as employee	<u>6</u>	<u>7</u>
Average employee benefits	<u>\$ 1,400</u>	<u>1,483</u>
Average salaries	<u>\$ 1,198</u>	<u>1,290</u>
Average adjustment rate of employee salaries	<u>(7.14)%</u>	
Supervisor's remuneration	<u>\$ -</u>	<u>-</u>

- (c) The details of the salary and remuneration policies of the Company (including directors, managers and employees) are as follows:
- (i) The Company's employee salaries are in accordance with related regulations and are paid based on the professional skills of, and knowledge required from, each employee; the complexity of their work and performance integrated with the Company's operating goals; and determined with reference to industry salary levels. Employees' overall wages include their basic salary, meal allowances and additional allowances. In addition, quarterly bonus would be provided based on the Company's operating performance and individual performance. According to the Company's articles of incorporation, if the Company incurred profit for the year, the Company should appropriate a portion of its earnings as employee remuneration, which will be granted after being approved by the Board of Directors and reported at the shareholders' meeting.
 - (ii) The remuneration for managers takes into consideration the market competitiveness, management responsibilities, future risk and other factors, to determine their job titles, ranks and salaries. According to the "performance assessment rule", the Company measures its manager's performance periodically, and give raises, promotions, rewards or other bonuses, based on each manager's performance evaluation. The aforementioned remuneration to manager is proposed by the Salary and Remuneration Committee and approved by the Board of Directors.
 - (iii) Except for the Company's independent directors, directors do not get fixed remuneration. However, according to the Company's Articles of Incorporation, remuneration will be granted to directors when the Company incurs profit for the year, taking into consideration the proposal made by the remuneration committee and personal compensation level based on the principle of equality. Also, adjustments are made based on different responsibilities of each director, as well as other factors, if necessary. Directors' remuneration should be proposed by the Salary and Remuneration Committee and approved by the Board of Directors before distribution.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company for the year ended December 31, 2025:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties: None
- (iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with Company	Account title	Ending balance				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value	
The Company	Micro Silicon Eletronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income – non-current	900,000	32,445	1.31 %	32,445	-

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the paid-in-capital:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Guanghong Power Drive (Shenzhen) Elec.	The company's subsidiary	Sales	345,424	24.63 %	OA90	-	-	85,157	25.52%	-

- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the paid-in-capital: None
- (b) Information on investees (excluding information on investees in mainland China): None
- (c) Information on investment in mainland China:

The following are the information on investment in mainland China for the year ended December 31, 2025:

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

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan at the beginning of this year	Investment flows		Accumulated outflow of investment from Taiwan at the end of this year	Net income (losses) of the investee (Note 2)	Direct/Indirect percentage of ownership by the Company	Investment income (losses) of the investee (Note 2)	Carrying amount at the end of this period	Accumulated remittance of earnings in current period	Note
					Outflow	Inflow							
Guanghong Power Drive (Shenzhen) Elec.	Electronics sales	9,675 (USD 300)	(Note 1)	9,675 (USD 300)	-	-	9,675 (USD 300)	10,420	100.00%	10,420	(8,066)	-	-

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(ii) Limitation on investment in mainland China:

Accumulated Investment in Mainland China as of December 31, 2025 (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on Investment (Note 4)
9,675 (USD 300)	9,675 (USD 300)	642,305

Note 1: The Company invested in mainland China directly.

Note 2: The amount of net income (losses) was recognized based on the audited financial statements of the investee company.

Note 3: The investment was recorded at the exchange rate prevailing at transaction date.

Note 4: Amount of upper limit on investment was sixty percentage of total equity.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in mainland China are disclosed in “Information on significant transactions”.

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2025.

(Continued)

INERGY TECHNOLOGY INC.
Statement of cash and cash equivalents
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash on hand and Petty cash (Note)	RMB 1,805.50	\$ 203
	JPY 280,000	
	USD 596.00	
	EUR 1,490	
Demand and checking deposits		81,628
Time deposits	(Due date 2026.1.7~2026.2.25, annual interest rate 1.66%~1.72%)	87,000
Foreign demand deposits (Note)	USD 7,178,644.95	225,697
	RMB 15,987.62	
Foreign time deposits (Note)	USD 1,000,000 (Due date 2026.1.5, annual interest rate 3.88%)	31,430
Total		\$ 425,958

Note: The ending rates of foreign deposits on December 31, 2025 are as follows:

USD/NTD=31.430

EUR/NTD=36.90

RMB/NTD=4.4930

JPY/NTD=0.2008

INERGY TECHNOLOGY INC.

Statement of notes and accounts receivable (including related parties)

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Non-related parties:	
A Company	\$ 110,623
B Company	37,755
C Company	28,801
D Company	19,261
Others (each amount was less than 5%)	52,106
Less: loss allowance	-
Total	<u>\$ 248,546</u>
Related parties:	
Guanghong Power Drive (Shenzhen) Elec.	<u>\$ 85,157</u>

Statement of other receivables

Item	Amount
Interest receivable	\$ 166
Others	<u>6</u>
	<u>\$ 172</u>

INERGY TECHNOLOGY INC.

Statement of inventories

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net realizable value
Raw materials	\$ 20,696	19,861
Work in process	263,396	278,833
Merchandise and finished goods	122,215	117,044
Subtotal	406,307	415,738
Less: Allowance for reduction of inventory to market and obsolescence	(68,166)	
Total	\$ 338,141	

INERGY TECHNOLOGY INC.

Statement of changes in financial assets at fair value through other comprehensive income—non-current

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Name investee</u>	<u>Beginning balance</u>		<u>Increase</u>		<u>Decrease</u>		<u>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive</u>	<u>Ending balance</u>		<u>Collateral</u>
	<u>Shares</u>	<u>Fair value</u>	<u>Shares</u>	<u>Fair value</u>	<u>Shares</u>	<u>Fair value</u>		<u>Shares</u>	<u>Fair value</u>	
Micro Silicon Eletronics Co., Ltd.	900,000	\$ <u>36,405</u>	-	<u>-</u>	-	<u>-</u>	<u>(3,960)</u>	900,000	<u>32,445</u>	None

INERGY TECHNOLOGY INC.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Name investee</u>	<u>Beginning Balance</u>		<u>Increase</u>		<u>Decrease</u>		<u>Profits (losses) on investment</u>	<u>Unrealized profit (loss) from affiliates</u>	<u>Exchange differences on translation of foreign financial statements</u>	<u>Ending Balance</u>			<u>Market Value or Net Assets Value</u>		<u>Collateral</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>				<u>Shares</u>	<u>Percentage of ownership</u>	<u>Amount</u>	<u>Unit price (dollars)</u>	<u>Total amount</u>	
Guanghong Power Drive (Shenzhen) Elec.	1	\$ <u>(17,847)</u>	-	<u>-</u>	-	<u>-</u>	<u>10,420</u>	<u>(1,007)</u>	<u>368</u>	1	100.00 %	<u>(8,066)</u>	(5,871,000)	(5,871)	None

INERGY TECHNOLOGY INC.

Statement of short-term borrowings

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Bank</u>	<u>Ending balance</u>	<u>Term of contract</u>	<u>Interest rate</u>	<u>Loan commitments</u>	<u>Collateral</u>
Credis loan	First Commercial Bank	\$ 30,000	2025/12/24~2026/03/24	1.928 %	120,000	None
"	Bank SinoPac	5,000	2025/11/04~2026/01/04	2.025 %	25,000	None
"	Chang Hwa Commercial Bank	<u>10,000</u>	2025/09/30~2026/03/30	2.085 %	90,000	None
		<u>\$ 45,000</u>				

INERGY TECHNOLOGY INC.
Statement of notes and accounts payable
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Vendor name</u>	<u>Amount</u>
A Supplier	\$ 106,520
B Supplier	57,627
C Supplier	31,034
Others (each amount was less than 5%)	<u>52,636</u>
Total	<u>\$ 247,817</u>

Statement of other payables (including related-parties)

<u>Item</u>	<u>Amount</u>
Non-related parties:	
Accrued payroll	\$ 15,112
Accrued professional service fees	11,674
Accrued insurance expenses	2,354
Payables on equipment	1,606
Others	<u>20,276</u> (Note)
Total	<u>\$ 51,022</u>
Related parties:	
Guanghong Power Drive (Shenzhen) Elec.	<u>\$ 899</u>
Note: Including freight, pension expense and etc.	

INERGY TECHNOLOGY INC.
Statement of other current liabilities
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Guarantee deposits received	\$ 35,000
Withholding taxes, etc.	942
Total	\$ 35,942

Statement of lease liabilities

Item	Description	Lease term	Discount Rate	Ending Balance
Buildings and structures	Office and parking space	2022.1.1~2026.12.31	1.5%	\$ 1,269
Equipment	Company vehicles	2025.6.3~2028.6.2	1.996%~2.025%	1,863
Subtotal				3,132
Less: Current portion				(2,003)
Total				\$ 1,129

INERGY TECHNOLOGY INC.
Statement of long-term borrowings
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Creditor</u>	<u>Description</u>	<u>Term of contract</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Collateral</u>
Chang Hwa Commercial Bank	Mortgage	2020/12/04~2035/12/04	1.975 %	\$ 126,566	Please refer to note 8.
E.SUN Bank	Mortgage	2021/01/21~2036/01/21	2.12 %	39,116	"
Less: Current portion				<u>(15,079)</u>	
	Total			<u><u>\$ 150,603</u></u>	

Statement of operating revenue
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Quantity</u>	<u>Amount</u>
Power semiconductor devices	6,546 thousnads grains	\$ 959,606
Brushless DC Motor	1,582,976 thousnads grains	305,979
Cooling Fan Driver	46,688 thousnads grains	143,509
Others (less than 10%)	10 thousnads grains	<u>285</u>
Subtotal		1,409,379
Less: sales return and allowances		<u>(6,677)</u>
Total		<u><u>\$ 1,402,702</u></u>

INERGY TECHNOLOGY INC.
Statement of operating costs
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Amount</u>
Beginning balance of merchandise	\$ 7,821
Add: Purchases	7,980
Less: Ending balance of merchandise	(7,492)
Transferred to expenses and others	<u>(393)</u>
Cost of outsource merchandise consumed	<u>7,916</u>
Beginning balance of raw materials	9,450
Add: Purchases	100,682
Less: Ending balance of raw materials	(20,696)
Transferred to expenses and others	<u>(6)</u>
Raw materials consumed	89,430
Manufacturing costs	506,338
Direct labor	<u>749</u>
Cost of Manufacturing	596,517
Add: Beginning balance of work in process	250,175
Purchases	439,143
Less: Ending balance of work in process	(263,396)
Transferred to expenses and others	<u>1,191</u>
Cost of finished goods	1,023,630
Add: Beginning balance of finished goods	85,527
Purchases	54,728
Less: Ending balance of finished goods	(114,723)
Transferred to expenses and others	<u>(11,492)</u>
Cost of self-manufacturing goods sold	<u>1,037,670</u>
Gains on valuation of inventories	<u>2,723</u>
Operating costs	<u><u>\$ 1,048,309</u></u>

INERGY TECHNOLOGY INC.
Statement of operating expenses
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Selling expenses</u>	<u>Administrative expenses</u>	<u>Research and development expense</u>
Salary and wages expenses	\$ 14,937	37,104	50,420
Insurance expense	1,407	3,763	4,072
Depreciation expense	706	6,262	16,663
Amortization expense	48	138	2,218
Pension expense	790	1,681	2,202
Professional service fees	12,322	72,452	17,292
Other expense	11,582	19,535	22,082
Total	\$ 41,792	140,935	114,949

<u>Item</u>	<u>Description</u>
Statement of financial assets measured at amortized cost	Please refer to note 6(b)
Statement of changes in property, plant and equipment	Please refer to note 6(f)
Statement of changes in right-of-use assets	Please refer to note 6(g)
Statement of changes in intangible assets	Please refer to note 6(h)
Statement of other financial assets, other current assets and non-current assets	Please refer to note 6(i)
Statement of provisions	Please refer to note 6(l)
Statement of deferred tax assets and liabilities	Please refer to note 6(n)
Statement of contract liabilities - current	Please refer to note 6(q)
Statement of interest income, other income, other gains and losses and finance costs	Please refer to note 6(s)
Statement of functional aggregation of employee benefits, depreciation, depletion and amortization	Please refer to note 12

Energy Technology Inc.



Chairman : Dr. John Lin



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