

Co-Tech Development Corporation and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Company name: Co-Tech Development Corporation
Chairman: Lee Shih Shen
Date: March 11, 2026

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Co-Tech Development Corporation

Opinion

We have audited the accompanying consolidated financial statements of Co-Tech Development Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and 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 material accounting policy information (collectively referred to as the “consolidated financial statements”).

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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. 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 for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2025 are as follows:

Occurrence of Revenue

Refer to Note 4 to the accompanying consolidated financial statements for disclosures regarding the accounting policies and detailed information on income.

The Group's revenue mainly comes from the production and sale of copper foil. The contribution of customers' sales in particular, changes in the operating structure and product mix of certain customer groups have led to fluctuations in revenue contributions and profitability, thereby increasing the risk associated with revenue recognition. In light of the material impact of sales to these customers on the financial statements, this matter has been identified as a key audit matter.

In response to the key audit matter on the occurrence of revenue, we performed the following audit procedures:

1. We obtained an understanding of and evaluated the appropriateness of the accounting policies on revenue recognition.
2. We obtained an understanding of and evaluated the effectiveness of the internal control on revenue recognition and confirmed the occurrence of sales.
3. We selected samples and tested transactions of sales of the current year, and we checked the relevant internal and external vouchers and verified the shipments; we checked the sales target and the recipients of the payments and the post-receipt collections for any major abnormalities; we checked the general ledger of sales revenue for any significant debit amount; we checked the sales returns and allowances ledger for any significant sales returns and discounts, and we confirmed that sales transactions did occur.

Other Matter

We have also audited the parent company only financial statements of Co-Tech Development Corporation as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion with other matter paragraph.

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 IFRS, IAS, IFRIC and 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 maintain 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 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 for the year ended December 31, 2025 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 audits resulting in this independent auditors' report are Chun-Yu Wang and Meng-Chieh Chiu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2026

Notice to Readers

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

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

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 744,642	8	\$ 1,990,232	23
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	2	-	1,367	-
Financial assets at amortized cost - current (Note 4)	3	-	3	-
Trade receivables (Notes 4 and 9)	2,387,909	25	1,762,405	20
Other receivables (Note 4)	1,466	-	2,964	-
Inventories (Notes 4 and 10)	941,086	10	715,155	8
Other current assets	77,895	1	61,111	1
Total current assets	4,153,003	44	4,533,237	52
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	582,538	6	-	-
Property, plant and equipment (Notes 4, 12 and 25)	4,597,586	49	4,120,717	47
Right-of-use assets (Notes 4 and 13)	6,950	-	1,760	-
Other intangible assets, net (Note 4)	4,974	-	1,715	-
Deferred tax assets (Notes 4 and 19)	66,971	1	51,837	-
Prepayments for equipment	21,107	-	60,049	1
Refundable deposits	904	-	681	-
Other non-current assets	12,096	-	10,459	-
Total non-current assets	5,293,126	56	4,247,218	48
TOTAL	\$ 9,446,129	100	\$ 8,780,455	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 14)	\$ 948,268	10	\$ 1,383,746	16
Short-term bills payable (Notes 4 and 14)	45,085	1	48,657	-
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	35,036	-	-	-
Trade payables	280,510	3	279,154	3
Other payables (Note 15)	403,624	4	339,543	4
Current tax liabilities (Notes 4 and 19)	182,392	2	153,736	2
Lease liabilities - current (Notes 4 and 13)	2,574	-	1,340	-
Other current liabilities	23,218	-	15,242	-
Total current liabilities	1,920,707	20	2,221,418	25
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 19)	9,243	-	7,481	-
Lease liabilities - non-current (Notes 4 and 13)	4,347	-	448	-
Net defined benefit liabilities - non-current (Notes 4 and 16)	899	-	20,365	1
Total non-current liabilities	14,489	-	28,294	1
Total liabilities	1,935,196	20	2,249,712	26
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY				
Ordinary shares	2,525,880	27	2,525,880	28
Capital surplus	1,571,196	17	1,560,897	18
Retained earnings				
Legal reserve	730,826	8	638,225	7
Special reserve	8,099	-	8,218	-
Unappropriated earnings	2,395,851	25	1,805,622	21
Total retained earnings	3,134,776	33	2,452,065	28
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(8,145)	-	(8,099)	-
Unrealized gain on financial assets at fair value through other comprehensive income	292,538	3	-	-
Total other equity	284,393	3	(8,099)	-
Treasury shares	(5,312)	-	-	-
Total equity (Note 17)	7,510,933	80	6,530,743	74
TOTAL	\$ 9,446,129	100	\$ 8,780,455	100

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

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Note 4)	\$ 7,879,941	100	\$ 6,821,558	100
OPERATING COSTS				
Cost of goods sold (Notes 10 and 18)	<u>(6,164,990)</u>	<u>(78)</u>	<u>(5,467,514)</u>	<u>(80)</u>
GROSS PROFIT	<u>1,714,951</u>	<u>22</u>	<u>1,354,044</u>	<u>20</u>
OPERATING EXPENSES (Note 18)				
Selling and marketing expenses	(93,356)	(1)	(78,153)	(1)
General and administrative expenses	(111,997)	(2)	(92,874)	(1)
Research and development expenses	<u>(62,239)</u>	<u>(1)</u>	<u>(40,083)</u>	<u>(1)</u>
Total operating expenses	<u>(267,592)</u>	<u>(4)</u>	<u>(211,110)</u>	<u>(3)</u>
OPERATING INCOME	<u>1,447,359</u>	<u>18</u>	<u>1,142,934</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	10,157	-	24,343	-
Other income	11,015	-	6,514	-
Other gains and losses (Note 18)	(109,580)	(1)	9,323	-
Finance costs (Notes 4 and 18)	<u>(18,263)</u>	<u>-</u>	<u>(34,502)</u>	<u>-</u>
Total non-operating income and expenses	<u>(106,671)</u>	<u>(1)</u>	<u>5,678</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	1,340,688	17	1,148,612	17
INCOME TAX EXPENSE (Notes 4 and 19)	<u>(278,152)</u>	<u>(4)</u>	<u>(226,803)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>1,062,536</u>	<u>13</u>	<u>921,809</u>	<u>14</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 16)	(943)	-	4,204	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	292,538	4	-	-

(Continued)

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ (46)	-	\$ 119	-
Other comprehensive income for the year, net of income tax	291,549	4	4,323	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 1,354,085	17	\$ 926,132	14
EARNINGS PER SHARE (Note 20)				
Basic	\$4.21		\$3.65	
Diluted	\$4.21		\$3.64	

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

(Concluded)

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Parent Company								
							Other Equity (Note 17)		
	Share Capital (Note 17)	Capital Surplus (Note 17)	Retained Earnings (Note 17)			Exchange Differences on Translating of the Financial Statements of Foreign Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE ON JANUARY 1, 2024	\$ 2,525,880	\$ 1,560,897	\$ 585,189	\$ 8,146	\$ 1,311,599	\$ (8,218)	\$ -	\$ -	\$ 5,983,493
Appropriation of 2023 earnings									
Legal reserve	-	-	53,036	-	(53,036)	-	-	-	-
Special reserve	-	-	-	72	(72)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(378,882)	-	-	-	(378,882)
Net profit for the year ended December 31, 2024	-	-	-	-	921,809	-	-	-	921,809
Other comprehensive income for the year ended December 31, 2024, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,204</u>	<u>119</u>	<u>-</u>	<u>-</u>	<u>4,323</u>
BALANCE ON DECEMBER 31, 2024	2,525,880	1,560,897	638,225	8,218	1,805,622	(8,099)	-	-	6,530,743
Appropriation of 2024 earnings									
Legal reserve	-	-	92,601	-	(92,601)	-	-	-	-
Reversal of special reserve	-	-	-	(119)	119	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(378,882)	-	-	-	(378,882)
Net profit for the year ended December 31, 2025	-	-	-	-	1,062,536	-	-	-	1,062,536
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	(943)	(46)	292,538	-	291,549
Buy-back of treasury shares	-	-	-	-	-	-	-	(9,311)	(9,311)
Treasury shares transferred to employees	-	(11)	-	-	-	-	-	3,999	3,988
Share-base payments	<u>-</u>	<u>10,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,310</u>
BALANCE ON DECEMBER 31, 2025	<u>\$ 2,525,880</u>	<u>\$ 1,571,196</u>	<u>\$ 730,826</u>	<u>\$ 8,099</u>	<u>\$ 2,395,851</u>	<u>\$ (8,145)</u>	<u>\$ 292,538</u>	<u>\$ (5,312)</u>	<u>\$ 7,510,933</u>

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

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,340,688	\$ 1,148,612
Adjustments for:		
Depreciation expense	89,466	95,207
Amortization expense	907	612
Net loss on fair value changes of financial instruments as at fair value through profit or loss	36,401	4,555
Finance costs	18,263	34,502
Interest income	(10,157)	(24,343)
Share-based payment	10,310	-
Net gain on disposal of property, plant and equipment	(2,000)	(359)
Write-down (reversal) of inventories	1,503	(831)
Unrealized net (gain) loss on foreign currency exchange	(23,673)	(18,615)
Other non-cash items	3,338	5,527
Changes in operating assets and liabilities		
Trade receivables	(614,330)	(96,302)
Other receivables	608	(1,154)
Inventories	(227,434)	(15,769)
Other current assets	(16,784)	(10,583)
Trade payables	3,449	(28,881)
Other payables	41,170	32,027
Other current liabilities	8,079	775
Net defined benefit liabilities	(20,645)	(18,925)
Cash generated from operations	639,159	1,106,055
Interest received	11,048	23,589
Interest paid	(25,099)	(29,528)
Income tax paid	(262,632)	(187,643)
Net cash generated from operating activities	<u>362,476</u>	<u>912,473</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(290,000)	-
Purchases of property, plant and equipment	(494,067)	(382,232)
Proceeds from disposal of property, plant and equipment	2,000	359
Increase in refundable deposits	(223)	-
Purchases of intangible assets	(2,737)	(640)
Increase in other non-current assets	(1,637)	-
Decrease in other non-current assets	-	2,489
Increase in prepayments for equipment	(5,583)	(22,632)
Net cash used in investing activities	<u>(792,247)</u>	<u>(402,656)</u>

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CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ -	\$ 259,554
Repayments of short-term borrowings	(425,827)	-
Proceeds from short-term bills payable	-	47,681
Repayments of short-term bills payable	(3,162)	-
Repayments of long-term borrowings	-	-
Repayments of the principal portion of lease liabilities	(2,580)	(1,760)
Cash dividends paid	(378,882)	(378,882)
Payments for buy-back of treasury shares	(9,311)	-
Payments for transaction costs attributable to the buy-back of treasury shares	(11)	-
Proceeds from transfer of treasury stock to employees	<u>3,999</u>	<u>-</u>
Net cash used in financing activities	<u>(815,774)</u>	<u>(73,407)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(45)</u>	<u>118</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,245,590)	436,528
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,990,232</u>	<u>1,553,704</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 744,642</u>	<u>\$ 1,990,232</u>

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

(Concluded)

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Co-Tech Development Corporation (the “Company”) was established in May 1998. The Company mainly manufactures and sells standard, low profile and high-performance series of copper foil products to supply the printed circuit board industry.

The Company’s shares have been traded on the Taipei Exchange (formerly known as Taiwan GreTai Securities Market) since September 2010.

The consolidated financial statements of the Company are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors and authorized for issue on March 6, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless stated otherwise, the above New IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and

- Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 11, Tables 3 and 4 for detailed information on subsidiaries, including the percentages of ownership and main businesses.

e. Foreign currencies

In preparing the Group's financial statements, transactions in currencies other than the Group's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the functional currencies of Company and its foreign operations (including subsidiaries and associates that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Property, plant and equipment

Property, plant and equipment are stated at cost less recognized accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Impairment of property, plant and equipment, right-of-use asset and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

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

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in other gains and losses. Refer to Note 23 for the determination of fair value of the financial assets.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group recognizes lifetime ECLs for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, and without considering any collateral held by the Group, a financial asset is considered to be in default when internal or external information indicates that the debtor is unlikely to pay its creditors.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Group's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

i Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and remeasurement gains or losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 23.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

k. Levies

Levies imposed by a government are accrued as other liabilities when the transactions or activities that trigger the payment of such levies occur. If the obligating event occurs over a period of time, the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.

l. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Carbon fee provision

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee provision is recognized and measured on the basis of the best estimate of the expenditure required to settle the obligation for the current year.

m. Revenue recognition

The Group identifies contracts with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods

Revenue from the sale of goods come from the sale of electrodeposited copper foil products and is recognized as revenue when the goods are delivered to the customer's specific location/the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

n. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable, the Group re-measure the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

o. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

q. Share-based payment arrangements

Employee share options granted to employees

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of treasury shares transferred to employees is the date on which the number of shares that the employees purchase is confirmed.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	2024
Cash on hand	\$ 190	\$ 189
Checking accounts and demand deposits	744,452	1,050,043
Cash equivalents		
Time deposits with original maturities of less than three months	<u>-</u>	<u>940,000</u>
	<u>\$ 744,642</u>	<u>\$ 1,990,232</u>

The following is the market interest rate range of bank deposits at the end of each reporting period:

	December 31	
	2025	2024
Bank deposit	0.00%-1.05%	0.001%-1.70%

7. FINANCIAL INSTRUMENTS AT FVTPL

	December 31	
	2025	2024
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	<u>\$ 2</u>	<u>\$ 1,367</u>
<u>Financial liabilities at FVTPL - current</u>		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	<u>\$ 35,036</u>	<u>\$ -</u>

At the end of the reporting period, foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2025</u>			
Sell foreign exchange forward contracts	USD/NTD	2026.1.7-2026.6.24	USD36,000/NTD1,094,106
<u>December 31, 2024</u>			
Sell foreign exchange forward contracts	CNY/USD	2025.1.10-2025.2.5	CNY6,200/USD893

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. The derivative contracts entered into by the Group did not meet the criteria for hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments at FVTOCI

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Non-current</u>		
Domestic investments		
Emerging market shares	<u>\$ 582,538</u>	<u>\$ -</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. TRADE RECEIVABLES, NET

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 2,387,909	\$ 1,762,405
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 2,387,909</u>	<u>\$ 1,762,405</u>

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

December 31, 2025

	Not Past Due	Less Than and Including 60 Days	61 to 90 Days	91 to 120 Days	More Than 121 Days	Total
Expected credit loss rate	0%	0%	0%	0%	100%	
Gross carrying amount	\$ 2,370,639	\$ 17,240	\$ -	\$ -	\$ 30	\$ 2,387,909
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Net carrying amount	<u>\$ 2,370,639</u>	<u>\$ 17,240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 2,387,909</u>

December 31, 2024

	Not Past Due	Less Than and Including 60 Days	61 to 90 Days	91 to 120 Days	More Than 121 Days	Total
Expected credit loss rate	0%	0%	0%	0%	100%	
Gross carrying amount	\$ 1,747,099	\$ 15,275	\$ 31	\$ -	\$ -	\$ 1,762,405
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Net carrying amount	<u>\$ 1,747,099</u>	<u>\$ 15,275</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,762,405</u>

The movements of the loss allowance of trade receivables were as follows:

	<u>For the Year Ended December 31</u>	
	2025	2024
Balance on January 1	\$ -	\$ -
Less: Net remeasurement of loss allowance	-	-
Balance on December 31	<u>\$ -</u>	<u>\$ -</u>

10. INVENTORIES, NET

	<u>December 31</u>	
	2025	2024
Finished goods	\$ 407,212	\$ 342,027
Work in progress	105,850	86,118
Raw materials	409,712	265,332
Supplies	<u>18,312</u>	<u>21,678</u>
	<u>\$ 941,086</u>	<u>\$ 715,155</u>

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2025	2024
Cost of inventories sold	\$ 6,163,487	\$ 5,468,345
Write-down (reversal) of inventories*	<u>1,503</u>	<u>(831)</u>
	<u>\$ 6,164,990</u>	<u>\$ 5,467,514</u>

* Inventory write-downs were reversed as a result of the factors that previously caused the net realizable value of inventories to fall below cost had disappeared.

11. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

Investor	Investee	Nature of Activities	% of Ownership	
			December 31	
			2025	2024
The Company	Co-Tech Copper Foil (BVI) Inc.	Investment activities	100	100
Co-Tech Copper Foil (BVI) Inc.	Co-Tech Copper Foil Shanghai Trade Ltd.	Selling of copper foil products	100	100

b. Subsidiaries excluded from consolidated financial statements: None.

12. PROPERTY, PLANT AND EQUIPMENT, NET

	For the Year Ended December 31, 2025							
	Freehold Land	Buildings	Machinery	Transportation Equipment	Office Equipment	Other Equipment	Property under Construction	Total
Cost								
January 1, 2025	\$ 824,098	\$ 1,354,854	\$ 5,826,376	\$ 50,712	\$ 13,949	\$ 10,161	\$ 2,792,187	\$ 10,872,337
Additions	164,118	23,796	8,168	-	898	511	371,089	568,580
Disposals	-	-	(42,763)	-	(174)	-	-	(42,937)
Reclassification	-	6,399	40,696	-	286	-	(48,810)	(1,429)
Effect of foreign currency exchange difference	-	-	(1)	-	-	-	-	(1)
December 31, 2025	<u>\$ 988,216</u>	<u>\$ 1,385,049</u>	<u>\$ 5,832,476</u>	<u>\$ 50,712</u>	<u>\$ 14,959</u>	<u>\$ 10,672</u>	<u>\$ 3,114,466</u>	<u>\$ 11,396,550</u>
Accumulated depreciation and impairment								
January 1, 2025	\$ -	\$ 1,241,812	\$ 5,443,952	\$ 44,158	\$ 13,048	\$ 8,650	\$ -	\$ 6,751,620
Depreciation expense	-	18,217	66,131	1,438	637	520	-	86,943
Disposals	-	-	(42,763)	-	(174)	-	-	(42,937)
Reclassification	-	-	3,338	-	-	-	-	3,338
Effect of foreign currency exchange difference	-	-	-	-	-	-	-	-
December 31, 2025	<u>\$ -</u>	<u>\$ 1,260,029</u>	<u>\$ 5,470,658</u>	<u>\$ 45,596</u>	<u>\$ 13,511</u>	<u>\$ 9,170</u>	<u>\$ -</u>	<u>\$ 6,798,964</u>
December 31, 2025, net	<u>\$ 988,216</u>	<u>\$ 125,020</u>	<u>\$ 361,818</u>	<u>\$ 5,116</u>	<u>\$ 1,448</u>	<u>\$ 1,502</u>	<u>\$ 3,114,466</u>	<u>\$ 4,597,586</u>

	For the Year Ended December 31, 2024							
	Freehold Land	Buildings	Machinery	Transportation Equipment	Office Equipment	Other Equipment	Property under Construction	Total
<u>Cost</u>								
January 1, 2024	\$ 824,098	\$ 1,367,495	\$ 5,822,682	\$ 48,661	\$ 13,897	\$ 9,525	\$ 2,478,021	\$ 10,564,379
Additions	-	-	10,721	205	113	636	316,011	327,686
Disposals	-	(12,641)	(7,025)	-	(69)	-	-	(19,735)
Reclassification	-	-	-	1,845	-	-	(1,845)	-
Effect of foreign currency exchange difference	-	-	(2)	1	8	-	-	7
December 31, 2024	<u>\$ 824,098</u>	<u>\$ 1,354,854</u>	<u>\$ 5,826,376</u>	<u>\$ 50,712</u>	<u>\$ 13,949</u>	<u>\$ 10,161</u>	<u>\$ 2,792,187</u>	<u>\$ 10,872,337</u>
<u>Accumulated depreciation and impairment</u>								
January 1, 2024	\$ -	\$ 1,232,430	\$ 5,377,053	\$ 42,452	\$ 12,268	\$ 8,171	\$ -	\$ 6,672,374
Depreciation expense	-	22,023	68,398	1,705	843	479	-	93,448
Disposals	-	(12,641)	(7,025)	-	(69)	-	-	(19,735)
Reclassification	-	-	5,527	-	-	-	-	5,527
Effect of foreign currency exchange difference	-	-	(1)	1	6	-	-	6
December 31, 2024	<u>\$ -</u>	<u>\$ 1,241,812</u>	<u>\$ 5,443,952</u>	<u>\$ 44,158</u>	<u>\$ 13,048</u>	<u>\$ 8,650</u>	<u>\$ -</u>	<u>\$ 6,751,620</u>
December 31, 2024, net	<u>\$ 824,098</u>	<u>\$ 113,042</u>	<u>\$ 382,424</u>	<u>\$ 6,554</u>	<u>\$ 901</u>	<u>\$ 1,511</u>	<u>\$ 2,792,187</u>	<u>\$ 4,120,717</u>

Additions to property, plant and equipment included transfer from prepayment of equipment for the years ended December 31, 2025 and 2024 were \$44,525 thousand and \$15,302 thousand, respectively.

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Buildings

Main building 11-21 years

Plant construction 3-20 years

Machinery equipment 4-16 years

Transportation equipment 6 years

Office equipment 4 years

Other equipment 4-11 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 25.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
<u>Carrying amount</u>		
Buildings	\$ 3,114	\$ 1,601
Transportation equipment	<u>3,836</u>	<u>159</u>
	<u>\$ 6,950</u>	<u>\$ 1,760</u>

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	\$ <u>7,675</u>	\$ <u>1,191</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 1,245	\$ 1,281
Transportation equipment	<u>1,278</u>	<u>478</u>
	\$ <u>2,523</u>	\$ <u>1,759</u>

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2025 and 2024.

b. Lease liabilities

	December 31	
	2025	2024
<u>Carrying amount</u>		
Current	\$ <u>2,574</u>	\$ <u>1,340</u>
Non-current	\$ <u>4,347</u>	\$ <u>448</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2025	2024
Buildings	1.850%-1.990%	1.615%-1.990%
Transportation equipment	1.850%	1.865%

c. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	\$ <u>128</u>	\$ <u>406</u>
Total cash outflow for leases	\$ <u>(2,813)</u>	\$ <u>(2,216)</u>

The Group has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for short-term leases and low-value asset leases.

14. BORROWINGS

a. Short-term borrowings

	December 31	
	2025	2024
<u>Unsecured borrowings</u>		
Letter of credit borrowings	\$ -	\$ 536,892
Bank loans	<u>948,268</u>	<u>846,854</u>
	<u>\$ 948,268</u>	<u>\$ 1,383,746</u>

The range of weighted average effective interest rates on bank loans was 4.51%-4.73% and 5.24%-5.92% per annum on December 31, 2025 and 2024, respectively.

b. Short-term bills payable

	December 31	
	2025	2024
Bank acceptances	<u>\$ 45,085</u>	<u>\$ 48,657</u>

Outstanding short-term bills payable were as follows:

December 31, 2025

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Collateral	Carrying Amount of Collateral
<u>Bank acceptances</u>					
Bank SinoPac	<u>\$ 45,085</u>	<u>\$ -</u>	<u>\$ 45,085</u>	-	<u>\$ -</u>

December 31, 2024

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Collateral	Carrying Amount of Collateral
<u>Bank acceptances</u>					
Bank SinoPac	\$ 32,389	\$ -	\$ 32,389	-	\$ -
Far Eastern International Bank	<u>16,268</u>	<u>-</u>	<u>16,268</u>	-	<u>-</u>
	<u>\$ 48,657</u>	<u>\$ -</u>	<u>\$ 48,657</u>		<u>\$ -</u>

15. OTHER LIABILITIES

	December 31	
	2025	2024
Payables for salaries or bonuses	\$ 63,663	\$ 66,466
Payables for utility	63,996	55,221
Payables for equipment	84,070	54,082
Payables for repair and maintenance	28,120	20,041
Payables for compensation of employees and remuneration of directors	34,377	29,452
Payables for annual leave	11,642	10,699
Others	<u>117,756</u>	<u>103,582</u>
	<u>\$ 403,624</u>	<u>\$ 339,543</u>

16. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Also, Co-Tech Copper Foil Shanghai Trade Ltd. contributes the retirement benefit in accordance the provisions of the local government, and the remaining subsidiaries did not have employee retirement plans due to no employees.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2025	2024
Present value of defined benefit obligation	\$ 63,097	\$ 68,022
Fair value of plan assets	<u>(62,198)</u>	<u>(47,657)</u>
Net defined benefit liabilities	<u>\$ 899</u>	<u>\$ 20,365</u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance on January 1, 2024	<u>\$ 71,645</u>	<u>\$ (27,099)</u>	<u>\$ 44,546</u>
Current service cost			
Net interest expense (income)	<u>985</u>	<u>(488)</u>	<u>497</u>
Recognized in profit or loss	<u>985</u>	<u>(488)</u>	<u>497</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,139)	(2,139)
Actuarial loss (gain)			
Changes in financial assumptions	(904)	-	(904)
Experience adjustments	<u>(2,213)</u>	<u>-</u>	<u>(2,213)</u>
Recognized in other comprehensive loss (gain)	<u>(3,117)</u>	<u>(2,139)</u>	<u>(5,256)</u>
Contributions from the employer	<u>-</u>	<u>(19,422)</u>	<u>(19,422)</u>
Benefits paid from the plan	<u>(1,491)</u>	<u>1,491</u>	<u>-</u>
Balance on December 31, 2024	<u>68,022</u>	<u>(47,657)</u>	<u>20,365</u>
Current service cost	329	-	329
Net interest expense (income)	<u>1,020</u>	<u>(835)</u>	<u>185</u>
Recognized in profit or loss	<u>1,349</u>	<u>(835)</u>	<u>514</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,102)	(3,102)
Actuarial loss (gain)			
Changes in financial assumptions	1,654	-	1,654
Experience adjustments	<u>2,627</u>	<u>-</u>	<u>2,627</u>
Recognized in other comprehensive loss (gain)	<u>4,281</u>	<u>(3,102)</u>	<u>1,179</u>
Contributions from the employer	<u>-</u>	<u>(21,159)</u>	<u>(21,159)</u>
Benefits paid from the plan	<u>(10,555)</u>	<u>10,555</u>	<u>-</u>
Balance on December 31, 2025	<u>\$ 63,097</u>	<u>\$ (62,198)</u>	<u>\$ 899</u>

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2025	2024
Discount rate	1.250%	1.500%
Expected rate of salary increase	2.250%	2.250%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2025	2024
Discount rate		
0.25% increase	<u>\$ (1,654)</u>	<u>\$ (1,759)</u>
0.25% decrease	<u>\$ 1,715</u>	<u>\$ 1,825</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 1,667</u>	<u>\$ 1,773</u>
0.25% decrease	<u>\$ (1,616)</u>	<u>\$ (1,718)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2025	2024
The expected contributions to the plan for the next year	<u>\$ 8,107</u>	<u>\$ 16,000</u>
The average duration of the defined benefit obligation	12.1 years	11.4 years

17. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2025	2024
Number of shares authorized (in thousands)	<u>300,000</u>	<u>300,000</u>
Amount of shares authorized	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>252,588</u>	<u>252,588</u>
Amount of shares issued	<u>\$ 2,525,880</u>	<u>\$ 2,525,880</u>

b. Capital surplus

	December 31	
	2025	2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Issuance of ordinary shares	\$ 1,560,897	\$ 1,560,897
Treasury share transactions	<u>10,299</u>	<u>-</u>
	<u>\$ 1,571,196</u>	<u>\$ 1,560,897</u>

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, unless the accumulated legal reserve is equal to the total capital of the Company, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors refer to compensation of employees and remuneration of directors in Note 18-e.

The Company's dividend policy is designed to meet present and future development projects and takes into consideration the investment environment, funding requirements, international or domestic competitive conditions while simultaneously meeting shareholders' interests. In consideration of the funding needs and the degree of diluted earnings per share, the distribution will be made in the form of share dividends or cash dividends. The way to distribute dividends could be either through cash or shares, and cash dividends shall not be less than 10% of the total dividends.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2024 and 2023, which were approved in the shareholders' meetings on June 23, 2025 and June 21, 2024, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2024	2023
Legal reserve	\$ <u>92,601</u>	\$ <u>53,036</u>
Special reserve	\$ <u>(119)</u>	\$ <u>72</u>
Cash dividends	\$ <u>378,882</u>	\$ <u>378,882</u>
Cash dividends per share (NT\$)	\$ <u>1.5</u>	\$ <u>1.5</u>

d. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)
Number of shares on January 1, 2025	-
Increase during the year	170
Decrease during the year	<u>(73)</u>
Number of shares on December 31, 2025	<u>97</u>

To maintain the Company's credit and shareholders' equity, the Company's board resolved on April 14, 2025, to buy back up to 4,167 thousand ordinary shares with the buyback price ranging from \$35.00 to \$60.00 per share from April 15, 2025 to June 13, 2025 on the Taiwan Stock Exchange. The Company has bought back 170 thousand shares at a total amount of \$9,311 thousand.

The Company's board resolved on August 8, 2025, the Company revised the purpose of its share repurchase, designating 170 thousand buy-back common shares for transfer to employees.

In addition, the Company's board resolved on August 27, 2025 to transfer the aforementioned 73 thousand shares of treasury shares to employees at the average repurchased price of \$54.77 per share, for total consideration of \$3,999 thousand. The grant date for employee subscription was on September 1, 2025, and employee compensation expense of \$10,310 thousand was recognized on the grant date.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

18. PROFIT BEFORE TAX

Net income included the following items:

a. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Net foreign exchange (losses) gains	\$ (74,025)	\$ 15,061
Net loss on fair value changes of financial instruments as at FVTPL	(36,401)	(4,555)
Net gain on disposal of property, plant and equipment	2,000	359
Others	<u>(1,154)</u>	<u>(1,542)</u>
	<u>\$ (109,580)</u>	<u>\$ 9,323</u>

b. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank loans	\$ 27,243	\$ 91,119
Interest on lease liabilities	<u>105</u>	<u>50</u>
Total interest expense for financial liabilities not measured at fair value through profit or loss	27,348	91,169
Less: Amount included in the cost of qualifying assets	<u>(9,085)</u>	<u>(56,667)</u>
	<u><u>\$ 18,263</u></u>	<u><u>\$ 34,502</u></u>

Information on capitalized interest is as follows:

	For the Year Ended December 31	
	2025	2024
Capitalized interest amount	\$ 9,085	\$ 56,667
Capitalization rate	4.56%-5.35%	5.35%-6.43%

c. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
An analysis of depreciation by function		
Recognized in operating costs	\$ 78,908	\$ 84,874
Recognized in operating expenses	<u>10,558</u>	<u>10,333</u>
	<u><u>\$ 89,466</u></u>	<u><u>\$ 95,207</u></u>
An analysis of amortization by function		
Recognized in operating costs	\$ 12	\$ -
Recognized in operating expenses	<u>895</u>	<u>612</u>
	<u><u>\$ 907</u></u>	<u><u>\$ 612</u></u>

d. Employee benefit expenses

	For the Year Ended December 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	\$ 13,421	\$ 10,974
Defined benefit plans (Note 16)	<u>514</u>	<u>497</u>
	<u>13,935</u>	<u>11,471</u>
Compensation cost of employee share options	10,310	-
Other employee benefits	<u>336,347</u>	<u>320,615</u>
	<u><u>\$ 360,592</u></u>	<u><u>\$ 332,086</u></u>

(Continued)

	<u>For the Year Ended December 31</u>	
	2025	2024
Employee benefit expenses summarized by function		
Recognized in operating costs	\$ 246,813	\$ 241,875
Recognized in operating expenses	<u>113,779</u>	<u>90,211</u>
	<u>\$ 360,592</u>	<u>\$ 332,086</u>
		(Concluded)

e. Compensation of employees and remuneration of directors

The Company distributed compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Group resolved the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of no less than 20% of the compensation of employees as compensation distributions for non-executive employees. The appropriations of compensation of employees (including non-executive employees) and remuneration of directors for 2025 and 2024, which have been approved by the Company's board of directors on March 6, 2026 and February 21, 2025, respectively, were as follows:

Amount

	<u>For the Year Ended December 31</u>	
	2025	2024
Compensation of employees	<u>\$ 20,626</u>	<u>\$ 17,671</u>
Remuneration of directors	<u>\$ 13,751</u>	<u>\$ 11,781</u>

If there is a change in the proposed amounts after issuance of the annual consolidated financial report, the differences are recognized as a change in accounting estimate and will be adjusted in the following year.

There was no difference between the actual amounts of compensation of employees and the remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

Information on compensation of employees and remuneration of directors resolved by the Company's board of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

f. Gains or losses on foreign currency exchange

	<u>For the Year Ended December 31</u>	
	2025	2024
Foreign exchange gains	\$ 265,092	\$ 170,364
Foreign exchange losses	<u>(339,117)</u>	<u>(155,303)</u>
Net (losses) gains	<u>\$ (74,025)</u>	<u>\$ 15,061</u>

19. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2025	2024
Current income tax expense		
In respect of the current year	\$ 292,011	\$ 218,357
Adjustments for prior year	<u>(723)</u>	<u>(163)</u>
	<u>291,288</u>	<u>218,194</u>
Deferred tax		
In respect of the current year	(13,859)	8,446
Adjustments for prior year	<u>723</u>	<u>163</u>
	<u>(13,136)</u>	<u>8,609</u>
Income tax expense recognized in profit or loss	<u>\$ 278,152</u>	<u>\$ 226,803</u>

A reconciliation of accounting profit and income tax expense and the applicable tax rate is as follows:

	For the Year Ended December 31	
	2025	2024
Income before income tax	<u>\$ 1,340,688</u>	<u>\$ 1,148,612</u>
Income tax expense calculated at the statutory rate	\$ 268,138	\$ 229,722
Nondeductible items in determining taxable income	(4,214)	(2,919)
Income tax on unappropriated earnings	14,228	-
Unrecognized deductible temporary differences	(131)	(574)
Investment gains of foreign operations	199	943
Effect of different tax rates of entities in the Group operating in other jurisdictions	<u>(68)</u>	<u>(369)</u>
Income tax expense recognized in profit or loss	<u>\$ 278,152</u>	<u>\$ 226,803</u>

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2025	2024
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement on defined benefit plans	<u>\$ 236</u>	<u>\$ (1,052)</u>

c. Current tax assets and liabilities

	December 31	
	2025	2024
Current tax liabilities		
Income tax payable	<u>\$ 182,392</u>	<u>\$ 153,736</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2025

Deferred Tax Assets	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Temporary differences				
Unrealized losses of foreign subsidiaries	\$ 16,600	\$ (94)	\$ -	\$ 16,506
Defined benefit obligations	6,852	-	236	7,088
Valuation losses on financial investments	-	7,007	-	7,007
Unrealized loss on inventories	2,013	300	-	2,313
Unrealized foreign exchange losses	6,724	(2,500)	-	4,224
Revenue recognized	6,450	12,329	-	18,779
Unrealized impairment loss of property, plant and equipment	7,878	(2,039)	-	5,839
Provisions	2,288	(919)	-	1,369
Others	<u>3,032</u>	<u>814</u>	<u>-</u>	<u>3,846</u>
	<u>\$ 51,837</u>	<u>\$ 14,898</u>	<u>\$ 236</u>	<u>\$ 66,971</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Temporary differences				
Valuation gains on financial instruments	\$ 273	\$ (273)	\$ -	\$ -
Unrealized foreign exchange gains	<u>7,208</u>	<u>2,035</u>	<u>-</u>	<u>9,243</u>
	<u>\$ 7,481</u>	<u>\$ 1,762</u>	<u>\$ -</u>	<u>\$ 9,243</u>

For the year ended December 31, 2024

Deferred Tax Assets	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Temporary differences				
Unrealized losses of foreign subsidiaries	\$ 17,084	\$ (484)	\$ -	\$ 16,600
Defined benefit obligations	8,837	(933)	(1,052)	6,852
Unrealized loss on inventories	2,179	(166)	-	2,013
Unrealized foreign exchange losses	13,135	(6,411)	-	6,724
Revenue recognized	7,882	(1,432)	-	6,450
Unrealized impairment loss of property, plant and equipment	9,919	(2,041)	-	7,878
Provisions	1,675	613	-	2,288
Others	<u>3,120</u>	<u>(88)</u>	<u>-</u>	<u>3,032</u>
	<u>\$ 63,831</u>	<u>\$ (10,942)</u>	<u>\$ (1,052)</u>	<u>\$ 51,837</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Temporary differences				
Valuation gains on financial instruments	\$ 1,184	\$ (911)	\$ -	\$ 273
Unrealized foreign exchange gains	<u>8,630</u>	<u>(1,422)</u>	<u>-</u>	<u>7,208</u>
	<u>\$ 9,814</u>	<u>\$ (2,333)</u>	<u>\$ -</u>	<u>\$ 7,481</u>

e. Information about unused loss carryforward

As of December 31, 2025, the loss carryforwards of subsidiary Co-Tech Copper Foil Shanghai Trade Ltd. comprised:

Unused Amount	Expiry Year
\$ 1,892	2025
2,526	2027
<u>410</u>	2028
<u>\$ 4,828</u>	

f. Income tax assessments

The Company's tax returns through 2023 have been assessed by the tax authorities.

20. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2025	2024
Profit for the year attributable to owners of the Company	\$ 1,062,536	\$ 921,809
Effects of potentially dilutive ordinary shares:		
Compensation of employees	<u>-</u>	<u>-</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 1,062,536</u>	<u>\$ 921,809</u>

Weighted Average Number of Ordinary Shares Outstanding

Unit: In Thousand Shares

	For the Year Ended December 31	
	2025	2024
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	252,507	252,588
Effects of potentially dilutive ordinary shares:		
Compensation of employees	<u>120</u>	<u>327</u>
Weighted average number of ordinary shares outstanding in computation of diluted earnings per share	<u>252,627</u>	<u>252,915</u>

The Group may settle the bonuses or remuneration paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the bonus or remuneration will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. The dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

21. SHARE-BASED PAYMENT ARRANGEMENTS

Treasury shares transferred to employees

The Board of Directors of Co-Tech Development Corporation resolved to transfer 73 thousand shares of treasury shares to current employees on August 27, 2025 at a price of \$54.77. The record date for employee share option was set as September 1, 2025.

Information on employee share options was as follows:

	For the Year Ended December 31, 2025	
	Number of Options (In Thousands of Units)	Weighted- average Exercise Price (\$)
Balance on January 1	-	\$ -
Options granted	73	54.77
Options exercised	<u>(73)</u>	54.77
Balance on December 31	<u>-</u>	-
Weighted-average fair value of employee share options of treasury share granted (\$)	<u>\$ 141.24</u>	

Options granted in September 2025 are priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	<u>September 2025</u>
Grant-date share price	\$196.00
Exercise price	54.77
Expected volatility	43.32%
Expected life (in years)	0.01
Expected dividend yield	-
Risk-free interest rate	1.22%

Compensation costs recognized were \$10,310 thousand for the years ended December 31, 2025.

22. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, other equity and non-controlling interests).

The Group is not subject to any externally imposed capital requirements.

23. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 2	\$ -	\$ 2
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic emerging market shares	\$ 582,538	\$ -	\$ -	\$ 582,538
Financial liabilities at FVTPL				
Derivative instruments	\$ -	\$ 35,036	\$ -	\$ 35,036

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 1,367	\$ -	\$ 1,367

There were no transfers between Levels 1 and 2 in 2025 and 2024.

- 2) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the year and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

b. Categories of financial instruments

	December 31	
	2025	2024
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 2	\$ 1,367
Financial assets at amortized costs (1)	3,134,924	3,756,285
Financial assets at FVTOCI		
Investments in equity instruments	582,538	-
<u>Financial liabilities</u>		
FVTPL		
Held for trading	35,036	-
Amortized cost (2)	1,567,805	1,944,483

- 1) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, trade receivables, other receivables, and refundable deposits.
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, trade payables and other payables.

c. Financial risk management objectives and policies

The Group's major financial instruments include notes receivable and trade receivables, other receivables, refundable deposits, short-term bills payable, trade payables, other payables, and loans. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using financial derivatives to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written guidelines on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into a foreign exchange forward contracts to manage its exposure to foreign currency risk.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group's had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward exchange contracts and currency swaps.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Notes 7 and 29.

Sensitivity analysis

The Group was mainly exposed to the fluctuation of the U.S. dollar.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar against the U.S. dollar. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the year for a 5% change in foreign currency rates. A positive number below indicates an decrease in pre-tax profit associated with the New Taiwan dollar strengthening against the relevant currency. For a weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	USD Impact	
	For the Year Ended December 31	
	2025	2024
Profit or loss	\$ 707	\$ 6,943

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2025	2024
Fair value interest rate risk		
Financial assets	\$ -	\$ 940,000
Financial liabilities	52,006	48,657
Cash flow interest rate risk		
Financial assets	744,451	1,050,043
Financial liabilities	948,268	1,383,746

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2025 and 2024 would have decreased/increased by \$1,019 thousand and \$1,669 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than for trading purposes, the Group does not actively trade these investments. The Group's equity price risk is mainly concentrated in equity instruments operating in the Taipei Exchange.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 10% higher/lower, pre-tax other comprehensive income for the years ended December 31, 2025 would have increased/decreased by \$58,254 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets; and the maximum amount the entity would have to pay if the financial guarantee is called upon.

The receivables from major customers amounted to \$1,788,701 thousand and \$1,258,515 thousand, which both accounted for more than 40% of total trade receivables as of December 31, 2025 and 2024, respectively.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2025 and 2024, the Company had available unutilized short-term bank loan facilities set out in (c) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1 Year to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 402,706	\$ 127,871	\$ 153,557	\$ -	\$ -
Lease liabilities undiscounted	221	441	1,985	4,509	-
Debt instruments	<u>148,644</u>	<u>600,713</u>	<u>253,142</u>	<u>-</u>	<u>-</u>
	<u>\$ 551,571</u>	<u>\$ 729,025</u>	<u>\$ 408,684</u>	<u>\$ 4,509</u>	<u>\$ -</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1 Year to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 393,285	\$ 94,614	\$ 130,798	\$ -	\$ -
Lease liabilities undiscounted	151	302	875	517	-
Debt instruments	<u>489,610</u>	<u>837,360</u>	<u>115,529</u>	<u>-</u>	<u>-</u>
	<u>\$ 883,046</u>	<u>\$ 932,276</u>	<u>\$ 247,202</u>	<u>\$ 517</u>	<u>\$ -</u>

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the year.

b) Liquidity and interest rate risk table for derivative financial instruments

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Net settled</u>			
Foreign exchange forward contracts			
Outflows	<u>\$ (17,976)</u>	<u>\$ (13,616)</u>	<u>\$ (3,444)</u>

c) Financing facilities

	December 31	
	2025	2024
Amount used	\$ 993,353	\$ 1,432,403
Amount unused	<u>5,851,647</u>	<u>5,247,597</u>
	<u>\$ 6,845,000</u>	<u>\$ 6,680,000</u>

24. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries (the Company's related parties), which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

Compensation of Key Management Personnel

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	\$ 55,154	\$ 48,088
Post-employment benefits	4,012	1,380
Share-based payments	<u>4,943</u>	<u>-</u>
	<u>\$ 64,109</u>	<u>\$ 49,468</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

25. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2025	2024
Restricted bank deposits (classified as financial assets at amortized cost)	\$ 3	\$ 3
Land	345,346	345,346
Buildings, net	<u>65,050</u>	<u>70,963</u>
	<u>\$ 410,399</u>	<u>\$ 416,312</u>

26. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

- a. Unused letters of credit for purchases of raw materials and machinery and equipment were as follows:

	December 31	
	2025	2024
USD	\$ 7,066	\$ 8,513
JPY	-	6,202

- b. Unrecognized commitments for the acquisition of property, plant and equipment were as follows:

	December 31	
	2025	2024
USD	\$ 2,613	\$ 2,846
NTD	776,481	733,410
JPY	-	13,680
CNY	18,573	15,045

27. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: None**28. OTHER ITEMS: None**

29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than the Group's functional currency, and the exchange rates between the respective foreign currencies and the functional currency were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 77,319	31.365 (USD:NTD)	\$ 2,425,112
CNY	8,767	4.4937 (CNY:NTD)	39,395
Non-monetary items			
Derivative instruments			
USD	1,500	31.365 (USD:NTD)	2

Financial liabilities

Monetary items			
USD	40,868	31.365 (USD:NTD)	1,281,835
CNY	1,118	4.4937 (CNY:NTD)	5,024
Non-monetary items			
Derivative instruments			
USD	34,500	31.365 (USD:NTD)	35,036

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 57,201	32.735 (USD:NTD)	\$ 1,872,487
CNY	15,831	4.4919 (CNY:NTD)	71,111
Non-monetary items			
Derivative instruments			
CNY	6,200	7.2876 (CNY:USD)	1,367

Financial liabilities

Monetary items			
USD	52,914	32.735 (USD:NTD)	1,732,133

The significant realized and unrealized foreign exchange gains (losses) were as follows:

Functional Currency	For the Year Ended December 31			
	2025		2024	
	Functional Currency: Presentation Currency	Net Foreign Exchange Gain (Loss)	Functional Currency: Presentation Currency	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	<u>\$ (74,025)</u>	1 (NTD:NTD)	<u>\$ 15,061</u>

30. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided: None.
- 2) Endorsements/guarantees provided: None.
- 3) Significant marketable securities held (excluding investments in subsidiaries): (Table 1).
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: (Table 2).
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- 6) Intercompany relationships and significant intercompany transactions: (Table 2).

b. Information on investees: (Table 3).

c. Information on investments in mainland China:

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 4).
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 5).
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.

- f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

31. SEGMENT INFORMATION

The Group has only copper foil segments, information reported to the chief operating decision maker is measured on the same basis as the financial statements. Therefore, the reportable revenue and operating results from January 1, 2025 and 2024 to December 31, 2025 and 2024 can be referred to the consolidated income statement for the period from January 1, 2025 and 2024 to December 31, 2025 and 2024.

a. Geographical information

The Group operates in two principal geographical areas - Taiwan and China.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2025	2024	2025	2024
Taiwan	\$ 1,071,130	\$ 922,920	\$ 5,225,685	\$ 4,194,533
Asia	6,757,602	5,856,952	471	848
Others	<u>51,209</u>	<u>41,686</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,879,941</u>	<u>\$ 6,821,558</u>	<u>\$ 5,226,156</u>	<u>\$ 4,195,381</u>

Non-current assets exclude deferred tax assets.

b. Information about major customers

Single customers contributing 10% or more to the Group's revenue for both 2025 and 2024 were as follows:

	For the Year Ended December 31			
	2025		2024	
	Amount	%	Amount	%
Customer A	\$ 1,069,152	14	\$ 487,462	7
Customer B	1,053,261	13	1,093,905	16
Customer C	786,531	10	760,658	11

TABLE 1

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD

DECEMBER 31, 2025

(In Thousands Shares; In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	DECEMBER 31, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Co-Tech Development Corporation	Shares Phoenix Pioneer Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	18,125	\$ 582,538	8.7	\$ 582,538	

Note: For information on the investments in subsidiaries and associates, refer to Table 3.

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts (Note 2)	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Co-Tech Development Corporation	Co-Tech Copper Foil Shanghai Trade Ltd.	1	Sales	\$ 86,490 2,651	Monthly balance 120 days	1
				Trade receivables		Monthly balance 120 days	-

Note 1: The parent company and its subsidiaries are coded as follows:

- a. The parent company is numbered “0”.
- b. The subsidiaries are numbered consecutively from “1” in the order presented in the table above.

Note 2: Nature of relationship is as follows:

- a. From the parent company to its subsidiary.
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: For the calculation of the transaction amount as a percentage of total consolidated revenue or total assets, in the case of an asset or liability account, the ending balance as a percentage of total consolidated revenue should be calculated; in the case of a profit or loss account, the interim cumulative amount as a percentage of total consolidated revenue should be calculated.

Note 4: The decision whether or not to disclose the significant intercompany transactions was made based on the principle of materiality.

TABLE 3

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

**NAMES, LOCATIONS, AND RELATED INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2025	December 31, 2024	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Co-Tech Development Corporation	Co-Tech Copper Foil (BVI) Inc.	Virgin Islands	Investment activities	\$ 113,683	\$ 113,683	3,500,002	100	\$ 7,381	\$ 471	\$ 471	Subsidiary

Note 1: Refer to Table 4 for information on investments in mainland China.

Note 2: The intercompany transactions have been eliminated upon consolidation.

TABLE 4

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars and Dollars)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	Net Income (Losses) of the Investee Company	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025
					Outflow	Inflow						
Co-Tech Copper Foil Shanghai Trade Ltd.	Selling of copper foil products	Registered and paid-in capital of US\$200	Note 1	\$ 6,796	\$ -	\$ -	\$ 6,796	\$ 526	100	\$ 526	\$ 5,846	\$ -

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$6,796	US\$200	\$4,506,560 (Note 3)

Note 1: Indirect investment in mainland China through Co-Tech Copper Foil (BVI) Inc.

Note 2: Investment gain (loss) was recognized based on the Company’s audited financial statements.

Note 3: Net assets value ×60% = \$7,510,933 x 60% = \$4,506,560

Note 4: The intercompany transactions have been eliminated upon consolidation.

TABLE 5

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
Co-Tech Copper Foil Shanghai Trade Ltd.	Sale	\$ 86,490	1	Normal	120 days after monthly billings	No significant difference	\$ 2,651	-	\$ -	

Note: Already eliminated in the consolidated financial statements.