

Stock Code: 6449

**APAQ TECHNOLOGY CO., LTD. and
Subsidiaries**

**Consolidated Financial Statements and
Independent Auditors' Review Report**

For the Nine months Ended September 30, 2025 and 2024

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Independent Auditors' Review Report

To the Board of Directors of APAQ TECHNOLOGY CO., LTD.:

Introduction

We have reviewed the consolidated financial statements of APAQ TECHNOLOGY CO., LTD. and subsidiaries, which comprise the consolidated balance sheets as of September 30, 2025 and 2024, the consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024, and for the nine months ended September 30, 2025 and 2024, and changes in equity and cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with the International Standard on Review Engagements No. 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of consolidated financial statements consists of making inquiries, primarily of people responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Opinion

As explained in Note VI(VI) to the consolidated financial statements, the investments accounted for using equity method of APAQ TECHNOLOGY CO., LTD. and subsidiaries as of September 30, 2025 and 2024 amounted to NT\$54,734 thousand and NT\$58,879 thousand, respectively, and the share of profit or loss of associates accounted for using equity method for the three months and nine months ended September 30, 2025 and 2024 amounted to NT\$(59) thousand, NT\$(1,608) thousand, NT\$2,586 thousand, and NT\$(5,575) thousand, respectively, which were based on the financial statements of those investee companies for the same period not reviewed by independent auditors.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain non-significant subsidiaries and investee companies been reviewed by independent accountants as described in the preceding paragraph, that we might have become aware of had it not been for the situation described above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of APAQ TECHNOLOGY CO., LTD. and subsidiaries as of September 30, 2025 and 2024, and of its consolidated financial performance as of and for the three-month periods ended September 30, 2025 and 2024, and its consolidated financial performance and cash flows for the nine months periods then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG Taiwan

Certified public :
accountant

Securities Competent : Jin-Guan-Zheng-Shen-Zi No.
Authority Approval No. 1040007866
Jin-Guan-Zheng-Shen-Zi No.
1020002066

November 5, 2025

APAQ TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Balance Sheet
September 30, 2025, December 31, 2024 and September 30, 2024

Unit: NT\$ thousands

		2025.9.30		2024.12.31		2024.9.30				2025.9.30		2024.12.31		2024.9.30	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:		Current liabilities:													
1100	Cash and cash equivalents [Note VI(I)]	\$ 1,774,369	22	1,541,797	22	1,497,288	23	2100	Short-term loans [Note VI(XII)]	\$ 2,060,000	26	1,420,000	21	1,370,000	21
1110	Financial assets at fair value							2170	Accounts payable	642,599	9	527,553	8	433,290	7
	through profit or loss - current							2180	Accounts payable - related parties [Note						
	[Note VI(II)]	45,112	1	47,079	1	49,566	1		VII]	1,289	-	10,303	-	9,947	-
1150	Notes receivable [Note VI(IV)]	19,743	-	49,086	1	60,012	1	2201	Payroll and bonus payable	229,588	3	191,576	3	181,031	3
1170	Accounts receivable [Note VI(IV)]	1,590,867	20	1,500,079	22	1,238,896	19	2213	Payable on equipment	69,920	1	36,175	-	57,805	1
1180	Accounts receivable - related parties							2280	Lease liabilities - current [Note						
	[Notes VI(IV) & VII]	49,371	1	73,360	1	60,490	1		VI(XIV)]	19,183	-	25,480	-	15,667	-
1310	Inventories, net [Note VI(V)]	811,923	10	728,218	10	736,165	11	2322	Long-term loans due within one year or						
1479	Other current assets [Note VI(IX)]	101,863	1	125,678	2	87,409	1		one operating cycle [Note						
		4,393,248	55	4,065,297	59	3,729,826	57		VI(XIII)]	195,634	2	158,634	2	171,134	2
Non-current assets:		Other current liabilities													
1510	Financial assets at fair value through							2399		178,814	2	243,709	4	181,628	3
	profit or loss - non-current									3,397,027	43	2,613,430	38	2,420,502	37
	[Note VI(II)]	39,852	1	5,409	-	6,000	-	2540	Non-current liabilities:						
1517	Financial assets at fair value							2570	Long-term loans [Note VI(XIII)]	68,459	1	152,185	2	164,093	2
	through other							2580	Deferred tax liabilities [Note VI(XVI)]	-	-	11,050	-	-	-
	comprehensive income -								Lease liabilities - non-current [Note						
	non-current [Note								VI(XIV)]	26,118	-	42,921	1	46,833	1
	VI(III)]	1,449,451	18	1,028,200	15	1,049,573	16			94,577	1	206,156	3	210,926	3
1550	Investments accounted for under the								Total Liabilities	3,491,604	44	2,819,586	41	2,631,428	40
	equity method [Note VI(VI)]	54,734	1	59,077	1	58,879	1		Equity [Note VI (XVII)]:						
1600	Property, plant and equipment [Note							3100	Share capital	919,335	12	889,535	13	889,535	14
	VI(VIII)]	1,670,815	21	1,437,947	21	1,410,987	22	3200	Capital surplus	1,111,227	14	768,527	11	768,527	12
1755	Right-of-use assets [Note VI(IX) and							3300	Retained earnings	1,811,810	23	1,704,124	25	1,533,251	24
	(XIV)]	54,390	1	78,343	1	72,517	1	3400	Other equity	559,775	7	598,662	9	595,788	9
1780	Intangible assets [Note VI(XI)]	82,051	1	76,115	1	75,038	1	3500	Treasury shares	(40,374)	(1)	(40,374)	(1)	(40,374)	(1)
1840	Deferred income tax assets [Note								Total equity attributable to owners	4,361,773	55	3,920,474	57	3,746,727	58
	VI(XVI)]	77,292	1	46,246	1	36,066	1		of the parent company						
1920	Refundable deposits	11,751	-	11,140	-	10,136	-	36XX	Non-controlling interests [Note	103,458	1	118,286	2	125,837	2
1990	Other non-current assets [Note VI(X)]	123,251	1	50,572	1	54,970	1		VI(XVII)]						
		3,563,587	45	2,793,049	41	2,774,166	43		Total equity	4,465,231	56	4,038,760	59	3,872,564	60
	Total assets	\$ 7,956,835	100	6,858,346	100	6,503,992	100		Total liabilities and equity	\$ 7,956,835	100	6,858,346	100	6,503,992	100

(See the attached notes to consolidated financial statements)

Chairman: Dr. DJ Zheng

Manager: Shi-Dong Lin

Accounting Manager: Pei-Ling Li

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2025 and 2024

Unit: NT\$ thousands

		For the three months ended September 30, 2025		For the three months ended September 30, 2024		For the nine months ended September 30, 2025		For the nine months ended September 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4110	Net sales revenue [Notes VI(XX) & VII]	\$ 1,162,347	100	921,494	100	3,204,982	100	2,460,960	100
5110	Cost of goods sold [Notes VI(V), (VIII), (IX), (XVIII), (XXI) & VII]	769,527	66	642,851	70	2,112,777	66	1,736,588	71
5950	Gross profit	392,820	34	278,643	30	1,092,205	34	724,372	29
6000	Operating expenses [Notes VI(VIII), (IX), (XIV), (XVIII), (XXI) & VII]:								
6100	Selling expenses	57,621	5	39,541	4	146,242	4	106,870	4
6200	Administrative expenses	97,848	9	50,147	5	243,600	8	155,072	6
6300	Research and development expenses	39,340	3	35,664	4	115,433	4	109,339	5
	Total operating expenses	194,809	17	125,352	13	505,275	16	371,281	15
6900	Operating income	198,011	17	153,291	17	586,930	18	353,091	14
7000	Non-operating income and expenses:								
7020	Other gains and losses [Notes VI(II), (VII), & (XXII)]	9,150	1	8,424	1	29,706	1	49,050	2
7050	Finance costs [Notes VI(XIV) & (XXII)]	(11,838)	(1)	(8,568)	(1)	(30,796)	(1)	(22,452)	(1)
7100	Interest income [Notes VI(XXIII)]	8,479	1	8,939	1	26,985	1	24,773	1
7230	Foreign exchange gain (loss) [Note VI(XXII)]	52,809	4	(35,091)	(4)	(84,489)	(2)	47,707	2
7370	Share of profit or loss of associates accounted for under the equity method [Note VI(VI)]	(59)	-	(1,608)	-	2,586	-	(5,712)	-
	Non-operating income and expenses, net	58,541	5	(27,904)	(3)	(56,008)	(1)	93,366	4
7900	Income before income tax	256,552	22	125,387	14	530,922	17	446,457	18
7950	Less: Income tax expense [Note VI(XVI)]	61,559	5	15,037	2	127,328	4	97,964	4
	Net income for the period	194,993	17	110,350	12	403,594	13	348,493	14
8300	Other comprehensive income:								
8310	Items that may not be reclassified subsequently to profit or loss								
8316	Unrealized valuation gains (losses) from investments in equity instruments at fair value through other comprehensive income	245,757	21	260,521	28	395,435	12	582,934	24
	Total of items that may not be reclassified subsequently to profit or loss	245,757	21	260,521	28	395,435	12	582,934	24
8360	Items that may be reclassified subsequently to profit or loss								
8361	Financial statements translation differences of foreign operations	143,835	12	(24,079)	(3)	(193,336)	(6)	110,195	4
8399	Less: Income tax related to items that may be reclassified [Note VI(XV)]	(28,767)	2	4,816	(1)	38,667	(1)	(22,039)	1
	Total of items that may be reclassified subsequently to profit or loss	115,068	10	(19,263)	(2)	(154,669)	(5)	88,156	3
8300	Other comprehensive income, net of tax	360,825	31	241,258	26	240,766	7	671,090	27
8500	Total comprehensive income for the year	<u>\$ 555,818</u>	<u>48</u>	<u>351,608</u>	<u>38</u>	<u>644,360</u>	<u>20</u>	<u>1,019,583</u>	<u>41</u>
	Net income attributable to:								
8610	Owners of the parent company	\$ 200,102	17	117,120	13	422,829	14	363,521	15
8620	Non-controlling interests	(5,109)	-	(6,770)	(1)	(19,235)	(1)	(15,028)	(1)
		<u>\$ 194,993</u>	<u>17</u>	<u>110,350</u>	<u>12</u>	<u>403,594</u>	<u>13</u>	<u>348,493</u>	<u>14</u>
	Total comprehensive income attributable to:								
8710	Owners of the parent company	\$ 560,927	48	358,378	39	663,595	21	1,034,611	42
8720	Non-controlling interests	(5,109)	-	(6,770)	(1)	(19,235)	(1)	(15,028)	(1)
		<u>\$ 555,818</u>	<u>48</u>	<u>351,608</u>	<u>38</u>	<u>644,360</u>	<u>20</u>	<u>1,019,583</u>	<u>41</u>
	Earnings per share (Unit: NT\$) [Note VI(XIX)]								
9750	Basic earnings per share	<u>\$ 2.28</u>		<u>1.33</u>		<u>4.81</u>		<u>4.13</u>	
9850	Diluted earnings per share	<u>\$ 2.25</u>		<u>1.33</u>		<u>4.77</u>		<u>4.12</u>	

(See the attached notes to consolidated financial statements)

Chairman: Dr. DJ Zheng

Manager: Shi-Dong Lin

Accounting Manager: Pei-Ling Li

APAQ TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2025 and 2024

Unit: NT\$ thousands

	Retained earnings						Other equity items							
	Share capital - common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Financial statements translation differences of foreign operations	Gains (losses) on investment in equity instruments at fair value through other comprehensive income	Unearned employees' compensation	Total	Treasury shares	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Balance as of January 1, 2024	\$ 889,535	768,493	230,596	50,087	1,091,340	1,372,023	(102,070)	26,768	-	(75,302)	(40,374)	2,914,375	-	2,914,375
Net income (loss) for the period	-	-	-	-	363,521	363,521	-	-	-	-	-	363,521	(15,028)	348,493
Other comprehensive income for the period	-	-	-	-	-	-	88,156	582,934	-	671,090	-	671,090	-	671,090
Total comprehensive income for the year	-	-	-	-	363,521	363,521	88,156	582,934	-	671,090	-	1,034,611	(15,028)	1,019,583
Earnings appropriation and distribution:														
Appropriation of legal reserve	-	-	41,841	-	(41,841)	-	-	-	-	-	-	-	-	-
Appropriation of special reserve	-	-	-	25,216	(25,216)	-	-	-	-	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(202,293)	(202,293)	-	-	-	-	-	(202,293)	-	(202,293)
Exercise of disgorgement	-	34	-	-	-	-	-	-	-	-	-	34	-	34
Non-controlling interests originated from business combination	-	-	-	-	-	-	-	-	-	-	-	-	140,865	140,865
Balance as of September 30, 2024	\$ 889,535	768,527	272,437	75,303	1,185,511	1,533,251	(13,914)	609,702	-	595,788	(40,374)	3,746,727	125,837	3,872,564
Balance as of January 1, 2025	\$ 889,535	768,527	272,437	75,303	1,356,384	1,704,124	10,333	588,329	-	598,662	(40,374)	3,920,474	118,286	4,038,760
Net income (loss) for the period	-	-	-	-	422,829	422,829	-	-	-	-	-	422,829	(19,235)	403,594
Other comprehensive income for the period	-	-	-	-	-	-	(154,669)	395,435	-	240,766	-	240,766	-	240,766
Total comprehensive income for the year	-	-	-	-	422,829	422,829	(154,669)	395,435	-	240,766	-	663,595	(19,235)	644,360
Earnings appropriation and distribution:														
Appropriation of legal reserve	-	-	53,439	-	(53,439)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(75,303)	75,303	-	-	-	-	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(316,633)	(316,633)	-	-	-	-	-	(316,633)	-	(316,633)
Share-based payment transactions	29,800	342,700	-	-	-	-	-	-	(278,163)	(278,163)	-	94,337	-	94,337
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	4,407	4,407
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	1,490	1,490	-	(1,490)	-	(1,490)	-	-	-	-
Balance as of September 30, 2025	\$ 919,335	1,111,227	325,876	-	1,485,934	1,811,810	(144,336)	982,274	(278,163)	559,775	(40,374)	4,361,773	103,458	4,465,231

(See the attached notes to consolidated financial statements)

Chairman: Dr. DJ Zheng

Manager: Shi-Dong Lin

Accounting Manager: Pei-Ling Li

APAQ TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2025 and 2024

Unit: NT\$ thousands

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Cash flows from operating activities:		
Income before income tax for the period	\$ 530,922	446,457
Adjustments:		
Income and expense items:		
Depreciation	191,363	191,468
Amortization	4,855	3,694
Loss (gain) on valuation of financial assets at fair value through profit or loss	3,524	(1,739)
Interest expense	30,796	22,452
Interest income	(26,985)	(24,773)
Dividend income	(19,647)	(1,621)
Loss on market value decline and obsolete and slow-moving inventories	12,537	27,400
Compensation costs of share-based payments	94,337	-
Share of loss (profit) of associates accounted for under the equity method	(2,586)	5,712
Loss (gain) on disposal of property, plant, and equipment	1,458	(380)
Gain on disposal of investments	(6,130)	(30,759)
Gain on lease modification	(135)	-
Other expenses and losses not affecting cash flows	85	2,363
Total income and expense items	283,472	193,817
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(54,368)	(72,515)
Inventories	(96,242)	(78,811)
Other operating assets	24,792	(28,817)
Accounts payable (including related parties)	137,551	92,351
Other operating liabilities	(3,473)	56,015
Total adjustments	291,732	162,040
Cash generated from operations	822,654	608,497
Interest received	26,008	24,087
Dividends received	19,647	1,621
Interest paid	(30,721)	(22,253)
Income tax paid	(189,253)	(79,307)
Net cash inflow from operating activities	648,335	532,645

(Continued)

(See the attached notes to consolidated financial statements)

Chairman: Dr. DJ Zheng

Manager: Shi-Dong Lin

Accounting Manager: Pei-Ling Li

APAQ TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statements of Cash Flows (Continued)
For the nine months ended September 30, 2025 and 2024

Unit: NT\$ thousands

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss - current	-	(18,052)
Proceeds from capital reduction of financial assets measured at fair value through other comprehensive income	9,806	6,318
Acquisition of financial assets at fair value through other comprehensive income – non-current	(37,437)	(260,000)
Disposal of financial assets at fair value through other comprehensive income – non-current	1,815	-
Acquisition of financial assets at fair value through profit or loss - non-current	(36,000)	(6,000)
Acquisition of investments accounted for using equity method	-	(9,323)
Net cash inflow from acquisition of subsidiaries	-	66,295
Acquisition of property, plant and equipment	(437,759)	(127,168)
Disposal of property, plant and equipment	1,030	2,230
Decrease (increase) in refundable deposits	(658)	22,187
Acquisition of intangible assets	(270)	(185)
Increase in other non-current assets	(471)	(6,373)
Increase in prepayments for business facilities	(86,999)	(27,942)
Net cash outflow from investing activities	<u>(586,943)</u>	<u>(358,013)</u>
Cash flows from financing activities:		
Increase in short-term loans	836,000	630,000
Repayment of short-term loans	(196,000)	(97,000)
Increase in long-term loans	100,000	-
Repayments of long-term loans	(146,726)	(127,273)
Exercise of disgorgement	-	34
Repayment of lease principal	(20,632)	(20,757)
Cash dividends paid	(316,633)	(202,293)
Net cash inflow from financing activities	<u>256,009</u>	<u>182,711</u>
Effect of exchange rate changes	(84,829)	15,771
Increase in cash and cash equivalents	232,572	373,114
Cash and cash equivalents, beginning of the year	1,541,797	1,124,174
Cash and cash equivalents, end of the year	<u><u>\$ 1,774,369</u></u>	<u><u>1,497,288</u></u>

(See the attached notes to consolidated financial statements)

Chairman: Dr. DJ Zheng

Manager: Shi-Dong Lin

Accounting Manager: Pei-Ling Li

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)**

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Notes to Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

I. Company History

APAQ TECHNOLOGY CO., LTD. (hereinafter referred to as the “Company”) was established on December 23, 2005 with the registered address at 4F., No. 2 and 6, Kedong 3rd Rd., Zhunan Township, Miaoli County. The Company's shares have been listed and traded at TWSE since December 9, 2014.

The core business of the Company and its subsidiaries (hereinafter referred to as the "Group") focuses on the research, development, manufacturing and sales of electronic components. The Group primarily engages in production of super small size, high-temperature resistant, long-lifespan, low ESR electrolytic capacitors, and development and manufacture of high voltage capacitors, chip capacitors, organic semiconductor solid capacitors, and high energy storage capacitors in response to customers’ requirements.

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved and issued on November 5, 2025, by the Board of Directors.

III. Application of New and Amended Standards and Interpretations

- (I) Impact of adopting newly issued or amended standards and interpretations endorsed by the Financial Supervisory Commission (referred to as “FSC”)

Since January 1, 2025, the Group has adopted below newly amended IFRSs which does not have a material impact on the consolidated financial statements.

- Amendments to IAS 21 “Lack of Exchangeability”

- (II) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)**

The Group has evaluated that the aforementioned amendments effective on January 1, 2026, do not have a material impact on the consolidated financial statements.

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

- (III) Newly issued and amended standards and interpretations yet to be endorsed by the FSC
- Standards and interpretations issued and amended by the IASB, but not yet endorsed by the FSC which may be relevant to the Group are as follows:

New or amended standards	Major amendments	Effective date by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined “operating profit” subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, 	<p>January 1, 2027</p> <p>Note: The FSC issued a press release on September 25, 2025 to declare that Taiwan will align with IFRS 18 since the fiscal year of 2028. Entities that require to apply in advance may elect to apply in advance after FSC’s endorsement.</p>

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
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New or amended standards	Major amendments	Effective date by IASB
	<p>and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS accounting standards.</p> <ul style="list-style-type: none"> • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	

The Group continues to evaluate the impact of the aforementioned standards and interpretations on the financial position and financial performance; the relevant impact will be disclosed upon completion of the assessment.

The Group has evaluated that the other standards released and amended but not yet endorsed as follows do not have a material impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability” and Amendments to IFRS 19

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries (continued)

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2024.

(II) Basis of consolidation

1. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiaries	Business Activities	Percentage of Ownership			Note
			2025.9.30	2024.12.31	2024.9.30	
The Company	APAQ Investments Limited (APAQ Samoa)	Investment holding company	100%	100%	100%	
APAQ Samoa	Apaq Technology (Wuxi) Co., Ltd. (Apaq Wuxi)	Production and sales of electronic products	100%	100%	100%	
The Company	APAQ Technology (Hubei) Co., Ltd. (APAQ Hubei)	Production and sales of electronic products	100%	100%	100%	
The Company	Aipaq Technology Co., Ltd (Aipaq Technology)	Production and sales of electronic products	52%	52%	52%	Note 1
The Company	APAQ TECHNOLOGY (THAILAND) CO., Ltd. (APAQ Thailand)	Production and sales of electronic products	99.99%	- %	- %	Note2

Note 1: The Group obtained control over the company since February 15, 2024, and included the company into the consolidated financial statements since that day.

Note 2: The Group established the subsidiary jointly with a natural person on June 3, 2025, and included the company into the consolidated financial statements since that day.

2. Subsidiaries not included in the consolidated financial statements: None.

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
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(III) Income tax

The Group measures and discloses the income tax expenses for the interim period in accordance with the regulations in paragraph B12 of International Accounting Standard 34, “Interim Financial Reporting.”

The interim period income tax expense is assessed based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and recognized as current income tax expenses in full, and allocated to current income tax expenses and deferred income tax expenses in proportion to the expected current income tax expenses and deferred income tax expenses of the whole year.

Income tax expenses directly recognized in items of equity or other comprehensive income shall be measured by the temporary differences between the carrying amount of related assets and liabilities for the financial reporting purpose and tax base at the tax rates that are expected to apply to the period when they are realized or settled.

V. Significant Accounting Judgments, Estimates and Key Sources of Uncertainty over Assumptions

When preparing the consolidated financial statements in accordance with Regulations Governing the Preparation and IAS 34 “Interim Financial Reporting” endorsed by the FSC, the management has to make judgments, and estimates to future (including climate-related risks and opportunities), which may influence the adoption of accounting policies, and the reporting amount of assets, liabilities, incomes and expenses. There may be differences between actual results and estimates.

The significant accounting judgements, estimates and key sources of assumption uncertainty by the management in preparing the consolidated financial statements are consistent with the disclosures in Note V of the consolidated financial statements for the year ended December 31, 2024.

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

VI. Details of Significant Accounts

Except for those explained as follows, there is no significant difference in details of significant accounts compared with those in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note VI of the consolidated financial statements for the year ended December 31, 2024 for relevant information.

(I) Cash and cash equivalents

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Cash and demand deposit	\$ 1,637,366	1,525,405	1,433,988
Time deposit	137,003	16,392	63,300
Cash and cash equivalents	<u>\$ 1,774,369</u>	<u>1,541,797</u>	<u>1,497,288</u>

Please refer to Note VI (XXIII) for currency risk and sensitivity analysis disclosure of the financial assets and liabilities.

(II) Financial assets measured at fair value through profit or loss

1. Current:

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Financial assets mandatorily measured at fair value through profit or loss:			
U.S. Treasury bonds	<u>\$ 45,112</u>	<u>47,079</u>	<u>49,566</u>

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

2. Non-current:

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Financial assets mandatorily measured at fair value through profit or loss:			
Domestic limited liability partnership			
AyeVest Investment Limited Partnership (AyeVest Investment)	\$ 10,752	5,409	6,000
Domestic unlisted common stocks			
Sunrise Innovation Capital Co. (Sunrise Innovation)	29,100	-	-
	<u><u>\$ 39,852</u></u>	<u><u>5,409</u></u>	<u><u>6,000</u></u>

The Group invested in 3,000 thousand shares of Sunrise Innovation Capital Co. in May 2025 by the investment amount of NT\$30,000 thousand.

The amount of profit or loss recognized from remeasurement at fair value, please refer to Note VI(XXII) for details.

(III) Financial assets measured at fair value through other comprehensive income – non-current

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Domestic listed common stocks			
—			
TAI-TECH Advanced Electronics Co., Ltd. (TAI-TECH)	\$ 15,210	-	-
Syntec Technology Co., Ltd. (Syntec Technology)	1,251,060	-	-
Domestic and foreign unlisted common stocks -			
Foxfortune Technology Ventures Limited	12,300	21,878	21,122
Inpaq Korea Co., Ltd. (Inpaq Korea)	2,471	2,517	2,776
Element I Venture Capital Co., Ltd. (Element I Venture Capital)	9,179	13,305	13,868
Kuan Kun Electronic Enterprise Co., Ltd. (Kuan Kun Electronic)	42,887	158,114	117,132

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

AICP Technology Corporation (AICP Technology)	1,969	2,119	2,245
IPU Semiconductor Co., Ltd. (IPU Semiconductor)	25,188	32,625	17,464
WK Technology Fund IX II Ltd. (WK Technology Fund IX II)	27,360	26,430	26,370
I-See Vision Technology Inc. (I-See Vision Technology)	9,477	32,286	41,112
Phoenix VI Innovation & Venture Capital Co., Ltd. (Phoenix VI)	52,350	43,350	44,400
Syntec Technology Co., Ltd. (Syntec Technology)	-	695,576	763,084
	<u><u>\$ 1,449,451</u></u>	<u><u>1,028,200</u></u>	<u><u>1,049,573</u></u>

Information on major equity investments denominated in foreign currencies as of the reporting date is as follows:

	2025.9.30			2024.12.31			2024.9.30		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
USD	\$ 485	30.445	14,771	745	32.785	24,395	756	31.65	23,898

Equity instruments held by the Group are strategic long-term investments and not for trading purposes, so they have been designated to be measured at fair value through other comprehensive income.

The Group acquired 117 thousand shares of TAI-TECH Advanced Electronics Co., Ltd. by NT\$13,460 thousand from March to April 2025.

The Group acquired 40 thousand shares and 1,400 thousand shares of Syntec Technology Co., Ltd. by NT\$23,977 thousand and NT\$210,000 thousand from March to July 2025 and in May 2024, respectively. The Group disposed of 2 thousand shares of Syntec Technology Co., Ltd. Fair value at the time of disposal was NT\$1,821 thousand, and the gains on disposal amounted to NT\$1,490 thousand. The aforementioned gains on disposal have been transferred from other equity to retained earnings.

The Group invested 5,000 thousand shares of Phoenix VI Innovation & Venture Capital Co., Ltd. by NT\$50,000 thousand in May 2024.

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)**

Foxfortune Technology Ventures Limited reduced its capital by 20% and returned NT\$3,806 thousand and NT\$5,118 thousand to the Company in August 2025 and July 2024, respectively, as resolved by the board of directors.

Element I Venture Capital Co., Ltd. reduced its capital and returned NT\$6,000 thousand and NT\$1,200 thousand to the Company in July 2025 and June 2024, respectively, as resolved by the shareholders meeting.

The Group recognized dividend income of NT\$19,647 thousand for the aforementioned investments in equity instruments designated at fair value through other comprehensive income in 2025. Please refer to Note VI(XXII) for details.

(IV) Notes and accounts receivable (including related parties)

	2025.9.30	2024.12.31	2024.9.30
Notes receivable	\$ 19,743	49,086	60,012
Accounts receivable	1,590,867	1,500,079	1,238,896
Accounts receivable - related parties	49,371	73,360	60,490
	<u>\$ 1,659,981</u>	<u>1,622,525</u>	<u>1,359,398</u>

The Group adopts a simplified method to estimate the expected credit loss for all receivables (including related parties), that is, using the lifetime expected credit loss. For this purpose, these receivables are categorized based on common credit risk characteristics of customers' capability to pay for amount due in accordance with the contracts with forward-looking information incorporated, including general economic and related industry information.

	2025.9.30		
	Carrying amount of receivables (including related parties)	Ratio of loss on lifetime expected credit	Allowance of lifetime expected credit loss
Not past due	\$ 1,603,844	0%	-
Past due 1-90 days	56,137	0%	-
Total	<u>\$ 1,659,981</u>		<u>-</u>

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

	2024.12.31		
	Carrying amount of accounts receivable (including related parties)	Ratio of loss on lifetime expected credit	Allowance of lifetime expected credit loss
Not past due	\$ 1,608,945	0%	-
Past due 1-90 days	13,580	0%	-
Total	<u>\$ 1,622,525</u>		<u>-</u>

	2024.9.30		
	Carrying amount of receivables (including related parties)	Ratio of loss on lifetime expected credit	Allowance of lifetime expected credit loss
Not past due	\$ 1,348,008	0%	-
Past due 1-90 days	11,390	0%	-
Total	<u>\$ 1,359,398</u>		<u>-</u>

No impairment loss has been provided for receivables (including related parties) for the nine months ended September 30, 2025 and 2024.

(V) Inventories, net

	2025.9.30	2024.12.31	2024.9.30
Raw materials	\$ 280,431	206,937	217,737
Work in process and semi-finished products	117,305	97,254	97,349
Finished goods and commodity	414,187	424,027	421,079
	<u>\$ 811,923</u>	<u>728,218</u>	<u>736,165</u>

The details of operating costs were as follows:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Cost of goods sold	\$ 756,990	637,851	2,100,240	1,709,188
Loss on market value decline and obsolete and slow-moving inventories	12,537	5,000	12,537	27,400
	<u>\$ 769,527</u>	<u>642,851</u>	<u>2,112,777</u>	<u>1,736,588</u>

As of September 30, 2025 and 2024, the inventories of the Group were not provided as pledged assets.

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)**

(VI) Investments accounted for under the equity method

Investments of the Group under equity method at financial reporting end date are individually non-significant and are listed below:

	2025.9.30	2024.12.31	2024.9.30
Associate	<u>\$ 54,734</u>	<u>59,077</u>	<u>58,879</u>

Share of profit or loss of associates attributable to the Group:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Net profit (loss) for the period	\$ (59)	(1,608)	2,586	(5,712)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income	<u>\$ (59)</u>	<u>(1,608)</u>	<u>2,586</u>	<u>(5,712)</u>

(VII) Business combination

As the Group acquired 22% of the share of the related party, AiPAQ Technology Co., Ltd (AiPAQ Technology) by cash amounting to NT\$151,920 thousand on February 15, 2024, the Group's percentage of ownership increased from 30% to 52%, and the Group acquired control over the company. Therefore, AiPAQ Technology's financial statements have been included into the Group, and the acquiree's equity interest previously held is remeasured by fair value and treated as a disposal. The resulting difference of NT\$36,889 thousand is recognized in profit or loss.

AiPAQ Technology primarily engages in R&D and sales of electronic components, and the Group's market share is expected to expand in relevant areas.

Major types of transferring consideration, assets acquired and liabilities assumed at the acquisition date are as follows:

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

1. Acquisition-date fair values of the major types of transferring consideration are as follows:

Long-term investments in equity – remeasurement valuation	\$ 59,850
Cash	<u>151,920</u>
Total	<u>\$ 211,770</u>

2. Identifiable assets acquired and liabilities assumed:

Details of acquisition-date fair values of identifiable assets acquired and liabilities assumed are as follows:

Cash and cash equivalents	\$ 213,475
Accounts receivables	890
Other current assets	4,455
Property, plant and equipment	76,859
Right-of-use assets	15,068
Patented technology	9,181
Other non-current assets	2,543
Accounts payables	(683)
Other current liabilities	<u>(19,675)</u>
Fair value of identifiable net assets	<u>\$ 302,113</u>

3. Goodwill recognized for acquisition of AiPAQ Technology by capital increase is as follows:

Transferring consideration	\$ 211,770
Add: non-controlling interests (measured by the non-controlling interests' proportionate share in the identifiable net assets)	145,014
Less: fair value of identifiable net assets	<u>(302,113)</u>
Goodwill	<u>\$ 54,671</u>

The amount of net assets as of December 31, 2024 was evaluated by temporary fair value. The difference between the consideration for transfer and fair value of the net assets acquired was temporarily recognized in goodwill of NT\$53,315 thousand. The Group continuously reviewed the aforementioned items during the measurement period, and after the evaluation, the difference between the consideration for transfer and fair value of the net assets acquired is NT\$63,852 thousand. The finalized valuation was completed in the first quarter of 2025, and goodwill is adjusted to NT\$54,671 thousand, and patented technology is recognized by NT\$9,181 thousand.

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

(VIII) Property, plant and equipment

		Houses and buildings	Machinery and equipment	Other equipment and others	Construction in progress and equipment to be tested	Total
Cost:						
Balance as of January 1, 2025	\$	399,384	2,311,895	272,468	227,177	3,210,924
Additions		6,777	118,500	46,428	313,923	485,628
Disposals and obsolescence		-	(40,466)	(3,479)	-	(43,945)
Transferred to expenses		-	-	-	(85)	(85)
Reclassification		1,626	55,365	10,069	(67,060)	-
Effect of exchange rate changes		(24,261)	(136,415)	(9,202)	(14,110)	(183,988)
Balance as of September 30, 2025	\$	<u>383,526</u>	<u>2,308,879</u>	<u>316,284</u>	<u>459,845</u>	<u>3,468,534</u>
Balance as of January 1, 2024	\$	374,858	2,189,675	218,193	146,742	2,929,468
Acquired in business combination (Note VI(VII))		-	-	-	74,646	74,646
Additions		-	45,340	26,617	90,630	162,587
Disposals and obsolescence		-	(158,069)	(1,050)	-	(159,119)
Reclassification		-	121,316	11,417	(135,116)	(2,383)
Effect of exchange rate changes		15,689	87,921	5,578	5,956	115,144
Balance as of September 30, 2024	\$	<u>390,547</u>	<u>2,286,183</u>	<u>260,755</u>	<u>182,858</u>	<u>3,120,343</u>
Depreciation:						
Balance as of January 1, 2025	\$	248,109	1,329,184	195,684	-	1,772,977
Depreciation for the period		15,299	129,720	25,350	-	170,369
Disposals and obsolescence		-	(38,280)	(3,177)	-	(41,457)
Effect of exchange rate changes		(15,171)	(81,394)	(7,605)	-	(104,170)
Balance as of September 30, 2025	\$	<u>248,237</u>	<u>1,339,230</u>	<u>210,252</u>	<u>-</u>	<u>1,797,719</u>
Balance as of January 1, 2024	\$	214,105	1,259,269	160,055	-	1,633,429
Depreciation for the period		17,595	128,289	24,336	-	170,220
Disposals and obsolescence		-	(156,298)	(991)	-	(157,289)
Effect of exchange rate changes		8,865	49,851	4,280	-	62,996
Balance as of September 30, 2024	\$	<u>240,565</u>	<u>1,281,111</u>	<u>187,680</u>	<u>-</u>	<u>1,709,356</u>
Carrying Amount:						
January 1, 2025	\$	<u>151,275</u>	<u>982,711</u>	<u>76,784</u>	<u>227,177</u>	<u>1,437,947</u>
September 30, 2025	\$	<u>135,289</u>	<u>969,649</u>	<u>106,032</u>	<u>459,845</u>	<u>1,670,815</u>
January 1, 2024	\$	<u>160,753</u>	<u>930,406</u>	<u>58,138</u>	<u>146,742</u>	<u>1,296,039</u>
September 30, 2024	\$	<u>149,982</u>	<u>1,005,072</u>	<u>73,075</u>	<u>182,858</u>	<u>1,410,987</u>

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
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(IX) Right-of-use assets

	Land use rights	Houses and buildings	Transportation equipment	Total
Cost of right-of-use assets:				
Balance as of January 1, 2025	\$ 12,203	86,196	1,610	100,009
Additions	-	9,433	-	9,433
Decrease (contract matured or early contract termination)	-	(27,695)	-	(27,695)
Effect of exchange rate changes	(739)	(698)	-	(1,437)
Balance as of September 30, 2025	<u>\$ 11,464</u>	<u>67,236</u>	<u>1,610</u>	<u>80,310</u>
Balance as of January 1, 2024	\$ 11,598	46,006	1,567	59,171
Acquisition in business combination (Note VI(VII))	-	15,323	-	15,323
Additions	-	41,871	1,610	43,481
Decrease (contract matured or early contract termination)	-	(30,543)	(1,566)	(32,109)
Effect of exchange rate changes	486	496	-	982
Balance as of September 30, 2024	<u>\$ 12,084</u>	<u>73,153</u>	<u>1,611</u>	<u>86,848</u>
Depreciation of right-of-use assets:				
Balance as of January 1, 2025	\$ 1,815	19,583	268	21,666
Depreciation for the period	215	20,376	403	20,994
Decrease (contract matured or early contract termination)	-	(16,458)	-	(16,458)
Effect of exchange rate changes	(112)	(170)	-	(282)
Balance as of September 30, 2025	<u>\$ 1,918</u>	<u>23,331</u>	<u>671</u>	<u>25,920</u>
Balance as of January 1, 2024	\$ 1,437	21,674	1,306	24,417
Acquisition in business combination (Note VI(VII))	-	255	-	255
Depreciation for the period	226	20,627	395	21,248
Decrease (contract matured or early contract termination)	-	(30,206)	(1,566)	(31,772)
Effect of exchange rate changes	58	125	-	183
Balance as of September 30, 2024	<u>\$ 1,721</u>	<u>12,475</u>	<u>135</u>	<u>14,331</u>
Carrying amount of right-of-use assets:				
January 1, 2025	<u>\$ 10,388</u>	<u>66,613</u>	<u>1,342</u>	<u>78,343</u>
September 30, 2025	<u>\$ 9,546</u>	<u>43,905</u>	<u>939</u>	<u>54,390</u>
January 1, 2024	<u>\$ 10,161</u>	<u>24,332</u>	<u>261</u>	<u>34,754</u>
September 30, 2024	<u>\$ 10,363</u>	<u>60,678</u>	<u>1,476</u>	<u>72,517</u>

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
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(X) Other assets - current and non-current

	2025.9.30	2024.12.31	2024.9.30
Prepayments for equipment	\$ 110,438	38,230	41,403
Business tax credit	51,218	82,732	42,222
Prepaid expenses	41,735	29,698	32,328
Long-term deferred expenses	12,813	12,342	13,567
Prepayments for goods and others	8,910	13,248	12,859
	\$ 225,114	176,250	142,379

(XI) Intangible assets

The amount of the Group's cost and amortization of intangible asset was as follows:

	Goodwill	Computer software	Royalty fees	Patented technology	Total
Cost:					
Balance as of January 1, 2025	\$ 53,315	14,787	45,038	-	113,140
Acquisition in business combination (Note VI(VII))	1,356	-	-	9,181	10,537
Additions	-	270	-	-	270
Effect of exchange rate changes	-	(101)	-	-	(101)
Balance as of September 30, 2025	\$ 54,671	14,956	45,038	9,181	123,846
Balance as of January 1, 2024	\$ -	12,170	45,038	-	57,208
Acquisition in business combination (Note VI(VII))	53,315	-	-	-	53,315
Additions	-	185	-	-	185
Effect of exchange rate changes	-	67	-	-	67
Balance as of September 30, 2024	\$ 53,315	12,422	45,038	-	110,775
Amortization:					
Balance as of January 1, 2025	\$ -	10,128	26,897	-	37,025
Amortization for the period	-	1,503	2,816	536	4,855
Effect of exchange rate changes	-	(85)	-	-	(85)
Balance as of September 30, 2025	\$ -	11,546	29,713	536	41,795
Balance as of January 1, 2024	\$ -	8,849	23,144	-	31,993
Amortization for the period	-	879	2,815	-	3,694
Effect of exchange rate changes	-	50	-	-	50
Balance as of September 30, 2024	\$ -	9,778	25,959	-	35,737

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
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Carrying Amount:

January 1, 2025	\$	<u>53,315</u>	<u>4,659</u>	<u>18,141</u>	<u>-</u>	<u>76,115</u>
September 30, 2025	\$	<u>54,671</u>	<u>3,410</u>	<u>15,325</u>	<u>8,645</u>	<u>82,051</u>
January 1, 2024	\$	<u>-</u>	<u>3,321</u>	<u>21,894</u>	<u>-</u>	<u>25,215</u>
September 30, 2024	\$	<u>53,315</u>	<u>2,644</u>	<u>19,079</u>	<u>-</u>	<u>75,038</u>

(XII) Short-term loans

		<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Unsecured bank loans	\$	<u>2,060,000</u>	<u>1,420,000</u>	<u>1,370,000</u>
Unused limit	\$	<u>490,000</u>	<u>1,112,432</u>	<u>1,110,666</u>
Interest rate range		<u>1.85%~2.10%</u>	<u>1.85%~2.13%</u>	<u>1.85%~2.09%</u>

The additional amounts for the nine months ended September 30, 2025 and 2024 are NT\$836,000 thousand and NT\$630,000 thousand, respectively, with interest rates ranging from 1.85%~2.10% and 1.85%~2.09%, and maturity dates from July 2025 to September 2025 and September 2024, respectively. The repayment amounts are NT\$196,000 thousand and NT\$97,000 thousand, respectively.

(XIII) Long-term loans

		<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Unsecured bank loans	\$	<u>264,093</u>	<u>310,819</u>	<u>335,227</u>
Less: Due within one year		<u>(195,634)</u>	<u>(158,634)</u>	<u>(171,134)</u>
	\$	<u>68,459</u>	<u>152,185</u>	<u>164,093</u>
Unused limit	\$	<u>320,000</u>	<u>320,000</u>	<u>320,000</u>
Interest rate range		<u>1.925%~ 2.130%</u>	<u>1.925%~ 2.200%</u>	<u>1.92%~ 2.20%</u>

(XIV) Lease liabilities

The carrying amount of the Group's lease liability is as follows:

		<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Current	\$	<u>19,183</u>	<u>25,480</u>	<u>15,667</u>
Non-current	\$	<u>26,118</u>	<u>42,921</u>	<u>46,833</u>

For maturity analysis, please refer to Note VI(XXIII) Financial instruments.

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
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The amount of lease recognized in profit or loss is as follows:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Interest expense of lease liabilities	<u>\$ 167</u>	<u>252</u>	<u>592</u>	<u>725</u>
Expense for leases of low-value assets	<u>\$ 18</u>	<u>19</u>	<u>55</u>	<u>57</u>

The amount of lease recognized in the statements of cash flows is as follows:

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Total cash outflow for lease	<u>\$ 21,279</u>	<u>21,539</u>

1. Leasing of houses and buildings

The Group leased houses and buildings as office premises and factory buildings as of September 30, 2025 with a period of 1 to 5 years. Some leases include the option to extend for the same period when the lease expires.

Some of the aforementioned leases include the option to extend. These leases are managed by each region, so the individual terms and conditions agreed are different within the Group. These options are only enforceable by the Group, not the lessor. Where it is not possible to reasonably determine that the optional lease extension will be exercised, the payment related to the period covered by the option is not included in the lease liability.

2. Other leases

The lease period for leasing office premises of the Group is two years. These leases are for low-value assets, and the Group chooses to apply the exemption recognition requirement instead of recognizing the right-of-use assets and lease liabilities.

(XV) Employee benefits

Please refer to Note XII for the explanations on the pension expenses for the three months and nine months ended September 30, 2025 and 2024.

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

(XVI) Income tax

1. Income tax expense

The amount of the Group's income tax expenses for the three months and nine months ended September 30, 2025 and 2024 was as follows:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Current income tax expenses				
Current income tax expenses	\$ 64,673	15,036	158,801	116,889
Current income tax from adjustment of prior period	-	(119)	(28,044)	(22,104)
Deferred income tax expense (benefit)	(3,114)	120	(3,429)	3,179
	<u>\$ 61,559</u>	<u>15,037</u>	<u>127,328</u>	<u>97,964</u>

2. The amount of income tax expense recognized in other comprehensive income was as follows:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Exchange differences on translation of foreign operations (gains)	<u>\$ 28,767</u>	<u>(4,816)</u>	<u>(38,667)</u>	<u>22,039</u>

3. The ROC income tax authorities have examined the Company's income tax returns through 2023.

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

(XVII) Capital and other equity

Except for those explained as follows, there is no significant change in share capital and other equity for the nine months ended September 30, 2025 and 2024. Please refer to Note VI(XVII) of the consolidated financial statements for the year ended December 31, 2024 for relevant information.

1. Issue of commons shares

The Company issued 3,000 thousand shares of restricted stock awards in March 2025. The relevant registration for change has been completed on April 11, 2025. The Company bought back and cancelled 20 thousand shares of restricted stock awards in August 2025. The relevant registration for change has been completed on August 25, 2025. Please refer to Note VI(XVIII) for relevant information.

2. Capital surplus

	2025.9.30	2024.12.31	2024.9.30
Share premium	\$ 320,766	320,766	320,766
Compensation cost of shares retained for employee subscription at cash capital increase	7,852	7,852	7,852
Subscription right to convertible corporate bonds	117	117	117
Treasury share transactions	3,642	3,642	3,642
Premium from conversion of corporate bonds to common shares	433,380	433,380	433,380
Changes in percentage of shareholding in long-term equity investments	2,736	2,736	2,736
Gains on exercise of disgorgement	34	34	34
Restricted stock awards	342,700	-	-
	\$ 1,111,227	768,527	768,527

In accordance with the Company Act, realized capital surplus can only be distributed as stocks or cash dividends in accordance with shareholders' original shareholding percentages after offsetting losses. The above-mentioned realized capital surplus includes amount in excess of the face amount during shares issuance and acceptance of bestowal. In accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers," the total of capital surplus appropriated for capital every year shall not exceed 10% of the paid-in capital.

Capital surplus arising from exercise of disgorgement may be only used to coverup accumulated deficit.

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

3. Retained earnings

The appropriation of earnings of the two most recent years was approved during shareholders' meetings held on May 26, 2025 and May 29, 2024, respectively. Information on dividends appropriated to owners is as follows:

	2024		2023	
	<u>Dividends per share</u>	<u>Amount</u>	<u>Dividends per share</u>	<u>Amount</u>
Dividends distributed to owners of common shares:				
Cash (NT\$)	\$ 3.60	<u>316,633</u>	2.30	<u>202,293</u>

The above appropriation of earnings is consistent with the resolutions approved by the Board of Directors. Information on actual distribution is available at the Market Observation Post System (MOPS).

4. Non-controlling interests

	<u>For the three months ended September 30, 2025</u>	<u>For the three months ended September 30, 2024</u>	<u>For the nine months ended September 30, 2025</u>	<u>For the nine months ended September 30, 2024</u>
Beginning balance	\$ -	-	118,286	-
Net loss	(5,109)	(6,770)	(19,235)	(15,028)
Origination from business combination	-	-	-	140,865
Adjustments to the net fair value acquired in business combination (Note XI(XII))	-	-	4,407	-
Ending balance	<u>\$ (5,109)</u>	<u>(6,770)</u>	<u>103,458</u>	<u>125,837</u>

(XVIII) Share-based payment

Restricted stock awards

The company's regular shareholders' meeting resolved on June 21, 2022, to issue 3,000 thousand restricted stock awards to eligible full-time employees of the Company, subject to specific conditions. The issuance has been filed with the Securities and Futures Bureau of the Financial Supervisory Commission for approval. The board of directors has resolved to issue 3,000 thousand shares on February 26, 2025. The legal registration for change of the aforementioned capital increase has been completed.

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)**

Employees receiving the restricted stock awards must deliver all units to a designated institutional trustee appointed by the Company for safekeeping until the vesting conditions are met. During this period, employees are prohibited from selling, pledging, or transferring. Other than the restriction on disposal and the requirement to deliver the units to the trust for safekeeping until the vesting conditions are met, the rights associated with the restricted stock units are the same as those of the common shares issued by the Company. In addition, in the event that employees fail to meet the vesting conditions as per the issuance regulations, the details are as follows:

	Restricted stock awards
	Issued in 2025
Grant date	114.3.12
Number of share granted (thousand/unit)	3,000
Contract period	1~5 years
Grantees	Employees
Vesting condition	Note
Subscription price per share (NT\$)	0
Adjusted exercise price (NT\$)	0

Note: Serving in the Company for one year, two years, three years, four years, and five years since the grant date, the achieving status of the Company's overall performance and personal performance will be reviewed each year, and the restricted stock awards will be vested respectively.

Part of the restricted stock options issued in March 2025 have expired. 20 thousand common shares have been recovered, and capital surplus has decreased by NT\$2,300 thousand. Those common shares have been bought back and cancelled by capital reduction on August 6, 2025.

The Company recognized NT\$94,337 thousand of compensation costs for issue of restricted stock awards for the nine months ended September 30, 2025, which are presented under operating costs and operating expenses.

As of September 30, 2025, the balance of unearned employees' compensation amounted to NT\$278,163 thousand, presented as deductions to other equity.

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
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(XIX) Earnings per Share (EPS)

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Basic EPS:				
Net income attributable to the Company	<u>\$ 200,102</u>	<u>117,120</u>	<u>422,829</u>	<u>363,521</u>
Weighted-average number of ordinary shares (in thousands)	<u>87,954</u>	<u>87,954</u>	<u>87,954</u>	<u>87,954</u>
Basic EPS (NT\$)	<u>\$ 2.28</u>	<u>1.33</u>	<u>4.81</u>	<u>4.13</u>
Diluted EPS:				
Net income attributable to the Company	<u>\$ 200,102</u>	<u>117,120</u>	<u>422,829</u>	<u>363,521</u>
Weighted-average number of ordinary shares (in thousands)	87,954	87,954	87,954	87,954
Effect of potential diluted common shares:				
Employee compensation to be distributed in shares	217	231	299	321
Non-vested employee stock awards	<u>662</u>	<u>-</u>	<u>475</u>	<u>-</u>
Weighted average number of common shares outstanding for the calculation of diluted EPS (in thousands of shares)	<u>88,833</u>	<u>88,185</u>	<u>88,728</u>	<u>88,275</u>
Diluted EPS (NT\$)	<u>\$ 2.25</u>	<u>1.33</u>	<u>4.77</u>	<u>4.12</u>

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
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(XX) Revenue of customer contract

The geographic information is as follows. Of which, revenue was originally classified by the locations of the delivery destinations of products. In consideration of the information offered to the chief operating decision maker to regularly review for evaluating operation, it is classified by the geographic locations of the customers' companies.

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Major regional markets				
Taiwan	\$ 399,823	330,389	1,162,415	844,985
Asia	590,495	496,545	1,652,788	1,410,152
Other areas	<u>172,029</u>	<u>94,560</u>	<u>389,779</u>	<u>205,823</u>
	<u>\$ 1,162,347</u>	<u>921,494</u>	<u>3,204,982</u>	<u>2,460,960</u>
Major products				
Coiled conductive polymer solid state capacitors	\$ 775,317	638,851	2,197,323	1,712,903
Chip-type conductive polymer solid state capacitors	<u>387,030</u>	<u>282,643</u>	<u>1,007,659</u>	<u>748,057</u>
	<u>\$ 1,162,347</u>	<u>921,494</u>	<u>3,204,982</u>	<u>2,460,960</u>

Please refer to Note VI(IV) for the disclosure of notes and accounts receivable and impairment.

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)**

(XXI) Employee compensations and remuneration for Directors

The Company modified the Articles of Incorporation by the resolution of shareholders meeting on May 26, 2025. In accordance with the modified Articles of Incorporation, if there is profit in the year, at least 8 percent of profit shall be allocated for employee compensation (The compensation to non-executive employees shall not be lower than 10% of the employee compensation.), and no more than 3 percent shall be allocated for remunerations of the Directors. However, if the Company has accumulated losses, it shall reserve a portion of the profit to offset the losses in advance. Parties eligible to receive the said compensation in the form of stock or cash shall include employees in affiliated companies who met certain conditions. In accordance with the Articles of Incorporation before modification, if there is profit in the year, at least 8 percent of profit shall be allocated for employee compensation, and no more than 3 percent shall be allocated for remunerations of the Directors. However, if the Company has accumulated losses, it shall reserve a portion of the profit to offset the losses in advance. Parties eligible to receive the said compensation in the form of stock or cash shall include employees in affiliated companies who met certain conditions.

The Company accrued NT\$22,358 thousand (including non-executive employees' compensation), NT\$8,328 thousand, NT\$42,253 thousand (including non-executive employees' compensation), and NT\$37,026 thousand as employee compensation, and NT\$6,576 thousand, NT\$2,449 thousand, NT\$12,427 thousand, and NT\$10,890 thousand as remuneration for Directors for the three months and nine months ended September 30, 2025 and 2024, respectively. These amounts were calculated using the Company's income before income tax before deducting for employee compensation and remuneration for Directors multiplied by the percentages which are stated under the Company's Article of Incorporation. The amounts were recognized as operating costs or operating expenses for the periods. Difference between amount distributed and accrued will be regarded as changes in accounting estimates and reflected in profit or loss in the following year. If employee compensation is resolved to be distributed in shares, the number of shares is determined by dividing the amount of compensation by the closing price of common shares on the day preceding the Board of Directors' meeting.

The amounts allocated for employees' compensation were NT\$56,791 thousand and NT\$35,769 thousand, respectively, and the remuneration to directors and supervisors were NT\$16,703 thousand and NT\$10,520 thousand, respectively, for the years ended December 31, 2024 and 2023, which bear no difference from the Board's resolutions. Relevant information can be found at MOPS.

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
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(XXII) Non-operating income and expenses

1. Other gains and losses, net

The details of other gains and losses are as follows:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Dividend income	\$ 3,305	1,621	19,647	1,621
Gain on disposal of investments (Note VI(VII))	-	-	6,130	30,759
Subsidy income	113	1,494	383	8,632
Gain (loss) on disposal of property, plant, and equipment	(1,223)	2,050	(1,458)	380
Gain (loss) on valuation of financial assets	2,005	1,612	(3,524)	1,739
Others	4,950	1,647	8,528	5,919
	<u>\$ 9,150</u>	<u>8,424</u>	<u>29,706</u>	<u>49,050</u>

2. Finance costs

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Interest expenses of loans from banks	\$ 11,671	8,316	30,204	21,727
Interest expense of lease liabilities	167	252	592	725
	<u>\$ 11,838</u>	<u>8,568</u>	<u>30,796</u>	<u>22,452</u>

3. Interest income

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Interests on bank deposits	\$ 8,466	8,931	26,941	24,756
Other interest income	13	8	44	17
	<u>\$ 8,479</u>	<u>8,939</u>	<u>26,985</u>	<u>24,773</u>

(XXIII) Financial instruments

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries (continued)

Except for those explained as follows, there is no significant change in the fair value of financial instruments and the conditions of financial instruments exposed to credit risk, liquidity risk, and market risk. Please refer to Note VI(XXIII) of the consolidated financial statements for the year ended December 31, 2024 for relevant information.

1. Credit risk

(1) Credit risk concentration

The Group's customers are concentrated in industries such as consumer electronics, computer peripherals and wireless communication and so on. To reduce the credit risk of the accounts receivable, the Group continuously assesses the customers' financial position and regularly evaluates the possibility of the collection of accounts receivable, as well as making allowances for loss. As of September 30, 2025, December 31, 2024, and September 30, 2024, 38%, 43% and 39% of the Group's accounts receivables were due from five customers, respectively, resulting in significant credit risk concentration.

(2) Credit risk of accounts receivable and debt securities

Please refer to Note VI(IV) for credit risk exposure of accounts receivable.

Other financial assets at amortized cost included other receivables and time deposits. No impairment loss was recognized.

The aforementioned financial assets have low credit risk, so the allowance loss of the period is measured based on twelve-month expected credit loss (please refer to Note IV(VII) for the year ended December 31, 2024 for details on how the Group determines the level of credit risk).

2. Liquidity risk

The following table shows the contractual maturity analysis of financial liabilities(including the impact of interest payable):

	Carrying amount	Contract Cash Flow	Less than 6 months	6-12 months	More than 12 months
September 30, 2025					
Non-derivative financial liabilities					
Short-term loans	\$ 2,060,000	2,064,693	2,064,693	-	-
Accounts payable (including related parties)	643,888	643,888	643,888	-	-
Payroll and bonus payable	229,588	229,588	229,588	-	-
Payable on equipment	69,920	69,920	52,753	17,167	-
Expenses payable (recorded as other current liabilities)	124,053	124,053	124,053	-	-
Lease liabilities	45,301	46,295	10,167	9,587	26,541

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
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(including current and non-current)					
Long-term loans	264,093	269,053	51,275	148,740	69,038
(including within one year)					
	\$ 3,436,843	3,447,490	3,176,417	175,494	95,579

	Carrying amount	Contract Cash Flow	Less than 6 months	6-12 months	More than 12 months
December 31, 2024					
Non-derivative financial liabilities					
Short-term loans	\$ 1,420,000	1,423,698	1,423,698	-	-
Accounts payable (including related parties)	537,856	537,856	537,856	-	-
Payroll and bonus payable	191,576	191,576	191,576	-	-
Payable on equipment	36,175	36,175	36,175	-	-
Expenses payable (recorded as other current liabilities)	130,098	130,098	130,098	-	-
Lease liabilities (including current and non-current)	68,401	70,124	14,747	11,459	43,918
Long-term loans (including within one year)	310,819	317,754	51,719	111,748	154,287
	\$ 2,694,925	2,707,281	2,385,869	123,207	198,205

	Carrying amount	Contract Cash Flow	Less than 6 months	6-12 months	More than 12 months
September 30, 2024					
Non-derivative financial liabilities					
Short-term loans	\$ 1,370,000	1,373,397	1,373,397	-	-
Accounts payable (including related parties)	443,237	443,237	443,237	-	-
Payroll and bonus payable	181,031	181,031	181,031	-	-
Payable on equipment	57,805	57,805	57,805	-	-
Expenses payable (recorded as other current liabilities)	109,811	109,811	109,811	-	-
Lease liabilities (including current and non-current)	62,500	64,507	8,252	8,252	48,003
Long-term loans (including within one year)	335,227	343,809	51,980	124,840	166,989
	\$ 2,559,611	2,573,597	2,225,513	133,092	214,992

3. Exchange rate risk

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

(1) Exchange rate risk exposure

The Group's financial assets and liabilities exposed to material exchange rate risk were as follows:

	2025.9.30			2024.12.31			2024.9.30		
	Foreign currency	Exchang e rate	NTD	Foreign currency	Exchang e rate	NTD	Foreign currency	Exchang e rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 106,336	30.445	3,237,399	67,355	32.785	2,208,233	60,644	31.65	1,919,393
RMB	57,089	4.2847	244,609	56,469	4.5608	257,543	49,111	4.5167	221,820
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	28,517	30.445	868,200	2,726	32.785	89,371	2,782	31.65	88,050
RMB	18,850	4.2847	80,767	-		-	-		-

(2) Sensitivity analysis

The Group's exposure to foreign currency risk mainly arises from exchange gains and losses of cash, receivables, accounts payable, and other payables that are denominated in US dollars and RMB. Changes in net income for the nine months ended September 30, 2025 and 2024 due to depreciation or appreciation of NTD against USD and RMB as of September 30, 2025, December 31, 2024, and September 30, 2024 with all other variables held constant were as follows:

	Range of the fluctuations	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
TWD exchange rate	1% depreciation against USD	<u>\$ 18,954</u>	<u>14,651</u>
	1% appreciation against USD	<u>(18,954)</u>	<u>(14,651)</u>
	1% depreciation against RMB	<u>1,311</u>	<u>1,775</u>
	1% appreciation against RMB	<u>(1,311)</u>	<u>(1,775)</u>

(3) Foreign exchange gains (losses) on monetary items

As the Group has a large variety of functional currencies, the exchange gains and losses of monetary items were disclosed on an aggregated basis. The foreign exchange gains (including realized and unrealized) for the three

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
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months and nine months ended September 30, 2025 and 2024 were NT\$52,809 thousand, NT\$(35,091), NT\$(84,489), and NT\$47,707 thousand, respectively.

4. Interest rate analysis

The interest rate risk exposure of financial assets and financial liabilities of the Group is described in the liquidity risk management of the Notes.

The following sensitivity analysis is determined by the interest rate risk exposure of non-derivative instruments on the reporting date. For liabilities with floating interest rates, the analysis is based on the assumption that the outstanding liabilities on the reporting date have been outstanding all year round. The main reason is the borrowing at floating interest rate. Changes in other comprehensive income as of September 30, 2025 and 2024 due to changes in interest rate with all other variables held constant were as follows:

	Range of the fluctuations	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Annual borrowing rate	Increase by 1%	<u><u>\$ (13,945)</u></u>	<u><u>(10,231)</u></u>
	Decrease by 1%	<u><u>\$ 13,945</u></u>	<u><u>10,231</u></u>

5. Other price risk

If the price of equity securities changes on the reporting date (adopt the same basis of analysis for both periods, with the assumption that other variable factors remain unchanged), the impact on comprehensive income items were as follows:

	For the nine months ended September 30, 2025		For the nine months ended September 30, 2024	
Securities price as of the reporting date	Other comprehensive income before tax	Income before income tax for the period	Other comprehensiv e income before tax	Income before income tax for the period
Increase by 1%	\$ 14,495	850	10,496	556
Decrease by 1%	(14,495)	(850)	(10,496)	(556)

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6. Fair value of financial instruments

(1) Type and fair value of financial instruments

The Group's financial assets at fair value through profit and loss or through other comprehensive income are measured at fair value on a recurring basis. The carrying amount and fair value of financial assets and liabilities (including information of fair value hierarchy; however, the fair value of financial instruments not at fair value and whose carrying amounts are reasonable approximations of their fair value and lease liabilities is not required to be disclosed) were as follows:

	2025.9.30				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current					
Government bonds	\$ 45,112	45,112	-	-	45,112
Financial assets at fair value through profit or loss – non- current					
Limited partnership	\$ 10,752	-	-	10,752	10,752
Domestic unlisted shares	29,100	-	-	29,100	29,100
	\$ 39,852	-	-	39,852	39,852
Financial assets at fair value through other comprehensive income - non-current					
Domestic and foreign listed shares	\$ 1,266,270	1,266,270	-	-	1,266,270
Domestic and foreign unlisted shares	-	-	-	183,181	183,181
	\$ 1,266,270	1,266,270	-	183,181	1,449,451
Financial assets at amortized cost					
Cash and cash equivalents	\$ 1,774,369	-	-	-	-
Notes and accounts receivables (including related parties)	1,659,981	-	-	-	-
Guaranteed deposits paid	11,751	-	-	-	-
	\$ 3,446,101	-	-	-	-
Financial liabilities at amortized cost					
Short-term borrowings	\$ 2,060,000	-	-	-	-
Accounts payables (including related parties)	643,888	-	-	-	-
Payroll and bonus payable	229,588	-	-	-	-

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
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		2025.9.30			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Payables for equipment	69,920	-	-	-	-
Payable expenses (recognized as other current liabilities)	124,053	-	-	-	-
Lease liabilities (including current and non-current)	45,301	-	-	-	-
Long-term borrowings (including current portion)	264,093	-	-	-	-
	<u>\$ 3,436,843</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		2024.12.31			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current					
Government bonds	<u>\$ 47,079</u>	<u>47,079</u>	<u>-</u>	<u>-</u>	<u>47,079</u>
Financial assets at fair value through profit or loss – non- current					
Limited partnership	<u>\$ 5,409</u>	<u>-</u>	<u>-</u>	<u>5,409</u>	<u>5,409</u>
Financial assets at fair value through other comprehensive income - non-current					
Domestic unlisted shares	<u>\$ 1,028,200</u>	<u>-</u>	<u>-</u>	<u>1,028,200</u>	<u>1,028,200</u>
Financial assets at amortized cost					
Cash and cash equivalents	\$ 1,541,797	-	-	-	-
Notes and accounts receivables (including related parties)	1,622,525	-	-	-	-
Guaranteed deposits paid	11,140	-	-	-	-
	<u>\$ 3,175,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortized cost					
Short-term borrowings	\$ 1,420,000	-	-	-	-
Accounts payables (including related parties)	537,856	-	-	-	-
Payroll and bonus payable	191,576	-	-	-	-
Payables for equipment	36,175	-	-	-	-
Payable expenses (recognized as other current liabilities)	130,098	-	-	-	-
Lease liabilities (including	68,401	-	-	-	-

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

		2024.12.31			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
current and non-current)					
Long-term borrowings (including current portion)	310,819	-	-	-	-
	\$ 2,694,925	-	-	-	-
		2024.9.30			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current					
Government bonds	\$ 49,566	49,566	-	-	49,566
Financial assets at fair value through profit or loss – non-current					
Limited partnership	\$ 6,000	-	-	6,000	6,000
Financial assets at fair value through other comprehensive income - non-current					
Domestic and foreign unlisted shares	\$ 1,049,573	763,084	-	286,489	1,049,573
Financial assets at amortized cost					
Cash and cash equivalents	\$ 1,497,288	-	-	-	-
Notes and accounts receivables (including related parties)	1,359,398	-	-	-	-
Guaranteed deposits paid	10,136	-	-	-	-
	\$ 2,866,822	-	-	-	-
Financial liabilities at amortized cost					
Short-term borrowings	\$ 1,370,000	-	-	-	-
Accounts payables (including related parties)	443,237	-	-	-	-
Payroll and bonus payable	181,031	-	-	-	-
Payables for equipment	57,805	-	-	-	-
Payable expenses (recognized as other current liabilities)	109,811	-	-	-	-
Lease liabilities (including current and non-current)	62,500	-	-	-	-
Long-term borrowings (including current portion)	335,227	-	-	-	-

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)**

2024.9.30				
Carrying amount	Fair value			
	Level 1	Level 2	Level 3	Total
<u>\$ 2,559,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(2) Valuation techniques for financial instruments that are measured at fair value

If there is an active market for a financial instrument, the fair value of the instrument is based on the quoted market price in the active market. The market prices announced by major exchanges and the central government bond counter trading centers, which are judged to be popular, are the basis for the fair value of listed (over-the-counter) equity instruments and debt instruments with active market quotations.

A financial instrument has an active market for public quotations if public quotations are obtained from an exchange, broker, underwriter, industry association, pricing service or competent authority in a timely manner and on a regular basis, and the price represents an actual and frequent arm's length market transaction. If above conditions are not met, the market is considered inactive. Generally speaking, a large bid-ask spread, a significant increase in the bid-ask spread, or a low trading volume are all indicators of an inactive market.

The fair value of financial instruments held by the Group that are traded in an active market are presented by category and attribute as follows:

The fair values of listed redeemable bonds, listed stocks, bills of exchange and corporate bonds, which are financial assets and financial liabilities with standard terms and conditions and traded in active markets, are determined based on the quoted market prices, respectively.

Except for the above-mentioned financial instruments with active markets, the fair values of the remaining financial instruments are obtained using valuation techniques or by reference to quoted prices from counter-parties. The fair values obtained through valuation techniques may be calculated based on the current fair values of other financial instruments with substantially similar conditions and characteristics, discounted cash flow method or other valuation techniques, including the models based on market information available at the date of the consolidated balance sheet (e.g., over-the-counter (OTC) reference yield curves, Reuters average quoted commercial paper rates).

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

The fair value of financial instruments held by the Group that do not have an active market is estimated using the Comparable Listed Company Act and the net asset value method, with the main assumptions of the Comparable Listed Company Act being the net share price multiplier and the cost-benefit ratio multiplier of comparable listed companies, the multiplier of estimated EBITA and the entity's operating revenue multiplier. The net asset value method is used to assess the total value of the individual assets and liabilities covered by the valuation technique to reflect the overall value of the Company. This estimate adjusts for the effect of the lack of marketability of the equity securities at a discount.

(3) Transfers between Level 1 and Level 2 fair value hierarchy: None.

(4) Details of changes in Level 3 fair value hierarchy:

	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income – without an active market
Balance as of January 1, 2025	\$ 5,409	1,028,200
Addition	36,000	-
Refund of payment for shares for capital reduction	-	(9,806)
Total gains or losses		
Recognized in profit or loss	(1,557)	-
Recognized in other comprehensive income	-	(139,637)
Transferred from level 3 (Note)	-	(695,576)
Balance as of September 30, 2025	\$ 39,852	183,181
Balance as of January 1, 2024	\$ -	212,957
Addition	6,000	260,000
Reduction of capital and return of share capital contributions	-	(6,318)
Recognized in other comprehensive income	-	582,934
Transferred from level 3 (Note)	-	(763,084)
Balance as of September 30, 2024	\$ 6,000	286,489

Note: The financial assets have been transferred from level 3 for becoming active.

(5) Quantified information on significant unobservable inputs (Level 3) used in

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)**

fair value measurement

The Group classified the financial assets at fair value through profit or loss - non-current, and financial assets measured at fair value through other comprehensive income and loss – non-current as recurring level 3 fair values in the fair value hierarchy due to the use of significant unobservable inputs. The significant unobservable inputs are independent, therefore, there is no correlation between them. Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable input	Relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss – non-current (investments without active market)	Net asset value method	<ul style="list-style-type: none"> • Net asset value • Marketability discount (9% for both September 30, 2025 and December 31, 2024) 	<ul style="list-style-type: none"> • The higher the value of net asset, the higher the fair value • The higher the marketability discount, the lower the fair value
Financial asset at fair value through other comprehensive income - non-current (investments in equity instrument without active market)	Net asset value method	<ul style="list-style-type: none"> • Net asset value • Marketability discount (9% for September 30, 2025, December 31, 2024, and September 30, 2024) 	<ul style="list-style-type: none"> • The higher the value of net asset, the higher the fair value • The higher the marketability discount, the lower the fair value
Financial asset at fair value through other comprehensive income - non-current (investments in equity instrument without active market)	Market approach	<ul style="list-style-type: none"> • Price-book ratio (PBR) multiples (1.12~2.60, 0.98~3.22, and 1.13~3.72 as of September 30, 2025, December 31, 2024, and September 30, 2024) • Price-earnings ratio (PER) multiples (18.00, 17.45~18.83, and 18.12~22.11 as of September 30, 2025, December 31, 2024, and September 30, 2024) • Marketability discount (17.60%~19.66%, 17.60%~19.66%, 15.09%~25% as of September 30, 2025, December 31, 2024, and September 30, 2024) • Value-to-sales multiplier (3.92 as of December 31, 2024) • Value-to-EBITA multiplier (19.42 as of December 31, 2024) 	<ul style="list-style-type: none"> • The higher the price-book ratio, the higher the fair value • The higher the price-to-earning ratio, the higher the fair value • The higher the marketability discount, the lower the fair value • The higher the value-to-sales multiplier, the higher the fair value • The higher the value-to-EBITA multiplier, the higher the fair value

(6) Fair value measurement for Level 3, and sensitivity analysis of fair value on reasonably possible alternative assumptions

The Group's fair value measurement on the financial instruments is considered reasonable; however, when different valuation model or valuation parameters are used, it may lead to different valuation result. If valuation parameters change, financial instruments classified as Level 3 will have effects on the profit/loss or other comprehensive income, stated as follows:

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

		Upward or downward change	Fair value change reflected in profit or loss		Fair value change reflected in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
September 30, 2025						
Financial assets measured at fair value through profit or loss						
Investments without active market	Marketability discount	±1%	399	(399)	-	-
	Net asset value method	±1%	399	(399)	-	-
Financial assets measured at fair value through other comprehensive income						
Investments in equity instrument without active market	Marketability discount	±1%	-	-	1,832	(1,832)
	Net asset value method	±1%	-	-	1,012	(1,012)
	Price-book ratio (PBR) multiples	±1%	-	-	820	(820)
	Price-earnings ratio (PER) multiples	±1%	-	-	429	(429)
December 31, 2024						
Financial assets measured at fair value through profit or loss						
Investments without active market	Marketability discount	±1%	54	(54)	-	-
	Net asset value method	±1%	54	(54)	-	-
Financial assets measured at fair value through other comprehensive income						
Investments in equity instrument without active market	Marketability discount	±1%	-	-	10,282	(10,282)
	Net asset value method	±1%	-	-	1,050	(1,050)
	Price-book ratio (PBR) multiples	±1%	-	-	2,277	(2,277)
	Price-earnings ratio (PER) multiples	±1%	-	-	1,907	(1,907)
	Value-to-sales multiplier	±1%	-	-	6,956	(6,956)
	Value-to-EBITA multiplier	±1%	-	-	6,956	(6,956)
September 30, 2024						
Financial assets measured at fair value through other comprehensive income						
Investments in equity	Marketability	±1%	-	-	2,865	(2,865)

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)**

	Inputs	Upward or downward change	Fair value change reflected in profit or loss		Fair value change reflected in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
instrument without active market	discount					
	Net asset value method	±1%	-	-	1,058	(1,058)
	Price-book ratio (PBR) multiples	±1%	-	-	1,807	(1,807)
	Price-earnings ratio (PER) multiples	±1%	-	-	1,346	(1,346)

The Group's favorable and unfavorable changes refer to fluctuation of fair value, and the fair value is calculated according to unobservable inputs of different level via the valuation technique. The fair value of the financial instrument is affected by more than one inputs, the table above only reflects the effect caused by the change of one single input, and the correlation and difference among inputs are not considered.

(XXIV) Financial risk management

There is no significant change in the objective and policies of financial risk management compared with those disclosed in Note VI(XXIV) of the consolidated financial statements for the year ended December 31, 2024.

(XXV) Capital management

The objective, policies, and procedures of capital management are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2024. And there is no significant change in the summarized quantitative data of capital management items compared with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note VI(XXV) of the consolidated financial statements for the year ended December 31, 2024 for relevant information.

(XXVI) Non-cash financing activities

The Group's non-cash investing and financing activities for the nine months ended September 30, 2025 and 2024 were as follows:

1. For right-of-use assets obtained via leases, please refer to Note VI(IX).
2. Reconciliation of liabilities arising from financing activities were as follows:

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)**

	2025.1.1	Cash flow	Non-cash changes		2025.9.30
			Change in Exchange fluctuations	Other changes	
Short-term loans	\$ 1,420,000	640,000	-	-	2,060,000
Lease liabilities	68,401	(20,632)	(529)	(1,939)	45,301
Long-term loans (including within one year)	310,819	(46,726)	-	-	264,093
	\$ 1,799,220	572,642	(529)	(1,939)	2,369,394

	2024.1.1	Cash flow	Non-cash changes			2024.9.30
			Change in Exchange fluctuations	Acquisition in business combinations	Other changes	
Short-term loans	\$ 837,000	533,000	-	-	-	1,370,000
Lease liabilities	24,662	(20,757)	372	15,079	43,144	62,500
Long-term loans (including within one year)	462,500	(127,273)	-	-	-	335,227
	\$ 1,324,162	384,970	372	15,079	43,144	1,767,727

VII. Related Party Transactions

(I) Related parties' name and relationships

Name of related party	Relationship with the Group
TAI-TECH Advanced Electronics Co.,Ltd. (TAI-TECH)	Entity that has significant influence on the Group
JDX Technology co., Ltd. (JDX Technology)	Subsidiary of TAI-TECH (Note 1)
Shenzhen Gather Electronics Science Co., Ltd. (Shenzhen Gather)	Associates of the Group accounted for under the equity method
Hubei Gather Electronics Science Co., Ltd. (Hubei Gather)	Subsidiaries controlled by Shenzhen Gather Electronics Science Co., Ltd.
AiPAQ Technology Co., Ltd (AiPAQ Technology)	Subsidiary of the Company (Note 2)

Note 1: The company is originally the associate accounted for using equity method of the Group. As the Company sold all the shares to TAI-TECH on November 1, 2024, the company became the subsidiary of TAI-TECH since that date.

Note 2: The company is originally the associate accounted for using equity method of the Company. The company became the subsidiary of the Company since February 15, 2024.

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

(II) Significant transactions with related parties

1. Operating revenue

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Hubei Gather	\$ -	25,063	29,890	65,243
JDX Technology	77	191	702	694
	\$ 77	25,254	30,592	65,937

The sales price to related parties and non-related parties is determined by the specifications of the products being sold, and some products are given discounts of varying degrees depending on the quantity sold. Therefore, the pricing strategy is not significantly different. The credit conditions of the related parties are from 90 days to 150 days based on the monthly statement. The credit conditions of general customers are determined by the individual client's past transaction experience and the results of debt evaluation. The range is between 60 to 150 days.

2. Purchases

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Hubei Gather	\$ 6,340	6,156	25,653	20,273
Aipaq Technology	-	-	-	698
	\$ 6,340	6,156	25,653	20,971

The purchase price from related parties is based on the general market price. The payment terms are 30 to 90 days from end of month for general suppliers, and 60 to 90 days from end of month for related parties.

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

3. Receivables from related parties

Financial Statement Account	Category of related parties	2025.9.30	2024.12.31	2024.9.30
Accounts receivable	Hubei Gather	\$ 49,271	73,026	59,944
Accounts receivable	JDX Technology	100	334	546
		\$ 49,371	73,360	60,490

4. Payables to related parties

Financial Statement Account	Category of related parties	2025.9.30	2024.12.31	2024.9.30
Accounts payable	Hubei Gather	\$ 1,289	10,162	9,947
Other payable	JDX Technology	-	141	-
		\$ 1,289	10,303	9,947

5. Property Transactions

The Group sold 23.33% of the shares of JDX Technology to the related party, TAI-TECH in November 2024. The proceeds from the disposal are NT\$2,202 thousand, and the gains or losses on disposal are NT\$317 thousand. As of December 31, 2024, the payments have been collected in full..

(III) Transactions with key management personnel

Remuneration of major managerial personnel includes:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Short-term employee benefits	\$ 17,991	10,217	39,132	39,174
Benefits after retirement	81	108	270	324
	\$ 18,072	10,325	39,402	39,498

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)

VIII. Pledged Assets: None.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments: None.

X. Significant Disaster Loss: None.

XI. Significant Subsequent Events: None.

XII. Others

The following is the summary statement of employee benefits and depreciation expenses by function:

Function Type	For the three months ended September 30, 2025			For the three months ended September 30, 2024		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefit expenses						
Salary expense	121,204	124,674	245,878	90,864	58,258	149,122
Labor and health insurance expense	673	4,771	5,444	701	4,490	5,191
Pension expense	456	1,723	2,179	368	1,545	1,913
Other employee benefits expenses	1,737	2,847	4,584	1,200	2,314	3,514
Depreciation	49,315	15,478	64,793	51,067	13,902	64,969
Amortization	43	1,637	1,680	30	1,210	1,240

Function Type	For the nine months ended September 30, 2025			For the nine months ended September 30, 2024		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefit expenses						
Salary expense	318,036	301,929	619,965	265,076	189,076	454,152
Labor and health insurance expense	1,896	10,299	12,195	1,499	9,586	11,085
Pension expense	1,390	4,912	6,302	1,034	4,436	5,470
Other employee benefits expenses	4,580	8,513	13,093	4,246	7,158	11,404
Depreciation	147,109	44,254	191,363	154,239	37,229	191,468
Amortization	130	4,725	4,855	90	3,604	3,694

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries (continued)

XIII. Supplementary Disclosures

(I) Significant transactions information

Relevant information about significant transactions to be disclosed by the Group in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers is as follows:

1. Financing provided to others:

No.	Lending Company	Borrower	Subject	Whether A Related Party	Maximum Balance in Current Period	Ending Balance	Amount actually drawn	Interest rate range	Nature of loan	Business transaction amount	Reason for Short-term Financing	Loss allowance	Collateral		Limit on Financing to A Single Party	Total Limit on Financing
													Name	Value		
0	The Company	Apaq Wuxi	Other receivables - related parties	Yes	166,025	152,225	-	-	Business Transaction	2,307,963	Business needs of subsidiary	-		-	436,177	1,744,709
0	The Company	Apaq Hubei	Other receivables - related parties	Yes	166,025	152,225	-	-	Short-term Financing	-	Business needs of subsidiary	-		-	436,177	1,744,709
0	The Company	Aipaq Technology	Other receivables - related parties	Yes	100,000	100,000	-	-	Short-term Financing	-	Business needs of subsidiary	-		-	436,177	1,744,709

Note 1: For firms or companies having business relationship with the Company, the financing amount to an individual party is limited to the transaction amount between both parties.

Note 2: The amount of financing to an individual entity shall be limited to 10% of the equity attributable to owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by CPAs in the most recent period. Total amount of financing to external parties shall be limited to 40% of the equity attributable to the owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by CPAs in the most recent period.

2. Endorsement or guarantee provided to others

No.	Name of Endorsement/ Guarantee Provider	Object of Endorsements/ Guarantees		Limit on Endorsements/ Guarantees Provided for A Single Party	Maximum Balance of Endorsements/ Guarantees in Current Period	Ending Balance of Endorsement and Guarantee	Amount actually drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company to A Subsidiary	Guarantee Provided by A Subsidiary to Parent Company	Guarantee Provided to Subsidiaries in Mainland China
		Name	Relationship										
0	The Company	Apaq Wuxi	Subsidiary	4,361,773	166,025	152,225	-	-	3.49%	4,361,773	Y	N	Y
0	The Company	Apaq Hubei	Subsidiary	4,361,773	166,025	152,225	-	-	3.49%	4,361,773	Y	N	Y
0	The Company	Aipaq Technology	Subsidiary	4,361,773	100,000	100,000	-	-	2.29%	4,361,773	Y	N	N

Note 1: The amount of the endorsements/guarantees to a single enterprise shall be limited to the amount of equity attributable to the owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by CPAs in the most recent period.

Note 2: The total amount of endorsements/guarantees to external parties shall be limited to the amount of equity attributable to the owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by CPAs in the most recent period.

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries (continued)

3. Holding of significant marketable securities at the end of the period (excluding investments in subsidiaries, associates and joint ventures):

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	End of the Period			
				Shares	Carrying amount	Shareholding %	Fair value
The Company	U.S. Treasury bonds	None	Financial assets at fair value through profit or loss - current	1,600	45,112	- %	45,112
The Company	AyeVest Investment	None	Financial assets at fair value through profit or loss – non-current	1,200	10,752	5.65%	10,752
The Company	Sunrise Innovation	None	Financial assets at fair value through profit or loss – non-current	3,000	29,100	13.95%	29,100
The Company	Foxfortune Technology Ventures Limited	None	Financial assets at fair value through other comprehensive income - non-current	499	12,300	5.80%	12,300
The Company	Inpaq Korea	None	Financial assets at fair value through other comprehensive income - non-current	18	2,471	10.73%	2,471
The Company	Element I Venture Capital	None	Financial assets at fair value through other comprehensive income - non-current	880	9,179	3.64%	9,179
The Company	Kuan Kun Electronic	None	Financial assets at fair value through other comprehensive income - non-current	3,770	42,887	5.39%	42,887
The Company	AICP Technology	None	Financial assets at fair value through other comprehensive income - non-current	240	1,969	3.20%	1,969
The Company	IPU Semiconductor	None	Financial assets at fair value through other comprehensive income - non-current	800	25,188	8.00%	25,188
The Company	WK Technology Fund IX II	None	Financial assets at fair value through other comprehensive income - non-current	3,000	27,360	2.67%	27,360
The Company	I-See Vision Technology	None	Financial assets at fair value through other comprehensive income - non-current	1,250	9,477	11.18%	9,477
The Company	Syntec Technology	None	Financial assets at fair value through other comprehensive income - non-current	1,438	1,251,060	2.00%	1,251,060
The Company	Phoenix VI	None	Financial assets at fair value through other comprehensive income - non-current	5,000	52,350	2.54%	52,350
The Company	TAI-TECH	None	Financial assets at fair value through other comprehensive income - non-current	117	15,210	0.11%	15,210

4. Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital:

Company of purchase (sales)	Name of the counterparty	Relationship	Transaction Details				Situation and reason of why transaction conditions are different from general transactions		Notes/Accounts Receivable or Payable		Remarks
			Purchases (sales)	Amount	Ratio of total purchase (sales)	Credit period	Unit price	Credit period	Balance	Ratio to Total Notes/Accounts Receivable or Payable	
The Company	Apaq Wuxi	Subsidiary	Purchases	2,095,228	98 %	60 days from the end of the month	-	Note 1	(701,464)	97%	Note 2
Apaq Wuxi	Apaq Hubei	Same parent company	Purchases	603,529	39 %	120 days from the end of the month	-	Note 1	(278,319)	35%	Note 2

Note 1: The payment period of general suppliers ranges from net 30 days to 90 days on the monthly statement, and the payment period for ApaQ Wuxi and ApaQ Hubei is net 60 days and net 120 days, respectively.

Note 2: Related transactions and closing balances have been eliminated from the consolidated financial statements.

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
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5. The receivables from related party to reach NT\$ 100 million or 20% of actually received capital amount:

Company Name	Name of the counterparty	Relationship	Balance of Receivables from Related Parties	Turnover rate	Overdue Receivables from Related Parties		Amounts Received in Subsequent Periods (Note 2)	Loss allowance
					Amount	Action taken		
Apag Wuxi	The Company	Parent-subsidiary company	701,464	-	-	-	278,227	-
APAQ Hubei	Apag Wuxi	The same parent company	278,319	-	-	-	260,486	-

Note 1: It refers to the recovery status as of July 16, 2025.

6. Parent-subsidiary company business relation and significant transactions:

No.	Name of Trader	Name of Counterparty	Relation with the Transacting Party	Conditions of Transactions			
				Account	Amount	Terms of Transaction	Ratio to Consolidated Revenue or Total Assets
0	The Company	Apag Wuxi	Parent company to a subsidiary	Purchases	2,095,228	60 days from the end of the month	65%
0	The Company	Apag Wuxi	Parent company to a subsidiary	Sales	72,171	60 days from the end of the month	2%
0	The Company	Apag Wuxi	Parent company to a subsidiary	Accounts payable	701,464	60 days from the end of the month	9%
1	Apag Wuxi	Apag Hubei	Subsidiary to Subsidiary	Purchases	603,529	120 days from the end of the month	19%
1	Apag Wuxi	Apag Hubei	Subsidiary to Subsidiary	Accounts payable	278,319	120 days from the end of the month	4%

(II) Information on reinvestment:

The information on investees is as follows (excluding investees in Mainland China):

Name of Investor	Name of investees	Primary Business	Primary business activities	Original Investment Amount		Shares held at the end of the period			Current income (loss) of the investee	Investment Profit or Loss Recognized in the Current Period	Remarks
				End of the period	End of Last Year	Shares	%	Carrying amount			
The Company	APAQ Samoa	Samoa	Holding	1,405,325	1,405,325	45,392	100%	2,703,972	235,357	262,996	Subsidiary, Note 1 and Note 2
The Company	AiPAQ Technology	Taiwan	Production and sales of electronic components	181,920	181,920	11,440	52%	166,750	(39,538)	(20,838)	Subsidiary, Note 2
The Company	APAQ Thailand	Thailand	Production and sales of electronic components	46,300	-	20,000	99.99%	46,845	(481)	(481)	Subsidiary, Note 1 and Note 2

Note 1: Share of profit/loss includes adjustments for upstream transactions between affiliates.

Note 2: Related transactions and closing balances have been eliminated from the consolidated financial statements.

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries (continued)

(III) Information on investments in Mainland China:

1. Information on reinvestments in Mainland China:

Name of Investee	Primary business activities	Paid-in Capital	Method of Investment	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Remittance or Recovery of Investment in the Current Period		Ending Balance of Accumulated Outflow of Investment from Taiwan	Current income (loss) of the investee	The Company's Percentage of Direct or Indirect Ownership	Investment Gains (Losses) Recognized in the Current Period	Carrying Amount of Investment at the End of Period	Ending Balance of Accumulated Inward Remittance of Earnings	Remarks
					Outward Remittance	Recovery							
Apag Wuxi	Production and sales of electronic components	1,186,443 (USD41,700 thousand)	Note 2	1,293,113 (USD41,700 thousand)	-	-	1,293,113 (USD41,700 thousand)	236,432	100%	236,432 Note 3	2,670,194 Note 3	-	Note 5
Shenzhen Gather	Production and sales of electronic components	68,555 (RMB16,000 thousand)	Note 2	53,997 (RMB11,900 thousand)	-	-	53,997 (RMB11,900 thousand)	20,947	35%	2,586 Note 4	54,734 Note 4	-	Associate
Apag Hubei	Production and sales of electronic components	254,395 (USD8,800 thousand)	Note 1	256,755 (USD8,800 thousand)	-	-	256,755 (USD8,800 thousand)	82,669	100%	82,973 Note 3	518,456 Note 3	-	Note 5

2. Limits of reinvestments in mainland China:

Accumulated investment remitted from Taiwan to Mainland China at the end of the period (Note 6)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 6)	Upper limit on investment authorized by MOEAIC
1,603,865 (USD50,500 thousand and RMB11,900 thousand)	1,792,624 (USD58,700 thousand and RMB11,900 thousand)	(Note 7)

Note 1: Direct investment in Mainland China.

Note 2: Investment in Mainland China indirectly through a third area.

Note 3: It was recognized based on financial statements of the same period reviewed by CPAs of the parent company.

Note 4: It was recognized based on financial statements of the same period not reviewed by CPAs of the parent company.

Note 5: Related transactions and closing balances have been eliminated from the consolidated financial statements.

Note 6: The paid-in capital is converted into NT dollars at the exchange rate on the balance sheet date. The amount of investment remitted in the current period is converted into NT dollars at previous exchange rates. The investment amount approved by Investment Commission, MOEA of USD 58,700 thousand and RMB 11,900 thousand is converted into NT dollars at previous exchange rates. In addition, as of September 30, 2025, the approved investment amount was US\$8,200 thousand, of which US\$2,000 thousand had not been automatically lapsed for three years, and the remaining US\$6,200 thousand has not been remitted.

Note 7: The Company has obtained the certificate letter of enterprise headquarters operation scope issued by the Industrial Development Bureau, MOEA. The upper limits for investments in Mainland China set by the Investment Commission, MOEA no longer apply.

**Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries
(continued)**

3. Substantial transactions:

Please refer to the "Information on significant transactions" for direct or indirect material transactions between the Group and investees in China (which have been eliminated during the preparation of consolidated financial statements) for the nine months ended September 30, 2025.

XIV. Segment Information

The Group focuses on producing ultra-small, high temperature-resistant, long life, low impedance electrolytic capacitors and cooperates with customers to develop and manufacture high voltage capacitors, chip capacitors, organic semiconductor solid capacitors and high energy storage capacitors. It is a single operating segment. The information of the operating segment is consistent with the consolidated financial statements. Please refer to the consolidated statements of comprehensive income for revenue (revenue from external customers) and income/loss of the segment and the consolidated balance sheet for segment information.