Phihong Technology Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2026 and 2025 and Independent Auditors' Review Report

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Independent Auditors' Review Report

To the Board of Directors and Shareholders, Phihong Technology Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Phihong Technology Co., Ltd. and subsidiaries as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2026 and 2025, and the notes to the consolidated financial statements (including a summary of significant accounting policies). Management is responsible for the fair presentation of the 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" as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

Except as explained in the Basis for Qualified Conclusion section, we conducted our reviews in accordance with Standard on Review Engagements No. 2410 "Review of Financial Statements." A review of consolidated financial statements consists of making inquiries, primarily of persons 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 Conclusion

As described in Note 13 to the consolidated financial statements, investments accounted for using the equity method by Phihong Technology Co., Ltd. and subsidiaries amounted to NT$88,579 thousand and NT$69,275 thousand as of March 31, 2026 and 2025, respectively. The shares of comprehensive income (loss) of associates accounted for using the equity method recognized for the three-month periods ended March 31, 2026 and 2025 amounted to gains of NT$3,415 thousand and losses of NT$(2,106) thousand, respectively. Such amounts were based on the investees' financial statements that had not been reviewed by independent auditors.

Qualified Conclusion

Based on our reviews and the review reports of other independent auditors (please refer to the Other Matter section), except for such adjustments, if any, as might have been determined to be necessary had the financial statements of the equity-method investees described in the Basis for Qualified Conclusion section been reviewed by independent auditors, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Phihong Technology Co., Ltd. and subsidiaries as of March 31, 2026 and 2025, and the consolidated financial performance and consolidated cash flows for the three-month periods ended March 31, 2026 and 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

Certain financial statements of subsidiaries included in the consolidated financial statements of Phihong Technology Co., Ltd. and subsidiaries were not reviewed by us, but were reviewed by other independent auditors. Accordingly, our conclusion on the accompanying consolidated financial statements, insofar as it relates to the amounts included for such subsidiaries, is based solely on the review reports of the other independent auditors. The total assets of the aforementioned subsidiaries as of March 31, 2026 and 2025 were NT$3,714,475 thousand and NT$3,910,814 thousand, respectively, representing 27.65% and 23.62% of the consolidated total assets, respectively. Their operating revenues for the three-month periods ended March 31, 2026 and 2025 were NT$707,869 thousand and NT$715,376 thousand, respectively, representing 33.78% and 31.68% of the consolidated operating revenues, respectively.

The engagement partners on the audits resulting in this independent auditors' report are Chih-Yi Chang and Kuo-Tien Hung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2026

Phihong Technology Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

As of March 31, 2026, December 31, 2025, and March 31, 2025

(In Thousands of New Taiwan Dollars)

Code	Assets	Mar. 31, 2026 Amount	%	Dec. 31, 2025 Amount	%	Mar. 31, 2025 Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	$ 3,014,876	22	$ 3,498,516	25	$ 5,563,107	33
1110	Financial assets at FVTPL - current (Note 7)	3,200	-	3,138	-	-	-
1136	Financial assets at amortized cost - current (Note 9)	413,893	3	529,840	4	1,116,839	7
1140	Contract assets - current (Note 24)	7,014	-	7,529	-	4,841	-
1170	Trade receivables (Note 10)	1,809,497	13	1,677,054	12	1,641,509	10
1180	Trade receivables - related parties (Note 10 and 31)	-	-	-	-	3,820	-
1200	Other receivables	352,883	3	422,552	3	290,958	2
1220	Current tax assets	20,753	-	35,936	-	83,033	-
130X	Inventories (Note 11)	1,869,896	14	1,858,329	13	1,964,491	12
1479	Other current assets	230,713	2	279,754	2	300,653	2
11XX	Total current assets	7,722,725	57	8,312,648	59	10,969,251	66
	Non-current assets						
1520	Financial assets at FVTOCI - non-current (Note 8)	134,217	1	124,038	1	123,199	1
1550	Investment accounted for using the equity method (Note 13)	88,579	1	85,164	1	69,275	-
1600	Property, plant, and equipment (Note 14)	4,562,609	34	4,544,303	33	4,431,995	27
1755	Right-of-use assets (Note 15)	295,384	2	302,448	2	344,678	2
1760	Investment property (Note 16)	350,244	3	340,765	2	362,735	2
1780	Other intangible assets (Note 17)	44,026	-	48,503	-	59,502	-
1840	Deferred tax assets	161,699	1	150,985	1	95,685	1
1990	Other non-current assets	76,262	1	64,341	1	98,299	1
15XX	Total non-current assets	5,713,020	43	5,660,547	41	5,585,368	34
1XXX	Total assets	$ 13,435,745	100	$ 13,973,195	100	$ 16,554,619	100
Code	Liabilities and Equity						
	Current liabilities						
2100	Short-term borrowings (Note 18)	$ 100,295	1	$ 100,355	1	$ 714,282	4
2130	Contract liabilities - current (Note 24 and 31)	195,516	1	200,986	1	208,380	1
2170	Trade payables	1,697,097	13	1,827,447	13	1,735,701	11
2219	Other payables (Note 20)	762,911	6	1,174,164	8	846,988	5
2230	Current tax liabilities	163,330	1	160,466	1	57,473	1
2250	Provisions - current (Note 21)	244,473	2	240,820	2	215,324	1
2280	Lease liabilities - current (Note 15)	36,300	-	38,930	-	42,302	-
2320	Current portion of long-term borrowings (Note 18 and 19)	14,867	-	814,770	6	864,465	5
2399	Other current liabilities (Note 20)	99,476	1	107,989	1	149,780	1
21XX	Total current liabilities	3,314,265	25	4,665,927	33	4,834,695	29
	Non-current liabilities						
2527	Contract liabilities - non-current (Note 24)	78,333	1	81,095	1	90,436	1
2540	Long-term borrowings (Note 18)	937,517	7	141,233	1	1,502,383	9
2550	Provisions - non-current (Note 21)	17,481	-	17,300	-	16,770	-
2570	Deferred tax liabilities	11,735	-	11,491	-	29,925	-
2580	Lease liabilities - non-current (Note 15)	37,175	-	46,096	1	67,857	1
2640	Net defined benefit liability - non-current	16,058	-	16,605	-	19,441	-
2670	Other non-current liabilities	22,402	-	21,372	-	22,384	-
25XX	Total non-current liabilities	1,120,701	8	335,192	3	1,749,196	11
2XXX	Total liabilities	4,434,966	33	5,001,119	36	6,583,891	40
	Equity attributable to owners of the company (Note 23)						
3110	Ordinary shares	4,247,724	32	4,247,724	31	4,312,084	26
3200	Capital surplus	4,485,122	33	4,485,122	32	4,579,383	27
	Retained earnings						
3310	Legal reserve	353,186	2	353,186	2	331,904	2
3320	Special reserve	230,859	2	230,859	2	367,518	2
3350	Unappropriated earnings	(263,962)	(2)	(118,922)	(1)	258,483	2
3300	Total retained earnings	320,083	2	465,123	3	957,905	6
	Other equity						
3410	Exchange differences on translating of the financial statements of foreign operating	36,455	-	(127,109)	(1)	211,947	1
3422	Unrealized gain or loss on financial assets at FVTOCI	(88,605)	-	(98,784)	(1)	(90,591)	-
3400	Total other equity	(52,150)	-	(225,893)	(2)	121,356	1
31XX	Total equity attributable to owners of the company	9,000,779	67	8,972,076	64	9,970,728	60
3XXX	Total equity	9,000,779	67	8,972,076	64	9,970,728	60
	Total liabilities and equity	$ 13,435,745	100	$ 13,973,195	100	$ 16,554,619	100

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

(Please refer to the Independent Auditors' Review Report issued by Deloitte & Touche on May 7, 2026.)

Phihong Technology Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Three Months Ended March 31, 2026 and 2025

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

Code		For the Three Months Ended March 31, 2026		For the Three Months Ended March 31, 2025	
		Amount	%	Amount	%
4000	Operating revenue (Note 24, 31 and 36)	$ 2,095,359	100	$ 2,258,260	100
5000	Operating cost (Note 11)	1,651,546	79	1,830,133	81
5950	Gross profit	443,813	21	428,127	19
	Operating expenses				
6100	Selling and marketing expenses	214,457	10	250,014	11
6200	General and administrative expenses	195,091	10	219,299	10
6300	R&D expenses	194,670	9	216,886	9
6450	Expected credit loss (gain)	(24,272)	(1)	4,208	-
6000	Total operating expenses	579,946	28	690,407	30
6900	Loss from operations	(136,133)	(7)	(262,280)	(11)
	Non-operating income/expense				
7100	Interest income (Note 25)	22,449	1	27,813	1
7010	Other income (Note 25)	23,252	1	35,262	2
7020	Other gains and losses (Note 25)	(20,303)	(1)	73,640	3
7050	Financial costs (Note 25)	(8,294)	-	(16,894)	(1)
7060	Shares of the profit and loss of the associates (Note 13)	3,415	-	(2,106)	-
7000	Total non-operating income/expense	20,519	1	117,715	5
7900	Loss before tax	(115,614)	(6)	(144,565)	(6)
7950	Income tax benefit (expense) (Note 26)	(29,426)	(1)	3,677	-
8200	Net loss for the period	(145,040)	(7)	(140,888)	(6)

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Code		For the Three Months Ended March 31, 2026		For the Three Months Ended March 31, 2025	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items that will not be reclassified to profit or loss:				
8316	Unrealized gains (losses) from investments in equity instruments measured at FVTOCI (Note 23)	$ 10,179	-	($ 9,385)	(1)
8360	Items that will be reclassified to profit or loss:				
8361	Exchange differences on translating of the financial statements of foreign operating (Note 23)	163,564	8	105,370	5
8300	Other comprehensive income for the period	173,743	8	95,985	4
8500	Total comprehensive income (loss)	$ 28,703	1	($ 44,903)	(2)
8600	Net loss attributable to:				
8610	The owners of the Company	($ 145,040)	(7)	($ 140,888)	(6)
8620	Non-controlling interests	-	-	-	-
	Total	($ 145,040)	(7)	($ 140,888)	(6)
8700	The total comprehensive income attributable to:				
8710	The owners of the Company	$ 28,703	1	($ 44,903)	(2)
8720	Non-controlling interests	-	-	-	-
	Total	$ 28,703	1	($ 44,903)	(2)
	Loss per share (Note 27)				
9710	Basic	($ 0.34)		($ 0.33)	

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the Independent Auditors' Review Report issued by Deloitte & Touche on May 7, 2026.)

Phihong Technology Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the Three Months Ended March 31, 2026 and 2025

(In Thousands of New Taiwan Dollars)

		Equity attributable to owners of the Company							
				Retained earnings			Other equity items		
Code		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange difference on translating of the financial statements of foreign operating	Unrealized gains or losses of the financial assets at FVTOCI	Total equity
A1	Balance as of Jan. 1, 2025	$ 4,312,084	$ 4,579,383	$ 331,904	$ 367,518	$ 399,371	$ 106,577	($ 81,206)	$ 10,015,631
D1	Net loss for the period from January 1 to March 31, 2025	-	-	-	-	(140,888)	-	-	(140,888)
D3	Other comprehensive income after tax from January 1 to March 31, 2025	-	-	-	-	-	105,370	(9,385)	95,985
D5	The total comprehensive income from January 1 to March 31, 2025	-	-	-	-	(140,888)	105,370	(9,385)	(44,903)
Z1	Balance as of Mar. 31, 2025	$ 4,312,084	$ 4,579,383	$ 331,904	$ 367,518	$ 258,483	$ 211,947	($ 90,591)	$ 9,970,728
A1	Balance as of Jan. 1, 2026	$ 4,247,724	$ 4,485,122	$ 353,186	$ 230,859	($ 118,922)	($ 127,109)	($ 98,784)	$ 8,972,076
D1	Net loss for the period from January 1 to March 31, 2026	-	-	-	-	(145,040)	-	-	(145,040)
D3	Other comprehensive income after tax from January 1 to March 31, 2026	-	-	-	-	-	163,564	10,179	173,743
D5	The total comprehensive income from January 1 to March 31, 2026	-	-	-	-	(145,040)	163,564	10,179	28,703
Z1	Balance as of Mar. 31, 2026	$ 4,247,724	$ 4,485,122	$ 353,186	$ 230,859	($ 263,962)	$ 36,455	($ 88,605)	$ 9,000,779

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the Independent Auditors' Review Report issued by Deloitte & Touche on May 7, 2026.)

Phihong Technology Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the Three Months Ended March 31, 2026 and 2025

(In Thousands of New Taiwan Dollars)

Code		For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
	Cash flow from operating activities		
A10000	Loss before tax	($ 115,614)	($ 144,565)
A20010	Adjustments for		
A20100	Depreciation expense	90,108	98,759
A20200	Amortization expense	4,904	5,148
A20300	Expected credit loss (gain)	(24,272)	4,208
A20900	Financial costs	8,294	16,894
A21200	Interest income	(22,449)	(27,813)
A21300	Dividend income	-	(5,700)
A22300	Share of loss of associates	(3,415)	2,106
A22500	Loss on the disposal of property, plant, and equipment	71	-
A29900	Loss (gain) on lease modifications	(172)	168
A23000	Gain on Non-current Assets Held for Sale	-	(41,226)
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	515	508
A31150	Trade receivables	(107,017)	486,079
A31160	Trade receivables – related parties	-	10,427
A31180	Other receivables	68,618	(184,582)
A31200	Inventories	(11,567)	79,112
A31240	Other current assets	49,041	215
A31250	Other non-current assets	(422)	(65)
A32125	Contract liabilities	(8,232)	9,079
A32150	Trade payables	(130,350)	(260,130)
A32180	Other payables	(347,776)	(153,793)
A32220	Provisions	3,241	23,826
A32230	Other current liabilities	(8,513)	(9,943)
A32240	Net defined benefit liabilities	(547)	(530)
A33000	Cash from operating activities	(555,554)	(91,818)
A33100	Interest received	23,500	38,189
A33300	Interest paid	(10,152)	(15,469)
A33500	Income tax paid	(21,849)	(13,226)
AAAA	Net cash used in operating activities	(564,055)	(82,324)

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Code		For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
	Cash flow from investing activities		
B00030	Capital reduction and refund from investments accounted for using the fair value through other comprehensive income	$ -	$ 1,790
B00040	Purchase of financial assets at amortized cost	(309,615)	(831,148)
B00050	Proceeds from sale of financial assets at amortized cost	435,241	246,381
B02600	Proceeds from sale of non-current assets held for sale	-	73,815
B02700	Purchase of property, plant, and equipment	(108,424)	(160,632)
B02800	Price for proceeds from sale of property, plant, and equipment	-	553
B04500	Purchase of intangible assets	-	(1,136)
B03700	Increase in refundable deposits	(3,232)	(35,649)
B07100	Increase in prepayments for equipment	(17,099)	(5,379)
B07600	Dividends received	-	5,700
BBBB	Net cash used in investing activities	(3,129)	(705,705)
	Cash flow from financing activities		
C00100	Proceeds from short-term borrowings	490,000	1,268,254
C00200	Repayment of short-term borrowings	(490,000)	(750,416)
C01300	Repayment of corporate bonds	(700,000)	-
C01600	Proceeds from long-term borrowings	1,400,000	1,500,000
C01700	Repayment of long-term borrowings	(703,717)	(3,717)
C03000	Increase in guarantee deposits received	1,030	308
C04020	Repayment of lease principal	(10,261)	(11,794)
CCCC	Net cash (used in) generated from financing activities	(12,948)	2,002,635
DDDD	Effect of the changes in exchange rate on cash and cash equivalents	96,492	45,900
EEEE	Net (decrease) increase in cash and cash equivalents	(483,640)	1,260,506
E00100	Cash and cash equivalents, beginning of the period	3,498,516	4,302,601
E00200	Cash and cash equivalents, end of the period	$ 3,014,876	$ 5,563,107

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

(Please refer to the Independent Auditors' Review Report issued by Deloitte & Touche on May 7, 2026.)

Phihong Technology Co., Ltd. and Subsidiaries

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Unless otherwise specified, the basic unit for any amount shall be in thousands of New Taiwan Dollars.)

1. General

Phihong Technology Co., Ltd. (formerly known as Phihong Enterprise Co., Ltd.) was incorporated on December 12, 1972. In June 2003, the shareholders resolved to officially rename the Company as Phihong Technology Co., Ltd. (hereinafter referred to as "Phihong" or the "Company"). The Company is principally engaged in the research and development, design, manufacture and sale of power transformers and EV charging stations.

The shares of Phihong Technology Co., Ltd. commenced trading on the Taipei Exchange in February 2000 and were subsequently listed on the Taiwan Stock Exchange in September 2001.

The consolidated financial statements are presented in New Taiwan Dollars, which is the functional currency of the Company.

2. The Approval of Financial Statements

The consolidated financial statements were approved by Board of Directors on May 7, 2026.

3. Application of New and Revised International Financial Reporting Standards

(1) Initial application of the Financial Supervisory Commission (hereinafter referred to as the "FSC") approved and effective International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter referred to as "IFRSs")

The application of IFRSs endorsed and issued into effect by the Financial Supervisory Commission (FSC) is not expected to have a material impact on the accounting policies of the Company and subsidiaries (hereinafter referred to as the "Group"):

(2) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 - "Sale or Contribution of Assets between an Investor and its	To be determined by IASB

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Associate or Joint Venture”	
IFRS 18 “Presentation and Disclosure in Financial Statements”	Jan. 1, 2027 (Note 2)
IFRS 19 “Subsidiaries Without Public Accountability: Disclosures” (including the 2025 amendments)	Jan. 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	Jan. 1, 2027

Note 1: Unless otherwise stated, the above new/amended/revised standards or interpretations are effective for annual reporting periods beginning after the respective dates.

Note2: On September 25, 2025, the FSC announced that entities in Taiwan shall adopt IFRS 18 starting January 1, 2028. Early adoption is permitted upon FSC endorsement of IFRS 18.

<u>IFRS 18 “Presentation and Disclosure in Financial Statements” and Related Amendments</u>

IFRS 18 will replace IAS 1 “Presentation of Financial Statements.” The major changes under the new standard include the following:

- The Group shall assess whether it has specific major business activities involving investing in particular types of assets and providing financing to customers and accordingly classify income and expense items in the statement of profit or loss into operating, investing, financing, income tax and discontinued operations categories.
- The statement of profit or loss shall present subtotals and totals for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
- Guidance is provided to strengthen requirements of aggregation and disaggregation: The Group shall identify assets, liabilities, equity, income, expenses and cash flows arising from individual transactions or other events and classify and aggregate them based on shared characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics shall be disaggregated in the primary financial statements and notes. The Group shall label such items as “other” only if it cannot identify a more informative description.

- Additional disclosures on management-defined performance measures: When the Group publicly communicates management's view of an aspect of the Group's overall financial performance outside the financial statements and communicates such measures to users of the financial statements, it shall disclose in a single note to the financial statements information related to management-defined performance measures, including a description of the measure, how it is calculated, reconciliations to subtotals or totals specified by IFRS Accounting Standards, and the related income tax and non-controlling interest effects of the reconciling items.

In addition, the following consequential amendments were made to IAS 7 "Statement of Cash Flows":

- When the Group uses the indirect method to prepare cash flows from operating activities, operating profit or loss shall be used as the starting point for reconciliation.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Group determines that it has specific major business activities, it shall consider the categories in which dividend income, interest income and interest expense are presented in the statement of profit or loss in determining the classification of dividends received, interest received and interest paid in the statement of cash flows. However, each of the aforementioned cash flows shall be classified into only one category in the statement of cash flows.

Except for the impacts described above, as of the date the consolidated financial statements were authorized for issue, the Group is still continuously assessing the possible impact of amendments to other standards and interpretations on its financial position and financial performance. The related impacts will be disclosed upon completion of the assessment.

4. Summary of Material Accounting Policies

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission. These consolidated financial statements do not include all IFRS Accounting Standard disclosures required for a complete set of annual financial statements.

(2) Basis of preparation

Except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of plan assets, these consolidated financial statements have been prepared on a historical cost basis.

Fair value measurement can be classified as level 1 to level 3 according to the observable degrees and importance of the relevant input values:

1. Level 1 input value: It refers to the quoted price at the active market on the same asset or liability available on the measurement day (unadjusted).
2. Level 2 input value: It refers to the direct (that is the price) or indirect (inferred from the price) observable input values on asset or liability other than the level 1 quoted price.
3. Level 3 input value: Unobservable input value of asset or liability.

(3) Basis of Consolidation

These consolidated financial statements incorporate the financial statements of Phihong Technology Co., Ltd. and the entities controlled by Phihong Technology Co., Ltd. (subsidiaries). The consolidated statements of comprehensive income include the operating results of acquired or disposed subsidiaries from the acquisition date or up to the disposal date during the current period. The financial statements of subsidiaries have been adjusted, where necessary, to align their accounting policies with those of the Group. All intercompany transactions, account balances, income and expenses have been eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if the non-controlling interests thereby become deficit balances.

When the change in the ownership interest of the Group in a subsidiary does not result in a loss of control, it is treated as an equity transaction. The difference between the adjusted amount of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity. The difference between the adjusted amount of non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and vested in the owners of the Company.

See Note 12 and Table 7 and 8 for details of subsidiaries, shareholding ratios and operating items.

(4) Other Material Accounting Policies

Except as described below, please refer to the summary of Material accounting policies in the 2025 consolidated financial statements.

1. Retirement Benefits

   Pension cost for interim periods is calculated on a year-to-date basis using the actuarially determined pension cost rate at the end of the preceding fiscal year, adjusted for significant market fluctuations during the current period and for significant plan amendments, settlements or other significant one-time events.

2. Other Long-term Employee Benefits

   The accounting treatment for other long-term employee benefits is the same as that for defined benefit retirement plans, except that related remeasurements are recognized in profit or loss.

3. Income Tax Expense

   Income tax expense represents the sum of current income tax and deferred income tax. Income taxes for interim periods are assessed on an annual basis and calculated by applying the tax rate that would be applicable to expected total annual earnings to the interim pre-tax income.

5. Material Accounting Judgments and Key Sources of Estimation and Uncertainty

When the Group adopts an accounting policy, management must make relevant judgments, estimates, and assumptions of relevant information that is difficult to obtain from other sources based on historical experience and other relevant factors. Actual results may differ from these estimates.

When developing significant accounting estimates, the management will consider the possible impacts on the estimation of cash flows, growth rates, discount rates, profitability, etc., and management will continuously review the estimates and underlying assumptions.

6. Cash and Cash Equivalents

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Cash on hand	$ 2,748	$ 2,029	$ 2,585
Checks accounts and demand deposits	2,951,300	3,207,990	5,278,272
Cash equivalents (investments with the original maturity dates of less than 3 months)			
Repurchase Agreements	60,828	288,497	100,000
Time deposits	-	-	182,250
	$ 3,014,876	$ 3,498,516	$ 5,563,107

The interest rates for bank deposits as of the balance sheet date range are as follows:

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Bank deposits	0.005%~4.75%	0.005%~4.75%	0.010%~5.100%
Repurchase Agreements	1.44%	1.42%~1.45%	1.45%

7. Financial assets at FVTPL

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Financial assets - current			
Financial assets mandatorily measured at FVTPL			
Non-derivative financial assets			
－Fund beneficiary certificates	$ 3,200	$ 3,138	$ -

8. Financial assets at FVTOCI

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Non-current			
Investment in equity instruments measured at FVTOCI			
Investment in unlisted (non-OTC) stocks	$ 134,217	$ 124,038	$ 123,199

The Group invested in the aforementioned unlisted shares based on medium- and long-term strategic objectives and expects to realize profits through long-term investments. The management of the Group believes that recognizing short-term fair value fluctuations of these investments in profit or loss would not be consistent with the aforementioned long-term investment strategy; therefore, the Group elected to designate these investments as financial assets at fair value through other comprehensive income (FVTOCI).

9. Financial Assets at Amortized Cost

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Current			
Time deposits with original maturity of more than 3 months	$ 413,893	$ 529,840	$ 1,116,839

10. Trade Receivables

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Notes receivable			
Trade receivables			
Measured at amortized cost			
Total carrying amount - non-related parties	$ 1,477,446	$ 1,411,047	$ 1,194,702
Total carrying amount - related parties	-	-	3,820
Less: allowance for loss	(11,310)	(35,934)	(18,601)
	1,466,136	1,375,113	1,179,921
Measured at FVTOCI	343,361	301,941	465,408
	$ 1,809,497	$ 1,677,054	$ 1,645,329

(1) Trade Receivables Measured at Amortized Cost

The average credit period for sales of goods by the Group is determined based on the historical collection experience of trade receivables from non-related parties over the past five years. Trade receivables are non-interest-bearing. The Group's policy is to transact only with reputable counterparties and, where necessary, obtain sufficient collateral to mitigate the risk of financial loss arising from defaults. The Group continuously monitors credit exposure and the credit ratings of counterparties, distributes total transaction amounts among qualified customers with acceptable credit ratings, and controls credit exposure through counterparty credit limits reviewed and approved annually by designated personnel.

The Group recognizes loss allowances for trade receivables based on lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix that considers customers' historical default records, current financial conditions and other forward-looking information. As the Group's historical credit loss experience indicates that loss patterns do not differ significantly among different customer groups, the provision matrix does not further distinguish customer groups and only establishes expected credit loss rates based on the aging of trade receivables past due.

If there is evidence indicating that a counterparty is experiencing severe financial difficulty and the Group has no reasonable expectation of recovering the amount, the Group directly writes off the related trade receivables. However, collection activities will continue, and any amount subsequently recovered are recognized in profit or loss.

The Group measures the loss allowance for trade receivables based on the provision matrix as follows:

Mar. 31, 2026

	Not past due	1-60 days past due	61-90 days past due	91-120 days past due	Over 120 days past due	Total
Expected credit loss rate	0.00~1.39%	0.00~11.65%	0.00~13.99%	0.00~21.07%	0.00~100%	
Total carrying amount	$1,248,450	$ 130,404	$ 62,436	$ 32,049	$ 4,107	$1,477,446
Allowance for loss (lifetime expected credit losses)	(1,416)	(4,265)	(1,232)	(1,241)	(3,156)	(11,310)
Amortized cost	$1,247,034	$ 126,139	$ 61,204	$ 30,808	$ 951	$1,466,136

Dec. 31, 2025

	Not past due	1-60 days past due	61-90 days past due	91-120 days past due	Over 120 days past due	Total
Expected credit loss rate	0.00~1.49%	0.00~12.52%	0.00~14.99%	2.28~16.02%	2.47~100%	
Total carrying amount	$1,227,820	$ 131,365	$ 2,186	$ 21,623	$ 28,053	$1,411,047
Allowance for loss (lifetime expected credit losses)	(3,338)	(3,940)	(261)	(3,159)	(25,236)	(35,934)
Amortized cost	$1,224,482	$ 127,425	$ 1,925	$ 18,464	$ 2,817	$1,375,113

Mar. 31, 2025

	Not past due	1-60 days past due	61-90 days past due	91-120 days past due	Over 120 days past due	Total
Expected credit loss rate	0.00~1.28%	0.21~28.67%	0.00~10.61%	0.00~10.78%	0.00~100%	
Total carrying amount	$ 990,431	$ 85,477	$ 104,766	$ 8,149	$ 9,699	$1,198,522
Allowance for loss (lifetime expected credit losses)	(937)	(760)	(10,633)	(848)	(5,423)	(18,601)
Amortized cost	$ 989,494	$ 84,717	$ 94,133	$ 7,301	$ 4,276	$1,179,921

The above aging analysis is based on the number of days past due.

Information on changes in the loss allowance for trade receivables is as follows:

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Beginning balance	$ 35,934	$ 14,271
Add: Impairment loss (reversal) recognized during the period	(24,272)	4,208
Less: Actual elimination during the period	(802)	-
Foreign currency translation difference	450	122
Ending balance	$ 11,310	$ 18,601

(2) Trade Receivables Measured at FVTOCI

For trade receivables from certain major customers, the Group may decide, based on working capital conditions, to sell such receivables to banks on a non-recourse basis. The business model adopted by the Group for managing these trade receivables is intended to achieve its objective through both collecting contractual cash flows and selling financial assets. Accordingly, such trade receivables are measured at fair value through other comprehensive income (FVTOCI).

The Group measures the loss allowance for trade receivables measured at FVTOCI based on the provision matrix as follows:

Mar. 31, 2026

	Not past due	1-60 days past due	61-90 days past due	91-120 days past due	Over 120 days past due	Total
Expected credit loss rate	0%	0%	0%	0%	0%	
Total carrying amount	$ 340,632	$ 2,729	$ -	$ -	$ -	$ 343,361
Allowance for loss (lifetime expected credit losses)	-	-	-	-	-	-
Amortized cost	$ 340,632	$ 2,729	$ -	$ -	$ -	$ 343,361

Dec. 31, 2025

	Not past due	1-60 days past due	61-90 days past due	91-120 days past due	Over 120 days past due	Total
Expected credit loss rate	0%	0%	0%	0%	0%	
Total carrying amount	$ 301,518	$ 423	$ -	$ -	$ -	$ 301,941
Allowance for loss (lifetime expected credit losses)	-	-	-	-	-	-
Amortized cost	$ 301,518	$ 423	$ -	$ -	$ -	$ 301,941

Mar. 31, 2025

	Not past due	1-60 days past due	61-90 days past due	91-120 days past due	Over 120 days past due	Total
Expected credit loss rate	0%	0%	0%	0%	0%	
Total carrying amount	$ 445,322	$ 20,075	$ -	$ -	$ 11	$ 465,408
Allowance for loss (lifetime expected credit losses)	-	-	-	-	-	-
Amortized cost	$ 445,322	$ 20,075	$ -	$ -	$ 11	$ 465,408

11. Inventories

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Raw Materials	$ 552,864	$ 529,734	$ 527,218
Work in Progress	334,520	237,828	364,282
Finished Goods	982,512	1,090,767	1,072,991
	$ 1,869,896	$ 1,858,329	$ 1,964,491

For the three months ended March 31, 2026 and 2025, cost of goods sold related to inventories amounted to NT$1,651,546 thousand and NT$1,830,133 thousand, respectively. Cost of goods sold for each period included the write-downs of inventories and losses on obsolete inventories recognized from reducing the costs of inventories to net realizable value in the amounts of NT$23,558 thousand and NT$51,556 thousand, respectively.

12. Subsidiaries

			Percentage of Ownership			
Inventor	Inventee	Main Business	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025	Explanation
Phihong	Phihong International Corp. (hereinafter referred to as PHI)	Make Investments	100.00	100.00	100.00	
Phihong	Phitek International Co., Ltd. (hereinafter referred to as PHK)	Make Investments	100.00	100.00	100.00	
Phihong	Ascent Alliance Ltd. (hereinafter referred to as PHQ)	Make Investments	100.00	100.00	100.00	
Phihong	Phihong USA Corp. (hereinafter referred to as PHA)	Sale of power supply products	100.00	100.00	100.00	
Phihong	Phihong Technology Japan Co., Ltd. (hereinafter referred to as PHJ)	Sale of power supply components	100.00	100.00	100.00	
Phihong	Guang Lai Investment Co., Ltd. (hereinafter referred to as Guang Lai)	Make Investments	100.00	100.00	100.00	
Phihong	Phihong Vietnam Co., Ltd. (hereinafter referred to as PHV)	Manufacture and sale of power supplies	100.00	100.00	100.00	
Phihong	Zerova Technologies Holdings Limited (hereinafter referred to as ZKH)	Make Investments	100.00	100.00	100.00	
PHI	Phihong (Dongguan) Electronics Co., Ltd. (hereinafter referred to as PHC)	Manufacture and sale of power supplies	100.00	100.00	100.00	
PHI	Phihong (Suzhou) Electronics Co., Ltd. (hereinafter referred to as PHZ)	Manufacture and sale of power supplies	100.00	100.00	100.00	
PHK	Dongguan Phitek Electronics Co., Ltd. (hereinafter referred to as PHP)	Manufacture and sale of power supplies	100.00	100.00	100.00	Note 4
PHQ	Dongguan Shuangying Electronics Co., Ltd. (hereinafter referred to as PHSY)	Manufacture and sale of electronic materials	100.00	100.00	100.00	
PHQ	Chin Sheng Hong Jiangxi Electronics Co., Ltd.	Manufacture and sale of electronic materials	79.31	79.31	79.31	Note 1

	(hereinafter referred to as PHE)					
PHZ	PHE	Manufacture and sale of electronic materials	20.69	20.69	20.69	Note 1
ZKH	Zerova Technologies SG Pte. Ltd. (hereinafter referred to as ZSH)	Sale of electrical equipment	100.00	100.00	100.00	
ZSH	Zerova Technologies Europe B.V. (hereinafter referred to as ZNS)	Sale of electrical equipment and provision of electric vehicle charging solutions	100.00	100.00	100.00	
ZSH	Zerova Technologies (Dongguan) Co., Ltd. (hereinafter referred to as ZCM)	Manufacture and sale of electrical equipment	100.00	100.00	100.00	
ZSH	Zerova Trading Service (Dongguan) Co., Ltd. (hereinafter referred to as ZCS)	Sale of electrical equipment and provision of electric vehicle charging solutions	-	-	100.00	Note 2
ZSH	Zerova Technologies Japan Co., Ltd. (hereinafter referred to as ZJS)	Sale of electrical equipment and provision of electric vehicle charging solutions	100.00	100.00	100.00	
ZSH	Zerova Technologies Taiwan Limited. (hereinafter referred to as ZTM)	Manufacture and sale of electrical equipment and provision of electric vehicle charging solutions	100.00	100.00	100.00	
ZSH	Zerova Technologies America Corporation (hereinafter referred to as ZAH)	Makes investments	100.00	100.00	100.00	
ZSH	Zerova Technologies UK Ltd. (hereinafter referred to as ZBS)	Sale of electrical equipment and provision of electric vehicle charging solutions	100.00	-	-	Note 3
ZAH	Zerova Technologies USA LLC (hereinafter referred to as ZAS)	Sale of electrical equipment and provision of electric vehicle charging solutions	100.00	100.00	100.00	
ZCM	Zerova (Shanghai) Trading Service Co., Ltd. (hereinafter referred to as ZCT Company)	Sale of electrical equipment and provision of electric vehicle charging solutions	100.00	100.00	100.00	

Note 1: In order to accommodate adjustments to the Group's operational allocation, the Company's Board of Directors resolved in December 2024 to increase the capital of PHE through PHZ in the amount of USD 3,000,000. The relevant capital increase procedures were completed in March 2025. Upon completion of the capital increase, PHZ's shareholding ratio in PHE became 20.69%, while the original shareholder, PHQ, which did not participate in the capital increase, saw its shareholding ratio decrease to 79.31%.

Note 2: The cancellation of the investment was completed through filing with the Department of Investment Review, Ministry of Economic Affairs, in November 2025.

Note 3: ZBS was incorporated and registered in the United Kingdom in March 2026 and is 100% owned by ZSH. As of March 31, 2026, ZSH had not yet completed the capital injection.

Note 4: In order to accommodate adjustments to the Group's operational allocation, the Company's Board of Directors resolved on April 16, 2026, to increase the capital of PHP through a debt restructuring arrangement, whereby PHZ would convert debt into equity in PHP in the approximate amount of NT$925,014 thousand (RMB 200,000 thousand).

For information on the principal place of business and the country of incorporation of the companies, please refer to Tables 7 and 8.

13. Investments Accounted for Using the Equity Method

Investments in associates

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Associates that are not individually material	$ 88,579	$ 85,164	$ 69,275

Aggregate information of associates that are not individually material

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Shares owned by the Group		
Net profit (loss)	$ 3,415	($ 2,106)
Other comprehensive income	-	-
Total comprehensive income (loss)	$ 3,415	($ 2,106)

For information on the nature of business, principal place of business and country of incorporation of the above associates, please refer to Table 7, "Names, locations, and related information of investees over which Phihong Technology exercises significant influence."

The investments accounted for using the equity method and the Group's shares of profit or loss and other comprehensive income of such investees were calculated based on financial statements that had not been reviewed by independent auditors.

14. Property, plant, and equipment

	Land owned	Buildings	Machinery and equipment	Other equipment	Unfinished Construction	Total
Cost						
Balance as of Jan. 1, 2026	$ 547,549	$ 3,851,667	$ 2,340,099	$ 733,545	$ 902,657	$ 8,375,517
Additions	-	10,716	11,194	3,636	4,873	30,419
Disposals	-	(340)	(6,012)	(64,705)	-	(71,057)
Reclassifications	-	2,147	31,619	1,953	(9,101)	26,618
Effects of foreign currency exchange differences	996	77,704	47,289	8,553	(23,533)	111,009
Balance as of Mar. 31, 2026	$ 548,545	$ 3,941,894	$ 2,424,189	$ 682,982	$ 874,896	$ 8,472,506
Accumulated Depreciation						
Balance as of Jan. 1, 2026	$ -	$ 1,239,381	$ 1,976,574	$ 615,259	$ -	$ 3,831,214
Disposals	-	(340)	(5,941)	(64,705)	-	(70,986)
Depreciation expense	-	32,546	33,366	9,807	-	75,719
Effects of foreign currency exchange differences	-	27,173	39,698	7,079	-	73,950
Balance as of Mar. 31, 2026	$ -	$ 1,298,760	$ 2,043,697	$ 567,440	$ -	$ 3,909,897
Carrying amount on Dec. 31, 2025	$ 547,549	$ 2,612,286	$ 363,525	$ 118,286	$ 902,657	$ 4,544,303
Carrying amount on Mar. 31, 2026	$ 548,545	$ 2,643,134	$ 380,492	$ 115,542	$ 874,896	$ 4,562,609
Cost						
Balance as of Jan. 1, 2025	$ 550,824	$ 3,748,460	$ 2,391,874	$ 706,955	$ 534,052	$ 7,932,165
Additions	-	48,010	11,972	4,648	89,820	154,450
Disposals	(136)	(1,583)	(9,375)	(2,663)	-	(13,757)
Reclassifications	-	113,705	3,798	1,679	(133,384)	(14,202)
Effects of foreign currency exchange differences	2,861	38,755	21,189	3,597	12,538	78,940
Balance as of Mar. 31, 2025	$ 553,549	$ 3,947,347	$ 2,419,458	$ 714,216	$ 503,026	$ 8,137,596
Accumulated Depreciation						
Balance as of Jan. 1, 2025	$ -	$ 1,121,010	$ 1,898,618	$ 589,720	$ -	$ 3,609,348
Disposals	-	(731)	(9,375)	(3,098)	-	(13,204)
Depreciation expense	-	33,572	36,996	10,200	-	80,768
Effects of foreign currency exchange differences	-	10,495	15,636	2,558	-	28,689
Balance as of Mar. 31, 2025	$ -	$ 1,164,346	$ 1,941,875	$ 599,380	$ -	$ 3,705,601
Carrying amount on Mar. 31, 2025	$ 553,549	$ 2,783,001	$ 477,583	$ 114,836	$ 503,026	$ 4,431,995

Property, plant and equipment of the Group are depreciated using the straight-line method over the following estimated useful lives:

Buildings	
Main Plant Building	50 years
Engineering Systems	10 years
Machinery and equipment	3-10 years
Other equipment	3-10 years

For the amounts of land, buildings and structures pledged by the Group as collateral for long-term borrowings, please refer to Note 32.

15. Lease Agreements

(1) Right-of-use assets

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Carrying amount of right-of-use assets			
Land (including land use rights)	$ 240,913	$ 237,830	$ 257,257
Building	45,995	53,314	74,069
Machinery	-	1,792	3,521
Transportation equipment	8,476	9,512	8,928
Other equipment	-	-	903
	$ 295,384	$ 302,448	$ 344,678

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Additions to right-of-use assets	$ 545	$ -
Depreciation expense of right-of-use assets		
Land (including land use rights)	$ 2,807	$ 2,824
Building	7,454	9,603
Machinery	91	445
Transportation equipment	1,120	1,368
Other equipment	-	403
	$ 11,472	$ 14,643

(2) Lease liabilities

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Carrying amount of lease liabilities			
Current	$ 36,300	$ 38,930	$ 42,302
Non-current	$ 37,175	$ 46,096	$ 67,857

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Land	0.600%~3.998%	0.600%~3.998%	0.600%~1.870%
Building	0.378%~5.300%	0.206%~5.300%	0.206%~4.750%
Machinery and equipment	-	4.000%	4.000%
Transportation equipment	1.600%~3.985%	1.668%~4.000%	1.668%~4.000%
Miscellaneous equipment	-	1.030%~2.800%	1.030%~2.800%

(3) Material lease in Activities and Terms

The Group leases certain transportation equipment for operations and product research and manufacturing purposes, with lease terms ranging from 2 to 5 years. Upon expiration of the lease terms, except for leased EV transportation equipment for which the Group has preferential purchase rights, the remaining lease agreements do not contain renewal or purchase options.

The Group also leases certain land and buildings for use as factories, offices and parking lots, with lease terms ranging from 2 to 50 years. Except for the leased land in Tainan, for which the lease is automatically renewed for one additional year upon expiration and the Group has preferential purchase option, the remaining leased land and buildings do not contain renewal or purchase options upon termination of the lease term. In addition, for certain leased land and buildings, the agreements stipulate that the Group shall not sublease or transfer all or part of the leased assets without the lessor's consent.

(4) Other leasing information

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Short-term lease expenses	$ 2,840	$ 4,591
Lease payments not included in the measurement of the lease liability	$ 388	$ 327
Total cash (outflow) for lease	($ 13,489)	($ 16,776)

The Group elected to apply the recognition exemption to leases of offices and office equipment that qualify as short-term leases and, accordingly, did not recognize related right-of-use assets and lease liabilities for such leases.

16. Investment Property

	Land	Buildings	Total
Cost			
Balance as of Jan. 1, 2026	$ 35,713	$ 451,275	$ 486,988
Effects of foreign currency exchange differences	1,303	16,470	17,773
Balance as of Mar. 31, 2026	$ 37,016	$ 467,745	$ 504,761
Accumulated Depreciation			
Balance as of Jan. 1, 2026	$ 13,113	$ 133,110	$ 146,223
Depreciation expense	196	2,721	2,917
Effects of foreign currency exchange differences	481	4,896	5,377
Balance as of Mar. 31, 2026	$ 13,790	$ 140,727	$ 154,517
Carrying amount on Mar. 31, 2026	$ 23,226	$ 327,018	$ 350,244
Carrying amount on Dec. 31, 2025	$ 22,600	$ 318,165	$ 340,765

Cost			
Balance as of Jan. 1, 2025	$ 28,547	$ 460,603	$ 489,150
Effects of foreign currency exchange differences	382	6,167	6,549
Balance as of Mar. 31, 2025	$ 28,929	$ 466,770	$ 495,699
Accumulated Depreciation			
Balance as of Jan. 1, 2025	$ 4,697	$ 123,133	$ 127,830
Depreciation expense	194	3,154	3,348
Effects of foreign currency exchange differences	67	1,719	1,786
Balance as of Mar. 31, 2025	$ 4,958	$ 128,006	$ 132,964
Carrying amount on Mar. 31, 2025	$ 23,971	$ 338,764	$ 362,735

PHC leased its self-owned factory buildings located in Dongguan, China to non-related parties in 2026 and 2025. The lease terms for such investment properties range from 12 to 15 years. When tenants exercise renewal options, rental rates are adjusted in accordance with prevailing market rental rates. The tenants do not have bargain purchase options for the investment properties at the end of the lease terms.

Investment properties are depreciated using the straight-line method over the following estimated useful lives:

Main buildings	31 years

17. Other Intangible Assets

	Computer software
Cost	
Balance as of Jan. 1, 2026	$ 161,337
Disposals	(2,050)
Effects of foreign currency exchange differences	1,416
Balance as of Mar. 31, 2026	$ 160,703
Accumulated Depreciation	
Balance as of Jan. 1, 2026	$ 112,834
Depreciation expense	4,904
Disposals	(2,050)
Effects of foreign currency exchange differences	989
Balance as of Mar. 31, 2026	$ 116,677
Carrying amount on Mar. 31, 2026	$ 44,026
Carrying amount on Dec. 31, 2025	$ 48,503
Cost	
Balance as of Jan. 1, 2025	$ 167,153
Additions	1,136
Disposals	(509)
Effects of foreign currency exchange differences	645
Balance as of Mar. 31, 2025	$ 168,425

Accumulated Depreciation	
Balance as of Jan. 1, 2025	$ 103,920
Depreciation expense	5,148
Disposals	(509)
Effects of foreign currency exchange differences	364
Balance as of Mar. 31, 2025	$ 108,923
Carrying amount on Mar. 31, 2025	$ 59,502

The aforementioned intangible assets are amortized on a straight-line basis over estimated useful lives ranging from 2 to 5 years.

18. Loans

(1) Short-term borrowings

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Unsecured loans			
PHJ	$ 100,295	$ 100,355	$ 109,965
Secured loans			
PHC	-	-	604,317
	$ 100,295	$ 100,355	$ 714,282
Interest rate collar	2.529%	2.1063%	2.10182%~ 3.30%

(2) Long-term borrowings

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Unsecured loans			
Phihong	$ 100,000	$ 100,000	$ 1,500,000
Secured loans			
Phihong	852,384	156,100	167,250
Less: Long-term borrowings payable - current portion	(14,867)	(114,867)	(164,867)
	$ 937,517	$ 141,233	$ 1,502,383
Interest Rate Corridor	2.09%~2.17%	2.125%~2.25%	2.1250%~ 3.0322%

1. The terms of the long-term bank borrowings of Phihong Technology Co., Ltd. as of March 31, 2026, December 31, 2025 and March 31, 2025 all range from April 7, 2021 to April 7, 2036, with interest payable monthly.
2. Phihong, ZTM and ZSH, as joint borrowers, entered into a syndicated loan agreement on June 28, 2023 arranged by Taiwan Shin Kong Commercial Bank, The Shanghai Commercial & Savings Bank, Ltd. and Hua Nan Commercial Bank, Ltd., with participation from a total of ten banks. The agreement has a

term of three years with a total credit facility amount of NT$3 billion, including Facility A of NT$1.5 billion, Facility B of NT$1 billion and Facility C of USD45 million, for the purpose of enabling the Phihong Group to prioritize repayment of existing financial liabilities and replenish medium-term working capital. According to the syndicated loan agreement with Taiwan Shin Kong Commercial Bank, Phihong Technology Co., Ltd. shall maintain the following financial ratios during the borrowing period (reviewed semi-annually based on the annual and semi-annual consolidated financial statements audited or reviewed by independent auditors):

(1) The current ratio (current assets/current liabilities) shall not be less than 100%.

(2) The debt-to-net-worth ratio (total liabilities/tangible net worth) shall not exceed 200%.

(3) The interest coverage ratio [(profit before income tax + depreciation + amortization + interest expense)/interest expense] shall be maintained at not less than two times.

(4) Tangible net worth (net worth less intangible assets) shall not be less than NT$4.5 billion.

Phihong prepaid NT$1.35 billion of the principal under Facility A of the aforementioned syndicated loan in October 2025.

For the collateral pledged and joint guarantee arrangements relating to the above borrowings, please refer to Notes 31 and 32.

19. Bonds Payable

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Secured domestic corporate bonds	$ -	$ 699,903	$ 699,598
Less: Current portion of bonds payable	-	(699,903)	(699,598)
	$ -	$ -	$ -

Secured Domestic Corporate Bonds

Phihong Technology Co., Ltd. issued 70 units of NT dollar-denominated guaranteed ordinary corporate bonds from March 25, 2021 to March 25, 2026, with a face value of NT$10,000 thousand per unit and a coupon rate of 0.60%. The total principal amount was NT$700,000 thousand, repayable in full upon maturity.

For the collateral pledged and joint guarantee arrangements relating to the aforementioned guaranteed domestic corporate bonds, please refer to Notes 31 and 32.

20. Other Payables

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Current			
Other payables			
Salaries and bonuses payable	$ 255,933	$ 322,006	$ 227,320
Compensation payable for annual leave	75,657	76,396	77,162
Equipment payables	4,565	82,570	12,156
Employee compensation payables	5,538	5,537	41,516
Director compensation payables	-	-	4,568
Plant relocation payables	16,865	16,272	-
Others	404,353	671,383	484,266
	$ 762,911	$ 1,174,164	$ 846,988
Other current liabilities			
Temporary receipts	$ 48,462	$ 58,407	$ 118,409
Advance rental receipts	48,824	46,300	-
Others	2,190	3,282	31,371
	$ 99,476	$ 107,989	$ 149,780

21. Provisions

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Current			
Warranties	$ 244,473	$ 240,820	$ 215,324
Non-Current			
Restoration obligations	$ 17,481	$ 17,300	$ 16,770

22. Retirement Benefit Plans

For the three months ended March 31, 2026 and 2025, pension expenses related to defined benefit plans recognized were calculated based on the pension cost rates actuarially determined as of December 31, 2025 and 2024, respectively, and amounted to NT$53 thousand and NT$70 thousand, respectively.

23. Equity

(1) Share capital

Common share

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Authorized shares (in thousands)	600,000	600,000	600,000
Authorized capital	$ 6,000,000	$ 6,000,000	$ 6,000,000
Issued and fully paid shares (in thousands)	424,772	424,772	431,208
Issued capital	$ 4,247,724	$ 4,247,724	$ 4,312,084

The par value of each issued common share is NT$10. Each share carries one voting right and the right to receive dividends.

(2) Capital surplus

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Available for offsetting losses, distribution of cash dividends, or capital reserve augmentation			
Share premium	$ 3,689,728	$ 3,689,728	$ 3,745,633
Conversion of corporate bonds	667,058	667,058	667,058
Treasury share transactions	9,878	9,878	48,234
Expired employee share options	33,789	33,789	33,789
Interest payable on convertible bonds payable	13,243	13,243	13,243
Changes in net equity of associates and joint ventures recognized under the equity method	61	61	61
Available solely for offsetting losses			
Redemption of convertible bonds	71,365	71,365	71,365
	$ 4,485,122	$ 4,485,122	$ 4,579,383

Capital surplus arising from the excess of issuance price over the par value of shares (including share premium from issuance of ordinary shares at a premium, premium on conversion of corporate bonds and treasury share transactions) and from gifts received may be used to offset deficits. In addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital, provided that capitalization is limited to a certain percentage of paid-in capital each year.

(3) Retained earnings and dividend policy

According to the Company's Articles of Incorporation regarding its earnings distribution policy, where annual final accounts show a profit, the Company shall first pay taxes and offset accumulated deficits, then appropriate 10% of the remaining amount as legal reserve. Thereafter, special reserves shall be appropriated or reversed in accordance with applicable laws and regulations. Any remaining balance, together with accumulated undistributed earnings, shall be proposed by the Board of Directors as an earnings distribution plan and submitted to the shareholders' meeting for resolution regarding the distribution of shareholder dividends and bonuses. For the policies regarding compensation to employees and directors as stipulated in the Articles of Incorporation, please refer to Note 25(7), "Compensation to Employees and Directors."

The legal reserve shall be appropriated until its balance reaches the total paid-in capital of the Company. The legal reserve may be used to offset deficits. When the Company has no deficit, the portion of the legal reserve exceeding 25% of total paid-in capital may be distributed in cash or capitalized.

When the Company appropriates a special reserve and prior-period undistributed earnings are insufficient for such appropriation, the deficiency shall be appropriated from the current period's net profit after tax plus the amount of items other than current-period net profit after tax that are included in current-period undistributed earnings.

The Board of Directors meeting held on March 12, 2026 and the shareholders' meeting held on June 10, 2025 proposed and approved, respectively, the 2025 deficit compensation proposal and the 2024 earnings distribution proposal as follows:

	Deficit compensation proposal	Earnings distribution proposal
	2025	2024
Legal reserve	($ 118,922)	$ 21,282
Special Reserve	$ -	($ 136,659)

The 2025 deficit compensation proposal is subject to approval by the shareholders at the annual shareholders' meeting scheduled to be held on June 11, 2026.

(4) Special Reserve

Upon the initial adoption of IFRS Accounting Standards, Phihong Technology Co., Ltd. transferred NT$10,968 thousand and NT$250,296 thousand of unrealized revaluation increments and cumulative translation adjustments, respectively, to retained earnings. As the increase in retained earnings arising from the initial adoption of IFRS Accounting Standards was insufficient for full appropriation, only NT$230,859 thousand of the increase in retained earnings resulting from the transition to IFRS Accounting Standards was appropriated as a special reserve.

(5) Others

1. Exchange differences on translating of the financial statements of foreign operating

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Beginning balance	($ 127,109)	$ 106,577
Exchange differences on translating of the financial statement of foreign operating	163,564	105,370
Ending balance	$ 36,455	$ 211,947

2. Unrealized Valuation Gain or Loss on Financial Assets at FVTOCI

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Beginning balance	($ 98,784)	($ 81,206)
Unrealized gain or loss on equity instruments at fair value through other comprehensive income	10,179	(9,385)
Ending balance	($ 88,605)	($ 90,591)

24. Revenue

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Revenue from customer contracts		
Sales of goods	$ 2,095,359	$ 2,258,105
Other operating revenue	-	155
	$ 2,095,359	$ 2,258,260

Contract Balances

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Contract Assets			
Contract assets - current	$ 7,014	$ 7,529	$ 4,841
Contract Liabilities			
Contract liabilities - current			
Sales of goods (Note 31)	$ 195,516	$ 200,986	$ 208,380
Contract liabilities - non-current			
Extended warranty services	$ 78,333	$ 81,095	$ 90,436

25. Net Profit (Loss) from Continuing Operations

(1) Interest income

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Bank deposit	$ 22,449	$ 27,813

(2) Other income

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Sample income	$ -	$ 26
Dividend income	-	5,700
Rental income	18,448	19,148
Others	4,804	10,388
	$ 23,252	$ 35,262

(3) Other gains and (losses)

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Net foreign exchange (loss) gain	($ 13,456)	$ 35,874
Proceeds from sale of non-current assets held for sale		41,226
Loss on the disposal of property, plant, and equipment	(71)	-
Gain (loss) on lease modifications	172	(168)
Others	(6,948)	(3,292)
	($ 20,303)	$ 73,640

(4) Depreciation and amortization

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Property, plant and equipment	$ 75,719	$ 80,768
Right-of-use assets	11,472	14,643
Investment property	2,917	3,348
Computer software	4,904	5,148
	$ 95,012	$ 103,907
Depreciation expense is aggregated by function		
Operating cost	$ 51,740	$ 45,096
Operating expense	38,368	53,663
	$ 90,108	$ 98,759
Amortization expense is aggregated by function		
Operating cost	$ 672	$ 839
Operating expense	4,232	4,309
	$ 4,904	$ 5,148

(5) Financial costs

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Interest on bank loans	$ 4,419	$ 11,312
Interest on bonds payable	2,575	2,646
Interest on lease liabilities	1,019	983
Other financial costs	281	1,953
	$ 8,294	$ 16,894

(6) Employee benefits expenses

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Short-term employee benefits	$ 663,095	$ 693,819
Post-employment benefits (Note 22)		
Defined contribution plan	29,841	31,142
Defined benefit plan	53	70
Total employee benefits expenses	$ 692,989	$ 725,031

Aggregated by function		
Operating cost	$ 282,709	$ 298,067
Operating expense	410,280	426,964
	$ 692,989	$ 725,031

(7) Compensation to Employees and Directors

Phihong appropriates compensation to employees and compensation to directors at rates of no less than 10% and no more than 2%, respectively, of profit before income tax prior to the deduction of compensation to employees and directors for the current year. For the three months ended March 31, 2026 and 2025, the Company incurred losses; therefore, no compensation to employees or directors was accrued.

If there is any change in the amounts after the annual consolidated financial statements are authorized for issue, the differences shall be accounted for as changes in accounting estimates and adjusted in the following year.

As the Company incurred losses in 2025, no compensation to employees or directors was accrued. The compensation to employees and directors for 2024 was resolved by the Board of Directors on March 11, 2025 as follows:

Amount

	2024
	Cash
Employee compensation	$ 22,840
Director compensation	4,568

For information regarding the compensation to employees and directors resolved by the Board of Directors of Phihong Technology Co., Ltd. for 2025 and 2024, please refer to the Market Observation Post System of the Taiwan Stock Exchange.

(8) Gain or Loss on Foreign Currency Exchange

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Foreign exchange gains	$ 11,250	$ 68,902
Foreign exchange losses	(24,706)	(33,028)
Net gains (losses)	($ 13,456)	$ 35,874

26. Income Taxes from Continuing Operations

(1) Income tax expense recognized in profit or loss

The major components of income tax expense are as follows:

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Current income tax		
Current period	$ 16,060	$ 13,166
Prior years	19,902	(1,746)
Others	2,486	494
	38,448	11,914
Deferred income tax		
Current period	(9,022)	(15,591)
Income tax expense (benefit) recognized in profit or loss	$ 29,426	($ 3,677)

(2) Status of income tax assessments

The Company's income tax returns through 2024 have been assessed by the tax authorities.

27. (Losses) Earning per Share

Unit: NT$ per share

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Basic Loss per Share	($ 0.34)	($ 0.33)

The net loss and weighted average number of ordinary shares outstanding used in the calculation of loss per share are as follows:

Net loss for the period

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Net loss used in the calculation of basic loss per share	($ 145,040)	($ 140,888)

Number of Shares

Unit: Thousand shares

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Weighted average number of ordinary shares used in the calculation of basic loss per share	427,471	431,208

For the three months ended March 31, 2026 and 2025, the Company incurred net losses; therefore, the inclusion of potential ordinary shares would have had an anti-dilutive effect. Accordingly, diluted loss per share was not calculated.

If the Company may elect to settle compensation to employees in shares or cash, the calculation of diluted earnings per share assumes that such compensation will be settled in shares, and the resulting potential ordinary shares are included in the weighted average number of shares outstanding when they have a dilutive effect. When calculating diluted earnings per share prior to the resolution regarding the number of shares to be distributed for employee compensation in the following year, the dilutive effect of such potential ordinary shares is also considered.

28. Government Grants

PHC received government grants related to energy-saving equipment. Such amounts were deducted from the carrying amount of the related assets and recognized in profit or loss over the useful lives of the assets through reductions in depreciation expense. For the three months ended March 31, 2026 and 2025, depreciation expense was reduced by NT$498 thousand and NT$538 thousand, respectively.

29. Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to continue as going concerns while maximizing returns to shareholders through the optimization of debt and equity balances. The overall strategy of the Group remains unchanged.

The capital structure of the Group consists of net debt (i.e., borrowings net of cash and cash equivalents) and equity attributable to owners of the Company (i.e., share capital, capital surplus, retained earnings and other equity items).

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

30. Financial Instruments

(1) Fair Value Information - Financial Instruments Measured at Fair Value

1. Fair value hierarchy

Mar. 31, 2026

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Fund beneficiary certificate	$ 3,200	$ -	$ -	$ 3,200
Financial assets at FVTOCI				
Equity instrument investments				
－Domestic unlisted (non-OTC) investments	$ -	$ -	$ 134,217	$ 134,217

Dec. 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Fund beneficiary certificate	$ 3,138	$ -	$ -	$ 3,138
Financial assets at FVTOCI				
Equity instrument investments				
－Domestic unlisted (non-OTC) investments	$ -	$ -	$ 124,038	$ 124,038

Mar. 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Equity instrument investments				
－Domestic unlisted (non-OTC) investments	$ -	$ -	$ 123,199	$ 123,199

There were no transfers between Level 1 and Level 2 fair value measurements for the three months ended March 31, 2026 and 2025.

2. Reconciliation of Financial Instruments Measured at Level 3 Fair Value

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Financial assets			
Beginning balance	$ 124,038	$ 134,368	$ 134,368
Recognized in other comprehensive income (unrealized valuation gain or loss on financial assets at FVOCI)	10,179	(17,578)	(9,385)
Additions	-	21,000	-
Capital reduction refund	-	(13,750)	(1,790)
Foreign currency translation differences	-	(2)	6
Ending balance	$ 134,217	$ 124,038	$ 123,199

(2) Categories of financial instruments

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025

Financial assets			
Measured at FVTPL -			
Mandatorily measured at FVTPL	$ 3,200	$ 3,138	$ -
Financial assets at amortized cost (Note 1)	5,643,488	6,177,585	8,662,601
Financial assets at FVTOCI			
Equity instrument investments	134,217	124,038	123,199
Financial liabilities			
Financial liabilities measured at amortized cost (Note 2)	3,808,938	4,361,422	6,095,176

Note 1: The balances include financial assets at amortized cost, such as cash and cash equivalents, financial assets at amortized cost, contract assets, trade receivables, trade receivables - related parties, other receivables and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, such as short-term borrowings, contract liabilities, trade payables, other payables, bonds payable, long-term borrowings and guarantee deposits received.

(3) Financial Risk Management Objectives and Policies

The Group's major financial instruments include cash and cash equivalents, financial assets at amortized cost, equity instrument investments, contract assets, notes receivable, trade receivables, other receivables, refundable (received) deposits, short-term borrowings, short-term notes and bills payable, contract liabilities, trade payables, trade payables - related parties, other payables, long-term borrowings, bonds payable and lease liabilities. The Group's financial management department provides services to each business unit, coordinates access to domestic and international financial markets, and monitors and manages the financial risks related to the operations of the Group through internal risk reports that analyze exposures based on the degree and extent of risk. Such risks include market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

1. Market risk

The Group's operating activities expose it primarily to financial risks arising from changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

(1) Foreign Exchange Risk

The Company and its subsidiaries engage in sales and purchase transactions denominated in foreign currencies, which expose the Group to exchange rate fluctuations. After assessing the positions of foreign currency-denominated assets and liabilities, the Group concluded that it is not exposed to significant foreign exchange risk and therefore has not adopted additional hedging arrangements. Accordingly, no related hedge accounting treatment is applied.

For the carrying amounts of the Group's monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date (including non-functional currency-denominated monetary items that have been eliminated in the consolidated financial statements), please refer to Note 34.

Sensitivity Analysis

The Group is mainly exposed to fluctuations in the exchange rates of the USD, RMB and VND.

The following table details the Group's sensitivity to a 1% increase or decrease in the exchange rate of the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items and adjusts their period-end translation by a 1% change in foreign currency exchange rates. A positive number in the table indicates the amount by which profit (loss) before tax would decrease (increase) when the New Taiwan dollar appreciates by 1% against the relevant currencies. Conversely, when the New Taiwan dollar depreciates by 1% against the relevant foreign currencies, the effect on profit (loss) before tax would be a negative amount of the same magnitude.

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
USD	$ 2,698	$ 26,628
RMB	196	(221)

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
VND	(301)	(376)

(2) Interest rate risk

The Group's interest rate risk primarily arises from short-term and long-term borrowings with fixed and floating interest rates, short-term notes and bills payable, bonds payable and lease liabilities, exposing the Group to fair value and cash flow interest rate risks.

The carrying amounts of the Group's financial liabilities exposed to interest rate risk as of the balance sheet date are as follows:

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Fair value interest rate risk			
－Financial liabilities	$ 273,770	$ 885,284	$ 1,524,039
Cash flow interest rate risk			
－Financial liabilities	852,384	256,100	1,667,250

Sensitivity Analysis

The following sensitivity analysis is determined based on the interest rate exposure of financial instruments as of the balance sheet date. For floating-rate liabilities, the analysis assumes that the amount of liabilities outstanding as of the balance sheet date was outstanding throughout the reporting period.

If interest rates had increased/decreased by 100 basis points, while all other variables were held constant, the Group's cash outflows for the three months ended March 31, 2026 and 2025 would have increased/decreased by NT$8,524 thousand and NT$16,672 thousand, respectively.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Group. As of the balance sheet date, the Group's maximum exposure to credit risk that could cause a financial loss due to counterparties' failure to perform obligations primarily arises from the carrying amounts of the financial assets recognized in the consolidated balance sheets.

The Group's policy is to transact only with reputable counterparties and, where necessary, obtain sufficient collateral to mitigate the risk of financial loss arising from defaults. The Group continuously monitors credit exposure and counterparties' credit ratings, distributes total transaction amounts among customers with qualified credit ratings, and controls credit exposure through counterparty credit limits reviewed and approved annually by designated personnel.

Trade receivables are due from a large number of customers across various industries and geographic regions. The Group continuously evaluates the financial condition of its customers with trade receivables and, when necessary, purchases credit guarantee insurance contracts.

3. Liquidity risk

The Group manages and maintains sufficient levels of cash and cash equivalents to support Group operations and mitigate the impact of fluctuations in cash flows. Management of the Group monitors the utilization of bank financing facilities and ensures compliance with the terms of borrowing agreements.

Bank borrowings are an important source of liquidity for the Group. As of March 31, 2026 and 2025, the Group's unused financing facilities are described in (2) Financing Facilities below.

(1) Liquidity and interest rate risk of non-derivative financial liabilities

The maturity analysis of the remaining non-derivative financial liability contracts is based on the undiscounted cash flows (including principal and estimated interest) of the financial liability based on the earliest possible date the Group may be required to repay the loan. Therefore, bank loans that the Group may be required to repay immediately are listed in the table below for the earliest period, without considering the probability that the bank will immediately enforce the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

Mar. 31, 2026

	Within 1 year	1 to 3 years	More than 3 years	Total
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 2,756,259	$ -	$ -	$ 2,756,259
Lease liabilities	36,300	29,393	7,782	73,475
Floating-rate instruments	14,867	740,884	96,633	852,384
Fixed-rate instruments	200,295	-	-	200,295
	$ 3,007,721	$ 770,277	$ 104,415	$ 3,882,413

Further information regarding the maturity analysis of lease liabilities is as follows:

	less than 1 year	1-5 years	5-10 years
Lease liabilities	$ 36,300	$ 34,767	$ 2,408

Dec. 31, 2025

	Within 1 year	1 to 3 years	More than 3 years	Total
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 3,305,064	$ -	$ -	$ 3,305,064
Lease liabilities	38,930	45,930	166	85,026
Floating-rate instruments	114,867	44,600	96,633	256,100
Fixed-rate instruments	800,258	-	-	800,258
	$ 4,259,119	$ 90,530	$ 96,799	$ 4,446,448

Further information regarding the maturity analysis of lease liabilities is as follows:

	less than 1 year	1-5 years	5-10 years
Lease liabilities	$ 38,930	$ 43,101	$ 2,995

Mar. 31, 2025

	Within 1 year	1 to 3 years	More than 3 years	Total
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 2,903,889	$ -	$ -	$ 2,903,889
Lease liabilities	42,302	58,198	9,659	110,159
Floating-rate instruments	164,867	44,600	1,457,783	1,667,250
Fixed-rate instruments	1,413,880	-	-	1,413,880
	$ 4,524,938	$ 102,798	$ 1,467,442	$ 6,095,178

Further information regarding the maturity analysis of lease liabilities is as follows:

	less than 1 year	1-5 years	5-10 years
Lease liabilities	$ 42,302	$ 63,134	$ 4,723

(2) Financing facilities

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Unsecured bank loan amounts			
－Amount used	$ 200,295	$ 200,355	$ 1,609,965
－Amount unused	4,857,205	4,319,020	5,698,635
	$ 5,057,500	$ 4,519,375	$ 7,308,600
Secured bank overdraft facilities			
－Amount used	$ 852,384	$ 156,100	$ 771,567
－Amount unused	2,433,985	2,396,873	1,827,472
	$ 3,286,369	$ 2,552,973	$ 2,599,039

31. Related Party Transactions

(1) Names of related parties and their relationships

Name of Related Party	Relationship with the Group
TCC Energy Storage Technology Corporation	Substantive related party (before August 2025)
Spring City Resort Co., Ltd.	Shares the same chairman as Phihong Technology Co., Ltd.
EVSE Solutions (hereinafter referred to as EVSE)	Substantive related party
FREE 2 MOVE ESOLUTIONS NORTH AMERICA LCC (hereinafter referred to as F2M)	Substantive related party (before June 2025)

TCC Energy Storage (Dutch) Holdings B.V.(hereinafter referred to as TCCE)	Substantive related party (before August 2025)
LIN, CHUNG-MIN	Chairman of Phihong Technology Co., Ltd.
LIN, KUAN-HUNG	Substantive related party (appointed President of Phihong Technology in January 2025)
LIN, HSIN-YI	Substantive related party
WU, PEI-CHI	Substantive related party
HUANG, TZU-KUAN	Substantive related party

Transactions, account balances, income and expenses between the Company and its subsidiaries (which are related parties of the Company) have been eliminated in full upon consolidation and are therefore not disclosed in this note. Transactions between the Group and other related parties are as follows.

(2) Operating Transactions

Accounted items	Related party name	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Operating revenue	F2M	$ -	$ 393
	EVSE	14,876	9,305
	TCC Energy Storage Technology Corporation	-	(11)
		$ 14,876	$ 9,687

The sales prices and transaction terms for sales to related parties by the Group are handled in accordance with contractual agreements.

The purchase prices for purchases from related parties by the Group are determined based on factors such as product type, reference costs, market prices and market competition, and are not significantly different from those of ordinary vendors.

(3) Contract liabilities

Related party name	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
F2M	$ -	$ 10,942	$ 503
EVSE	12,406	-	2,531
	$ 12,406	$ 10,942	$ 3,034

(4) Receivables from related parties

Accounted items	Related party name	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Trade receivables	TCC Energy Storage Technology Corporation	$ -	$ -	$ 1
	TCCE	-	-	3,819
		$ -	$ -	$ 3,820

(5) Operating Expenses

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Substantive related party	$ 9,471	$ 3,046

(6) Compensation to Key Management Personnel

Total compensation to directors and other key management personnel was as follows:

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Short-term employee benefits	$ 41,758	$ 36,323
Post-employment benefits	131	178
	$ 41,889	$ 36,501

The compensation of directors and other key management personnel is determined by the Remuneration Committee based on individual performance and market trends.

(7) Other Related Party Transactions

LIN, CHUNG-MIN, the Chairman of Phihong Technology Co., Ltd., acted as a joint guarantor for the Company's bonds payable and short-term and long-term borrowings. As of March 31, 2026, December 31, 2025 and March 31, 2025, the guaranteed borrowing amounts were NT$952,883 thousand, NT$888,100 thousand and NT$2,339,250 thousand, respectively.

32. Pledged Assets

The following assets of the Group have been pledged as project performance guarantee deposits, collateral for bank borrowings and collateral for guaranteed domestic corporate bonds:

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Land	$ 463,345	$ 463,339	$ 463,345
Right-of-use assets - land use rights	19,517	18,992	20,094
Buildings and structures	376,692	379,506	371,388
Investment property	-	-	35,528
	$ 859,554	$ 861,837	$ 890,355

33. Significant Contingent Liabilities and Unrecognized Commitments

In addition to those disclosed in other notes, the Group had the following significant commitments and contingent liabilities as of the balance sheet date:

(1) In accordance with customs regulations, the Group obtained guarantee letters issued by banks to customs authorities as customs duty guarantee deposits for imported goods released prior to tax payment, as follows:

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Guarantee letters issued by banks	$ 4,500	$ 4,500	$ 5,000

(2) Due to the signing of construction contracts for self-owned land development projects, the Group had the following unrecognized contractual commitments:

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Acquisition of property, plant and equipment			
Contracted amount	$ 3,145,187	$ 3,114,963	$ 2,850,378
Unpaid amount	457,219	460,213	633,836

34. Information on Significant Foreign Currency Assets and Liabilities

The following information is presented in aggregate for foreign currencies other than the functional currencies of the individual entities within the Group. The exchange rates disclosed represent the rates at which such foreign currencies were translated into the respective functional currencies.

Mar. 31, 2026

Unit: In thousands of foreign currencies / NT$ thousand

	Foreign Currency	Exchange Rate	NTD
Financial Assets			
Monetary Items			
USD	$ 36,753	32	$ 1,176,094
RMB	20,318	4.62274	93,927
VND	11,810,716	0.00122	14,409
Financial Liabilities			
Monetary Items			
USD	28,321	32	906,265
RMB	16,069	4.62274	74,285
VND	36,446,258	0.00122	44,464

Dec. 31, 2025

Unit: In thousands of foreign currencies / NT$ thousand

	Foreign Currency	Exchange Rate	NTD
Financial Assets			
Monetary Items			
USD	$ 61,201	31.3750	$ 1,920,177
RMB	10,132	4.45997	45,189
VND	27,765,364	0.00120	33,319
Financial Liabilities			
Monetary Items			
USD	28,685	31.3750	899,978
RMB	38,360	4.45997	171,084
VND	43,648,694	0.00120	52,378

Mar. 31, 2025

Unit: In thousands of foreign currencies / NT$ thousand

	Foreign Currency	Exchange Rate	NTD
Financial Assets			
Monetary Items			
USD	$ 105,630	33.10000	$ 3,496,367
RMB	19,608	4.61311	90,452
VND	3,984,224	0.00129	5,140
Financial Liabilities			
Monetary Items			
USD	25,183	33.10000	833,567
RMB	24,402	4.61311	112,567
VND	33,137,093	0.00129	42,747

35. Additional Disclosures

(1) Material transactions and (2) Information about Investment Business

1. Lending to others: (Table 1).
2. Endorsement and guarantee for others: (Table 2).
3. Significant marketable securities held at the end of the period (excluding investments in subsidiaries and associates) (Table 3).
4. The amount of purchase or sale of goods with related parties reaches NT$100 million or 20% of the paid-in capital: (Table 4)
5. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: (Table 5).
6. Other: Inter-parent-subsidiary and inter-subsidiary business relationships and important Conditions of Transactions and Amounts: (Table 6).
7. Names, locations, and related information of investees over which Phihong Technology exercises significant influence: (Table 7).

(3) Information on investment in mainland China

1. Name of the Investee Company, Main businesses, paid-in capital, investment method, capital remittance, shareholding ratio, investment gain or loss, ending investment Carrying amount, remitted investment gain or loss, and investment limit in Mainland China. (Table 8)
2. Significant direct or indirect transactions with the investee company in Mainland China through third parties, and their prices, payment terms, and unrealized gains or losses: (Table 9)
   (1) The amount and percentage of incoming amounts and the related ending balance and percentage of payables.
   (2) The amount and percentage of sales and the related receivables of the ending balance and percentage.
   (3) The amount of property transactions and the resulting gain or loss.
   (4) Ending balance of a note endorsement guarantee or provision of collateral and its purpose.
   (5) The maximum balance, ending balance, interest rate range and total current interest amount of the financial instrument.
   (6) Other transactions that have a significant effect on the profit or loss or financial position of the Company, such as the provision or receipt of labor services.

36. Operating Segments Information

(1) Basic Information of Operating Segments

1. Classification of Operating Segments

The reportable segments of the Group are as follows:

(1) Power Supply Products Segment: Primarily responsible for the research and development, design, manufacture, sale and after-sales services of power supply products.

(2) EV Energy Products Segment: Primarily responsible for the research and development, design, manufacture, sale and after-sales services of EV energy products.

2. Measurement Principles for Segment Profit or Loss

The accounting policies of each operating segment are the same as the significant accounting policies described in Note 4. The operating results of the Group's segments are measured based on operating profit or loss controllable by segment managers and are used as the basis for management performance evaluation.

(2) Segment revenue and operating results

The revenue and operating results of the Group's operating segments for the three months ended March 31, 2026 and 2025 were as follows:

	Power Supply Products Segment	EV Energy Products Segment	Others	Adjustments and Eliminations	Total
For the Three Months Ended March 31, 2026					
Revenue from external customers	$ 1,423,349	$ 707,869	$ -	($ 35,859)	$ 2,095,359
Segment profit or loss	($ 97,114)	($ 38,588)	($ 431)	$ -	($ 136,133)
Interest income					22,449
Other income					23,252
Other gains and losses					(20,303)
Financial costs					(8,294)
Shares of profit or loss of associates accounted for using the equity method					3,415
Net loss before income tax					($ 115,614)
For the Three Months Ended March 31, 2025					
Revenue from external customers	$ 1,596,202	$ 715,394	$ 442	($ 53,778)	$ 2,258,260
Segment profit or loss	($ 128,363)	($ 134,136)	$ 219	$ -	($ 262,280)
Interest income					27,813
Other income					35,262
Other gains and losses					73,640
Financial costs					(16,894)
Shares of profit or loss of associates accounted for using the equity method					(2,106)
Net loss before income tax					($ 144,565)

Phihong Technology Co., Ltd. and Subsidiaries

Financings Provided

For the Three Months Ended March 31, 2026

Table 1

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

No. (Note 1)	Lending Company	Lending Target	Transaction Item	Whether a Related Party	Maximum Balance for the Period	Ending Balance	Actual Disbursement Amount	Interest Rate Range	Nature of Funds Lending (Note 2)	Transaction Amount for Business Activities	Reason for the Necessity of Short-term Financing	Provision for Doubtful Debts Amount	Collateral		Lending Limit to Individual Targets (Note 3 & 4)	Total Lending Limit (Note 3 & 4)	Note
													Name	Value			
0	PHT	ZSH	Other receivables from related parties	Yes	$ 960,000 USD 30,000,000	$ 480,000 USD 15,000,000	$ -	4.45%~4.619%	2	$ -	Working capital allocation among group companies.	$ -	-		$ 1,800,155	$ 3,600,311	
0	PHT	ZCM	〃	〃	240,000 USD 7,500,000	80,000 USD 2,500,000	-	4.45%~4.619%	〃	-	〃	-	-		1,800,155	3,600,311	
0	PHT	ZAS	〃	〃	320,000 USD 10,000,000	160,000 USD 5,000,000	-	4.45%~4.619%	〃	-	〃	-	-		1,800,155	3,600,311	
0	PHT	ZNS	〃	〃	320,000 USD 10,000,000	160,000 USD 5,000,000	-	4.45%~4.619%	〃	-	〃	-	-		1,800,155	3,600,311	
0	PHT	ZJS	〃	〃	320,000 USD 10,000,000	160,000 USD 5,000,000	-	4.45%~4.619%	〃	-	〃	-	-		1,800,155	3,600,311	
0	PHT	PHJ	〃	〃	100,295 JPY 500,000,000	100,295 JPY 500,000,000	-	2.20%	〃	-	〃	-	-		1,800,155	3,600,311	
1	PHZ	PHP	〃	〃	1,040,117 RMB 225,000,000	1,040,117 RMB 225,000,000	924,548	3.50%	〃	-	〃	-	-		1,806,036	1,806,036	
1	PHZ	PHC	〃	〃	115,569 RMB 25,000,000	115,569 RMB 25,000,000	-	3.50%	〃	-	〃	-	-		1,806,036	1,806,036	
2	ZSH	ZAS	〃	〃	640,000 USD 20,000,000	320,000 USD 10,000,000	80,000	4.95469%~ 4.96%	〃	-	〃	-	-		4,016,015	4,016,015	
2	ZSH	ZNS	〃	〃	640,000 USD 20,000,000	320,000 USD 10,000,000	-	4.95469%~ 4.96%	〃	-	〃	-	-		4,016,015	4,016,015	
2	ZSH	ZJS	〃	〃	640,000 USD 20,000,000	320,000 USD 10,000,000	-	4.95469%~ 4.96%	〃	-	〃	-	-		4,016,015	4,016,015	

Note 1: Information regarding loans of funds provided by the Company and subsidiaries to others shall be separately disclosed in two tables, and the numbering method for the reference number column is as follows:

1. The Company is numbered “0”.
2. Subsidiaries are sequentially numbered starting from “1” in Arabic numerals according to each company.

Note 2: The nature of financing provided is described as follows:

1. Parties having business transactions with the Company.
2. Parties having a need for short-term financing.

Note31: In accordance with the Company’s Procedures for Lending Funds to Others, the aggregate amount of loans provided by the Company to others shall not exceed 40% of the Company’s net worth as stated in the most recent financial statements audited or reviewed by independent auditors. The limits for each borrower are separately prescribed according to the reasons for the loan as follows:

1. For parties having business transactions with the Company, the amount of each loan shall not exceed the higher of the Company’s purchase or sales amount with such party for the most recent fiscal year or from the current fiscal year up to the time the loan is provided.
2. For parties requiring short-term financing, the amount of each loan shall not exceed 20% of the Company’s net worth as stated in the most recent financial statements audited or reviewed by independent auditors.

Note 4: In accordance with the Group subsidiaries’ Procedures for Lending Funds to Others, the aggregate amount of loans provided among subsidiaries shall not exceed 150% of the subsidiary’s net worth as stated in its most recent financial statements.

Phihong Technology Co., Ltd. and Subsidiaries

Endorsements/Guarantees Provided

For the Three Months Ended March 31, 2026

Table 2

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

No. (Note 1)	Endorsing Company Name	Endorsed Target		Endorsement and Guarantee Limit for a Single Enterprise (Note 2 & 3)	Maximum Balance of Endorsement and Guarantee for the Period	Ending Balance of Endorsement and Guarantee	Actual Disbursement Amount	Amount of Endorsement and Guarantee Secured by Property	Cumulative Amount of Endorsement and Guarantees as a Percentage of the Net Value in the Most Recent Financial Statement (%)	Maximum Limit of Endorsement and Guarantee (Note 2 & 3)	Endorsement and Guarantees from the Parent Company to Subsidiaries	Endorsement and Guarantees from Subsidiaries to the Parent Company	Endorsement and Guarantees Related to Mainland China	Note
		Company Name	Relationship											
0	Phihong	PHV	Subsidiary of the Company	$ 6,750,583	$ 480,000 USD 15,000,000	$ 480,000 USD 15,000,000	$ -	$ -	5.33	$ 9,000,779	Y	N	N	Note 6
0	〃	ZTM	〃	6,750,583	1,600,000	1,000,000	- USD -	-	11.11	9,000,779	Y	N	N	Note 4
0	〃	ZSH	〃	6,750,583	1,440,000 USD 45,000,000	1,440,000 USD 45,000,000	- USD -	-	16.00	9,000,779	Y	N	N	Note 5
0	〃	PHJ	〃	6,750,583	150,443 JPY 750,000,000	150,443 JPY 750,000,000	100,295 JPY 500,000,000	-	1.67	9,000,779	Y	N	N	Note 7

Note 1: Information regarding endorsements/guarantees provided by the Company and subsidiaries shall be separately disclosed in two tables, and the numbering method for the reference number column is as follows:

1. The Company is numbered “0”.
2. Subsidiaries are sequentially numbered starting from “1” in Arabic numerals according to each company.

Note 2: In accordance with the Company’s Procedures for Endorsements and Guarantees, the aggregate amount of endorsements and guarantees provided by the Company to others shall not exceed 100% of the net worth shown in the most recent financial statements. The endorsement and guarantee limit for any single enterprise shall not exceed 75% of the net worth shown in the most recent financial statements.

Note 3: In accordance with the Group subsidiaries’ Procedures for Endorsements and Guarantees, the aggregate amount of endorsements and guarantees provided among subsidiaries shall not exceed the net worth shown in the most recent financial statements.

Note 4: As approved by the Board of Directors on June 26, 2023, Phihong Technology Co., Ltd. provided an endorsement and guarantee for subsidiary ZTM in the amount of NT$1 billion.

Note 5: As approved by the Board of Directors on June 26, 2023, Phihong Technology Co., Ltd. provided an endorsement and guarantee for subsidiary ZSH in the amount of USD45 million.

Note 6: As approved by the Board of Directors on August 12, 2025, Phihong Technology Co., Ltd. provided an endorsement and guarantee for subsidiary PHV in the amount of USD15 million.

Note 7: As approved by the Board of Directors on November 7, 2025, Phihong Technology Co., Ltd. provided an endorsement and guarantee for subsidiary PHJ in the amount of JPY750 million.

Phihong Technology Co., Ltd. and Subsidiaries

Marketable Securities Held

Mar. 31, 2026

Table 3

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

Holding Company	Type and Name of Marketable Securities	Relationship with Issuers of Marketable Securities	Accounted Item	Ending Balance				Note
				Shares/Units	Carrying Amount	Shareholding Ratio (%)	Fair Value/ Net Value	
Phihong	Shares							
	Baoden Venture Capital Co., Ltd.	None	Financial assets at FVTOCI – non-current	229,980	$ 2,587	10.49	$ 2,587	Note 3
	Zhong Xuan Venture Capital Co., Ltd.	〃	〃	1,926,833	9,331	8.62	9,331	
	BMC Venture Capital Investment Corporation	〃	〃	4,504,033	51,521	9.84	51,521	
	RFIC TECHNOLOGY CORPORATION	〃	〃	1,000,000	2,443	3.50	2,443	
	BMD Venture Capital Investment Corporation	〃	〃	6,300,000	66,456	9.31	66,456	
Guang Lai	Shares							
	TC-1 Culture Fund	None	Financial assets at FVTOCI – non-current	3,000,000	1,789	10.83	1,789	
PHJ	Shares							
	ENECHANGE EV ラボ株式会社	None	Financial assets at FVTOCI – non-current	45	90	1.55	90	
PHA	Fund							
	Andra Capital Fund LP- xAI Series C	None	Financial assets at FVTPL - current	-	3,200	-	3,200	

Note 1: The marketable securities referred to in this table mean shares, bonds, beneficiary certificates and marketable securities derived from the foregoing items that fall within the scope of IFRS 9 “Financial Instruments.”

Note 2: For information relating to investments in subsidiaries and associates, please refer to Tables 7 and 8.

Note 3: The company dissolution registration with the Ministry of Economic Affairs was completed on December 10, 2025, and liquidation procedures are currently being carried out in accordance with the law.

Phihong Technology Co., Ltd. and Subsidiaries

Transactions with Related Parties Reaching NT$100 million or More, or 20% of the Paid-in Capital

For the Three Months Ended March 31, 2026

Table 4

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

Purchasing (Selling) Company	Transaction Counterparty Name	Relationship	Transaction Details				Conditions Differing from Ordinary Transactions and Reasons		Notes, Trade Receivables (Payable)		Note
			Purchasing (Selling)	Amount	Ratio to Total Purchases (Sales)	Credit Period	Unit Price	Credit Period	Balance	Ratio to Total Receivables (Payables)	
Phihong	PHA	Subsidiary of the Company	Sales	($ 350,402)	(29.64)	As agreed upon by both parties	-	—	$ 51,717	7.11	
〃	PHC	〃	Purchases	406,169	33.83	〃	-	—	(110,710)	(6.87)	
〃	PHP	〃	〃	197,750	16.47	〃	-	—	(111,689)	(6.93)	
〃	PHV	〃	〃	596,750	49.70	〃	-	—	(373,753)	(23.20)	
PHA	Phihong	Parent company of the entity	〃	350,402	98.51	〃	-	—	(56,826)	(89.70)	
PHC	〃	〃	Sales	(406,169)	(99.10)	〃	-	—	110,469	100.00	
PHP	〃	〃	〃	(197,750)	(60.03)	〃	-	—	111,689	49.58	
PHV	〃	〃	〃	(596,750)	(93.29)	〃	-	—	373,508	93.90	
ZTM	ZSH	Same ultimate parent company	〃	(132,688)	(48.64)	〃	-	—	97,080	42.31	
ZSH	ZAS	〃	〃	(181,938)	(61.03)	〃	-	—	345,825	65.78	
〃	ZTM	〃	Purchases	45,530	20.11	〃	-	—	(44,536)	(13.79)	
ZAS	ZSH	〃	〃	181,938	95.00	〃	-	—	(345,825)	(95.85)	

Phihong Technology Co., Ltd. and Subsidiaries

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

Mar. 31, 2026

Table 5

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

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Phihong	PHC	Subsidiary of the Company	Other receivables $ 164,965	-	-	—	$ 95,988	$ -
〃	PHV	〃	Other receivables 731,229	-	-	—	193,445	-
PHZ	PHP	Sister company	Other receivables 951,795	-	-	—	-	-
PHC	Phihong	Parent company of the entity	Trade receivables 110,469	3.71	-	—	52,931	-
PHP	Phihong	〃	Trade receivables 111,689	1.78	-	—	32,246	-
PHV	Phihong	Parent company of the entity	Trade receivables 373,508	1.86	-	—	217,601	-
ZSH	ZAS	Same ultimate parent company	Trade receivables 345,825	2.57	-	—	161,816	-
								-

Phihong Technology Co., Ltd. and Subsidiaries

The business relationship between the parent and the subsidiaries and significant transactions between them

For the Three Months Ended March 31, 2026

Table 6

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

No. (Note 1)	Transaction Entity Name	Transaction Counterparty	Relationship with the Transaction Entity (Note 2)	Transaction Details			
				Account Items	Amount	Transaction Conditions	Ratio to the Consolidated Total Revenue or Total Assets (Note 3)
0	PHT	PHA	1	Sales revenue	$ 350,402	As agreed upon by both parties	17%
〃	〃	PHJ	〃	〃	89,030	〃	4%
〃	〃	PHV	〃	〃	31,022	〃	1%
〃	〃	PHC	〃	Purchases	406,169	No significant difference compared with general vendors	19%
〃	〃	PHP	〃	〃	197,750	〃	9%
〃	〃	PHV	〃	〃	596,750	〃	28%
〃	〃	PHC	〃	Other receivables	164,965	As agreed upon by both parties	1%
〃	〃	PHV	〃	〃	731,229	〃	5%
〃	〃	PHC	〃	Trade payable	110,710	〃	1%
〃	〃	PHP	〃	〃	111,689	〃	1%
〃	〃	PHV	〃	〃	373,753	〃	3%
1	PHC	PHT	2	Sales revenue	406,169	〃	19%
〃	〃	〃	〃	Trade receivables	110,469	〃	1%
2	PHP	〃	〃	Sales revenue	197,750	〃	9%
〃	〃	〃	〃	Trade receivables	111,689	〃	1%
3	PHV	〃	〃	Trade receivables	373,508	〃	3%
〃	〃	〃	〃	Sales revenue	596,750	〃	28%
4	PHZ	PHP	3	Other receivables	951,795	〃	7%
5	PHSY	PHC	〃	Sales revenue	11,722	〃	1%
6	PHE	PHV	〃	〃	18,104	〃	1%
7	ZTM	ZSH	〃	Service revenue	87,158	〃	4%
〃	〃	〃	〃	Sales revenue	45,530	〃	2%
〃	〃	PHV	〃	〃	14,572	〃	1%
〃	〃	ZSH	〃	Trade receivables	97,080	〃	1%

(Continue on the next page)

(Continued from the previous page)

No. (Note 1)	Transaction Entity Name	Transaction Counterparty	Relationship with the Transaction Entity (Note 2)	Transaction Details			
				Account Items	Amount	Transaction Conditions	Ratio to the Consolidated Total Revenue or Total Assets (Note 3)
8	ZCM	ZCT	〃	Sales revenue	$ 17,770	As agreed upon by both parties	1%
〃	〃	ZSH	〃	〃	53,935	〃	3%
9	ZCT	〃	〃	Sales revenue	12,592	〃	1%
10	ZNS	〃	〃	Service revenue	14,184	〃	1%
11	ZSH	ZAS	〃	Sales revenue	181,938	〃	9%
〃	〃	ZNS	〃	〃	25,651	〃	1%
〃	〃	ZJS	〃	〃	38,673	〃	2%
〃	〃	ZAS	〃	Trade receivables	345,825	〃	3%
〃	〃	ZJS	〃	〃	86,631	〃	1%
〃	〃	ZAS	〃	Other receivables	80,182	〃	1%

Note 1: Information regarding business transactions between the parent company and subsidiaries shall be separately indicated in the reference number column. The numbering method is as follows:

1. The parent company is numbered “0”.
2. Subsidiaries are sequentially numbered starting from “1” in Arabic numerals according to each company.

Note 2: The relationships with counterparties fall into the following three categories. Only the category type needs to be indicated:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The calculation of the ratio of transaction amounts to consolidated total revenue or total assets is based on the following: for balance sheet accounts, the ending balance is calculated as a percentage of consolidated total assets; for income statement accounts, the cumulative interim amount is calculated as a percentage of consolidated total revenue.

Phihong Technology Co., Ltd. and Subsidiaries

Names, locations, and related information of investees over which Phihong Technology exercises significant influence

For the Three Months Ended March 31, 2026

Table 7

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2026			Net Income (Losses) of the Investee	Share of Profits (Losses) of Investee	Note
				March 31, 2026	December 31, 2025	Shares	Percentage of Ownership	Carrying Value			
Phihong	PHI	British Virgin Islands	Make Investments	$ 3,067,556	$ 3,067,556	98,059,683	100	$ 2,679,890	($ 35,180)	($ 34,443)	
	PHA	United States	Sale of power supply products	207,203	207,203	3,100,000	100	1,285,378	5,871	5,871	
	PHK	British Virgin Islands	Make Investments	554,154	554,154	18,840,000	100	(674,029)	(48,567)	(46,474)	
	PHQ	British Virgin Islands	Make Investments	352,043	352,043	12,012,600	100	55,096	(11,553)	(10,653)	
	Guang Lai	Taiwan	Make Investments	139,758	139,758	13,975,828	100	140,554	3,875	3,875	
	PHJ	Japan	Sale of power supply components	295,181 JPY 500,000,000	295,181 JPY 500,000,000	25,000	100	211,862	(14,087)	(14,083)	
	PHV	Vietnam	Manufacture and sale of power supplies	1,906,713 USD 65,000,000	1,906,713 USD 65,000,000	65,000,000	100	1,820,737	5,826	5,891	
	ZKH	Cayman Islands	Make Investments	2,083,650 USD 69,927,260	2,083,650 USD 69,927,260	699,272,603	100	2,579,291	(35,726)	(20,772)	
Guang Lai	Han Yu Venture Capital Co., Ltd.	Taiwan	Make Investments	100,000	100,000	8,000,000	22.22	88,579	15,368	3,415	
ZKH	ZSH	Singapore	Sale of electrical equipment	2,117,995 USD 65,872,408	2,117,995 USD 65,872,408	67,649,888	100	2,585,988	(45,245)	(43,566)	
ZSH	ZJS	Japan	Sale of electrical equipment and provision of electric vehicle charging solutions	16,848 JPY 80,000,000	16,848 JPY 80,000,000	8,000	100	9,865	(11,170)	(11,170)	
	ZAH	United States	Make Investments	95,482 USD 3,050,000	95,482 USD 3,050,000	3,050,000	100	322,243	28,542	28,542	
	ZTM	Taiwan	Manufacture and sale of electrical equipment and provision of electric vehicle charging solutions	624,343	624,343	60,000,000	100	1,153,372	(21,327)	(21,327)	
	ZNS	Netherlands	Sale of electrical equipment and provision of electric vehicle charging solutions	104,056 EUR 3,000,000	104,056 EUR 3,000,000	100	100	83,610	(14,022)	(14,022)	
	ZBS	United Kingdom	Sale of electrical equipment and provision of electric vehicle charging solutions	-	-	-	-	-	-	-	Note 2
ZAH	ZAS	United States	Sale of electrical equipment and provision of electric vehicle charging solutions	95,150 USD 3,000,000	95,150 USD 3,000,000	3,000,000	100	321,174	28,553	28,553	

Note 1: For information relating to investee companies in Mainland China, please refer to Table 8.

Note 2: ZBS was incorporated and registered in March 2026, and the capital injection has not yet been completed.

Phihong Technology Co., Ltd. and Subsidiaries

Information on Investment in Mainland China

For the Three Months Ended March 31, 2026

Table 8

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

1. Name of the invested company in Mainland China, main business items, actual paid-in capital, method of investment, capital inflow and outflow, shareholding ratio, investment gain and loss, book value of investment, and repatriation of investment gain and loss:

Name of the Invested Company in Mainland China	Main Business Items	Actual Paid-in Capital	Method of Investment	Cumulative Investment Amount Remitted from Taiwan at the Beginning of the Period	Amount Invested or Repatriated During the Period		Cumulative Investment Amount Remitted from Taiwan at the End of the Period	Current Period Profit or Loss of the Invested Company	Direct or Indirect Shareholding Percentage of the Company	Investment Gain or Loss Recognized in the Current Period (Note 4)	Book Value of Investment at the End of the Period	Investment Earnings Repatriated to Taiwan up to the Current Period	Note
					Remitted	Repatriated							
PHC	Manufacture and sale of power supplies	$ 1,988,018 HKD 495,450,000	Reinvestment in Mainland China companies through PHI	$ 1,677,679 HKD 419,000,000	$ -	$ -	$ 1,677,679 HKD 419,000,000	($ 39,583)	100	($ 39,583)	$ 1,464,992	$ -	
PHZ	Manufacture and sale of power supplies	1,097,139 USD 31,960,000	〃	955,407 USD 27,598,332	-	-	955,407 USD 27,598,332	4,078	100	4,078	1,204,024	-	
PHP	Manufacture and sale of power supplies	604,135 USD 20,140,000	Reinvestment in Mainland China companies through PHK	554,456 USD 18,640,000	-	-	554,456 USD 18,640,000	(48,618)	100	(48,618)	(669,803)	-	
PHSY	Manufacture and sale of electronic materials	39,678 HKD 9,000,000	Reinvestment in Mainland China companies through PHQ	39,678 HKD 9,000,000	-	-	39,678 HKD 9,000,000	(4,334)	100	(4,334)	64,124	-	
PHE	Manufacture and sale of electronic materials	451,339 USD 14,500,000	Reinvestment in Mainland China companies through PHZ and PHQ	360,124 USD 11,500,000	-	-	360,124 USD 11,500,000	(9,079)	100	(9,079)	(13,651)	-	
ZCM	Manufacture and sale of electrical equipment	275,162 USD 8,950,000	Reinvestment in Mainland China companies through ZSH	275,162 USD 8,950,000	-	-	275,162 USD 8,950,000	(22,288)	100	(22,288)	121,924	-	
ZCS	Sale of electrical equipment and provision of electric vehicle charging solutions	21,656 USD 670,000	〃	21,656 USD 670,000	-	-	21,656 USD 670,000	-	100	-	-	-	Note 4
ZCT	Sale of electrical equipment and provision of electric vehicle charging solutions	49,027 RMB 10,835,202	Reinvestment in Mainland China companies through ZCM	-	-	-	-	(1,051)	100	(1,051)	12,689	-	

Note 1: The basis for recognition of investment gain or loss is the financial statements audited by the Taiwan parent company's independent auditors.

Note 2: For amounts in this table involving foreign currencies, except for investment gain or loss recognized in the current period, which was translated and aggregated using the monthly weighted-average exchange rates for 2026, the NT dollar amounts were translated using the exchange rates on the original investment dates.

2. Investment quota to Mainland China:

Cumulative amount of investment from Taiwan to China at the end of the period	Investment Audit Committee of Ministry of Economic Affairs approves investment in Amount	Investment quota in Mainland China according to the Investment Commission of the Ministry of Economic Affairs
$ 4,360,828	$ 4,973,986	Note 3

Note 3: Pursuant to Article 3 of the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China," enterprises certified by the Ministry of Economic Affairs Industrial Development Bureau as meeting the scope of operational headquarters are not subject to investment limits. The Company obtained operational headquarters qualification on June 18, 2021 and is therefore not subject to investment limit restrictions.

Note 4: The cancellation of the investment was completed through filing with the Department of Investment Review, Ministry of Economic Affairs, in November 2025.

Phihong Technology Co., Ltd. and Subsidiaries

Significant direct or indirect transactions with the investee company in Mainland China through third parties, and their prices, payment terms, and unrealized gains or losses

For the Three Months Ended March 31, 2026

Table 9

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

Name of the Invested Company in Mainland China	Type of Transaction	Purchases and Sales		Price	Transaction Terms		Notes or Trade Receivables (Payable)		Unrealized Gains or Losses	Note
		Amount	%		Payment Terms	Comparison with General Transactions	Amount	%		
PHC	Purchases	$ 406,169	33.83%	As agreed upon by both parties	In accordance with mutual agreement	—	($ 110,710)	(6.87%)	$ -	
PHP	〃	197,750	16.47%	〃	〃	—	(111,689)	(6.93%)	-	