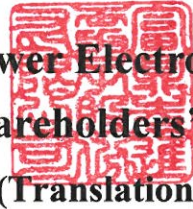




Advanced Power Electronics Co., Ltd.
2026 Annual Shareholders' Meeting Minutes
(Translation)



Type of Meeting : Physical Meeting

Time: 9:00 a.m., Thursday, May 27, 2026

Place: At Xizhi IFG U-Town, first go to 4F, Building D, then take the elevator to the 17th floor

(17-10F, No. 93, Section 1, Xintai 5th Road, Xizhi District, New Taipei City)

Attendants: All shareholders and their proxy holders, representing 75,463,757 shares, or 63.47% of the total 118,878,393 outstanding shares.

Directors Present: Future Technology Consulting, Inc. Representative: Fu-Chi Teng, the Vice Chairman of the Board of Directors, XSEMI Corporation
Representative: Chia-Shuai Chang, the Director and President.

Attendees: Chih-Feng Yu CPA, Deloitte & Touche and N.H. Hsu Attorney at Law, TSAI, LEE & CHEN

Chairperson: Fu-Chi Teng, the Vice Chairman of the Board of Directors

Minute Recorder: Wei-Hsiang Hung



A. Chairman announced commencement.

B. Chairman's Address (omitted)

C. Report Items

1. The 2025 Business Report ,please refer to Attachment I.
2. The 2025 Audit Committee Report ,please refer to Attachment II.
3. The Distribution of the 2025 Employees' Compensation Notes:

(1) Article 22 of the Company's Articles of Incorporation promulgate that if the Company has profits in a fiscal year, it shall distribute no less than 3% of net profits as Employees' Compensation. The Company should distribute no less than 5% of the employee compensation specified in the preceding item to non-executive employees.

(2) The Company's employees' compensation for 2025 was approved by resolution of the Board of Directors. The total amount appropriated was NT\$42,380,000, of

which no less than 5% was distributed to non-executive employees, and the amount was NT\$2,119,000. The entire amount will be distributed in cash.

4. The Distribution of the 2025 Directors' Compensation Notes:

- (1) Article 22 of the Company's Articles of Incorporation promulgate that if the Company has profits in a fiscal year, it shall distribute not more than 3% of net profits as Directors' Compensation.
- (2) The Company's directors' compensation for 2025 was approved by resolution of the Board of Directors. The total amount appropriated was NT\$23,868,349, and the entire amount will be distributed in cash.

5. The 2025 Related Party Transactions Report
Explanatory Notes:

- (1) According to Article 17 of the Company's Corporate Governance Best Practice Principles, all transactions shall follow fair and reasonable principles, and non-arm's length transactions shall be strictly prohibited.
- (2) The 2025 Related Party Transactions Report, please refer to Attachment III.

6. Revision to Ethical Corporate Management Best Practice Principles.

- (1) In order to implement a corporate culture of integrity and in response to relevant amendments to laws and regulations, the Board of Directors has approved the Ethical Corporate Management Best Practice Principles, which is hereby reported to the Shareholders' Meeting.
- (2) Ethical Corporate Management Best Practice Principles Before and After Revision, please refer to Attachment IV.

D. Ratification Items

1. To approve the 2025 Business Report and Financial Statements. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Company's 2025 Financial Statements, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows, were audited by independent auditors, Mr. Wen-Ling Liu and Mr. Chih-Feng Yu, of Deloitte & Touche and was approved by the Board of Directors on February 25, 2026.

(2) 2025 Business Report, and Independent Auditors' Report, the aforementioned Financial Statements, please refer to Attachment I, V and VI.

Resolution: Approved and acknowledged as proposed by Board of Directors.

Voting Result: 75,463,757 shares were represented at the time of voting.

Voting Results	% of the total representation at the time of voting
Votes in favor 70,966,141 votes	94.04%
Votes against 18,836 votes	0.02%
Votes invalid 0 votes	0.00%
Votes abstained 4,478,780 votes	5.93%

2. To approve the Proposal for the Distribution of the 2025 Retained Earnings.

(Proposed by the Board of Directors)

Explanatory Notes:

(1) The Company's 2025 Earnings Distribution Table was approved by the meeting of the Board of Directors on February 25, 2026.

(2) The Company's 2025 net income was NT\$678,955,887. (please refer to Attachment VII for the 2025 Earnings Distribution Table)

(3) It is proposed that cash dividends from retained earnings paid to shareholders of NT\$594,391,965. Common stockholders will receive cash dividends of NT\$ 5 per share. The dividend will be paid in cash with calculation rounded down to the nearest one NTD (any amount below one NTD will be discarded). The remaining fraction will be incorporated into other income of the Company.

(4) It is proposed that Chairman of the Board be authorized to set a record date for distribution after shareholders' meeting. Should the Company's capital position change before record date of ex-cash dividend, requiring adjustments in the cash distribution ratio, it is proposed that Chairman of the Board be authorized to manage the change in the cash distribution ratio and to proceed on the relevant matters.

Resolution: Approved and acknowledged as proposed by Board of Directors.

Voting Result: 75,463,757 shares were represented at the time of voting.

Voting Results	% of the total representation at the time of voting
Votes in favor 70,970,461 votes	94.04%
Votes against 24,844 votes	0.03%
Votes invalid 0 votes	0.00%
Votes abstained 4,468,452 votes	5.92%

E. Discussion Item

1. To approve revisions to Procedures for Acquisition or Disposal of Assets.
(Proposed by the Board of Directors)

Explanatory Notes:

- (1) Pursuant to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, and in line with adjustments to the Company's operating structure, certain provisions of these Procedures are hereby revised.
- (2) Procedures for Acquisition or Disposal of Assets Before and After Revision, please refer to Attachment VIII.

Resolution: Approved and acknowledged as proposed by Board of Directors.

Voting Result: 75,463,757 shares were represented at the time of voting.

Voting Results	% of the total representation at the time of voting
Votes in favor 70,940,144 votes	94.00%
Votes against 22,956 votes	0.03%
Votes invalid 0 votes	0.00%
Votes abstained 4,500,657 votes	5.96%

F. Election Item

1. To elect the Company's 11th term of Directors. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The 10th term of the Company's directors and independent directors expires on May 17th, 2026. The 11th term of the directors and independent directors should be elected at the 2026 Annual Shareholders' Meeting.
- (2) It is defined in Article 15 of the Company's Articles of Incorporation that 7 directors (including 3 independent directors) shall be elected according to the candidate nomination system. Shareholders shall elect Directors from the list of Director Candidates. The term for elected Directors is three years, starting from May 27th, 2026 to May 26th, 2029. The 10th term of Directors will be dismissed on the date the new directors are elected.
- (3) The election of directors is in accordance with the Company's Regulations of Directors Election.
- (4) The list of director candidates (including independent directors) for this election reviewed and approved by the 2nd meeting of the 10th Board of Directors of the Company in 2026. Please refer to Attachment IX.

Election Results: The 11th term elected directors and the votes they received are as follows:

Category	Account No. or ID No.	Name	Votes
Director	E1020*****	Tie-Min Chen	81,899,910
Director	26	Future Technology Consulting, Inc. Representative: Fu-Chi Teng	64,035,608
Director	A1212*****	Ying-Shis Huang	63,973,866
Director	154734	XSemiconductor Corporation Representative: Mei-Ying Tan	62,994,079
Independent Director	A1025*****	Stephen Tso	73,990,274
Independent Director	A1206*****	Pao-Shi Sheng	72,636,562
Independent Director	C1201*****	Chien-Wei Chen	71,828,593

G. Discussion Item

1. To approve the lifting of director of non-competition restrictions. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and to obtain its approval
- (2) In order to obtain the expertise and relevant experience of the Company's directors, in accordance with Article 209 of the Company Act. Hence it is proposed to the shareholders' meeting to release the non-competition restrictions for the directors and their representatives in accordance with the laws.
- (3) For candidates of directors (including independent directors) who concurrently hold other positions in the company, please refer to Attachment X .

Resolution: Approved and acknowledged as proposed by Board of Directors.

Voting Result: 75,463,757 shares were represented at the time of voting.

Voting Results	% of the total representation at the time of voting
Votes in favor 70,636,661 votes	93.60%
Votes against 241,745 votes	0.32%
Votes invalid 0 votes	0.00%
Votes abstained 4,585,351 votes	6.07%

H. Special Motion: None.

I. Meeting Adjourned : Meeting ended at 9:25 am

There were no inquiries and suggestions raised by shareholders.

(The minutes of this shareholders' meeting only contain the main points of the meeting; the content, procedures and shareholders' speeches of the meeting are still subject to the video and audio recordings of the meeting)

**Advanced Power Electronics Co., Ltd.
Business Report**

Dear Shareholders,

Thank you for taking the time to attend the 2026 Annual General Meeting of Advanced Power Electronic Co., Ltd. Looking back at 2025, our company's consolidated net operating revenue reached NTD 3.104 billion, representing a 6.37% increase compared with the previous year.

Although the semiconductor industry continued to be affected by external factors such as adjustments in tariff policies, developments in international trade negotiations, and changes in the geopolitical environment, the company enhanced its overall profitability compared with the previous year by optimizing its product portfolio, strengthening collaboration with key suppliers and major customers, and implementing effective operating expense control and operational risk management measures. As a result, the company recorded a net profit after tax of NTD 680 million in 2025, driving earnings per share (EPS) to NTD 5.73.

The implementation results of the 2025 business plan and the business plan for the current year are summarized as follows:

1. Operating Results for 2025

(1) Implementation Results of the Business Plan

In 2025, the company continued to implement various business initiatives. Through adjustments to the product portfolio, strengthened cost control measures, and improvements in operational efficiency, operating revenue increased compared with the previous year, and gross profit also improved. These results demonstrate that the execution of the company's business plans has gradually begun to yield positive outcomes.

In response to rapid changes in global trade policies and tariff measures, as well as uncertainties such as exchange rate fluctuations, the company continues to adopt a prudent market and product deployment strategy. The company focuses on application areas with high medium- to long-term demand visibility and actively captures growth opportunities driven by increasing demand for high-efficiency power solutions in AI data centers, electric vehicles, and consumer electronics markets.

Overall, in 2025 the company and its subsidiaries recorded consolidated net operating revenue of NTD 3.104 billion, gross profit of NTD 1.16 billion, and net profit after tax of NTD 680 million. Earnings per share (EPS) after tax reached NTD 5.73, all of which were higher than the results in 2024.

(2) Budget Execution

The company and its subsidiaries did not issue any external financial forecasts for 2025.

(3) Analysis of Financial Income and Expenditures and Profitability

		In Thousands of New Taiwan Dollars
Item		2025
Financial income and expenditure	Operating revenues	3,104,313
	Gross profit from operations	1,160,548
	Net profit	680,080
	Net profit attributable to owners of the parent	678,956
Profitability	Return on assets (%)	10.57
	Return on equity (%)	11.79
	Pre-tax income as a % of paid-in capital	70.41
	Net income margin (%)	21.91
	Earnings per share (NT\$)	5.73

(4) Research and Development Status

For high-voltage Power MOSFETs, the company has carried out process optimization to improve EMI performance in power supply applications and has completed the development of the fourth-generation 600V/650V high-voltage process technology platform. In addition, the company has introduced third-generation semiconductor GaN technology. This year, development mainly focuses on the 650V/700V/900V D-mode platform, while the key focus for SiC MOSFETs is on the 750V/1200V platform.

At the same time, in response to the high-performance thermal management requirements of AI servers, data centers, next-generation gaming consoles, and basic communication equipment, the company has developed a series of 30V–200V N-channel and P-channel Power MOSFET products. These products are designed for applications such as high-speed DC fans and high-flow pumps used in liquid cooling systems, and are tailored to meet the requirements of different design architectures, thereby providing customers with comprehensive solutions.

2. Summary of the 2026 Business Plan

(1) Business Strategy

To capture long-term growth momentum while reducing the impact of short-term economic fluctuations, the company will not only continue to optimize its product portfolio but also actively expand into application markets with strong growth potential. These include AI data center cooling applications, industrial automation and variable frequency drives, and automotive electrification, with the aim of gradually increasing the revenue contribution from high-margin and high-technology-barrier products.

At the same time, the company will continue to strengthen its collaboration with major customers by participating in product platform specification discussions and providing technical support and application solutions, thereby reinforcing long-term partnership foundations. In terms of supply chain management, the company maintains diversified sourcing and backup mechanisms for key materials and processes, while strengthening quality management and change control procedures to reduce operational risks and ensure a stable supply.

(2) Expected Sales Volume and Basis

The company and its subsidiaries are primarily engaged in the research, development, production, testing, and sales of power semiconductor Power MOSFETs. These products are widely used in various electrical and electronic systems, including automotive, consumer electronics, and industrial automation applications, such as personal computers, switching power supplies, cooling fans, motor drives, and battery management systems. Based on market demand and business development plans, the company and its subsidiaries expect the annual sales volume in 2026 to reach approximately 1.447 billion units.

(3) Key Production and Sales Policies

The company plans its capacity allocation and inventory levels based on market demand visibility and customer order conditions, with the primary objective of maintaining stable supply and flexible delivery schedules. In terms of sales strategy, the company focuses on key customers and major application markets. Taking into account the characteristics of different regional markets, the company adopts a parallel approach of direct supply and distribution channels in order to diversify market concentration risks.

In view of the continuing uncertainties in the international trade environment—including the impact of U.S. tariff policies on raw material costs, cross-border logistics arrangements, and certain customers' procurement decisions—the company will continue to closely monitor changes in trade policies and regulations across different countries. The company will also mitigate potential impacts on overall operations by adjusting sourcing strategies, flexibly arranging production and shipment locations, and negotiating pricing and delivery terms with customers. In addition, with respect to supply chain management, the company maintains diversified sourcing and backup mechanisms for key materials and processes, while continuously strengthening quality management and change control procedures. These measures are intended to respond to changes in the external environment and ensure stable production and sales operations.

At the same time, through diversified collaboration with the company's major shareholders, Foxconn Group and Yageo Group, in areas such as product design, process optimization, and sales channels, the company will further establish a comprehensive semiconductor industry chain and expand the depth and breadth of its sales network. This will enhance the company's operational scale and market competitiveness, thereby continuing to drive overall business growth.

(4) Future Development Strategies and the Impact of External Competitive Environment, Regulatory Environment, and Overall Economic Conditions

As major global semiconductor manufacturers continue to expand their investments in the power device sector, market competition is becoming increasingly intense, with rising price pressures and higher technological barriers. The company will continue to maintain its competitiveness through product differentiation, process optimization, and long-term collaboration with key customers. At the same time, in response to the broader business environment, factors such as global economic cycles, geopolitical developments, exchange rate fluctuations, and supply chain changes may affect industry demand and the company's operations. The company will adopt prudent capital expenditure and production and sales planning strategies, while strengthening supply chain management and risk control mechanisms to respond to changes in the external environment and to maintain stable operations and long-term development.

Finally, we would like to express our sincere gratitude to all shareholders for your long-standing support and encouragement. On behalf of Advanced Power Electronic Co., Ltd., we extend our deepest appreciation to all shareholders.

Wishing you all good health and every success.

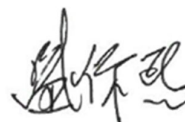
Chairman	Tie-Min Chen
Manager	Chia-Shuai Chang
Chief Accounting Officer	Mei-Ying Tan

Audit Committee Review Report

The Board of Directors has prepared the Company's 2025 Business Report, Financial Statements, and the Proposal for profit appropriation. The CPA firm of Deloitte & Touche were retained to audit the Company's Financial Statements and have issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and Proposal for profit appropriation have been reviewed and determined to be correct and accurate by the Audit Committee of the Company in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this Report.

Advanced Power Electronics Co., Ltd.

Chairman of the Audit Committee



February 25, 2026

Attachment III

Advanced Power Electronics Co., Ltd. The 2025 Related Party Transactions Report

Related party transactions for 2025 have been disclosed in the parent company only and consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The related transactions are as follows:

1.Sales of goods:

Unit: In Thousands of New Taiwan Dollars

Related Parties	Related Party Categories	Amount	Percentage of Sales of goods	Accounts Receivable Balance	Percentage of Total Notes Receivable and Accounts Receivable
Yageo Corporation	Substantive related party	569	0.02%	212	0.03%
Ko-E Electronic (Hong Kong) Ltd.	Substantive related party	128	0.00%	52	0.01%

Transaction terms are similar to those for ordinary customers.

2.Purchases of goods:

Unit: In Thousands of New Taiwan Dollars

Related Parties	Related Party Categories	Amount	Percentage of Purchases of goods	Accounts Payable Balance	Percentage of Total Notes Payable and Accounts Payable
Hon Young Semiconductor Co., Ltd	Substantive related party	41	0.00%	-	-

Transaction terms are similar to those for ordinary customers.

3.Others:

Unit: In Thousands of New Taiwan Dollars

Account	Related Parties	Related Party Categories	Amount
Other receivable	XSemi Corporation	Investors with significant influence	188
Operating expenses	YAGEO Foundation	Substantive related party	3,000

4.Acquisition and Disposal of Assets: None.

5.Loaning Funds to Others: None.

6.Endorsement & Guarantee: None.

Advanced Power Electronics Co., Ltd.

Comparison Table for Ethical Corporate Management Best Practice Principles Before and After Revision

Amended Provision	Original Provision	Notes
<p>Article 7 The scope of the Prevention Programs The Company <u>shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct</u>, and establish its prevention programs, <u>and review their adequacy and effectiveness on a regular basis</u>. The prevention programs shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services. 	<p>Article 7 The scope of the Prevention Programs The Company shall analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish its prevention programs. The prevention programs shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services. 	<p>This provision is amended to comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Amended Provision	Original Provision	Notes
<p>Article 8 Promises and executions</p> <p>The Company and its Business Groups <u>shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy</u>, and shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors <u>and senior management</u> on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</p> <p><u>The ethical management policy, statement, commitment and implementation mentioned in the preceding paragraphs and retain said information properly.</u></p>	<p>Article 8 Promises and executions</p> <p>The Company and its Business Groups shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</p>	<p>This provision is amended to comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>Article 17 Organization and responsibility</p> <p>The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is</p>	<p>Article 17 Organization and responsibility</p> <p>The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is</p>	<p>This provision is amended to comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Amended Provision	Original Provision	Notes
<p>under the board of directors and in assisting the board of directors and the management to formulate, supervise and implement ethical corporate management policies and guidelines for conduct, mainly in charge of the following matters, and report to the board of directors regularly <u>(at least once a year)</u>:</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. <u>Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly</u> programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational 	<p>under the board of directors and in assisting the board of directors and the management to formulate, supervise and implement ethical corporate management policies and guidelines for conduct, mainly in charge of the following matters, and report to the board of directors regularly:</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Adopting programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating 	

Amended Provision	Original Provision	Notes
<p>activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>	<p>effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>	
<p>Article 20 Accounting and internal control</p> <p>The Company shall establish effective accounting systems and internal control systems for business activities which may be at a higher risk of being involved in unethical conduct, not have under-the-table accounts or maintain secret accounts, and conduct reviews from time to time so as to ensure that the design and enforcement of the systems will continue to be effective. The internal audit unit of the Company <u>shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs; the preceding paragraph shall be reported to senior management and the ethical management dedicated unit.</u> The internal audit unit may engage a</p>	<p>Article 20 Accounting and internal control</p> <p>The Company shall establish effective accounting systems and internal control systems for business activities which may be at a higher risk of being involved in unethical conduct, not have under-the-table accounts or maintain secret accounts, and conduct reviews from time to time so as to ensure that the design and enforcement of the systems will continue to be effective. The internal audit unit of the Company shall devise relevant audit plans and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary. The results of examination shall put down in writing in the form of an audit report to be submitted to the board of directors.</p>	<p>This provision is amended to comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Amended Provision	Original Provision	Notes
<p>certified public accountant to carry out the audit, and may engage professionals to assist if necessary. The results of examination shall put down in writing in the form of an audit report to be submitted to the board of directors.</p>		
<p>Article 23 Whistleblowing system</p> <p>The Companies shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <ol style="list-style-type: none"> 1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports. 2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or the Audit Committee. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. 3. <u>Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</u> 	<p>Article 23 Whistleblowing system</p> <p>The Companies shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <ol style="list-style-type: none"> 1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports. 2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or the Audit Committee. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. 3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents. 4. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking 	<p>This provision is amended to comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Amended Provision	Original Provision	Notes
<p>4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</p> <p>5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.</p> <p>6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>7. Whistle-blowing incentive measures.</p> <p>When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.</p>	<p>regarding anonymous reporting.</p> <p>5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>6. Whistle-blowing incentive measures.</p> <p>When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.</p>	
<p>Article 27 Enforcement</p> <p>The Principles of the Company shall be implemented after the board of directors grants the approval, and shall be sent to the independent director and report at a shareholders' meeting. The same procedure shall be followed when the Principles have been amended.</p> <p>When the Company submits its Principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or</p>	<p>Article 27 Enforcement</p> <p>The Principles of the Company shall be implemented after the board of directors grants the approval, and shall be sent to the independent director and report at a shareholders' meeting. The same procedure shall be followed when the Principles have been amended.</p> <p>When the Company submits its Principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or</p>	<p>The description regarding the promulgation time and procedures of the amended provisions has been supplemented by adding the relevant date.</p>

Amended Provision	Original Provision	Notes
<p>reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</p> <p><u>The Principles were implemented after being approved by the shareholders' meeting on May 25, 2015.</u></p> <p><u>The first amended by the Board of Directors on February 25, 2026.</u></p>	<p>reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</p> <p>The Principles adopted by the Board meeting on March 30, 2015.</p>	

REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are all the same as those included in the consolidated financial statements of Advanced Power Electronics Co., Ltd. and its subsidiaries prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of Advanced Power Electronics Co., Ltd. and its subsidiaries. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Advanced Power Electronics Co., Ltd.

Tie-Min Chen
Chairman

February 25, 2026



勤業眾信

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Advanced Power Electronics Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Advanced Power Electronics Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and the related notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

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

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2025 are stated as follows:

Validity of Revenue

The Group's primary source of revenue is generated from design and sales of power semiconductors (Power MOSFETs). Due to the revenue recognition has inherently higher fraud risks and the management may be under pressure to achieve financial goals. Therefore, we identified the validity of the revenue derived from these distributors with significant sales growth and material amount has been identified as a key audit matter.

The main audit procedures that we performed to assess the validity of the revenue are as follows:

1. We understood the designed and tested operating effectiveness of internal control and confirmed the validity of revenue recognition.
2. We sampled the transaction documents related to revenue, including sales order, shipping, customs documents, and verified cash collections which have related to revenue derived from the above-mentioned customers and verified the reasonableness of revenue recognition.

Other Matter

We have also audited the parent company only financial statements of Advanced Power Electronics Co., Ltd. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wen-Ling Liu and Chih-Feng Yu.

Deloitte & Touche
Taipei, Taiwan
Republic of China
February 25, 2026

Notice to Readers

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

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

ADVANCED POWER ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(In Thousands of New Taiwan Dollars)

	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents (Notes 4 and 6)	\$ 1,318,850	20	\$ 662,988	11
Financial assets at fair value through profit or loss (Notes 4 and 7)	-	-	490,459	8
Financial assets at amortized cost (Notes 4 and 9)	2,693,064	40	2,347,434	38
Notes receivable (Notes 4 and 10)	366	-	12,981	-
Accounts receivable (Notes 4, 10 and 25)	824,113	12	785,937	12
Other receivables (Notes 4, 10 and 25)	42,292	1	43,142	1
Current tax assets (Note 4)	1,460	-	2,153	-
Inventories (Notes 4 and 11)	786,246	12	520,956	8
Other current assets	4,617	-	894	-
Total current assets	<u>5,671,008</u>	<u>85</u>	<u>4,866,944</u>	<u>78</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Notes 4 and 7)	173,278	3	194,968	3
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	116,247	2	139,961	2
Financial assets measured at amortized cost (Notes 4 and 9)	126,307	2	195,584	3
Property, plant and equipment (Notes 4 and 12)	432,104	6	441,776	7
Right-of-use assets (Notes 4 and 13)	7,705	-	9,240	-
Other intangible assets, net (Note 4)	4,373	-	2,803	-
Deferred tax assets (Notes 4 and 20)	46,917	1	46,691	1
Other non-current assets (Note 14)	73,590	1	342,461	6
Total non-current assets	<u>980,521</u>	<u>15</u>	<u>1,373,484</u>	<u>22</u>
TOTAL	<u>\$ 6,651,529</u>	<u>100</u>	<u>\$ 6,240,428</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Accounts payable (Note 25)	\$ 446,551	7	\$ 387,799	6
Other payables (Note 16)	151,415	2	136,167	2
Current tax liabilities (Note 4)	95,807	2	61,907	1
Lease liabilities (Notes 4 and 13)	4,712	-	4,571	-
Other current liabilities	14,456	-	27,992	1
Total current liabilities	<u>712,941</u>	<u>11</u>	<u>618,436</u>	<u>10</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 20)	4,090	-	10,285	-
Lease liabilities (Notes 4 and 13)	1,637	-	4,632	-
Total non-current liabilities	<u>5,727</u>	<u>-</u>	<u>14,917</u>	<u>-</u>
Total liabilities	<u>718,668</u>	<u>11</u>	<u>633,353</u>	<u>10</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Notes 4 and 18)				
Common stock	1,188,784	18	1,184,432	19
Capital surplus	3,015,419	45	3,005,869	48
Retained earnings				
Legal reserve	324,675	5	268,153	4
Special reserve	75,416	1	63,566	1
Unappropriated earnings	1,399,930	21	1,167,805	19
Total retained earnings	<u>1,800,021</u>	<u>27</u>	<u>1,499,524</u>	<u>24</u>
Other equity interests	(71,429)	(1)	(81,652)	(1)
Total equity attributable to owners of the parent	5,932,795	89	5,608,173	90
NON-CONTROLLING INTERESTS				
Total equity	<u>5,932,861</u>	<u>89</u>	<u>5,607,075</u>	<u>90</u>
TOTAL	<u>\$ 6,651,529</u>	<u>100</u>	<u>\$ 6,240,428</u>	<u>100</u>

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

ADVANCED POWER ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 25)	\$ 3,104,313	100	\$ 2,918,407	100
OPERATING COSTS (Notes 11, 19 and 25)	<u>1,943,765</u>	<u>63</u>	<u>2,084,475</u>	<u>72</u>
GROSS PROFIT FROM OPERATIONS	<u>1,160,548</u>	<u>37</u>	<u>833,932</u>	<u>28</u>
OPERATING EXPENSES (Notes 19 and 25)				
Selling and marketing expenses	84,743	3	87,776	3
General and administrative expenses	154,428	5	138,496	5
Research and development expenses	<u>137,508</u>	<u>4</u>	<u>134,027</u>	<u>4</u>
Total operating expenses	<u>376,679</u>	<u>12</u>	<u>360,299</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>783,869</u>	<u>25</u>	<u>473,633</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	75,809	3	60,075	2
Other income	7,072	-	6,275	-
Other gains and losses, net (Notes 4 and 19)	(29,192)	(1)	139,932	5
Gains arising from derecognition of financial assets measured at amortized cost (Notes 4 and 9)	1,085	-	-	-
Finance costs (Notes 4 and 19)	(<u>1,617</u>)	<u>-</u>	(<u>148</u>)	<u>-</u>
Total non-operating income and expenses	<u>53,157</u>	<u>2</u>	<u>206,134</u>	<u>7</u>
PROFIT BEFORE INCOME TAX	837,026	27	679,767	23
INCOME TAX EXPENSE (Notes 4 and 20)	<u>156,946</u>	<u>5</u>	<u>113,807</u>	<u>4</u>
NET PROFIT	<u>680,080</u>	<u>22</u>	<u>565,960</u>	<u>19</u>

(Continued)

ADVANCED POWER ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 5,072	-	(\$ 12,570)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	(486)	-	640	-
Other comprehensive income (loss) (after tax)	4,586	-	(11,930)	-
TOTAL COMPREHENSIVE INCOME	<u>\$ 684,666</u>	<u>22</u>	<u>\$ 554,030</u>	<u>19</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the parent	\$ 678,956	22	\$ 565,220	19
Non-controlling interests	1,124	-	740	-
	<u>\$ 680,080</u>	<u>22</u>	<u>\$ 565,960</u>	<u>19</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	\$ 683,502	22	\$ 553,370	19
Non-controlling interests	1,164	-	660	-
	<u>\$ 684,666</u>	<u>22</u>	<u>\$ 554,030</u>	<u>19</u>
EARNINGS PER SHARE (Note 21)				
Basic earnings per share	<u>\$ 5.73</u>		<u>\$ 4.80</u>	
Diluted earnings per share	<u>\$ 5.69</u>		<u>\$ 4.75</u>	

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

ADVANCED POWER ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Parent						Other Equity Interests			Non-controlling Interests	Total Equity		
	Common Stock	Capital Surplus	Retained Earnings			Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits	Total				
			Legal Reserve	Special Reserve	Unappropriated Earnings							Total	Total
BALANCE, JANUARY 1, 2024	\$ 1,178,905	\$ 3,001,320	\$ 235,110	\$ 75,774	\$ 918,146	\$ 1,229,030	(\$ 4,169)	(\$ 59,397)	(\$ 33,010)	(\$ 96,576)	\$ 5,312,679	(\$ 1,758)	\$ 5,310,921
Distribution of 2023 earnings													
Legal reserve	-	-	33,043	-	(33,043)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(12,208)	12,208	-	-	-	-	-	-	-	-
Cash dividends -NT\$ 2.5 per share	-	-	-	-	(294,726)	(294,726)	-	-	-	(294,726)	-	-	(294,726)
Exercise of disgorgement of short-swing profits	-	1,956	-	-	-	-	-	-	-	-	1,956	-	1,956
Profit (Loss) for the nine months ended December 31, 2024	-	-	-	-	565,220	565,220	-	-	-	-	565,220	740	565,960
Other comprehensive income (loss) for the nine months ended December 31, 2024	-	-	-	-	-	-	720	(12,570)	-	(11,850)	(11,850)	(80)	(11,930)
Total comprehensive income (loss) for the nine months ended December 31, 2024	-	-	-	-	565,220	565,220	720	(12,570)	-	(11,850)	553,370	660	554,030
Employee share options issued by the Company	8,047	22,291	-	-	-	-	-	-	-	-	30,338	-	30,338
Compensation cost of employee share options	-	1,042	-	-	-	-	-	-	-	-	1,042	-	1,042
Compensation cost of employee restricted shares	-	-	-	-	-	-	-	-	3,514	3,514	3,514	-	3,514
Cancellation of employee restricted shares	(2,520)	(20,740)	-	-	-	-	-	-	23,260	23,260	-	-	-
BALANCE, DECEMBER 31, 2024	1,184,432	3,005,869	268,153	63,566	1,167,805	1,499,524	(3,449)	(71,967)	(6,236)	(81,652)	5,608,173	(1,098)	5,607,075
Distribution of 2024 earnings													
Legal reserve	-	-	56,522	-	(56,522)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	11,850	(11,850)	-	-	-	-	-	-	-	-
Cash dividends -NT\$ 3.2 per share	-	-	-	-	(379,018)	(379,018)	-	-	-	-	(379,018)	-	(379,018)
Profit (Loss) for the nine months ended December 31, 2025	-	-	-	-	678,956	678,956	-	-	-	-	678,956	1,124	680,080
Other comprehensive income (loss) for the nine months ended December 31, 2025	-	-	-	-	-	-	(526)	5,072	-	4,546	4,546	40	4,586
Total comprehensive income (loss) for the nine months ended December 31, 2025	-	-	-	-	678,956	678,956	(526)	5,072	-	4,546	683,502	1,164	684,666
Employee share options issued by the Company	4,752	12,511	-	-	-	-	-	-	-	-	17,263	-	17,263
Compensation cost of employee share options	-	331	-	-	-	-	-	-	-	-	331	-	331
Compensation cost of employee restricted shares	-	-	-	-	-	-	-	-	2,267	2,267	2,267	-	2,267
Cancellation of employee restricted shares	(400)	(3,292)	-	-	-	-	-	-	3,692	3,692	-	-	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	559	559	-	(559)	-	(559)	-	-	-
BALANCE, DECEMBER 31, 2025	\$ 1,188,784	\$ 3,015,419	\$ 324,675	\$ 75,416	\$ 1,399,930	\$ 1,800,021	(\$ 3,975)	(\$ 67,454)	\$ -	(\$ 71,429)	\$ 5,932,795	\$ 66	\$ 5,932,861

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

ADVANCED POWER ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 837,026	\$ 679,767
Adjustments for:		
Depreciation expense	37,152	38,918
Amortization expense	5,786	4,999
Net gain on financial instruments at fair value through profit or loss	(1,323)	(39,083)
Finance costs	1,617	148
Net gain arising from derecognition of financial assets measured at amortized cost	(1,085)	-
Interest income	(75,809)	(60,075)
Dividend income	(6,235)	(4,902)
Compensation costs of employee share options	2,875	4,556
Loss on decline in market value and obsolete and slow-moving inventories	789	41,058
Unrealized (gain)/loss on foreign currency exchange	43,100	(93,547)
Lease modification loss	-	65
Changes in operating assets and liabilities:		
Notes receivable	12,615	(8,077)
Accounts receivable	(70,573)	84,486
Other receivables	(4,180)	785
Inventories	(266,079)	190,867
Prepayments	40,167	38,702
Other current assets	(76)	192
Notes payable	-	(290)
Accounts payable	71,881	14,887
Other payables	12,659	4,746
Other current liabilities	(13,536)	5,633
Net cash inflows generated from operating activities	626,771	903,835
Interest received	80,575	58,536
Interest paid	(1,617)	(148)
Income taxes paid	(128,774)	(118,468)
Net cash generated from operating activities	<u>576,955</u>	<u>843,755</u>

(Continued)

ADVANCED POWER ELECTRONICS CO., LTD. AND SUBSIDIARIES

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

	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	\$ 28,144	\$ -
Purchase of financial assets at amortized cost	(5,067,334)	(3,998,384)
Proceeds from sale of financial assets at amortized cost	4,784,856	3,447,197
Purchase of financial assets at fair value through profit or loss	(70,000)	(1,180,000)
Proceeds from sale of financial assets at fair value through profit or loss	583,472	895,154
Acquisition of property, plant and equipment	(19,571)	(14,853)
Increase in refundable deposits	(3,013)	-
Decrease in refundable deposits	217,315	145,971
Payments for intangible assets	(7,365)	(4,443)
Other dividend received	<u>6,235</u>	<u>4,902</u>
Net cash (used in)/generated from investing activities	<u>452,739</u>	<u>(704,456)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(6,474)	(5,487)
Cash dividends paid	(379,018)	(294,704)
Proceeds from exercise of employee share options	17,263	30,338
Proceeds from exercise of disgorgement of short-swing profits	<u>-</u>	<u>1,956</u>
Net cash used in financing activities	<u>(368,229)</u>	<u>(267,897)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND EQUIVALENTS	(<u>5,603</u>)	<u>20,487</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	655,862	(108,111)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>662,988</u>	<u>771,099</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$1,318,850</u>	<u>\$ 662,988</u>

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



勤業眾信

勤業眾信聯合會計師事務所
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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Advanced Power Electronics Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Advanced Power Electronics Co., Ltd. (the “Company”), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025.

These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the parent company only financial statements for the year ended December 31, 2025 are stated as follows:

Validity of Revenue

The Company's primary source of revenue is generated from design and sales of power semiconductors (Power MOSFETs). Due to the revenue recognition has inherently higher fraud risks and the management may be under pressure to achieve financial goals. Therefore, we identified the validity of the revenue derived from these distributors with significant sales growth and material amount has been identified as a key audit matter.

The main audit procedures that we performed to assess the validity of the revenue are as follows:

1. We understood the designed and tested operating effectiveness of internal control and confirmed the validity of revenue recognition.
2. We sampled the transaction documents related to revenue, including sales order, shipping, customs documents, and verified cash collections which have related to revenue derived from the above-mentioned customers and verified the reasonableness of revenue recognition.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the audit committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies

in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wen-Ling Liu and Chih-Feng Yu.

Deloitte & Touche

Taipei, Taiwan

Republic of China

February 25, 2026

Notice to Readers

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

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

ADVANCED POWER ELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEET

(In Thousands of New Taiwan Dollars)

	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents (Notes 4 and 6)	\$ 1,279,027	19	\$ 639,948	10
Financial assets at fair value through profit or loss (Notes 4 and 7)	-	-	490,459	8
Financial assets at amortized cost (Notes 4 and 9)	2,690,464	41	2,343,434	38
Notes receivable (Notes 4 and 10)	366	-	12,981	-
Accounts receivable (Notes 4, 10 and 25)	828,067	12	787,708	13
Other receivables (Note 4)	42,279	1	43,123	1
Inventories (Notes 4 and 11)	1,448	-	2,140	-
Other current assets (Note 25)	786,246	12	520,956	8
Total current assets	<u>3,787</u>	<u>-</u>	<u>18,631</u>	<u>-</u>
	<u>5,631,684</u>	<u>85</u>	<u>4,859,380</u>	<u>78</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Notes 4 and 7)	87,978	1	117,248	2
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	90,562	1	87,401	1
Financial assets measured at amortized cost (Notes 4 and 9)	126,307	2	195,584	3
Investments accounted for using equity method (Notes 4 and 12)	147,548	2	138,420	2
Property, plant and equipment (Notes 4 and 13)	432,104	7	441,776	7
Right-of-use assets (Notes 4 and 14)	4,742	-	9,240	-
Other intangible assets, net (Note 4)	4,373	-	2,803	-
Deferred tax assets (Notes 4 and 20)	46,917	1	46,691	1
Other non-current assets (Note 15)	<u>71,541</u>	<u>1</u>	<u>342,126</u>	<u>6</u>
Total non-current assets	<u>1,012,072</u>	<u>15</u>	<u>1,381,289</u>	<u>22</u>
TOTAL	<u>\$ 6,643,756</u>	<u>100</u>	<u>\$ 6,240,669</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Accounts payable (Note 25)	\$ 446,479	7	\$ 387,727	6
Other payables (Note 16)	149,318	2	134,095	2
Current tax liabilities (Note 4)	95,807	2	61,907	1
Lease liabilities (Notes 4 and 14)	3,172	-	4,571	-
Other current liabilities	<u>10,420</u>	<u>-</u>	<u>21,217</u>	<u>1</u>
Total current liabilities	<u>705,196</u>	<u>11</u>	<u>609,517</u>	<u>10</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 20)	4,090	-	10,285	-
Lease liabilities (Notes 4 and 14)	1,637	-	4,632	-
Guarantee deposits	38	-	38	-
Credit balance of investments accounted for using equity method (Notes 4 and 12)	<u>-</u>	<u>-</u>	<u>8,024</u>	<u>-</u>
Total non-current liabilities	<u>5,765</u>	<u>-</u>	<u>22,979</u>	<u>-</u>
Total liabilities	<u>710,961</u>	<u>11</u>	<u>632,496</u>	<u>10</u>
EQUITY (Notes 4 and 18)				
Common stock	<u>1,188,784</u>	<u>18</u>	<u>1,184,432</u>	<u>19</u>
Capital surplus	<u>3,015,419</u>	<u>45</u>	<u>3,005,869</u>	<u>48</u>
Retained earnings				
Legal reserve	324,675	5	268,153	4
Special reserve	75,416	1	63,566	1
Unappropriated earnings	<u>1,399,930</u>	<u>21</u>	<u>1,167,805</u>	<u>19</u>
Total retained earnings	<u>1,800,021</u>	<u>27</u>	<u>1,499,524</u>	<u>24</u>
Other equity interests	<u>(71,429)</u>	<u>(1)</u>	<u>(81,652)</u>	<u>(1)</u>
Total equity	<u>5,932,795</u>	<u>89</u>	<u>5,608,173</u>	<u>90</u>
TOTAL	<u>\$ 6,643,756</u>	<u>100</u>	<u>\$ 6,240,669</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements

ADVANCED POWER ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 25)	\$ 3,102,175	100	\$ 2,917,047	100
OPERATING COSTS (Notes 11,19 and 25)	<u>1,943,491</u>	<u>63</u>	<u>2,084,346</u>	<u>71</u>
GROSS PROFIT FROM OPERATIONS	<u>1,158,684</u>	<u>37</u>	<u>832,701</u>	<u>29</u>
OPERATING EXPENSES (Notes 19 and 25)				
Selling and marketing expenses	95,775	3	99,067	3
General and administrative expenses	147,642	5	134,148	5
Research and development expenses	<u>137,227</u>	<u>4</u>	<u>134,016</u>	<u>5</u>
Total operating expenses	<u>380,644</u>	<u>12</u>	<u>367,231</u>	<u>13</u>
PROFIT FROM OPERATIONS	<u>778,040</u>	<u>25</u>	<u>465,470</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	75,673	3	59,951	2
Other income (Note 25)	3,994	-	4,049	-
Other gains and losses, net (Notes 4 and 19)	(26,871)	(1)	107,521	4
Gains arising from derecognition of financial assets measured at amortized cost (Notes 4 and 9)	1,085	-	-	-
Finance costs (Notes 4 and 19)	(1,616)	-	(149)	-
Share of profit of subsidiaries and associates accounted for using equity method	<u>5,597</u>	<u>-</u>	<u>42,185</u>	<u>1</u>
Total non-operating income and expenses	<u>57,862</u>	<u>2</u>	<u>213,557</u>	<u>7</u>
PROFIT BEFORE INCOME TAX	835,902	27	679,027	23
INCOME TAX EXPENSE (Notes 4 and 20)	<u>156,946</u>	<u>5</u>	<u>113,807</u>	<u>4</u>
NET PROFIT	<u>678,956</u>	<u>22</u>	<u>565,220</u>	<u>19</u>

(Continued)

ADVANCED POWER ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 3,161	-	\$ 94	-
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method	1,911	-	(12,664)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	(943)	-	1,350	-
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method	417	-	(630)	-
Other comprehensive income (loss) (after tax)	4,546	-	(11,850)	-
TOTAL COMPREHENSIVE INCOME	<u>\$ 683,502</u>	<u>22</u>	<u>\$ 553,370</u>	<u>19</u>
EARNINGS PER SHARE (Note 21)				
Basic earnings per share	<u>\$ 5.73</u>		<u>\$ 4.80</u>	
Diluted earnings per share	<u>\$ 5.69</u>		<u>\$ 4.75</u>	

The accompanying notes are an integral part of the parent company only financial statements.

ADVANCED POWER ELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Retained Earnings				Other Equity Interests			Total	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits		
BALANCE, JANUARY 1, 2024	\$ 1,178,905	\$ 3,001,320	\$ 235,110	\$ 75,774	\$ 918,146	\$ 1,229,030	(\$ 4,169)	(\$ 59,397)	(\$ 33,010)	(\$ 96,576)	\$ 5,312,679
Distribution of 2023 earnings											
Legal reserve	-	-	33,043	-	(33,043)	-	-	-	-	-	-
Special reserve	-	-	-	(12,208)	12,208	-	-	-	-	-	-
Cash dividends -NT\$ 2.5 per share	-	-	-	-	(294,726)	(294,726)	-	-	-	-	(294,726)
Exercise of disgorgement of short-swing profits	-	1,956	-	-	-	-	-	-	-	-	1,956
Profit for the year ended December 31, 2024	-	-	-	-	565,220	565,220	-	-	-	-	565,220
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	720	(12,570)	-	(11,850)	(11,850)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	565,220	565,220	720	(12,570)	-	(11,850)	553,370
Employee share options issued by the Company	8,047	22,291	-	-	-	-	-	-	-	-	30,338
Compensation cost of employee share options	-	1,042	-	-	-	-	-	-	-	-	1,042
Compensation cost of employee restricted shares	-	-	-	-	-	-	-	-	3,514	3,514	3,514
Cancellation of employee restricted shares	(2,520)	(20,740)	-	-	-	-	-	-	23,260	23,260	-
BALANCE, DECEMBER 31, 2024	1,184,432	3,005,869	268,153	63,566	1,167,805	1,499,524	(3,449)	(71,967)	(6,236)	(81,652)	5,608,173
Distribution of 2024 earnings											
Legal reserve	-	-	56,522	-	(56,522)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	11,850	(11,850)	-	-	-	-	-	-
Cash dividends -NT\$ 3.2 per share	-	-	-	-	(379,018)	(379,018)	-	-	-	-	(379,018)
Profit for the year ended December 31, 2024	-	-	-	-	678,956	678,956	-	-	-	-	678,956
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	-	(526)	5,072	-	4,546	4,546
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	678,956	678,956	(526)	5,072	-	4,546	683,502
Employee share options issued by the Company	4,752	12,511	-	-	-	-	-	-	-	-	17,263
Compensation cost of employee share options	-	331	-	-	-	-	-	-	-	-	331
Compensation cost of employee restricted shares	-	-	-	-	-	-	-	-	2,544	2,544	2,544
Cancellation of employee restricted shares	(400)	(3,292)	-	-	-	-	-	-	3,692	3,692	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	559	559	-	(559)	-	(559)	-
BALANCE, DECEMBER 31, 2025	\$ 1,188,784	\$ 3,015,419	\$ 324,675	\$ 75,416	\$ 1,399,930	\$ 1,800,021	(\$ 3,975)	(\$ 67,454)	\$ -	(\$ 71,429)	\$ 5,932,795

The accompanying notes are an integral part of the parent company only financial statements.

ADVANCED POWER ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 835,902	\$ 679,027
Adjustments for:		
Depreciation expense	37,019	38,885
Amortization expense	5,786	4,999
Net gain on fair value changes of financial assets at fair value through profit or loss	(3,721)	(6,347)
Finance costs	1,616	149
Net gain arising from derecognition of financial assets measured at amortized cost	(1,085)	-
Interest income	(75,673)	(59,951)
Dividend income	(2,932)	(2,566)
Compensation costs of employee share options	2,875	4,556
Share of (gain)/loss of subsidiaries and associates accounted for using equity method	(5,597)	(42,185)
Loss on decline in market value and obsolete and slow-moving inventories	789	41,058
Unrealized (gain)/loss on foreign currency exchange	42,826	(93,149)
Lease modification loss	-	65
Changes in operating assets and liabilities:		
Notes receivable	12,615	(8,077)
Accounts receivable (related parties included)	(72,669)	86,908
Other receivables	(3,916)	1,043
Inventories	(266,079)	190,867
Prepayments	58,734	38,666
Other current assets	(76)	174
Notes payable	-	(290)
Accounts payable (related parties included)	71,895	14,862
Other payables (related parties included)	12,634	5,413
Other current liabilities	(10,797)	244
Net cash inflows generated from operating activities	640,146	894,351
Interest received	80,169	58,154
Interest paid	(1,616)	(149)
Income taxes paid	(128,775)	(118,466)
Net cash generated from operating activities	<u>589,924</u>	<u>833,890</u>

(Continued)

ADVANCED POWER ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(\$ 5,067,334)	(\$ 3,998,384)
Proceeds from sale of financial assets at amortized cost	4,783,456	3,446,797
Purchase of financial assets at fair value through profit or loss	(60,000)	(1,180,000)
Proceeds from sale of financial assets at fair value through profit or loss	583,450	895,154
Acquisition of property, plant and equipment	(19,571)	(14,853)
Increase in refundable deposits	(1,302)	-
Decrease in refundable deposits	217,317	145,899
Payments for intangible assets	(7,365)	(4,443)
Other dividend received	<u>2,932</u>	<u>2,566</u>
Net cash (used in)/ generated from investing activities	<u>431,583</u>	<u>(707,264)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(4,923)	(5,487)
Cash dividends paid	(379,018)	(294,704)
Proceeds from exercise of employee share options	17,263	30,338
Acquisition of Equity in a Subsidiary	(10,170)	-
Proceeds from exercise of disgorgement of short-swing profits	<u>-</u>	<u>1,956</u>
Net cash used in financing activities	<u>(376,848)</u>	<u>(267,897)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND EQUIVALENTS	<u>(5,580)</u>	<u>20,446</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(120,825)</u>	<u>95,272</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>639,948</u>	<u>760,773</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,279,027</u>	<u>\$ 639,948</u>

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

Advanced Power Electronics Co., Ltd.

2025 Earnings Distribution Table

Unit: New Taiwan Dollars

Item	Amount
Unappropriated retained earnings as of December 31, 2024	720,414,745
Net income of 2025	678,955,887
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	558,820
Legal reserve appropriation (10%)	(67,951,471)
Reversal of special reserve	3,987,718
Retained earnings available for distribution	1,335,965,699
Appropriation:	
Cash dividends (NT\$ 5)	594,391,965
Balance of unappropriated retained earnings	741,573,734

Chairman : Tie-Min Chen

Manager: Chia-Shuai Chang

Chief Accounting Officer: Mei-Ying Tan

Attachment VIII

Advanced Power Electronics Co., Ltd.

Comparison Table for Procedures for Acquisition or Disposal of Asset Before and After Revision

Draft Amendment	Current Articles	Explanatory Notes
<p>Article 5 Operating procedures</p> <p>1. omitted.</p> <p>2. Acquisition and disposal of assets</p> <p style="padding-left: 20px;">(1). <u>Authorization limits and levels:</u> <u>The authorization limits and levels shall be handled in accordance with the Company's regulations on hierarchical responsibility and levels of authority.</u></p> <p style="padding-left: 20px;">(2). <u>Executing units:</u> <u>The execution shall be carried out by the user department or the relevant responsible units in accordance with the approved content.</u></p>	<p>Article 5 Operating procedures</p> <p>1. omitted.</p> <p>2. Acquisition and disposal of assets</p> <p style="padding-left: 20px;">(1). The Company may delegate the chairman or President to decide such matters when the purpose of acquisition or disposal is for short term fund allocation (including but not limited to the transaction of local government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds which are issued by domestic securities investment trust companies). The daily or a single transaction from NTS 100 to 500 million shall be approved by the chairman; the daily or a single transaction is less than NTS 100 million shall be approved by the President. Such matters subject to ratifications at the next board meeting.</p> <p style="padding-left: 20px;">(2). The Company may delegate the amount and levels of authority to decide such matter when acquisition or disposal is for other assets, and real property, plants and equipment: the transaction is NTS 3 million or less shall be approved by the head of unit; for the transaction exceeding NTS 3 million to NTS 6 million shall be approved by the President; for the transaction exceeding NTS 6 million to NTS 10 million shall be approved by the chairman. The transaction exceeding NTS 10 million shall be approved by both the chairman and the board of directors beforehand.</p>	<p>Amend in accordance with the company's practical operation.</p>
<p>Article 16 Supplementary provisions</p> <p>The Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of</p>	<p>Article 16 Supplementary provisions</p> <p>The Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of</p>	<p>Amended the revision date.</p>

Draft Amendment	Current Articles	Explanatory Notes
<p>revision. The Procedures adopted by the shareholders' meeting on June 8, 2000, and the first Amendment on June 5, 2001, the second Amendment on June 18, 2002, the third Amendment on June 10, 2003, the fourth Amendment on June 15, 2012, the fifth Amendment on May 14, 2014 , the sixth Amendment on May 19, 2016, the seventh Amendment on May 17, 2017, the eighth Amendment on May 16, 2019 <u>and the ninth Amendment on May 27, 2026.</u></p>	<p>revision. The Procedures adopted by the shareholders' meeting on June 8, 2000, and the first Amendment on June 5, 2001, the second Amendment on June 18, 2002, the third Amendment on June 10, 2003, the fourth Amendment on June 15, 2012, the fifth Amendment on May 14, 2014 , the sixth Amendment on May 19, 2016, the seventh Amendment on May 17, 2017 and the eighth Amendment on May 16, 2019.</p>	

Advanced Power Electronics Co., Ltd.

List of Director Nominees

Record Date: March 29, 2026

Type of Nominee	Name of Nominee	Education	Experience	Current Position	Number of Shares Held (Unit: Shares)
Director	Tie-Min Chen	Honorary Doctorate of Engineering, National Cheng Kung University Honorary Doctorate of Management, National Sun Yat-sen University Bachelor degree of Engineering Science, National Cheng Kung University	President of Yageo Group	Founder and Chairman of YAGEO Corporation Chairman of Tong Hsing Electronic Ind., Ltd. Chairman of XSEMI Corporation Chairman of Kuo-Shin Investment Co., Ltd. Vice Chairman of uPI semiconductor corp. Chairman of TMC Family Heritage Chairman of Advanced Power Electronics Co., Ltd.	0
Director	Future Technology Consulting, Inc. Representative: Fu-Chi Teng	Executives Program, Graduate School of Business Administration, National Chengchi University	Chairman of Tainet Communication System Corp.	Vice Chairman of Advanced Power Electronics Co., Ltd. Chairman of Future Technology Consulting, Inc. Representative of Juridical person director, Tainet Communication System Corp. Representative of juridical person director, Future Technology Consulting (B.V.I.), Inc. Representative of juridical person director, Perfect Prime Ltd. (SAMOA) Representative of juridical person chairman, Green Power Semiconductor Co., Ltd. President and Representative of juridical person director, OPC Microelectronics Co., Ltd.	3,169,899

Type of Nominee	Name of Nominee	Education	Experience	Current Position	Number of Shares Held (Unit: Shares)
				<p>Representative of juridical person director, Fuhong Investment Co., Ltd.</p> <p>Independent Director of Technology Unlimited Corp.</p> <p>Director of Data Image Corporation</p> <p>Independent Director of Caswell, Inc.</p> <p>Representative of juridical person chairman, St. John's star Venture Capital Co., Ltd.</p> <p>Director of Nccu Star Venture Capital Co., Ltd.</p> <p>Director of Ntust Star Venture Capital Co., Ltd.</p> <p>Representative of juridical person chairman of Chengchi of Star Venture Capital Co., Ltd.</p>	
Director	XSemi Corporation Representative: Mei-Ying Tan	<p>Master of Laws (LL.M.), School of Law, Soochow University</p> <p>B.A. in Accounting, Tamkang University</p>	Senior Auditor, BDO Taiwan	<p>Representative of juridical person director, Seaward Electronics Corp. (Cayman)</p> <p>Representative of juridical person director and general manager, Shenzhen Fucheng Electronics Co., Ltd.</p> <p>Representative of juridical person director, Green Power Semiconductor Co., Ltd.</p> <p>Representative of juridical person director, OPC Microelectronics Co., Ltd.</p> <p>Representative of juridical person chairman, Fuhong Investment Co., Ltd.</p>	35,000,000
Director	Ying-Shi Huang	<p>Master degree in Accounting of National Chung Cheng University</p> <p>Bachelor degree in Accounting of Tunghai University</p>	<p>Senior Director of Hon Hai Precision Industry Co., Ltd.</p> <p>Director of Hewlett-Packard Development Company, L.P.</p> <p>Director of Systex</p>	<p>Chairman of Healthconn Corp.</p> <p>Chairman of Altus Technology Inc.,</p> <p>Chairman of Socle Technology Corp.</p> <p>Chairman of Foxconn New energy Automobile Industry Development (Henan) Co., LTD.</p> <p>Chairman of SolidEdge Solution Inc</p> <p>Chairman of FARBOT TECH INC.,</p> <p>Chairman of FAROBOT INC.</p>	0

Type of Nominee	Name of Nominee	Education	Experience	Current Position	Number of Shares Held (Unit: Shares)
			<p>Corporation Senior Director of EY Transaction Advisory Services Inc.</p>	<p>Chairman of GENCONN BIOTECH CO., LTD. Chairman of HORIZON PLUS Co., Ltd. Chairman of OMNIGUIDER INC. Chairman of HONG-QI MECHATRONICS (ANHUI) CO., LTD. Chairman of BIG INNOVATION COMPANY LTD. Chairman of FIH CO., LTD. Chairman of Intellex Works Co., LTD. Chairman of PowerX Semiconductor Corporation Director of ShunSin Technology Holdings Limited Director of Foxtron Vehicle Technologies Co., Ltd. Director of Pan-International Industrial Corp. Director of LONG TIME TECH. CO., LTD. Director of Linker Vision Co., Ltd. Director of iCana Ltd Director of XSemi Corporation Director of Batt. Cycle Materials Co., Ltd. Director of Beijing Hengyu Electric Vehicle Rental Co., Ltd. Director of FOXCONN INNOVATION INDUSTRY DEVELOPMENT GROUP CO, Ltd. Director of Foxconn New Energy Battery (Zhengzhou) Co., Ltd. Director of Hon Young Semiconductor Corporation Director of Qingdao New Core Technology Co., Ltd. Director of Pollux Technologies, Inc. Director of Foxconn EV Netherlands Holdings Director of Foxconn EV Technology Inc.</p>	

Type of Nominee	Name of Nominee	Education	Experience	Current Position	Number of Shares Held (Unit: Shares)
				Director of MIH Consortium Director of TAISIC MATERIALS CORP. Director of Foxconn Fukuyama Technologies Co., Ltd.(FFT) Director of MEMS CORE CO. LTD Director of Indigo Technologies Inc.	
Independent Director	Pao-Shi Sheng	Bachelor degree of Economics, University of California, Berkeley	General Manager, Hoan Pharmaceuticals Ltd.	Chairman of Union Chemical & Pharmaceutical Co., Ltd. Chairman of Zhuoya Co., Ltd. Chairman of Rui Bao Xin Investment Co., Ltd. Chairman of Baolei Management Consulting CO., LTD. Chairman of Yisheng Co., Ltd. Chairman of TANVEX BIOLOGICS CORPORATION Chairman of Baolei Co., Ltd. Chairman of Bora Management Consulting Co., Ltd. Chengyuan Co., Ltd. Chairman of Jia Xi International Co., Ltd. Chairman of Bao En International Co., Ltd. Chairman of Baolei International CO., LTD. Chairman of TWi Pharmaceuticals, Inc. Chairman of Synpac-kingdom pharmaceutical Co., Ltd. Legal Representative of Wonders company Ltd. Chairman of Bora Pharmaceutical and Consumer Health Inc. Chairman of Bora Health Co., Ltd. Chairman and General Manager of Bora Pharmaceutical Co., Ltd.	0

Type of Nominee	Name of Nominee	Education	Experience	Current Position	Number of Shares Held (Unit: Shares)
				Director of LIBO PHARMA CORP. Chairman of Sunway Biotech Co., Ltd. Director of Jesper Co., Ltd. Chairman of Bora Pharmaceutical and Consumer Health Inc. Director of Wellpool Co., Ltd. Independent Director, GAMANIA DIGITAL ENTERTAINMENT CO., LTD Independent Director, Advanced Power Electronics Co., Ltd. Director of BIONET Therapeutics Corp.	
Independent Director	Stephen Tso	M.S. & Ph.D., Materials Science & Engineering, University of California, Berkeley B.S., Physics, National Taiwan University	Senior Vice President & CIO, TSMC Chairman and CEO, TSMC Solid State Lighting and TSMC Solar President, Wafertech Senior Vice President, Operation, TSMC Senior Vice President, Worldwide Sales & Marketing, TSMC Vice President, R&D, TSMC General Manager, CVD Division, Applied Materials Fab Manager, Vice President, Fab Operations, SGS-	Independent Director , AOPEN Incorporated Independent Director , Winbond Electronics Corporation Director of YE SIANG ENTERPRISE CO., LTD.	0

Type of Nominee	Name of Nominee	Education	Experience	Current Position	Number of Shares Held (Unit: Shares)
			Thomson Member of Technical Staff, Engineering Manager, Texas Instruments		
Independent Director	Chien-Wei Chen	EMBA of Taiwan-Fudan University EMBA of National Taiwan University of Science and Technology Bachelor degree of Industrial Engineering and Management of National Taiwan University of Science and Technology	Supervisor of E-Elements Technology Co. Ltd. Director of Ennoconn Corporation Committee Member of Compensation of Chaintech Technology Corporation	President of Technology Unlimited Group Chairman of Technology Created Medicine Corporation Chairman of IOTU CORPORATION Chairman of Sparkle Computer Co., Ltd. Representative of juridical person director of Rigo Global Co., Ltd. Independent Director, Aewin Technologies Co., Ltd. Director of Uwin Resource Regeneration Inc. Director of ALCOR MICRO, CORP. Director of EGIS TECHNOLOGY INC. Director of Taiwan Star Venture Investment Co., Ltd Independent Director, Inmax Holding Co., Ltd Independent Director, Advanced Power Electronics Co., Ltd.	0

Advanced Power Electronics Co., Ltd.

Other Positions Held by Director (Including Independent Director)

Nominees

Title	Name	Concurrent Positions in Other Companies
Director	Tie-Min Chen	<p>Founder and Chairman of YAGEO Corporation Chairman of Tong Hsing Electronic Ind., Ltd. Chairman of XSEMI Corporation Chairman of Kuo-Shin Investment Co., Ltd. Vice Chairman of uPI semiconductor corp. Chairman of TMC Family Heritage</p>
Director	<p>Future Technology Consulting, Inc. Representative: Fu-Chi Teng</p>	<p>Chairman of Future Technology Consulting, Inc. Representative of Juridical person director, Tainet Communication System Corp. Representative of juridical person director, Future Technology Consulting (B.V.I.), Inc. Representative of juridical person director, Perfect Prime Ltd. (SAMOA) Representative of juridical person chairman, Green Power Semiconductor Co., Ltd. President and Representative of juridical person director, OPC Microelectronics Co., Ltd. Representative of juridical person director, Fuhong Investment Co., Ltd. Independent Director of Technology Unlimited Corp. Director of Data Image Corporation Independent Director of Caswell, Inc. Representative of juridical person chairman, St. John's Star Venture Capital Co., Ltd. Director of Nccu Star Venture Capital Co., Ltd. Director of Ntust Star Venture Capital Co., Ltd. Representative of juridical person chairman of Chengchi of Star Venture Capital Co., Ltd.</p>
Director	<p>XSEMI Corporation Representative: Mei-Ying Tan</p>	<p>Representative of juridical person director, Seaward Electronics Corp. (Cayman) Representative of juridical person director and general manager, Shenzhen Fucheng Electronics Co., Ltd. Representative of juridical person director, Green Power Semiconductor Co., Ltd. Representative of juridical person director, OPC Microelectronics Co., Ltd. Representative of juridical person chairman, Fuhong Investment Co., Ltd.</p>
Director	Ying-Shi Huang	<p>Chairman of Healthconn Corp. Chairman of Altus Technology Inc., Chairman of Socle Technology Corp.</p>

Title	Name	Concurrent Positions in Other Companies
		<p>Chairman of Foxconn New energy Automobile Industry Development (Henan) Co., LTD. Chairman of SolidEdge Solution Inc Chairman of FARBOT TECH INC., Chairman of FAROBOT INC. Chairman of GENCONN BIOTECH CO., LTD. Chairman of HORIZON PLUS Co.,Ltd. Chairman of OMNIGUIDER INC. Chairman of HONG-QI MECHATRONICS (ANHUI) CO., LTD. Chairman of BIG INNOVATION COMPANY LTD. Chairman of FIH CO., LTD. Chairman of Intellex Works Co., LTD. Chairman of PowerX Semiconductor Corporation Director of ShunSin Technology Holdings Limited Director of Foxtron Vehicle Technologies Co., Ltd. Director of Pan-International Industrial Corp. Director of LONG TIME TECH. CO., LTD. Director of Linker Vision Co., Ltd. Director of iCana Ltd Director of XSemi Corporation Director of Batt. Cycle Materials Co., Ltd. Director of Beijing Hengyu Electric Vehicle Rental Co., Ltd. Director of FOXCONN INNOVATION INDUSTRY DEVELOPMENT GROUP CO, Ltd. Director of Foxconn New Energy Battery (Zhengzhou) Co., Ltd. Director of Hon Young Semiconductor Corporation Director of Qingdao New Core Technology Co., Ltd. Director of Pollux Technologies, Inc. Director of Foxconn EV Netherlands Holdings Director of Foxconn EV Technology Inc. Director of MIH Consortium Director of TAISIC MATERIALS CORP. Director of Foxconn Fukuyama Technologies Co., Ltd.(FFT) Director of MEMS CORE CO. LTD Director of Indigo Technologies Inc.</p>
Independent Director	Pao-Shi Sheng	<p>Chairman of Union Chemical & Pharmaceutical Co., Ltd. Chairman of Zhuoya Co., Ltd. Chairman of Rui Bao Xin Investment Co., Ltd. Chairman of Baolei Management Consulting CO., LTD.</p>

Title	Name	Concurrent Positions in Other Companies
		Chairman of Yisheng Co., Ltd. Chairman of TANVEX BIOLOGICS CORPORATION Chairman of Baolei Co., Ltd. Chairman of Bora Management Consulting Co., Ltd. Chengyuan Co., Ltd. Chairman of Jia Xi International Co., Ltd. Chairman of Bao En International Co., Ltd. Chairman of Baolei International CO., LTD. Chairman of TWi Pharmaceuticals, Inc. Chairman of Synpac-kingdom pharmaceutical Co., Ltd. Legal Representative of Wonders company Ltd. Chairman of Bora Pharmaceutical and Consumer Health Inc. Chairman of Bora Health Co., Ltd. Chairman and General Manager of Bora Pharmaceutical Co., Ltd. Director of LIBO PHARMA CORP. Chairman of Sunway Biotech Co., Ltd. Director of Jesper Co.,Ltd. Chairman of Bora Pharmaceutical and Consumer Health Inc. Director of Wellpool Co., Ltd. Independent Director, GAMANIA DIGITAL ENTERTAINMENT CO., LTD Director of BIONET Therapeutics Corp.
Independent Director	Stephen Tso	Independent Director , AOPEN Incorporated Independent Director , Winbond Electronics Corporation Director of YE SIANG ENTERPRISE CO., LTD.
Independent Director	Chien-Wei Chen	President of Technology Unlimited Group Chairman of Technology Created Medicine Corporation Chairman of IOTU CORPORATION Chairman of Sparkle Computer Co., Ltd. Representative of juridical person director of Rigo Global Co., Ltd. Independent Director, Aewin Technologies Co., Ltd. Director of Uwin Resource Regeneration Inc. Director of ALCOR MICRO, CORP. Director of EGIS TECHNOLOGY INC. Director of Taiwan Star Venture Investment Co., Ltd Independent Director, Inmax Holding Co., Ltd