

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024
(Stock Code 5351)

No. 6, Technology Road 5, Hsinchu Science Park, Hsinchu, Taiwan
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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail

ETRON TECHNOLOGY, INC.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

In 2025 (from January 1, 2025 to December 31, 2025), the companies required to be included in the consolidated financial statements of affiliates under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and consolidated financial statements of Affiliated Enterprises" are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standards (IFRS) 10, and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. The Company hereby produces this declaration to the effect that no preparation for the separate consolidated financial statements of affiliates is required.

Hereby declare,

Company name: ETRON TECHNOLOGY, INC.

Chairman: Chao-Chun Lu

March 11, 2026

Independent Auditors' Report

(2026) Cai-Shen-Bao-Zi No. 25003506

To the Board of Directors and Shareholders of Etron Technology, Inc.:

Opinion

We have audited the accompanying consolidated balance sheets of Etron Technology, Inc. and subsidiaries (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the report of other auditors, 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 Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Key audit matters - Valuation of accounts receivable

Description

Please refer to Note 4(11) for accounting policies on valuation of accounts receivable, Note 5 for the uncertainty of accounting estimates and assumptions related to valuation of accounts receivable, and Note 6(5) for details of accounts receivable. As of December 31, 2025, the total amount of accounts receivable and allowance for uncollectible accounts were NT\$1,109,258 thousand and NT\$76,718 thousand, respectively.

The Group assesses the allowance for uncollectible accounts receivable by each individual counterparty when there are significant past due accounts receivable arising from each individual counterparty. The valuation of allowance for uncollectible accounts receivable for the remaining counterparties is based on the default risk and expected loss rate. The amount of accounts receivable is material to the parent company only financial statements and the valuation involves subjective judgment made by management. Thus, we consider the valuation of accounts receivable a key audit matter.

How our audit addressed the matter

The procedures performed by us for the impairment assessment of accounts receivable are summarized as follows:

1. Obtain an understanding and evaluating the design and operating effectiveness of internal controls related to sales and collection cycle.
2. Obtain the aging analysis report and validate its accuracy.
3. Obtain relevant assessment made by management in identifying significant expected credit loss for each individual customer and respective supporting documents. Evaluate the reasonableness

of expected credit loss ratios based on the historical data of similar credit risk groups while also considering forward-looking information.

4. Perform subsequent collection testing to assess the reasonableness of allowance for uncollectable accounts receivables.

Key audit matters - Valuation of inventories

Description

Refer to Note 4(14) for accounting policies on valuation of inventories, Note 5 of the consolidated financial statements for the uncertainty of accounting estimates and assumptions related to valuation of inventories, and Note 6(6) of the consolidated financial statements for details of inventories. As of December 31, 2025, the total amount of inventories and allowance for inventory valuation loss were NT\$3,141,889 thousand and NT\$440,180 thousand, respectively.

The Group is primarily engaged in the design, manufacturing and sale of niche memory chips. Due to rapidly technology changing and market demand, there is a higher risk of decline in market values of inventories or obsolescence. The Group's inventories are measured at the lower of cost and net realizable value. The estimation of net realizable value for inventories aged over a certain period of time and individually identified as obsolete involves management's subjective judgment and the amount of inventories is material to the Group's financial statements. Thus, we consider the valuation of inventories a key audit matter.

How our audit addressed the matter

The procedures performed by us for the assessment of allowance for inventory valuation loss are summarized as follows:

1. Understand and assess the reasonableness of the policy for recognizing allowance for inventory valuation losses.
2. Test the inventory aging report, including randomly inspecting year-end inventory quantities and amounts to ensure consistency with the inventory details and confirm the accuracy of the aging classification.
3. Evaluate and validate the reasonableness of the estimated net realizable value to confirm the adequacy of the allowance for inventory valuation loss.

Other matter - Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method recognized by the Group's investee accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balances of these investments accounted for under the equity method amounted to NT\$309,578 thousand and NT\$302,780 thousand, constituting 4.01% and 4.50% of the consolidated total assets as at December 31, 2025 and 2024, and the comprehensive income recognized from investments accounted for under the equity method amounted to NT\$18,130 thousand and NT(\$2,491) thousand, constituting (5.67%) and 0.36% of the consolidated total comprehensive income for the years then ended, respectively.

Other matter - Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Etron Technology, Inc. as at and for the years ended December 31, 2025 and 2024.

Responsibilities of management and those charged with governance for the consolidated financial statements

To ensure that the consolidated financial statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS, IAS, law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the consolidated financial statements.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine the key audit matters of the Group in the audit of the consolidated financial statements for the year ended December 31, 2025. 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.

For and on Behalf of PricewaterhouseCoopers, Taiwan

Hsieh, Chih-Cheng

CPA

Hsu, Sheng-Chung

Former Executive Yuan Financial Supervisory Commission
Approved letter No.: Jin-Guan-Zheng-Shen-Zi No. 0990042599
Financial Supervisory Commission
Approved letter No.: Jin-Guan-Zheng-Shen-Zi No. 1010034097

March 11, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
DECEMBER 31, 2025 AND 2024

Expressed in thousands of NTD

Assets	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 873,575	11	\$ 785,230	12
1110	Financial assets at fair value through profit or loss - current	6(2)	7,556	-	7,653	-
1136	Financial assets at amortized cost - current	6(4) and 8	7,100	-	7,150	-
1150	Notes receivable, net	6(5)	1,620	-	28,361	-
1170	Accounts receivable, net	6(5)	1,032,540	14	759,408	11
1200	Other receivables	7	10,764	-	3,561	-
1220	Current income tax assets		679	-	3,547	-
130X	Inventories	6(6)	2,701,709	35	2,536,856	38
1410	Prepayments		84,696	1	69,110	1
1470	Other current assets	6(12)	417,383	6	1,521	-
11XX	Total current assets		<u>5,137,622</u>	<u>67</u>	<u>4,202,397</u>	<u>62</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	13,956	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	1,033,424	13	744,857	11
1535	Financial assets at amortized cost - non-current	6(4) and 8	5,941	-	5,941	-
1550	Investments Accounted for Using the Equity Method	6(7)	408,849	5	302,780	5
1600	Property, plant, and equipment	6(8)(13) and 8	673,248	9	653,148	10
1755	Right-of-use assets	6(9)	142,137	2	169,972	3
1780	Intangible assets	6(11)	36,849	-	18,981	-
1840	Deferred income tax assets	6(33)	203,880	3	209,005	3
1900	Other non-current assets	6(12) and 8	60,381	1	423,923	6
15XX	Total non-current assets		<u>2,578,665</u>	<u>33</u>	<u>2,528,607</u>	<u>38</u>
1XXX	Total assets		<u>\$ 7,716,287</u>	<u>100</u>	<u>\$ 6,731,004</u>	<u>100</u>

(Continued)

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
DECEMBER 31, 2025 AND 2024

Expressed in thousands of NTD

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Current Liabilities						
2100	Short-term borrowings	6(14)	\$ 303,936	4	\$ 471,153	7
2120	Financial liabilities at fair value through profit or loss - current	6(15)	719	-	16,358	-
2130	Contract liabilities - current	6(25)	47,354	1	58,985	1
2150	Notes payable		3,926	-	3,909	-
2170	Accounts payable		867,977	11	600,903	9
2200	Other payables	6(16)	307,396	4	263,952	4
2280	Lease liabilities - current		25,091	-	24,780	-
2320	Long-term liabilities, current portion	6 (17) (18) and 8	583,759	7	784,864	12
2399	Other current liabilities, other		61,564	1	15,912	-
21XX	Total current liabilities		<u>2,201,722</u>	<u>28</u>	<u>2,240,816</u>	<u>33</u>
Non-current liabilities						
2540	Long-term borrowings	6(18) and 8	1,355,901	18	18,125	-
2570	Deferred income tax liabilities	6(33)	1,723	-	848	-
2580	Lease liabilities - non-current		124,986	2	152,425	2
2600	Other non-current liabilities	6(19) and 7	39,558	-	38,837	1
25XX	Total non-current liabilities		<u>1,522,168</u>	<u>20</u>	<u>210,235</u>	<u>3</u>
2XXX	Total liabilities		<u>3,723,890</u>	<u>48</u>	<u>2,451,051</u>	<u>36</u>
Equity attributable to owners of the parent company						
Share capital						
3110	Capital stock - common shares	6(20)	3,255,958	42	3,255,958	48
3140	Capital collected in advance		5,088	-	-	-
Capital surplus						
3200	Capital surplus	6(21)	796,472	11	1,419,142	21
Retained earnings						
3350	Accumulated deficit	6(22)	(499,243)	(7)	(596,602)	(9)
3400	Other equity interest	6(23)	353,187	5	87,081	2
31XX	Equity attributable to owners of the parent company		<u>3,911,462</u>	<u>51</u>	<u>4,165,579</u>	<u>62</u>
36XX	Non-controlling interests	4(3)	80,935	1	114,374	2
3XXX	Total equity		<u>3,992,397</u>	<u>52</u>	<u>4,279,953</u>	<u>64</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments						
Significant Events after the Balance Sheet Date						
3X2X	Total liabilities and equity		<u>\$ 7,716,287</u>	<u>100</u>	<u>\$ 6,731,004</u>	<u>100</u>

Please consult the enclosed notes to the consolidated financial statements, as they form an essential component of this consolidated financial report.

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
YEARS ENDED DECEMBER 31, 2025 AND 2024

Expressed in thousands of NTD
(Except for losses per share of NTD)

Item	Notes	2025		2024	
		Amount	%	Amount	%
4000 Operating revenue	6(25)	\$ 4,036,779	100	\$ 3,473,217	100
5000 Operating costs	6(6)(30)(31)	(3,418,415)	(85)	(3,030,402)	(87)
5950 Gross profit from operations		<u>618,364</u>	<u>15</u>	<u>442,815</u>	<u>13</u>
Operating expenses	6(30)(31)				
6100 Selling expenses		(208,553)	(5)	(231,070)	(7)
6200 Administrative expenses		(273,363)	(7)	(274,290)	(8)
6300 Research and development expenses		(782,085)	(19)	(657,539)	(19)
6450 Expected credit impairment (loss) gain	12(2)	(474)	-	536	-
6000 Total operating expenses		<u>(1,264,475)</u>	<u>(31)</u>	<u>(1,162,363)</u>	<u>(34)</u>
6500 Other operating income and expenses - net	6(26) and 7	<u>66,372</u>	<u>2</u>	<u>67,555</u>	<u>2</u>
6900 Operating loss		<u>(579,739)</u>	<u>(14)</u>	<u>(651,993)</u>	<u>(19)</u>
Non-operating income and expenses					
7100 Interest income	6(27)	6,727	-	9,592	-
7010 Other income	6(28)	80,833	2	110,496	3
7020 Other gains and losses	6(29)	(9,478)	-	(9,533)	-
7050 Finance costs	6(32)	(90,254)	(2)	(60,617)	(2)
7060 Share of profit (loss) of associates and joint ventures accounted for using the equity method	6(7)	<u>14,940</u>	<u>-</u>	<u>(12,197)</u>	<u>-</u>
7000 Total non-operating income and expenses		<u>2,768</u>	<u>-</u>	<u>37,741</u>	<u>1</u>
7900 Net loss before income tax		<u>(576,971)</u>	<u>(14)</u>	<u>(614,252)</u>	<u>(18)</u>
7950 Income tax expense	6(33)	<u>(6,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
8200 Net loss for the year		<u>(\$ 582,971)</u>	<u>(14)</u>	<u>(\$ 614,252)</u>	<u>(18)</u>
Other comprehensive income (loss)					
Components that will not be reclassified to profit or loss					
8311 (losses) Gains on re-measurements of defined benefit plans	6(19)	(\$ 1,749)	-	\$ 8,580	-
8316 Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	6(3)(23)	294,275	7	(143,165)	(4)
8320 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(7)(23)	<u>(2,600)</u>	<u>-</u>	<u>4,407</u>	<u>-</u>
8310 Components that will not be reclassified to profit or loss		<u>289,926</u>	<u>7</u>	<u>(130,178)</u>	<u>(4)</u>
Components that may be reclassified to profit or loss					
8361 Currency translation differences of foreign operations	6(23)	(31,932)	(1)	53,928	2
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that may be reclassified to profit or loss	6(7)(23)	<u>5,061</u>	<u>-</u>	<u>5,299</u>	<u>-</u>
8360 Components that may be reclassified to profit or loss		<u>(26,871)</u>	<u>(1)</u>	<u>59,227</u>	<u>2</u>
8300 Other comprehensive income (loss) (net)		<u>(\$ 263,055)</u>	<u>(6)</u>	<u>(\$ 70,951)</u>	<u>(2)</u>
8500 Total comprehensive income (loss) for the year		<u>(\$ 319,916)</u>	<u>(8)</u>	<u>(\$ 685,203)</u>	<u>(20)</u>
Net income (loss) attributable to:					
8610 Owners of the parent company		(\$ 497,494)	(12)	(\$ 540,640)	(16)
8620 Non-controlling interests		(85,477)	(2)	(73,612)	(2)
		<u>(\$ 582,971)</u>	<u>(14)</u>	<u>(\$ 614,252)</u>	<u>(18)</u>
Total comprehensive income (loss) attributable to:					
8710 Owners of the parent company		(\$ 233,137)	(6)	(\$ 613,210)	(18)
8720 Non-controlling interests		(86,779)	(2)	(71,993)	(2)
		<u>(\$ 319,916)</u>	<u>(8)</u>	<u>(\$ 685,203)</u>	<u>(20)</u>
9750 Basic losses per share	6(34)	<u>(\$ 1.53)</u>		<u>(\$ 1.77)</u>	
9850 Diluted losses per share	6(34)	<u>(\$ 1.53)</u>		<u>(\$ 1.77)</u>	

Please consult the enclosed notes to the consolidated financial statements, as they form an essential component of this consolidated financial report.

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
YEARS ENDED DECEMBER 31, 2025 AND 2024

Expressed in thousands of NTD

	Notes	Equity attributable to owners of the parent company							Non-controlling interests	Total equity
		Share capital		Capital surplus	Legal reserve	Accumulated deficits	Other equity interest	Total		
		Capital stock - common shares	Capital collected in advance							
<u>2024</u>										
Balance at January 1, 2024		\$ 2,889,328	\$ 17,143	\$ 718,483	\$ 96,910	(\$ 468,959)	\$ 168,230	\$ 3,421,135	\$ 61,083	\$ 3,482,218
Net loss for the year		-	-	-	-	(540,640)	-	(540,640)	(73,612)	(614,252)
Other comprehensive income (loss) for the year	6(7) (19) (23)	-	-	-	-	8,580	(81,150)	(72,570)	1,619	(70,951)
Total comprehensive income (loss) for the year		-	-	-	-	(532,060)	(81,150)	(613,210)	(71,993)	(685,203)
Appropriation and distribution of 2023 retained earnings:	6(22)									
Legal reserve for loss compensation		-	-	-	(96,910)	96,910	-	-	-	-
Capital surplus for loss compensation	6(21)(22)	-	-	(307,508)	-	307,508	-	-	-	-
Cash capital increase	6(20)(21)	350,000	-	974,775	-	-	-	1,324,775	-	1,324,775
Exercise of employee share options	6(20)(21)(24)	16,630	(17,143)	34,240	-	-	-	33,727	-	33,727
Net change in equity of associates	6(21)	-	-	1,213	-	-	-	1,213	-	1,213
Cost of share-based compensation	6(21)(24)	-	-	15,198	-	-	-	15,198	2,508	17,706
Changes in ownership interests in subsidiaries	6(21)	-	-	(38,182)	-	-	-	(38,182)	40,050	1,868
Capital contribution from non-controlling interests	6(21)(36)	-	-	20,923	-	-	-	20,923	82,726	103,649
Disposal of equity instruments at fair value through other comprehensive income	6(3)(23)	-	-	-	-	(1)	1	-	-	-
Balance at December 31, 2024		\$ 3,255,958	\$ -	\$ 1,419,142	\$ -	(\$ 596,602)	\$ 87,081	\$ 4,165,579	\$ 114,374	\$ 4,279,953
<u>2025</u>										
Balance at January 1, 2025		\$ 3,255,958	\$ -	\$ 1,419,142	\$ -	(\$ 596,602)	\$ 87,081	\$ 4,165,579	\$ 114,374	\$ 4,279,953
Net loss for the year		-	-	-	-	(497,494)	-	(497,494)	(85,477)	(582,971)
Other comprehensive income (loss) for the year	6(7) (19) (23)	-	-	-	-	(1,749)	266,106	264,357	(1,302)	263,055
Total comprehensive income (loss) for the year		-	-	-	-	(499,243)	266,106	(233,137)	(86,779)	(319,916)
Capital surplus for loss compensation	6(21)(22)	-	-	(596,602)	-	596,602	-	-	-	-
Exercise of employee share options	6(20)	-	5,088	-	-	-	-	5,088	-	5,088
Net change in equity of associates	6(21)	-	-	(525)	-	-	-	(525)	-	(525)
Cost of share-based compensation	6(21)(24)	-	-	3,853	-	-	-	3,853	6,217	10,070
Changes in ownership interests in subsidiaries	6(21)	-	-	(31,113)	-	-	-	(31,113)	31,113	-
Capital contribution from non-controlling interests	6(21)(36)	-	-	1,717	-	-	-	1,717	16,010	17,727
Balance at December 31, 2025		\$ 3,255,958	\$ 5,088	\$ 796,472	\$ -	(\$ 499,243)	\$ 353,187	\$ 3,911,462	\$ 80,935	\$ 3,992,397

Please consult the enclosed notes to the consolidated financial statements, as they form an essential component of this consolidated financial report.

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
YEARS ENDED DECEMBER 31, 2025 AND 2024

Expressed in thousands of NTD

	Notes	2025	2024
Cash flows from operating activities			
Net loss before tax for the year		(\$ 576,971)	(\$ 614,252)
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss (gain)	12(2)	474	(536)
Depreciation expenses	6(8)(9)(30)	150,940	139,148
Amortization expenses	6(11)(30)	80,092	71,900
Net (gain)loss on financial assets at fair value	6(2)(15)(29)		
through profit or loss		(13,783)	18,883
Cost of share-based compensation	6(24)	10,070	17,706
Interest expenses	6(32)	86,940	56,782
Interest expense from lease liabilities	6(9) (32)	3,314	3,835
Interest income	6(27)	(6,727)	(9,592)
Dividend income	6(28)	(66,233)	(96,404)
Share of (gain) loss of associates accounted	6(7)		
for using the equity method		(14,940)	12,197
Losses on disposal of property, plant, and	6(29)		
equipment		-	13
Losses arising from lease modifications	6(29)	-	122
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		26,741	(26,543)
Accounts receivable		(273,606)	(114,272)
Other receivables		(7,290)	17,121
Inventories		(164,853)	244,709
Prepayments		(15,586)	2,715
Other current assets		(137)	387
Changes in operating liabilities			
Contract liabilities		(11,631)	(5,069)
Notes payable		17	(1,418)
Accounts payable		267,074	200,925
Other payables		31,639	7,430
Other current liabilities		45,652	9,408
Net defined benefit liabilities		(1,029)	(1,078)
Cash outflow generated from operations		(449,833)	(65,883)
Interest received		6,814	9,599
Dividends received		66,233	96,404
Interest paid		(59,717)	(51,504)
Net cash outflows generated from operating		(436,503)	(11,384)
activities			

(Continued)

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
YEARS ENDED DECEMBER 31, 2025 AND 2024

Expressed in thousands of NTD

	Notes	2025	2024
Cash flows from investing activities			
Acquisition of financial assets at fair value through profit or loss	6(2)	(\$ 16,403)	\$ -
Acquisition of financial assets at fair value through other comprehensive income	12(3)	(13,356)	(78,377)
Recovery of investment cost from financial assets at fair value through other comprehensive income	12(3)	6,711	3,786
Increase on financial assets at amortized cost		(4,500)	(4,850)
Decrease on financial assets at amortized cost		4,550	1,007
Acquisition of investments accounted for using equity method	6(7)	(100,000)	-
Acquisition of property, plant, and equipment	6(35)	(147,445)	(106,404)
Proceeds from disposal of property, plant, and equipment		-	115
Acquisition of intangible assets	6(35)	(125,403)	(60,701)
(Increase) decrease in refundable deposits		(330)	296
Increase in other non-current assets		(13,119)	-
Net cash used in investing activities		(409,295)	(245,128)
Cash flows from financing activities			
Increase in short-term loans	6(37)	3,284,517	3,728,565
Decrease in short-term loans	6(37)	(3,451,734)	(4,242,036)
Increase in long-term loans	6(37)	2,549,000	-
Decrease in long-term loans	6(37)	(647,958)	(610,801)
Cash capital increase	6(20)	-	1,324,775
Increase (decrease) in guarantee deposits	6(37)	2	(3)
Payment of lease principal	6(37)	(25,004)	(24,362)
Redemption of convertible bonds	6(17) (37)	(794,400)	-
Capital contribution from non-controlling interests	6(36)	17,727	103,649
Exercise of employee share options	6(20)	5,088	33,727
Net cash flows from financing activities		937,238	313,514
Effect of change in exchange rate		(3,095)	21,133
Increase in cash and cash equivalents		88,345	78,135
Cash and cash equivalents at beginning of year	6(1)	785,230	707,095
Cash and cash equivalents at end of year	6(1)	\$ 873,575	\$ 785,230

Please consult the enclosed notes to the consolidated financial statements, as they form an essential component of this consolidated financial report.

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Expressed in thousands of NTD
(Except as otherwise indicated)

1. Company History

Etron Technology, Inc. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the manufacturing and design of various integrated circuits.

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

These consolidated financial statements were authorized for issuance by the Board of Directors on March 11, 2026.

3. Application of New Standards, Amendments and Interpretations

- (1) Effect of the adoption of new issuance of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New/Revised/Amended Standards and Interpretations	Publication Effective Date of the International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025
The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.	

- (2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New/Revised/Amended Standards and Interpretations	Publication Effective Date of the International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 –	

comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’

Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New/Revised/Amended Standards and Interpretations	Effective date by IASB
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by IASB
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027(Note)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Preparation basis

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (1) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (2) Financial assets at fair value through other comprehensive income.
- (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with “IFRSs” requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

- (1) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (2) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

- (3) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance.
- (4) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (5) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		
			December 31, 2025	December 31, 2024	
Etron Technology, Inc.	Kingwell Investment Corp.	Investment in the manufacturing and service industries	100	100	
Etron Technology, Inc.	Kingcharm Investment Corp.	Investment holdings	100	100	
Etron Technology, Inc.	Eutrend Technology, Inc.	Testing service for high frequency or high-power radio frequency, analog, digital, and mixed-signal components	93.57	93.57	
Etron Technology, Inc.	Kinglord Corp.	Investment holdings	100	100	
Etron Technology, Inc.	Intercosmos Group Limited	Investment holdings	100	100	
Etron Technology, Inc.	Plusway Corp.	Investment holdings	100	100	
Etron Technology, Inc.	Creative Ally Limited	Investment holdings	100	100	
Etron Technology, Inc.	eEver Technology Limited	Investment holdings	43.52	43.52	Note 1
Etron Technology, Inc.	eYs3D Microelectronics, Inc.	Investment holdings	64.16	62.90	Note 2
Etron Technology, Inc.	eCapture Ltd. Co.	Investment holdings	100	100	
Etron Technology, Inc.	Insignis Technology, Inc.	Investment holdings	100	100	
Etron Technology, Inc.	DeCloak Intelligences Co.	Information and software services	79.07	80.10	
Etron Technology, Inc.	T-Era Architecture Technology, Inc.	Investment holdings	10.35	7.56	Note 3
Etron Technology, Inc.	TAT Technology, Inc.	Investment holdings	9.39	7.33	Note 4
Etron Technology, Inc.	ValueCreation Technology, Inc.	Intellectual property industry	100	100	
eEver Technology Limited	eEver Technology, Inc.	Electronic component manufacturing industry	100	100	
eYs3D Microelectronics, Inc.	eYs3D Microelectronics Co.	Electronic component manufacturing industry	100	100	
eYs3D Microelectronics, Inc.	AiYs3D Technology, Inc.	Marketing and customer service	100	100	
Kingwell Investment Corp.	Global Specitronics Solutions Company	Electronic component manufacturing industry	93.45	100	Note 5
Kingwell Investment Corp.	nD-HI Technologies Lab, Inc.	Electronic component manufacturing industry	88.93	97.49	
Kingwell Investment Corp.	Intellect Rise Design, Inc.	Investment holdings	100	-	Note 7
Kingcharm Investment Corp.	eEver Technology Limited	Investment holdings	15.49	15.49	Note 1
Kingcharm Investment Corp.	eYs3D Microelectronics, Inc.	Investment holdings	1.79	1.96	Note 2
Kinglord Corp.	Etron Technology America, Inc.	Sales agent of electronic components	100	100	
Kinglord Corp.	Anzon Technology, Inc.	Investment holdings	70.85	70.85	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		
			December 31, 2025	December 31, 2024	
Kinglord Corp.	Etron Technology (HK) Limited	Sales of electronic components	100	100	
Kinglord Corp.	eYs3D Microelectronics, Inc.	Investment holdings	0.68	0.74	Note 2
Kinglord Corp.	AISTA, Inc.	Semiconductor technology development, consulting, and design services	100	100	
Kinglord Corp.	ICLI, Inc.	Semiconductor technology development, consulting, and design services	-	100	Note 6
Anzon Technology, Inc.	Anzon Corporation	Sales agent of electronic components	100	100	
Etron Technology (HK) Limited	eYs3D Microelectronics, Inc.	Investment holdings	10.02	8.88	Note 2
Etron Technology (HK) Limited	eEver Technology Limited	Investment holdings	3.89	3.89	Note 1
Plusway Corp.	eYs3D Microelectronics, Inc.	Investment holdings	0.76	0.83	Note 2
Intercosmos Group Limited	Grandsino Technology Limited	Investment holdings	100	100	
Intercosmos Group Limited	Fullboom International Limited	Investment holdings	100	100	
Fullboom International Limited	Fullboom Electronics (Shenzhen) Co., Ltd.	Wholesale and international trade of electronic components	100	100	
Creative Ally Limited	Invention and Collaboration Laboratory Pte. Ltd.	Semiconductor technology development, consulting, and design services	82.20	81.72	
eCapture Ltd. Co.	eCapture Co., Limited	Marketing, sales and development of electronic products	100	100	
Insignis Technology, Inc.	Insignis Technology Corporation	Sales of electronic components	100	100	
Invention and Collaboration Laboratory Pte. Ltd.	Invention and Collaboration Laboratory, Inc.	Semiconductor technology development, consulting, and design services	100	100	
Invention and Collaboration Laboratory Pte. Ltd.	T-Era Architecture Technology, Inc.	Investment holdings	47.80	51.76	Note 3
Invention and Collaboration Laboratory Pte. Ltd.	TAT Technology, Inc.	Investment holdings	49.16	52.08	Note 4
Invention and Collaboration Laboratory Pte. Ltd.	ICLI, Inc.	Semiconductor technology development, consulting, and design services	100	-	Note 6
T-Era Architecture Technology, Inc.	TAT Technology, Inc.	Investment holdings	4.27	3.33	Note 4
TAT Technology, Inc.	T-Era Architecture Technology, Inc.	Investment holdings	4.70	3.44	Note 3
T-Era Architecture Technology, Inc.	T-Era Architecture Technology Corp.	Semiconductor technology development, consulting, and design services	100	100	
TAT Technology, Inc.	TAT Technology Corp.	Semiconductor technology development, consulting, and design services	100	100	
ValueCreation Technology, Inc.	WeCrevention, Inc.	Intellectual property industry	100	100	

Note 1: As of December 31, 2025 and 2024, the comprehensive shareholding ratio held by the Group in eEver Technology Limited were both 62.90%.

Note 2: As of December 31, 2025 and 2024, the comprehensive shareholding ratios held by the Group in eYs3D Microelectronics, Inc. were 77.41% and 75.31%, respectively.

Note 3: As of December 31, 2025 and 2024, the comprehensive shareholding ratios held by the Group in T-Era Architecture Technology, Inc. were 62.85% and 62.76%, respectively.

Note 4: As of December 31, 2025 and 2024, the comprehensive shareholding ratios held by the Group in TAT Technology, Inc. were 62.82% and 62.74%, respectively.

Note 5: The Company's original name was Pioneer Chip Technology Limited. It was resolved by the Board of Directors on May 24, 2024 to change its name to Global Etron Enterprise Co.. The registration of the name change was completed on June 14, 2024. On April 8, 2025, the Board resolved to rename the company Global Specitronics Solutions Company, with the official registration completed on May 21, 2025.

Note 6: The Company's original name was ESTA, Inc., It was renamed ICL1, Inc. on January 13, 2025, with the change of registration duly completed.

Following the Group's organizational restructuring in Q2 2025, the shareholding of ICL1, Inc., originally held by Kinglord Corp., was adjusted to be held by Invention and Collaboration Laboratory Pte. Ltd.

Note 7: Intellect Rise Design, Inc. is a newly incorporated company established on July 30, 2025.

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Significant restrictions: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group

As of December 31, 2025 and 2024, the non-controlling interest amounted to \$80,935 and \$114,374, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interests			
		December 31, 2025		December 31, 2024	
		Amount	Shareholding percentage	Amount	Shareholding percentage
eEver Technology Limited	Cayman Islands	\$29,754	37.10%	\$54,398	37.10%
eYs3D Microelectronics, Inc.	Cayman Islands	38,080	22.59%	51,006	24.69%

Summarized financial information of the subsidiaries:

Balance sheets

	eEver Technology Limited	
	December 31, 2025	December 31, 2024
Current Assets	\$ 8,808	\$ 9,137
Non-current assets	39,219	110,423
Current Liabilities	(71)	(89)
Non-current liabilities	-	-
Total net assets	<u>\$ 47,956</u>	<u>\$ 119,471</u>

	eYs3D Microelectronics, Inc.	
	December 31, 2025	December 31, 2024
Current Assets	\$ 4,988	\$ 4,632
Non-current assets	134,615	179,546
Current Liabilities	(140)	(80)
Non-current liabilities	-	-
Total net assets	<u>\$ 139,463</u>	<u>\$ 184,098</u>

Statements of comprehensive income

	eEver Technology Limited	
	Years ended December 31,	
	2025	2024
Revenue	\$ 325	\$ 1,086
Expense	(74,815)	(61,820)
Net loss before income tax	(74,490)	(60,734)
Income tax expense	-	-
Net loss for the year	(74,490)	(60,734)
Other comprehensive gain (loss), net of tax	4,810	(2,235)
Total comprehensive loss for the year	<u>(\$ 69,680)</u>	<u>(\$ 62,969)</u>

	eYs3D Microelectronics, Inc.	
	Years ended December 31,	
	2025	2024
Revenue	\$ 99	\$ 179
Expense	(183,360)	(150,918)
Net loss before income tax	(183,261)	(150,739)
Income tax expense	-	-
Net loss for the year	(183,261)	(150,739)
Other comprehensive gain (loss), net of tax	4,846	(7,522)
Total comprehensive loss for the year	<u>(\$ 178,415)</u>	<u>(\$ 158,261)</u>

Statements of cash flows

	eEver Technology Limited	
	Years ended December 31,	
	2025	2024
Net cash flows from (used in) operating activities	\$ 48	(\$ 289)
Net cash flows used in investing activities	-	(159,799)
Net cash flows from financing activities	-	166,552
Effect of exchange rates on cash and cash equivalents	(371)	289
(Decrease) Increase in cash and cash equivalents	(323)	6,753
Cash and cash equivalents at beginning of year	8,992	2,239
Cash and cash equivalents at end of year	<u>\$ 8,669</u>	<u>\$ 8,992</u>

	eYs3D Microelectronics, Inc.	
	Years ended December 31,	
	2025	2024
Net cash outflows generated from operating activities	(\$ 537)	(\$ 368)
Net cash flows used in investing activities	(138,972)	(226,882)
Net cash flows from financing activities	<u>140,051</u>	<u>231,106</u>
Effect of exchange rates on cash and cash equivalents	(180)	<u>117</u>
Increase in cash and cash equivalents	362	3,973
Cash and cash equivalents at beginning of year	<u>4,484</u>	<u>511</u>
Cash and cash equivalents at end of year	<u>\$ 4,846</u>	<u>\$ 4,484</u>

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (2) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, nonmonetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (4) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within other gains and losses.

B. Translation differences of foreign operations

- (1) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognized in other comprehensive income.
- (2) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (3) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

- (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.
- (b) Assets held mainly for trading purposes.
- (c) Assets that are expected to be realized within twelve months from the balance sheet date.
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged used to settle liabilities more than twelve months after the balance sheet date.

The Group classifies all other assets not meeting the above mentioned criteria as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle.
- (b) Liabilities arising mainly from trading activities.
- (c) Liabilities that are to be settled within twelve months from the balance sheet date.
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

The Group classifies all other liabilities not meeting the above mentioned criteria as non-current liabilities.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held to fulfill short-term cash commitments in operations are classified as cash equivalents.

- (7) Financial assets at fair value through profit or loss
- A. Financial assets that are not measured at amortized cost nor at fair value through other comprehensive income.
 - B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
 - C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
 - D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
- (8) Financial assets at fair value through other comprehensive income
- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (1) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.
 - (2) The terms of the financial asset contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.
 - B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
 - C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
- (9) Financial assets at amortized cost
- A. Financial assets at amortized cost are those that meet all of the following criteria:
 - (1) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (2) The terms of the financial asset contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.
 - B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.
 - C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

- A. For financial assets at amortized cost, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts.
- B. For accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Leasing arrangements (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventory is valued at the lower of cost or net realizable value, with cost calculated using the weighted average method. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using the equity method/associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income.

- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(16) Property, plant, and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.
- C. Land is not depreciated. Other property, plant and equipment apply cost model for subsequent measurement and are depreciated using the straight-line method to allocate their cost over their estimated useful lives.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is

accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors,' from the date of the change.

The estimated useful lives of the main property, plant and equipment are as follows:

Buildings and structures	3-50 years
Machinery and equipment	2-10 years
Other equipment	2-10 years

(17) Leasing arrangements (lessee) - right-of-use asset / lease liabilities

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the Group's incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost. Cost recognized is the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(18) Intangible assets

- A. Patents and special technology
Separately acquired patents and special technology are stated at historical cost. Patents and special technology have a finite useful life and are amortized on a straight-line basis over their economic benefits.
- B. Computer software
Computer software is stated at historical cost and amortized on a straight-line basis over its contract period.

(19) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(20) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(21) Accounts and notes payable

Accounts and notes payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

Mandatory convertible bonds

- A. Mandatory convertible bonds issued by the Group are initially recognized at fair value. The bonds will be settled by exchanging a fixed amount for an unfixed number of shares, which does not meet the definition of an equity component, and therefore are classified as liabilities. The bonds are subsequently remeasured at the present value of the redemption amount over the period of circulation.
- B. The mandatory convertible bonds are transferred from liabilities to equity when the bonds are converted at maturity.

(23) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognized initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss.' They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognized as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss.'
- B. The host contracts of bonds are initially recognized at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortized in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognized in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and ‘financial assets or financial liabilities at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and ‘capital surplus - share options.’

(24) Derecognition of financial liabilities

A financial liability is derecognized by the Group when the obligation specified in the contract is either discharged or cancelled or expired.

(25) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(1) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(2) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead and conducts an actuarial valuation at the end of the year.
- ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees’ compensation and directors’ remuneration

Employees’ compensation and directors’ remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(26) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and nonvesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(27) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

(28) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

- B. Where the Group repurchases the Group's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Group's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Group's equity holders.

(29) Dividends

Dividends are recorded in the Group's financial statements in the period in which they are resolved by the Group's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(30) Revenue recognition

A. Sales of goods

The Group designs, manufactures and sells integrated circuits. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. As the time interval between the transfer of committed goods and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

- B. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(31) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Valuation of accounts receivable

The Group evaluates the allowance for uncollectible accounts receivable by individual counterparties when there are significant past due accounts receivable arising from those individual counterparties. The evaluation of allowance for uncollectible accounts and notes receivable for the remaining counterparties is based on the default risk and expected loss rate. The Group considers the historical experience in determining the assumptions adopted and the inputs used when calculating the impairment. Such valuation of accounts receivable is estimated based on the reasonable expectation about expected credit losses on the basis of conditions existing at the balance sheet date although the estimation may differ from the actual result. Therefore, there might be material changes to the evaluation.

As of December 31, 2025, the carrying amount of accounts receivable was \$1,032,540.

B. Valuation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgments and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such valuation of inventories is valued based on the current market conditions and historical sales experience. Any changes in the market conditions may have material impact on the results of valuation. Therefore, there might be material changes to the evaluation.

As of December 31, 2025, the carrying amount of inventories was \$2,701,709.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 2,372	\$ 2,906
Checking accounts and demand deposits	838,530	687,493
Time deposits	<u>32,673</u>	<u>94,831</u>
Total	<u>\$ 873,575</u>	<u>\$ 785,230</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group's cash and cash equivalents shown on the balance sheet were not pledged to others as collateral. Details of the Group's cash and cash equivalents (shown as current and noncurrent financial assets at amortized cost) pledged to others as collateral are provided in Note 8.

(2) Financial assets at fair value through profit or loss

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Listed stocks	\$ 27,602	\$ 27,602
Valuation adjustment		
Equity instruments	(20,165)	(19,949)
Foreign exchange swap contracts	<u>119</u>	<u>-</u>
Total	<u>\$ 7,556</u>	<u>\$ 7,653</u>
Non Current items:		
Unlisted stocks	\$ 16,403	\$ -
Valuation adjustment	(2,447)	-
Total	<u>\$ 13,956</u>	<u>\$ -</u>

- A. The Group recognized net loss amounting to \$1,856 and \$5,464 on financial assets at fair value through profit or loss for the years ended December 31, 2025 and 2024, respectively.
- B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

<u>Derivatives/ financial assets</u>	<u>December 31, 2025</u>	
	<u>Contract amount</u> <u>(Notional principal)</u>	<u>Contract period</u>
Assets - current items:		
Foreign exchange swap contracts	USD <u>1,000 thousand</u>	2025.12.18 ~2026.03.04

December 31, 2024: None.

- C. The Group entered into forward exchange contracts and foreign exchange swap contracts to hedge exchange rate risk of export proceeds. However, these contracts are not accounted for under hedge accounting.
- D. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

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

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current items:		
Listed stocks	\$ 91,453	\$ 91,608
Unlisted stocks	529,342	534,673
Valuation adjustment	<u>412,629</u>	<u>118,576</u>
Total	<u>\$ 1,033,424</u>	<u>\$ 744,857</u>

- A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,033,424 and \$744,857 as at December 31, 2025 and 2024, respectively.
- B. Amounts recognized in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive (loss) income	\$ <u>294,275</u>	(\$ <u>143,165</u>)
Cumulative losses (gains) reclassified to retained earnings due to derecognition	\$ <u>-</u>	\$ <u>1</u>
Dividend income recognized in profit or loss held at end of year	\$ <u>66,176</u>	\$ <u>96,332</u>

- C. For the year ended December 31, 2025, the Group recovered investment cost of \$6,711 from the investee, Walden Technology Ventures II, L.P.
- D. For the year ended December 31, 2024, the Group recovered investment cost of \$3,786 from the investee, Walden Technology Ventures II, L.P.
- E. During the fiscal year 2024, the Group made the decision to dispose Senti Biosciences, Inc, the investment target, from the consolidated financial statements. As a result, an accumulated evaluation loss of \$1 was transferred to retained earnings.
- F. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.
- (4) Financial assets at amortized cost

	December 31, 2025	December 31, 2024
<u>Current items</u>		
Restricted time deposits and performance guarantee	\$ <u>7,100</u>	\$ <u>7,150</u>
<u>Non-current items</u>		
Restricted time deposits	\$ <u>5,941</u>	\$ <u>5,941</u>

- A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	Years ended December 31,	
	2025	2024
Interest income	\$ <u>91</u>	\$ <u>71</u>

- B. The counterparties for the Group's investments in certificates of deposit are financial institutions with good credit quality; therefore, the likelihood of default is expected to be remote.

(5) Notes and accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ 1,620	\$ 28,361
Accounts receivable	1,109,258	835,652
Less: Allowance for uncollectible accounts	(76,718)	(76,244)
	<u>\$ 1,034,160</u>	<u>\$ 787,769</u>

A. The ageing analysis of accounts and notes receivable that were past due but not impaired is as follows:

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not Past Due	\$ 1,064,128	\$ 1,620	\$ 675,907	\$ 28,361
Up to 30 days	45,130	-	51,506	-
31 to 90 days	<u>-</u>	<u>-</u>	<u>108,239</u>	<u>-</u>
	<u>\$ 1,109,258</u>	<u>\$ 1,620</u>	<u>\$ 835,652</u>	<u>\$ 28,361</u>

The above aging schedule for ageing analysis was calculated based on expected payment date.

B. As of January 1, 2024, the balances of receivables (including notes receivables) from contracts with customers amounted to \$723,198.

C. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts and notes receivable was carrying amount.

D. Information relating to credit risk is provided in Note 12(2).

(6) Inventories

	<u>December 31, 2025</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Carrying amount</u>
Raw materials	\$ 464,071	(\$ 18,205)	\$ 445,866
Work in progress	1,796,390	(288,365)	1,508,025
Finished goods	<u>881,428</u>	<u>(133,610)</u>	<u>747,818</u>
Total	<u>\$ 3,141,889</u>	<u>(\$ 440,180)</u>	<u>\$ 2,701,709</u>
	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Carrying amount</u>
Raw materials	\$ 576,619	(\$ 21,506)	\$ 555,113
Work in progress	1,608,816	(314,507)	1,294,309
Finished goods	<u>831,531</u>	<u>(144,097)</u>	<u>687,434</u>
Total	<u>\$ 3,016,966</u>	<u>(\$ 480,110)</u>	<u>\$ 2,536,856</u>

The cost of inventories recognized as expense for the year:

	Years ended December 31,	
	2025	2024
Cost of goods sold (including cost of services)	\$ 3,440,342	\$ 3,016,571
Loss on decline in market value (Gain from price recovery)	(21,927)	13,831
Transferred to expenses	<u>12,210</u>	<u>14,777</u>
	<u>\$ 3,430,625</u>	<u>\$ 3,045,179</u>

In 2025, a gain on reversal of inventory write-down was recognized due to the sale of inventories for which valuation losses had been previously recorded in prior periods.

(7) Investments Accounted for Using the Equity Method

A. Details of changes in investments accounted for using the equity method are as follows:

<u>Investees</u>	December 31, 2025		December 31, 2024	
	Carrying amount	Shareholding ratio	Carrying amount	Shareholding ratio
Investments Accounted for Using the Equity Method				
Great Team Backend				
Foundry, Inc.	\$ 309,578	42.41%	\$ 302,780	42.41%
MemoLead Technology Corporation	<u>99,271</u>	20.00%	<u>-</u>	-
	<u>\$ 408,849</u>		<u>\$ 302,780</u>	

B. The summarized financial information of the associates that are material to the Group is as follows:

	December 31, 2025	December 31, 2024
Assets	<u>\$ 1,243,403</u>	<u>\$ 711,182</u>
Liabilities	<u>\$ 101,279</u>	<u>\$ 97,703</u>

	Years ended December 31,	
	2025	2024
Revenue	<u>\$ 1,892</u>	<u>\$ 2,962</u>
Profit (loss) for the year	<u>\$ 29,352</u>	<u>(\$ 31,166)</u>

- C. For the years ended December 31, 2025 and 2024, the investment (loss) profit and other comprehensive (loss) income of investments accounted for using the equity method amounted to \$14,940 and (\$12,197), \$2,461 and \$9,706, respectively.
- D. The Group is the largest shareholder of Great Team Backend Foundry, Inc. with a 42.41% equity interest. However, in accordance with rule for director election stated in the Articles of Incorporation of the investee, the Group could not obtain more than half of the seats on the Board, which indicated that the Group has no right to direct the operating decisions. Thus, the investee was accounted for using the equity method
- E. MemoLead Technology Corporation. was incorporated on August 29, 2025. The Group's total investment in the company amounted to \$100,000.

(8) Property, plant, and equipment

	Buildings and structures	Machinery and equipment	Others	Total
<u>January 1, 2025</u>				
Cost	\$ 589,152	\$ 451,447	\$ 3,133,475	\$ 4,174,074
Accumulated depreciation and impairment	(272,052)	(427,224)	(2,821,650)	(3,520,926)
	<u>\$ 317,100</u>	<u>\$ 24,223</u>	<u>\$ 311,825</u>	<u>\$ 653,148</u>
January 1	\$ 317,100	\$ 24,223	\$ 311,825	\$ 653,148
Additions	16,739	2,829	127,901	147,469
Depreciation charge for the year	(12,113)	(4,681)	(108,722)	(125,516)
Net exchange differences	(1,848)	-	(5)	(1,853)
December 31	<u>\$ 319,878</u>	<u>\$ 22,371</u>	<u>\$ 330,999</u>	<u>\$ 673,248</u>
<u>December 31, 2025</u>				
Cost	\$ 604,009	\$ 453,250	\$ 3,258,594	\$ 4,315,853
Accumulated depreciation and impairment	(284,131)	(430,879)	(2,927,595)	(3,642,605)
	<u>\$ 319,878</u>	<u>\$ 22,371</u>	<u>\$ 330,999</u>	<u>\$ 673,248</u>

	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Others</u>	<u>Total</u>
<u>January 1, 2024</u>				
Cost	\$ 542,709	\$ 446,425	\$ 3,142,174	\$ 4,131,308
Accumulated depreciation and impairment	(259,378)	(422,541)	(2,802,660)	(3,484,579)
	<u>\$ 283,331</u>	<u>\$ 23,884</u>	<u>\$ 339,514</u>	<u>\$ 646,729</u>
January 1	\$ 283,331	\$ 23,884	\$ 339,514	\$ 646,729
Additions	45,489	6,533	67,411	119,433
Disposals	-	-	(143)	(143)
Depreciation charge for the year	(12,653)	(6,098)	(94,982)	(113,733)
Net exchange differences	<u>933</u>	<u>(96)</u>	<u>25</u>	<u>862</u>
December 31	<u>\$ 317,100</u>	<u>\$ 24,223</u>	<u>\$ 311,825</u>	<u>\$ 653,148</u>
<u>December 31, 2024</u>				
Cost	\$ 589,152	\$ 451,447	\$ 3,133,475	\$ 4,174,074
Accumulated depreciation and impairment	(272,052)	(427,224)	(2,821,650)	(3,520,926)
	<u>\$ 317,100</u>	<u>\$ 24,223</u>	<u>\$ 311,825</u>	<u>\$ 653,148</u>

- A. Impairment information about the property, plant and equipment is provided in Note 6(13).
- B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(9) Leasing arrangements — lessee

- A. The Group leases various assets including land, buildings and business vehicles. Rental contracts are typically made for periods of 3 to 30 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.
- B. Short-term leases with a lease term of 12 months or less comprise parking spaces.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Carrying amount	
	December 31, 2025	December 31, 2024
Land	\$ 102,683	\$ 111,561
Buildings	33,770	53,010
Transportation equipment (Business vehicles)	<u>5,684</u>	<u>5,401</u>
	<u>\$ 142,137</u>	<u>\$ 169,972</u>

	Depreciation expenses	
	Years ended December 31,	
	2025	2024
Land	\$ 4,309	\$ 4,462
Buildings	18,863	19,185
Transportation equipment (Business vehicles)	<u>2,252</u>	<u>1,768</u>
	<u>\$ 25,424</u>	<u>\$ 25,415</u>

- D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$2,535 and \$807, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 3,314</u>	<u>\$ 3,835</u>
Expense on short-term lease contracts	<u>\$ 6,856</u>	<u>\$ 6,832</u>
Gains (losses) arising from lease modifications	<u>\$ -</u>	<u>(\$ 122)</u>

- F. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$35,174 and \$35,029, respectively.

(10) Leasing arrangements - lessor

- A. The Group leases various assets including buildings and machinery and equipment. Rental contracts are typically made for periods of 2 to 5 years.

- B. For the years ended December 31, 2025 and 2024, the Group recognized rent income in the amounts of \$71,546 and \$72,296 respectively, based on the operating lease agreement, which does not include variable lease payments.
- C. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
2025	\$ -	\$ 71,582
2026	70,775	67,510
2027	35,148	34,401
2028	1,551	86
2029	1,465	-
2030	<u>1,465</u>	<u>-</u>
Total	<u>\$ 110,404</u>	<u>\$ 173,579</u>

(11) Intangible assets

	<u>Patents and special technology</u>	<u>Computer software</u>	<u>Total</u>
<u>January 1, 2025</u>			
Cost	\$ 174,943	\$ 229,812	\$ 404,755
Accumulated amortization and impairment	(174,644)	(211,130)	(385,774)
	<u>\$ 299</u>	<u>\$ 18,682</u>	<u>\$ 18,981</u>
January 1	\$ 299	\$ 18,682	\$ 18,981
Additions	15,883	82,168	98,051
Current period amortization expense	(1,420)	(78,672)	(80,092)
Net exchange differences	(91)	-	(91)
December 31	<u>\$ 14,671</u>	<u>\$ 22,178</u>	<u>\$ 36,849</u>
<u>December 31, 2025</u>			
Cost	\$ 181,366	\$ 210,507	\$ 391,873
Accumulated amortization and impairment	(166,695)	(188,329)	(355,024)
	<u>\$ 14,671</u>	<u>\$ 22,178</u>	<u>\$ 36,849</u>

	Patents and special technology	Computer software	Total
<u>January 1, 2024</u>			
Cost	\$ 182,900	\$ 257,998	\$ 440,898
Accumulated amortization and impairment	(175,390)	(236,099)	(411,489)
	<u>\$ 7,510</u>	<u>\$ 21,899</u>	<u>\$ 29,409</u>
January 1	\$ 7,510	\$ 21,899	\$ 29,409
Additions	1,363	60,011	61,374
Current period amortization expense	(8,672)	(63,228)	(71,900)
Net exchange differences	98	-	98
December 31	<u>\$ 299</u>	<u>\$ 18,682</u>	<u>\$ 18,981</u>
<u>December 31, 2024</u>			
Cost	\$ 174,943	\$ 229,812	\$ 404,755
Accumulated amortization and impairment	(174,644)	(211,130)	(385,774)
	<u>\$ 299</u>	<u>\$ 18,682</u>	<u>\$ 18,981</u>

Details of amortization on intangible assets are as follows:

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Operating costs	\$ 232	\$ 238
Operating expenses	<u>79,860</u>	<u>71,662</u>
	<u>\$ 80,092</u>	<u>\$ 71,900</u>

(12) Other non-current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Refundable deposits	\$ 4,270	\$ 419,665
Prepayments for equipment	42,992	4,258
Restricted Assets	<u>13,119</u>	<u>-</u>
	<u>\$ 60,381</u>	<u>\$ 423,923</u>

A portion of the refundable deposits represents advance deposits paid under capacity reservation agreements with suppliers. As of December 31, 2025, the related deposits were classified as other current assets based on liquidity, amounting to \$415,725.

(13) Impairment of non-financial assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Idle assets (shown as machinery and equipment)	\$ -	\$ 43,144
Less: Accumulated depreciation	<u>-</u>	<u>(43,144)</u>
Net realizable value	<u>\$ -</u>	<u>\$ -</u>

(14) Short-term borrowings

<u>Types of borrowings</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bank borrowings		
Unsecured borrowings	<u>\$ 303,936</u>	<u>\$ 471,153</u>

The interest rate ranges as of December 31, 2025 and 2024 were 2.29%-5.32% and 2.22%-6.047%, respectively.

(15) Financial liabilities at fair value through profit or loss

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Valuation adjustment of financial liabilities held for trading		
Foreign exchange swap contracts	<u>\$ 719</u>	<u>\$ 2,615</u>
Financial liabilities designated at fair value through profit or loss		
Call options and put options of convertible bonds	-	1,928
Valuation adjustment	<u>-</u>	<u>11,815</u>
Subtotal	<u>-</u>	<u>13,743</u>
Total	<u>\$ 719</u>	<u>\$ 16,358</u>

- A. The Group recognized net gain (loss) amounting to \$15,639 and (\$13,419) on financial liabilities at fair value through profit or loss for the years ended December 31, 2025 and 2024, respectively.
- B. The Group entered into contracts relating to derivative liabilities which were not accounted for under hedge accounting. The information is listed below:

	<u>December 31, 2025</u>	
	<u>Contract amount</u>	<u>Contract period</u>
Derivatives financial Liabilities- Current items:	<u>(Notional principal)</u>	
Foreign exchange swap contracts	USD <u>4,000 thousand</u>	2025.11.17~2026.02.23

	<u>December 31, 2024</u>	
	<u>Contract amount</u>	<u>Contract period</u>
Derivatives financial Liabilities- Current items:	(Notional principal)	
Foreign exchange swap contracts	USD <u>6,000 thousand</u>	2024.11.06~2025.02.18

The Group entered into forward exchange contracts and foreign exchange swap contracts to hedge exchange rate risk of export proceeds. However, these contracts are not accounted for under hedge accounting.

(16) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Wages and salaries payable	\$ 113,875	\$ 113,559
Payable on equipment	30,979	19,573
Others	<u>162,542</u>	<u>130,820</u>
	<u>\$ 307,396</u>	<u>\$ 263,952</u>

(17) Bonds payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bonds payable	\$ -	\$ 794,400
Less: Discount on bonds payable	<u>-</u>	(<u>30,137</u>)
	-	764,263
Less: Bonds with a maturity date or put option exercisable within one year or one operating cycle.	<u>-</u>	(<u>764,263</u>)
	<u>\$ -</u>	<u>\$ -</u>

A. Domestic convertible bonds issued by the Company

The terms of the third domestic unsecured convertible bonds issued by the Company are as follows:

- (1) The Company issued \$800,000 at 100.8% of face value, the third domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 5 years from the issue date (May 24, 2022 - May 24, 2027) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on May 24, 2022.
- (2) The bondholders have the right to ask for conversion of the bonds into common shares of the Group during the period from the date after three months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares

- (3) The effective date for the conversion price of the convertible bonds was set on May 16, 2022. The conversion price was set up based on multiplying a benchmark price which was the closing price of the Company's common share calculated at simple arithmetic mean of one of 1, 3, 5 trading days before the effective date (effective date is excluded) by convertible premium rate of 106%. If there is an ex-right or ex-dividend before the pricing effective date, the closing price adopted to calculate conversion price shall be imputed with ex-right or ex-dividend; if there is an ex-right or ex-dividend during the period that the conversion price was set up but prior to share issuance, the conversion price shall be adjusted based on the conversion price adjustment formula. The conversion price was NT\$63.9 (in dollars) per share based on the aforementioned method. After the effective date of the ex-right and ex-dividend, September 20, 2022, the conversion price was adjusted from NT\$63.9 (in dollars) to NT\$59.9 (in dollars). After the effective date of the ex-right and ex-dividend, September 9, 2023, the conversion price was adjusted from NT\$59.9 (in dollars) to NT\$59.1 (in dollars). After the effective date of the cash capital increase, August 6, 2024, the conversion price was adjusted from NT\$59.1 (in dollars) to NT\$58 (in dollars).
 - (4) The Company may repurchase the bonds held by bondholders in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period within 30 days after three months of the bonds issue to 40 days before the maturity date.
 - (5) The date of full three years after the issuance of the convertible bonds shall be the early redemption reference date for bondholders to request the Company to redeem their convertible bonds in cash at a redemption price (100.751877% of the face value of the bonds, including interest) 40 days prior to the redemption reference date.
 - (6) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$60,648 were separated from the liability component and were recognized in 'capital surplus—share options' in accordance with IAS 32. The call and put options and put options embedded in bonds payable were separated from their host contracts and were recognized in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts.
- C. For the year ended December 31, 2022, the amount of convertible bonds repurchased by the Company (including repurchased from Taipei Exchange) was \$5,600. In the second quarter of 2025, due to the exercise of the put option by bondholders, the Company repaid convertible bonds in the amount of \$785,000. In the third quarter of 2025, the Company redeemed the remaining convertible bonds in the amount of \$9,400

(18) Long-term borrowings

Types of borrowings	Repayment term	December 31, 2025	December 31, 2024
Installment loans			
Secured syndicated loan - Land Bank of Taiwan and five other banks	Installment before 9/25/2030	\$ 1,750,000	\$ -
Secured borrowings - Land Bank of Taiwan	Installment before 2031.2.17	6,837	8,063
Secured borrowings - Sunny Bank	Installment before 2/11/2030	26,000	-
Long-term unsecured borrowings from Taichung Commercial Bank Co., Ltd	Installment from 8/30/2025 to 3/21/2028	60,558	-
Long-term unsecured borrowings from First Commercial Bank	Installment from 2/10/2026 to 8/11/2028	98,820	28,071
U.S. Small Business Administration (SBA) secured borrowings	Installment before 2050.10.7	2,418	2,592
		1,944,633	38,726
Less: Arrangement fees for syndicated loans		(4,973)	-
Less: Current portion		(583,759)	(20,601)
		<u>\$ 1,355,901</u>	<u>\$ 18,125</u>

- A. Interest rate ranges as of December 31, 2025 and 2024 for the above borrowings were 2.38%-3.75% and 2.38%-3.75%, respectively.
- B. Information about the collateral pledged for the aforementioned secured borrowings is provided in Note 8.
- C. Under the secured syndicated loan agreement, the Company is required to comply with certain financial covenants during the term of the facility, including requirements for the current ratio, debt ratio, and interest coverage ratio at each year-end. In the event of any breach of these covenants, additional interest will be charged in accordance with the agreed terms. As of December 31, 2025, the Company was in compliance with all such requirements

(19) Pensions

- A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(2) The amounts recognized in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligation	(\$ 67,916)	(\$ 79,841)
Fair value of plan assets	<u>45,546</u>	<u>58,191</u>
Net defined benefit liability (shown as other non-current liabilities)	(\$ <u>22,370</u>)	(\$ <u>21,650</u>)

(3) Movements in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities</u>
2025			
Balance at January 1	(\$ 79,841)	\$ 58,191	(\$ 21,650)
Current service cost	(219)	-	(219)
Interest (expense) income	(1,257)	925	(332)
Settlement	<u>10,900</u>	<u>(11,137)</u>	<u>(237)</u>
	<u>(70,417)</u>	<u>47,979</u>	<u>(22,438)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	4,076	4,076
Change in demographic assumptions	(2)	-	(2)
Change in financial assumptions	(1,291)	-	(1,291)
Experience adjustments	<u>(4,532)</u>	<u>-</u>	<u>(4,532)</u>
	<u>(5,825)</u>	<u>4,076</u>	<u>(1,749)</u>
Amount of benefit payment	8,326	(8,326)	-
Pension fund contribution	<u>-</u>	<u>1,817</u>	<u>1,817</u>
Balance at December 31	(\$ <u>67,916</u>)	\$ <u>45,546</u>	(\$ <u>22,370</u>)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
2024			
Balance at January 1	(\$ 86,924)	\$ 55,616	(\$ 31,308)
Current service cost	(343)	-	(343)
Interest (expense) income	(1,030)	665	(365)
	<u>(88,297)</u>	<u>56,281</u>	<u>(32,016)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	5,554	5,554
Change in demographic assumptions	(7)	-	(7)
Change in financial assumptions	2,347	-	2,347
Experience adjustments	686	-	686
	<u>3,026</u>	<u>5,554</u>	<u>8,580</u>
Amount of benefit payment	5,430	(5,430)	-
Pension fund contribution	-	1,786	1,786
Balance at December 31	<u><u>(\$ 79,841)</u></u>	<u><u>\$ 58,191</u></u>	<u><u>(\$ 21,650)</u></u>

- (4) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(5) The principal actuarial assumptions used were as follows:

	<u>2025</u>	<u>2024</u>
Discount rate	<u>1.35%</u>	<u>1.60%</u>
Future salary increases	<u>2.50%</u>	<u>2.50%</u>

Assumptions regarding future mortality experience are set based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2025 and 2024.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increases</u>	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2025				
Effect on present value of defined benefit obligation	(\$ <u>1,233</u>)	\$ <u>1,268</u>	\$ <u>1,250</u>	(\$ <u>1,222</u>)
December 31, 2024				
Effect on present value of defined benefit obligation	(\$ <u>1,415</u>)	\$ <u>1,455</u>	\$ <u>1,438</u>	(\$ <u>1,406</u>)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (6) Expected contributions to the defined benefit pension plans of the Company for the year ended December 31, 2026 amount to \$1,701.
- (7) As of December 31, 2025, the weighted average duration of the retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

	<u>Amount</u>
Within 1 year	\$ 2,176
1-2 year(s)	12,114
2-5 years	7,932
Over 5 years	<u>52,852</u>
	<u>\$ 75,074</u>

- B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (2) The Group’s mainland China subsidiary, Fullboom Electronic (Shenzhen), has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (3) Etron Technology (HK) Limited have a defined contribution plan. Annual pension contributions or retirement allowance for the locally hired employees are based on their salaries and wages. Other than the annual contributions, the Group has no further obligations
- (4) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024, were \$32,553 and \$31,021, respectively.

(20) Share capital

- A. As of December 31, 2025, the Company’s authorized capital was \$6,500,000, consisting of 650 million shares of ordinary stock (including 65 million shares reserved for employee stock options), and the paid-in capital was \$3,255,958 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company’s ordinary shares outstanding are as follows:

	2025	Unit: Thousand shares 2024
January 1	325,596	288,933
Cash capital increase	-	35,000
Exercise of employee share options	-	1,663
December 31	<u>325,596</u>	<u>325,596</u>

- B. For the year ended December 31, 2025, the employees exercised to subscribe for 120 thousand shares under the employee stock option plan. As of December 31, 2025, the Company had received subscription proceeds totaling \$5,088. The Board of Directors approved March 11, 2026 as the record date for the related capital increase.
- C. For the year ended December 31, 2024, the employees exercised 1,214 thousand shares of stock options in accordance with the terms of stock options. 1,663 thousand shares have been registered (including 449 thousand shares paid but yet to be registered at the beginning of the period).

D. On May 8, 2024, the Board of Directors of the Company resolved to conduct a cash capital increase by issuing common shares, with the maximum number of shares set at 43 million. Subsequently, it was decided to issue 35 million shares at an issue price of NT\$38 per share. The cash capital raised, amounting to NT\$1,330,000, was fully received on August 6, 2024, which was also set as the record date for the cash capital increase. The aforementioned cash capital increase was successfully registered and completed on August 22, 2024.

(21) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

Item	Share premium	Net change in equity of associates	Changes in ownership interests in subsidiaries	Employee stock options	Convertible bonds	Treasury share transactions	Others
January 1, 2025	\$ 1,031,922	\$ 96,295	\$ 138,005	\$ 91,147	\$ 60,648	\$ 183	\$ 942
Capital surplus for loss compensation	(596,602)	-	-	-	-	-	-
Employee stock options expired upon maturity	-	-	-	(881)	-	-	881
Net change in equity of associates	-	(525)	-	-	-	-	-
Cost of share-based compensation	9,892	-	-	(6,039)	-	-	-
Changes in ownership interests in subsidiaries	-	-	(31,113)	-	-	-	-
Redemption of convertible bonds	-	-	-	-	(60,648)	-	60,648
Capital contribution from non-controlling interests	-	-	1,717	-	-	-	-
December 31, 2025	<u>\$ 445,212</u>	<u>\$ 95,770</u>	<u>\$ 108,609</u>	<u>\$ 84,227</u>	<u>\$ -</u>	<u>\$ 183</u>	<u>\$ 62,471</u>

Item	Share premium	Net change in equity of associates	Changes in ownership interests in subsidiaries	Employee stock options	Convertible bonds	Treasury share transactions	Others
January 1, 2024	\$ 304,339	\$ 95,082	\$ 155,264	\$ 99,798	\$ 60,648	\$ 183	\$ 3,169
Cash capital increase	974,775	-	-	-	-	-	-
Capital surplus for loss compensation	(304,339)	-	-	-	-	-	(3,169)
Exercise of employee share options	34,240	-	-	-	-	-	-
Employee stock options expired upon maturity	18,629	-	-	(19,571)	-	-	942
Net change in equity of associates	-	1,213	-	-	-	-	-
Cost of share-based compensation	4,278	-	-	10,920	-	-	-
Changes in ownership interests in subsidiaries	-	-	(38,182)	-	-	-	-
Capital contribution from non-controlling interests	-	-	20,923	-	-	-	-
December 31, 2024	<u>\$ 1,031,922</u>	<u>\$ 96,295</u>	<u>\$ 138,005</u>	<u>\$ 91,147</u>	<u>\$ 60,648</u>	<u>\$ 183</u>	<u>\$ 942</u>

(22) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Also, the Company shall set aside or reverse special reserve as resolved by the stockholders, or by order of the competent authority. The appropriation of remaining earnings along with accumulated unappropriated earnings from prior years shall be proposed by the Board of Directors and approved by the shareholders. If the distribution of the Company's earnings, or all or part of its legal reserve and capital reserve, is to be made in the form of cash, the Board of Directors is authorized to effect such distribution upon a resolution adopted by a majority of the directors present at a meeting attended by two-thirds or more of the total number of directors, pursuant to Articles 240 and 241 of the Company Act, and shall subsequently report such distribution to the shareholders' meeting.
- B. The Company's dividend policy is set out by the Board of Directors according to the Company's medium- and long-term operational plan, investment plans, capital budget as well as internal and external situations, while considering the interests of stockholders. Except for the aforementioned regulations, the cash dividends distributed for the current year shall not be less than five percent (5%) of the total dividends distributed to shareholders.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. On June 25, 2024, the Company's shareholders' meeting resolved to approve the loss make-up proposal for 2023, using NT\$96,910 from the legal reserve and NT\$307,508 from the capital surplus.
- F. On June 19, 2025, the Company's shareholders' meeting resolved to approve the loss make-up proposal for 2024, using NT\$596,602 from the capital surplus.
- G. The loss make-up proposal for 2024, which was approved by the shareholders' meeting on June 19, 2025, can be found on the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

(23) Other equity interest

	Currency translation differences of foreign operations	Financial assets at fair value through other comprehensive income	Total
January 1, 2025	(\$ 10,323)	\$ 97,404	\$ 87,081
Revaluation - Group	-	294,275	294,275
Revaluation - Associates	-	(2,600)	(2,600)
Currency translation differences:			
– Group	(30,630)	-	(30,630)
– Associates	5,061	-	5,061
December 31, 2025	<u>(\$ 35,892)</u>	<u>\$ 389,079</u>	<u>\$ 353,187</u>

	Currency translation differences of foreign operations	Financial assets at fair value through other comprehensive income	Total
January 1, 2024	(\$ 67,931)	\$ 236,161	\$ 168,230
Revaluation - Group	-	(143,165)	(143,165)
Revaluation - Associates	-	4,407	4,407
Revaluation transferred to retained earnings – disposal of financial assets-subsiidiaries	-	1	1
Currency translation differences:			
– Group	52,309	-	52,309
– Associates	5,299	-	5,299
December 31, 2024	<u>(\$ 10,323)</u>	<u>\$ 97,404</u>	<u>\$ 87,081</u>

(24) Share-based payment

- A. (a) For the years ended December 31, 2025 and 2024, the Company's share-based payment arrangements are as follows:

Types of arrangement	Grant date	Quantity granted (share in thousands)	Contract period	Vesting conditions
The 4th employee stock options plan	2016.3.23	7,300	8 years	Note 1
The 4th employee stock options plan	2016.8.10	300	8 years	Note 1
The 4th employee stock options plan	2016.11.10	400	8 years	Note 1
Employee stock options plan in 2021	2021.8.9	8,000	6 years	Note 2
Cash capital increase with a portion reserved for employee subscription	2024.7.22	5,250	Not applicable	Immediately vested

The share-based payment arrangements above are settled by equity.

Note 1: 40% vested after two years of issuance; 70% after three years; 100% after four years.

Note 2: 50% vested after two years of issuance; 75% after three years; 100% after four years.

- (2) For the years ended December 31, 2025 and 2024, details of the share options plan are as follows:

Options	2025		2024	
	No. of options (share in thousands)	Weighted-average exercise price (in dollars)	No. of options (share in thousands)	Weighted-average exercise price (in dollars)
Outstanding at the beginning of the year	6,185	\$ 42.40	7,733	\$ 40.04
Options exercised	(120)	42.40	(1,214)	27.78
Expired upon maturity	(118)	42.40	(290)	23.60
Options forfeited due to resignations	<u>-</u>	-	<u>(44)</u>	43.20
Outstanding at the end of the year	<u>5,947</u>	42.40	<u>6,185</u>	42.40
Exercisable at the end of the year	<u>5,947</u>	42.40	<u>4,488</u>	42.40

- (3) Details of stock options outstanding are as follows:

Date	Weighted-average period remaining contractual life	Range of exercise prices (in dollars) (Note)
December 31, 2025	1.61 years	\$42.40
December 31, 2024	2.61 years	\$42.40

Note: The range of exercise prices was adjusted according to annual stock dividends and cash dividends after the grant date.

- (4) The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

	Grant date	Grant date	Grant date
	March 23, 2016	August 10, 2016	November 10, 2016
Dividend yield	0%	0%	0%
Expected price volatility	44.51% ~ 44.71%	43.38% ~ 45.60%	41.80% ~ 44.32%
Risk-free interest rate	0.375% ~ 0.400%	0.375% ~ 0.500%	0.375% ~ 0.625%
Expected option life	8 years	8 years	8 years
Fair value per share	3.73~ 4.92 (in dollars)	3.45~4.64 (in dollars)	3.02~4.18 (in dollars)

	Grant date	Grant date
	August 9, 2021	July 22, 2024
Dividend yield	0%	0%
Expected price volatility	51.78% ~ 59.71%	7.57%
Risk-free interest rate	0.125%	0.126%
Expected option life	6 years	0.03 years
Fair value per share	16.03~18.77 (in dollars)	1.51 (in dollars)

B. For the years ended December 31, 2025 and 2024, the subsidiaries' share-based payment arrangements are as follows:

Number	Types of arrangement	Company	Grant date	Quantity granted (share in thousands)	Vesting conditions
1	Employee stock options	eEver Technology Limited	November 2017 August 2019 May and October 2020 November 2021 March, May, and August 2022 March 2023 November 2024	2,340 1,080 3,070 30 1,400 30 3,095	Description (1)
2	Employee stock options	eYs3D Microelectronics, Inc.	November 2017 August and November 2018 March, August and November 2019 February, May, August and November 2020 March, September and November 2021 March and August 2022 May and August 2023 August 2024 March 2025	1,539 400 2,120 3,470 1,450 1,165 255 2,176 510	Description (2)
3	Employee stock options	DeCloak Intelligences Co.	March and November 2021 August 2022 September 2023	212 315 261	Description (3)
4	Employee stock options	Invention and Collaboration Laboratory Pte. Ltd.	August and October 2021 February and August 2022 March 2024	1,063 267 1,443	Description (4)
5	Employee stock options	TAT Technology, Inc.	October 2022 March 2023 March 2024 March 2025	84 172 165 158	Description (5)
6	Employee stock options	T-Era Architecture Technology, Inc.	September 2022 March 2024 March 2025	495 394 357	Description (6)
7	Employee stock options	Insignis Technology Inc.	January 2017 February 2023	1,875 1,800	Description (7)
8	Employee stock options	nD-HI Technologies Lab, Inc.	March 2023 March 2025	216 440	Description (8) Description (9)

Description:

- (1) i. It refers to the employee stock options issued by eEver Technology Limited to the employees of its subsidiary, eEver Technology, Inc.
- ii. Due to the reorganization, eEver Technology Limited assumed the eEver Technology, Inc.'s liabilities to issue employee stock options.
- iii. The employees whose service year longer than 1 years' service can be vested with 25%, 2 years' service with 50%, 3 years' service with 75% and 4 years' service with 100%.

- (2) i. Due to the reorganization, eYs3D Microelectronics, Inc. assumed the eYs3D Microelectronics, Co.'s liabilities to issue employee stock options.
- ii. The employees whose service year longer than 1 years' service can be vested with 25%, 2 years' service with 50%, 3 years' service with 75% and 4 years' service with 100%.
- (3) The employees whose service year longer than 2 years' service can be vested with 50% and 4 years' service with 100%.
- (4) The employees whose service year longer than 1 years' service can be vested with 25%, 2 years' service with 50%, 3 years' service with 75% and 4 years' service with 100%.
- (5) 2.08% vested after one month of services..
- (6) 2.08% vested after one month of services..
- (7) The employees whose service year longer than 1 years' service can be vested with 25%, 2 years' service with 50%, 3 years' service with 75% and 4 years' service with 100%.
- (8) 50% vested after two years of services, 75% vested after three years of services, 100% vested after four years of services.
- (9) 50% vested after two years of services, 75% vested after three years of services, 100% vested after four years of services. The Board of Directors may adjust the aforementioned vesting periods and percentages based on the specific circumstances of each issuance.

C. Employee share option - eEver Technology Limited

Options	2025		2024	
	No. of options (share in thousands)	Weighted-average exercise price (in USD dollars)	No. of options (share in thousands)	Weighted-average exercise price (in USD dollars)
Outstanding at the beginning of the year	7,460	\$ 0.32	6,135	\$ 0.32
Options granted	-	-	3,095	0.32
Options forfeited due to resignations	(90)	0.32	(1,770)	0.33
Outstanding at the end of the year	<u>7,370</u>	0.32	<u>7,460</u>	0.32
Exercisable at the end of the year	<u>4,798</u>	0.32	<u>3,745</u>	0.32

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

D. Employee share option - eYs3D Microelectronics, Inc.

Options	2025		2024	
	No. of options (share in thousands)	Weighted-average exercise price (in USD dollars)	No. of options (share in thousands)	Weighted-average exercise price (in USD dollars)
Outstanding at the beginning of the year	7,861	\$ 0.24	6,975	\$ 0.25
Options granted	510	0.24	2,176	0.24
Options forfeited due to resignations	(815)	0.23	(420)	0.33
Options exercised	(24)	0.33	-	-
Expired upon maturity	(416)	0.33	(870)	0.33
Outstanding at the end of the year	<u>7,116</u>	0.23	<u>7,861</u>	0.24
Exercisable at the end of the year	<u>4,989</u>	0.23	<u>4,924</u>	0.24

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

E. Employee share option - DeCloak Intelligences Co.

Options	2025		2024	
	No. of options (share in thousands)	Weighted-average exercise price (in dollars)	No. of options (share in thousands)	Weighted-average exercise price (in dollars)
Outstanding at the beginning of the year	763	\$ 1.00	766	\$ 1.00
Options forfeited due to resignations	(18)	1.00	(3)	1.00
Options exercised	(1)	1.00	-	-
Outstanding at the end of the year	<u>744</u>	1.00	<u>763</u>	1.00
Exercisable at the end of the year	<u>464</u>	1.00	<u>253</u>	1.00

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

F. Employee share option - Invention and Collaboration Laboratory Pte. Ltd.

Options	2025		2024	
	No. of options (share in thousands)	Weighted-average exercise price (in USD dollars)	No. of options (share in thousands)	Weighted-average exercise price (in USD dollars)
Outstanding at the beginning of the year	2,773	\$ 0.14	1,330	\$ 0.14
Options granted	-	-	<u>1,443</u>	0.14
Outstanding at the end of the year	<u>2,773</u>	0.14	<u>2,773</u>	0.14
Exercisable at the end of the year	<u>1,624</u>	0.14	<u>931</u>	0.14

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

G. Employee share option - TAT Technology, Inc.

Options	2025		2024	
	No. of options (share in thousands)	Weighted-average exercise price (in USD dollars)	No. of options (share in thousands)	Weighted-average exercise price (in USD dollars)
Outstanding at the beginning of the year	421	\$ 0.066	256	\$ 0.066
Options granted	<u>158</u>	0.066	<u>165</u>	0.066
Outstanding at the end of the year	<u>579</u>	0.066	<u>421</u>	0.066
Exercisable at the end of the year	<u>287</u>	0.066	<u>152</u>	0.066

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

H. Employee share option - T-Era Architecture Technology, Inc.

Options	2025		2024	
	No. of options (share in thousands)	Weighted-average exercise price (in USD dollars)	No. of options (share in thousands)	Weighted-average exercise price (in USD dollars)
Outstanding at the beginning of the year	889	\$ 0.066	495	\$ 0.066
Options granted	<u>357</u>	0.066	<u>394</u>	0.066
Outstanding at the end of the year	<u>1,246</u>	0.066	<u>889</u>	0.066
Exercisable at the end of the year	<u>642</u>	0.066	<u>353</u>	0.066

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

I. Employee share option - Insignis Technology Inc.

Options	2025		2024	
	No. of options (share in thousands)	Weighted-average exercise price (in USD dollars)	No. of options (share in thousands)	Weighted-average exercise price (in USD dollars)
Outstanding at the beginning of the year	3,675	\$ 0.001	3,675	\$ 0.001
Options forfeited due to resignations	(350)	0.001	-	-
Outstanding at the end of the year	<u>3,325</u>	0.001	<u>3,675</u>	0.001
Exercisable at the end of the year	<u>2,775</u>	0.001	<u>2,325</u>	0.001

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

J. Employee share option - nD-HI Technologies Lab, Inc.

Options	2025		2024	
	No. of options (share in thousands)	Weighted-average exercise price (in dollars)	No. of options (share in thousands)	Weighted-average exercise price (in dollars)
Outstanding at the beginning of the year	216	\$ 1.000	216	\$ 1.000
Options granted	440	1.000	-	-
Options exercised	(193)	1.000	-	-
Outstanding at the end of the year	<u>463</u>	1.000	<u>216</u>	1.000
Exercisable at the end of the year	<u>-</u>	-	<u>-</u>	-

The share-based payment transactions mentioned above utilize the Black-Scholes option pricing model to estimate the fair value of stock options.

K. For the years ended December 31, 2025 and 2024, expenses incurred on equity-settled share-based payment transactions amounted to \$10,070 and \$17,706, respectively.

(25) Operating revenue

	Years ended December 31,	
	2025	2024
Revenue from contracts with customers	<u>\$ 4,036,779</u>	<u>\$ 3,473,217</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time as follows:

	Years ended December 31,	
	2025	2024
Integrated circuits related	\$ 4,032,380	\$ 3,472,747
Others	<u>4,399</u>	<u>470</u>
	<u>\$ 4,036,779</u>	<u>\$ 3,473,217</u>

B. Contract liabilities

The Group has recognized the following revenue-related contract liabilities:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities:	<u>\$ 47,354</u>	<u>\$ 58,985</u>	<u>\$ 2,437</u>

	Years ended December 31,	
	2025	2024
Revenue recognized that was included in the contract liability balance at the beginning of the year	<u>\$ 58,882</u>	<u>\$ 2,437</u>

(26) Other operating income and expenses - net

	Years ended December 31,	
	2025	2024
Rent income, net	<u>\$ 66,372</u>	<u>\$ 67,555</u>

(27) Interest income

	Years ended December 31,	
	2025	2024
Interest income from bank deposits	<u>\$ 6,727</u>	<u>\$ 9,592</u>

(28) Other income

	Years ended December 31,	
	2025	2024
Dividend income	\$ 66,233	\$ 96,404
Other income - others	<u>14,600</u>	<u>14,092</u>
	<u>\$ 80,833</u>	<u>\$ 110,496</u>

(29) Other gains and losses

	Years ended December 31,	
	2025	2024
Losses from lease modifications	\$ -	(\$ 122)
Losses on disposal of property, plant, and equipment	-	(13)
Foreign exchange (losses)gains	(23,261)	9,485
Net gains (losses) on financial assets (liabilities) at fair value through profit or loss	<u>13,783</u>	<u>(18,883)</u>
	<u>(\$ 9,478)</u>	<u>(\$ 9,533)</u>

(30) Expenses by nature

	Years ended December 31,	
	2025	2024
Employee benefit expense	<u>\$ 862,301</u>	<u>\$ 809,199</u>
Depreciation charges on property, plant and equipment (Note)	<u>\$ 150,940</u>	<u>\$ 139,148</u>
Amortization charges on intangible assets	<u>\$ 80,092</u>	<u>\$ 71,900</u>

Note: Including the depreciation charges presented as a deduction item to rent income under other income.

(31) Employee benefit expense

	Years ended December 31,	
	2025	2024
Post-employment benefits		
Defined contribution plans	\$ 32,553	\$ 31,021
Defined benefit plans	<u>788</u>	<u>708</u>
	33,341	31,729
Other personnel expenses	<u>828,960</u>	<u>777,470</u>
	<u>\$ 862,301</u>	<u>\$ 809,199</u>

A. According to the Articles of Incorporation of the Company, the Company shall distribute no less than 12% of its profit for the current year as employees' compensation (including an allocation of no less than 1% of the profit to entry-level employees) and no more than 2% of the profit as directors' remuneration. However, if the Company has accumulated losses, the profit shall first be used to offset such losses. Employees' compensation may be distributed in the form of shares or cash, and the recipients may include employees of affiliated companies meeting certain specific criteria.

B. Due to the loss incurred by the Company in both 2025 and 2024, no provision was made for employee remuneration and director remuneration.

C. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(32) Finance costs

	Years ended December 31,	
	2025	2024
Interest expense on bank loan	\$ 56,803	\$ 44,648
Interest expense on bonds payable	30,137	12,134
Interest expense from lease liabilities	<u>3,314</u>	<u>3,835</u>
	<u>\$ 90,254</u>	<u>\$ 60,617</u>

(33) Income tax

A. Components of income tax expense:

	Years ended December 31,	
	2025	2024
Current tax:		
Overestimated income tax from the previous fiscal year	\$ -	(\$ 2,764)
Deferred tax:		
Origination and reversal of temporary differences	7,837	9,733
Change in tax losses	(1,837)	(6,969)
Total deferred tax	<u>6,000</u>	<u>2,764</u>
Income tax expense	<u>\$ 6,000</u>	<u>\$ -</u>

B. Relationship between income tax expense and accounting profit:

	Years ended December 31,	
	2025	2024
Tax calculated based on net loss before tax and statutory tax rate	(\$ 115,394)	(\$ 122,850)
Effects from items disallowed by tax regulation	(1,678)	(18,324)
Temporary difference not recognized as deferred tax assets	(26,513)	(2,865)
Taxable loss not recognized as deferred tax assets	<u>96,559</u>	<u>144,039</u>
Income tax expense	<u>\$ 6,000</u>	<u>\$ -</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2025		
	January 1	Recognized in profit or loss	December 31
Temporary differences:			
– Deferred income tax assets:			
Unrealized allowance for loss on decline in value of inventories	\$ 62,096	(\$ 3,600)	\$ 58,496
Others	22,206	(3,362)	18,844
Tax losses	<u>124,703</u>	<u>1,837</u>	<u>126,540</u>
Subtotal	<u>\$ 209,005</u>	<u>(\$ 5,125)</u>	<u>\$ 203,880</u>
– Deferred income tax liabilities:			
Unrealized exchange gains	(848)	(875)	(1,723)
Total	<u>\$ 208,157</u>	<u>(\$ 6,000)</u>	<u>\$ 202,157</u>
	2024		
	January 1	Recognized in profit or loss	December 31
Temporary differences:			
– Deferred income tax assets:			
Unrealized allowance for loss on decline in value of inventories	\$ 74,465	(\$ 12,369)	\$ 62,096
Others	18,943	3,263	22,206
Tax losses	<u>117,734</u>	<u>6,969</u>	<u>124,703</u>
Subtotal	<u>\$ 211,142</u>	<u>(\$ 2,137)</u>	<u>\$ 209,005</u>
– Deferred income tax liabilities:			
Unrealized exchange gains	(221)	(627)	(848)
Total	<u>\$ 210,921</u>	<u>(\$ 2,764)</u>	<u>\$ 208,157</u>

D. Expiration dates of unused tax losses and amounts of unrecognized deferred tax assets are as follows:

December 31, 2025					
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred tax assets	Expiry year	
2016	\$ 252,420	\$ 213,405	\$ 213,405	2026	
2017	398,576	398,576	398,576	2027	
2018	572,062	546,609	546,609	2028	
2019	737,250	737,250	737,250	2029	
2020	344,285	344,285	344,285	2030	
2021	133,225	133,225	133,225	2031	
2022	216,389	216,389	216,389	2032	
2023	942,725	942,725	942,725	2033	
2024	598,268	598,268	324,356	2034	
2025	665,412	665,412	306,626	2035	
	<u>\$ 4,860,612</u>	<u>\$ 4,796,144</u>	<u>\$ 4,163,446</u>		

December 31, 2024					
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred tax assets	Expiry year	
2015	\$ 70,039	\$ 26,083	\$ 26,083	2025	
2016	252,201	213,186	213,186	2026	
2017	398,425	398,425	398,425	2027	
2018	568,288	561,966	561,966	2028	
2019	737,250	737,250	299,005	2029	
2020	344,285	344,285	159,015	2030	
2021	124,111	124,111	124,111	2031	
2022	184,559	184,559	184,559	2032	
2023	684,324	684,324	684,324	2033	
2024	396,032	396,032	396,032	2034	
	<u>\$ 3,759,514</u>	<u>\$ 3,670,221</u>	<u>\$ 3,046,706</u>		

E. The Company's, eYs3D Microelectronics Co., Kingwell Investment Corp., Kingcharm Investment Corp., Invention and Collaboration Laboratory, Inc., DeCloak Intelligences Co. , eEver Technology, Inc., Global Specitronics Solutions Company, Eutrend Technology, Inc., T-Era Architecture Technology Corp., TAT Technology Corp., nD-HI Technologies Lab, Inc. and ValueCreation Technology, Inc. income tax returns through 2023 have been assessed.

(34) Losses per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic losses per share</u>			
Net loss attributable to ordinary shareholders of the parent	(\$ 497,494)	325,606	(\$ 1.53)
<u>Diluted losses per share</u>			
Net loss attributable to ordinary shareholders of the parent	(\$ 497,494)	325,606	(\$ 1.53)
	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic losses per share</u>			
Net loss attributable to ordinary shareholders of the parent	(\$ 540,640)	304,599	(\$ 1.77)
<u>Diluted losses per share</u>			
Net loss attributable to ordinary shareholders of the parent	(\$ 540,640)	304,599	(\$ 1.77)

Note 1: For the year ended December 31, 2025 and 2024, if convertible bonds and employee stock options were accrued, there would be anti-dilutive effect, thus, they would not be included in the calculation of dilutive number of shares.

(35) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31,	
	2025	2024
Purchase of property, plant, equipment and intangible assets	\$ 245,520	\$ 180,807
Add: Opening balance of payable	19,573	5,871
Add: Ending balance of prepayments	42,992	4,258
Less: Ending balance of payable	(30,979)	(19,573)
Less: Opening balance of prepayments	(4,258)	(4,258)
Cash paid during the year	<u>\$ 272,848</u>	<u>\$ 167,105</u>

(36) Transactions with non-controlling interest

- A. In January 2025, the Group's equity interest in its subsidiary, eYs3D Microelectronics, Inc. (eYs3D), increased by 2.10% due to the exercise of stock options and the issuance of new shares via a cash capital increase. In 2024, the Group's equity interest increased by 4.37% as a result of the issuance of new shares from a cash capital increase during that year.
- B. In January 2025, the Group's equity interest in its subsidiary, T-Era Architecture Technology, Inc., increased by 0.09% as a result of the issuance of new shares through a cash capital increase.
- C. In January 2025, the Group's equity interest in its subsidiary, TAT Technology, Inc., increased by 0.08% as a result of the issuance of new shares through a cash capital increase.
- D. In June 2025, the Group's equity interest in its subsidiary, nD-HI Technologies Lab, Inc., decreased by 8.56% due to the issuance of new shares from a capital increase. Previously, in February 2024, the Group's equity interest in the same subsidiary had increased by 1.44% as a result of another issuance of new shares through a capital increase.
- E. The Group's equity interest in its subsidiary, DeCloak Intelligences Co., decreased by 1.03% between May to July 2025 due to the issuance of new shares from a capital increase. In July 2024, the Group's equity interest in the same subsidiary increased by 0.12% as a result of the issuance of new shares through a cash capital increase.
- F. In April 2025, the Group's equity interest in its subsidiary, Global Specitronics Solutions Company, decreased by 6.55% as a result of the issuance of new shares through a capital increase.
- G. In June 2024, the Group's equity interest in its subsidiary, eEver Technology Limited (eEver), decreased by 8.18% as a result of the issuance of new shares through a capital increase.
- H. In April and October 2025, the Group's equity interest in its subsidiary, Invention and Collaboration Laboratory Pte. Ltd., increased by 0.48% as a result of the issuance of new shares through capital increases. Additionally, in April 2024, the Group's equity interest increased by 0.61% following the issuance of new shares through a capital increase.

The effect of change in interest contributed to the aforementioned transactions on the equity attributable to owners of the parent for the year ended December 31, 2025 is shown below:

	Years ended December 31,	
	2025	2024
Cash contributed by non-controlling interests	\$ 17,727	\$ 103,649
Changes in ownership interests in subsidiaries	(16,010)	(82,726)
	<u>\$ 1,717</u>	<u>\$ 20,923</u>
Increase in capital surplus attributable to:		
Owners of the parent	<u>\$ 1,717</u>	<u>\$ 20,923</u>

(37) Changes in liabilities from financing activities

	Short-term borrowings	Bonds payable	Long-term loans (note)	Lease liability	Guarantee deposits received	Financial liabilities at fair value through profit or loss
January 1, 2025	\$ 471,153	\$ 764,263	\$ 38,726	\$ 177,205	\$ 17,187	\$ 2,615
Changes in cash flows	(167,217)	(794,400)	1,901,042	(25,004)	2	-
Changes in non-cash						
Decrease lease agreement	-	-	-	(2,034)	-	-
Financial liabilities at fair value through profit or loss - valuation (current)	-	-	-	-	-	(1,896)
Amortization of bond discount payable	-	30,137	-	-	-	-
Net exchange differences	-	-	(108)	(90)	-	-
December 31, 2025	<u>\$ 303,936</u>	<u>\$ -</u>	<u>\$ 1,939,660</u>	<u>\$ 150,077</u>	<u>\$ 17,189</u>	<u>\$ 719</u>

	Short-term borrowings	Bonds payable	Long-term loans (note)	Lease liability	Guarantee deposits received
January 1, 2024	\$ 984,624	\$ 752,129	\$ 649,360	\$ 200,842	\$ 78,807
Changes in cash flows	(513,471)	-	(610,801)	(24,362)	(3)
Changes in non-cash					
New lease agreement	-	-	-	550	-
Amortization of bond discount payable	-	12,134	-	-	-
Account reclassification	-	-	-	-	(61,617)
Net exchange differences	-	-	167	175	-
December 31, 2024	<u>\$ 471,153</u>	<u>\$ 764,263</u>	<u>\$ 38,726</u>	<u>\$ 177,205</u>	<u>\$ 17,187</u>

Note: Including current portion

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Giga Solution Tech Co., Ltd.	The chairman of the investee and the chairman of the Company are relatives within the second degree of kinship
Kai Chun Investment Corp.	The Company's corporate director
Mxtran Inc.	Other related parties

(2) Significant related party transactions

A. Purchase

	Years ended December 31,	
	2025	2024
Purchase of raw materials		
Mxtran Inc.	\$ <u>6,458</u>	\$ <u>-</u>

Materials purchased from related parties are based on normal commercial terms and conditions.

B. Receivables from related parties

	December 31, 2025	December 31, 2024
Other receivables:		
— Other related parties	\$ <u>5,325</u>	\$ <u>726</u>

Other receivables arose from leasing assets to related parties and are collected within 30 days after the invoices are issued. The receivables are unsecured in nature and bear no interest.

C. Guarantee deposits received

	December 31, 2025	December 31, 2024
Other related parties		
Giga Solution Tech Co., Ltd.	\$ 16,487	\$ 16,487
Others	<u>3</u>	<u>3</u>
	\$ <u>16,490</u>	\$ <u>16,490</u>

It refers to lease deposits.

D. Other transactions

Other related party transactions are summarized below:

	Years ended December 31,	
	2025	2024
Rent income:		
– Giga Solution Tech Co., Ltd.	\$ 68,569	\$ 69,287
– Others	11	11
	<u>\$ 68,580</u>	<u>\$ 69,298</u>

(3) Information on remuneration to the management

	Years ended December 31,	
	2025	2024
Salaries and other short-term employee benefits	\$ 87,771	\$ 79,359
Post-employment benefits	1,508	1,288
Service expenses	2,157	2,193
Cost of share-based compensation	3,696	3,367
Total	<u>\$ 95,132</u>	<u>\$ 86,207</u>

8. **Pledged Assets**

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2025	December 31, 2024	
Time deposits and performance guarantee (shown as financial assets at amortized cost-current)	\$ 7,100	\$ 7,150	Government subsidy programs and tariff guarantees
Time deposit (shown as financial assets at amortized cost- non-current)	5,941	5,941	Land lease agreement guarantee
Restricted assets (shown as non-current financial assets)	13,119	-	Long-term borrowings
Buildings and structures	256,762	17,614	Long-term borrowings
	<u>\$ 282,922</u>	<u>\$ 30,705</u>	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

In February 2017, Securities and Futures Investors Protection Center (the “SFIPC”) filed a civil lawsuit against the Company, the former subsidiary, TM Technology, Inc. and other defendants, claiming that they are jointly liable for compensation, on behalf of the investors of the former subsidiary, TM Technology, Inc., as the company’s former director Mr. Wu was sued for violating the Securities and Exchange Act in January 2016. After the trial judgment of this case, the Taiwan High Court ruled again on January 21, 2026 to reject the SFIPC's request (Taiwan High Court 112 Jin Shang Geng Yi Zi No. 9 Civil Judgment). However, the SFIPC still expressed dissatisfaction with the result and appealed again.

Important Contracts

The Company entered into a production capacity reservation agreement with a supplier. Under the agreement, the supplier provides production capacity to the Company after the Company makes a deposit in advance. Please refer to Note 6(12) for details of the guarantee deposits paid by the Company.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

On March 11, 2026, the Company’s Board of Directors resolved to set the record date for the capital increase resulting from the exercise of employee stock options. Please refer to Note 6(20) for further details.

12. Others

(1) Capital management

The Group must maintain adequate capital to expand product lines and that sales could achieve economic of scale. The Group’s objectives when managing capital are to secure necessary financial resources to meet the needs of operating funds for the next year, capital expenditure, research and development activities expenditures and debt repayment.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ <u>21,512</u>	\$ <u>7,653</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ <u>1,033,424</u>	\$ <u>744,857</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Financial assets at amortized cost/Loans and receivables		
Cash and cash equivalents	873,575	785,230
Financial assets at amortized cost	13,041	13,091
Notes receivable	1,620	28,361
Accounts receivable	1,032,540	759,408
Other receivables	10,764	3,561
Guarantee deposits paid	419,995	419,665
Other financial assets (shown as other non-current assets)	13,119	-
	<u>\$ 2,364,654</u>	<u>\$ 2,009,316</u>
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 719	\$ 2,615
Financial liabilities designated at fair value through profit or loss	-	13,743
	<u>\$ 719</u>	<u>\$ 16,358</u>
Financial liabilities at amortized cost		
Short-term borrowings	\$ 303,936	471,153
Notes payable	3,926	3,909
Accounts payable	867,977	600,903
Other payables	307,396	263,952
Bonds payable (including current portion)	-	764,263
Long-term borrowings (including current portion)	1,939,660	38,726
Guarantee deposits received (shown as other non-current liabilities)	17,189	17,187
	<u>\$ 3,440,084</u>	<u>\$ 2,160,093</u>
Lease liability	<u>\$ 150,077</u>	<u>\$ 177,205</u>

B. Financial risk management policies

- (1) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's entire risk management policies focus on unpredictable matters in financial market and reducing the potential negative effects on the Group's financial condition and financial performance.
- (2) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. The Group's treasury identifies, evaluates and reduce financial risks in close co-operation with the Group's operating

units. The Group provides written principles for specific areas and matters, such as use of derivative financial instruments.

C. Significant financial risks and degrees of financial risks

(1) Market risk

Exchange rate risk

- i. The consolidated entities exposed to the exchange rate risk arising from operating activities which were denominated in non-functional currency. The Group's functional currency includes New Taiwan dollars, US Dollars, RMB and JPY. Those transactions were mainly denominated in New Taiwan dollars, US Dollars, RMB, HKD and JPY.
- ii. The Group employs foreign currency derivative financial instruments, including forward exchange contracts or foreign exchange swap contracts to hedge exchange rate risk arising from monetary financial assets and liabilities and forecast transactions that are not denominated in NTD. These hedges can minimize the effects of changes in foreign exchange rates on assets and liabilities, but the risk cannot be eliminated entirely.
- iii. The Group's businesses involve some non-functional currency operations (The Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	December 31, 2025		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
Monetary items			
USD:NTD	\$ 38,231	31.430	\$ 1,201,600
Non-monetary items			
USD:NTD	54,299	31.430	1,706,611
JPY:NTD	8,367	0.2008	1,680
<u>Financial liabilities</u>			
Monetary items			
USD:NTD	23,303	31.430	732,413

(Foreign currency: functional currency)	December 31, 2024		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
Monetary items			
USD:NTD	\$ 24,243	32.785	\$ 794,801
Non-monetary items			
USD:NTD	51,088	32.785	1,674,906
JPY:NTD	9,376	0.2099	1,968
<u>Financial liabilities</u>			
Monetary items			
USD:NTD	18,417	32.785	603,797

- iv. The unrealized exchange gain (loss) arising from the monetary items with significant influence held by the Group for the years ended December 31, 2025 and 2024, amounted to \$8,185 and \$4,535, respectively.

Analysis of foreign currency market risk arising from significant foreign exchange variation:

(Foreign currency: functional currency)	2025		
	Sensitivity analysis		
	Degree of variation	Effects on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
Monetary items			
USD:NTD	1%	\$ 12,016	\$ -
Non-monetary items			
USD:NTD	1%	-	17,066
JPY:NTD	1%	-	17
<u>Financial liabilities</u>			
Monetary items			
USD:NTD	1%	7,324	-

(Foreign currency: functional currency)	2024		
	Sensitivity analysis		
	Degree of variation	Effects on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
Monetary items			
USD:NTD	1%	\$ 7,948	\$ -
Non-monetary items			
USD:NTD	1%	-	16,749
JPY:NTD	1%	-	20
<u>Financial liabilities</u>			
Monetary items			
USD:NTD	1%	6,038	-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.
- ii. The Group invested in domestic and foreign listed and unlisted equity securities. The prices of equity securities would change due to the change of the future value of investee companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, before-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$1,070 and \$383, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$51,671 and \$37,243, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from time deposits maturing over three months and long-term borrowings at variable rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2025 and 2024, the Group's borrowings were denominated in New Taiwan dollars and US Dollars at variable rates.

- ii. On December 31, 2025 and 2024, if the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2025 and 2024 would have decreased / increased by \$3,884 and \$72, respectively. The main factor is that changes in interest expenses resulting from floating-rate borrowings.
- iii. On December 31, 2025 and 2024, if the interest rate of New Taiwan dollars time deposits and time deposits maturing over three months had increased/decreased by 0.25% with all other variables held constant, the impact to profit, net of tax for the years ended December 31, 2025 and 2024 would be immaterial. The main factor is that changes in interest income result in floating-rate borrowings.

(2) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. Policy for credit risk management of the Group's operating units is as follows:
 - (i) The Company sets the relevant procedures to monitor, manage and reduce the credit risk of accounts receivable; however, it is not guaranteed that the procedures can effectively exclude the credit risk and avoid losses. The exposure of such credit risk will increase in the deteriorating economic environment.
 - (ii) The Group periodically monitors, reviews and adjusts the credit limits based on the market conditions and credit status of counterparties to timely manage the credit risk. The Group only transacts with banks and financial institutions with high credit quality, and therefore does not expect to assume the credit risk.
 - (iii) The main credit risks arise from deposits with bank and financial institutions, financial assets at amortized cost and receivables.
- ii. The situation that the Group regards as breach of contract specified in the contract are as follows: when the contract payments may not be recovered and have to be transferred to overdue receivables, the default has occurred.
- iii. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Company applies loss rate methodology to estimate expected credit loss under the provision matrix basis.
- iv. The Group adopts following assumptions to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments.
- vi. The Group used the historical information and the forecastability of Taiwan Institute of Economic Research boom observation report to assess the default possibility of accounts receivable.
- vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.
- viii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2025 and 2024, the loss rate methodology is as follows:

December 31, 2025	Accounts receivable		
	Individual	Group	Total
Expected loss rate		5.55%~7.89%	
Total book value	\$ -	\$ 1,109,258	\$ 1,109,258
Loss allowance	\$ -	\$ 76,718	\$ 76,718

December 31, 2024	Accounts receivable		
	Individual	Group	Total
Expected loss rate		5.55%~7.89%	
Total book value	\$ -	\$ 835,652	\$ 835,652
Loss allowance	\$ -	\$ 76,244	\$ 76,244

- ix. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2025	2024
January 1	\$ 76,244	\$ 76,780
Expected credit impairment loss (reversal gain)	474	(536)
December 31	\$ 76,718	\$ 76,244

- x. As of December 31, 2025 and 2024, the collateral held by the Group as security for accounts receivable was letters of credit, promissory note and cheques with book value amounting to \$730,720 and \$687,057, respectively.

(3) Liquidity risk

- i. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs for the next one year.
- ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities.

December 31, 2025	Less than 1 year	Between 1 and 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 305,820	\$ -	\$ -
Notes payable	3,926	-	-
Accounts payable	867,977	-	-
Other payables	307,396	-	-
Lease liability	28,015	42,056	108,902
Long-term liabilities, current portion	628,800	-	-
Long-term borrowings	-	1,449,649	3,034
Guarantee deposits received	-	17,189	-
<u>Derivative financial liabilities:</u>			
Foreign exchange swap contracts	\$ 719	\$ -	\$ -
December 31, 2024	Less than 1 year	Between 1 and 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 474,035	\$ -	\$ -
Notes payable	3,909	-	-
Accounts payable	600,903	-	-
Other payables	263,952	-	-
Lease liability	28,263	63,333	119,250
Long-term liabilities, current portion	21,341	-	-
Bonds payable	794,400	-	-
Long-term borrowings	-	15,190	4,672
Guarantee deposits received	-	17,187	-
<u>Derivative financial liabilities:</u>			
Foreign exchange swap contracts	\$ 2,615	\$ -	\$ -

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in the listed stocks classified as

financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivatives is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

- B. The carrying amounts of financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, lease liabilities and long-term borrowings are approximate to their fair values.
- C. The related information of financial instruments and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2025 and 2024 are as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 7,437	\$ -	\$ 13,956	\$ 21,393
Foreign exchange swap contracts	-	119	-	119
Financial assets at fair value through other comprehensive income				
Equity securities	<u>463,192</u>	<u>-</u>	<u>570,232</u>	<u>1,033,424</u>
Total	<u>\$ 470,629</u>	<u>\$ 119</u>	<u>\$ 584,188</u>	<u>\$1,054,936</u>
December 31, 2025	Level 1	Level 2	Level 3	Total
Liabilities				
Financial liabilities at fair value through profit or loss				
Foreign exchange swap contracts	<u>\$ -</u>	<u>\$ 719</u>	<u>\$ -</u>	<u>\$ 719</u>

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 7,653	\$ -	\$ -	\$ 7,653
Financial assets at fair value through other comprehensive income				
Equity securities	<u>198,690</u>	<u>-</u>	<u>546,167</u>	<u>744,857</u>
Total	<u>\$ 206,343</u>	<u>\$ -</u>	<u>\$ 546,167</u>	<u>\$ 752,510</u>
December 31, 2024	Level 1	Level 2	Level 3	Total
Liabilities				
Financial liabilities at fair value through profit or loss				
Foreign exchange swap contracts				
	\$ -	\$ 2,615	\$ -	\$ 2,615
Call options and put options of convertible bonds				
	<u>-</u>	<u>-</u>	<u>13,743</u>	<u>13,743</u>
Total	<u>\$ -</u>	<u>\$ 2,615</u>	<u>\$ 13,743</u>	<u>\$ 16,358</u>

D. The methods and assumptions the Group used to measure fair value are as follows:

- (1) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed share
Market quoted price	Closing price

- (2) When assessing non-standard and low-complexity financial instruments, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (3) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants. Forward exchange contracts and foreign exchange swap contracts are usually valued based on the current forward exchange rate.
- (4) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

- F. If one or more of the significant inputs are not based on observable market data, such financial instrument is included in level 3.
- G. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	Equity securities	
	Years ended December 31,	
	2025	2024
January 1	\$ 546,167	\$ 507,671
Gains and losses recognized in profit or loss	(2,447)	(64,816)
Gains and losses recognized in other comprehensive income	29,823	-
Acquired during the period	29,679	78,377
Recovery of investment cost	(6,711)	(3,786)
Effect of change in exchange rate	(12,323)	28,721
December 31	<u>\$ 584,188</u>	<u>\$ 546,167</u>

- H. Investment segment is in charge of valuation procedures for fair value measurements being adopted within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 61,279	Market price method	Discount for lack of marketability	10%~30%	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares	522,909	Net asset value	Net asset value	10%~30%	The higher the net asset value, the higher the fair value
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 121,688	Market price method	Discount for lack of marketability	10%~30%	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares	424,479	Net asset value	Net asset value	15%~30%	The higher the net asset value, the higher the fair value

- J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

			December 31, 2025			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Discount for lack of marketability, weighted average cost of capital and long-term revenue growth rate.	± 1%	\$ 140	(\$ 140)	\$ 5,702	(\$ 5,702)
			December 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Discount for lack of marketability, weighted average cost of capital and long-term revenue growth rate.	± 1%	\$ -	\$ -	\$ 4,874	(\$ 4,874)

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 2.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- F. Significant inter-company transactions during the reporting periods: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 4.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: The details of commissions expense and service expense paid by the Group to Fullboom Electronics (Shenzhen) Co., Ltd. for the years ended December 31, 2025 and 2024, and their outstanding balances (shown as ‘other payables’) as of December 31, 2025 and 2024 are as follows:

	Years ended December 31,	
	2025	2024
Commission expenses	<u>\$ 17,513</u>	<u>\$ 12,484</u>
Service expense	<u>\$ 15,950</u>	<u>\$ 20,379</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other payables	<u>\$ 4,374</u>	<u>\$ 2,547</u>

14. Segment Information

(1) General information

The Group operates business only in a single industry. The Board of Directors who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment. The Group manages the business from each consolidated entity’s perspective.

(2) Segment information

Years ended December 31, 2025 and 2024: Only one reportable operating segment. Refer to the statements of comprehensive income for details.

The accounting policies of the operating segments are no significant different to the significant accounting policies summarized in Note 4. The Company’s reportable segment income or loss are measured using the income/(loss) before tax.

(3) Reconciliation for segment income (loss)

Sales between segments are carried out at arm’s length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

Years ended December 31, 2025 and 2024: Only one reportable operating segment. Refer to the statements of comprehensive income for details.

(4) Information on products and services

Revenue from external customers is mainly from design, manufacturing and sale of integrated circuits. Components of revenue are as follows:

	Years ended December 31,	
	2025	2024
Sales revenue	\$ 4,032,380	\$ 3,472,747
Others	<u>4,399</u>	<u>470</u>
Total	<u>\$ 4,036,779</u>	<u>\$ 3,473,217</u>

(5) Geographical information

	Years ended December 31,			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 1,479,707	\$ 806,916	\$ 912,895	\$ 1,213,048
Asia	2,081,239	1,010	2,192,870	2,742
Others	<u>475,833</u>	<u>48,578</u>	<u>367,452</u>	<u>45,976</u>
Total	<u>\$ 4,036,779</u>	<u>\$ 856,504</u>	<u>\$ 3,473,217</u>	<u>\$ 1,261,766</u>

(6) Major customer information

	Year ended December 31, 2025			Year ended December 31, 2024	
	Revenue	Segment		Revenue	Segment
TLW	\$ 465,090	The Group	TNO	\$ 318,245	The Group

ETRON TECHNOLOGY, INC.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2025

Table 1 Expressed in thousands of NTD
(Except as otherwise indicated)

					As of December 31, 2025				
Securities held by	Types of marketable securities	Name of marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Carrying amount	Shareholding ratio	Fair value	Remark
Etron Technology, Inc.	Stock	uPI Semiconductor Corp.	None	Financial assets at fair value through profit or loss - current	32,000	\$ 6,240	-	\$ 6,240	
				Financial assets at fair value through profit or loss - current	-	1,197	-	1,197	Notes1
Etron Technology, Inc.	Equity investment	Yali Deeptech I	None	Financial assets at fair value through profit or loss- non-current	-	6,496	-	6,496	
Etron Technology, Inc.	Equity investment	Saliency Capital Partners Fund I, L.P.	None	Financial assets at fair value through profit or loss - non-current	-	7,460	-	7,460	
Etron Technology, Inc.	Stock	Skymizer Taiwan Inc.	None	Financial assets at fair value through other comprehensive income - non-current	41,250	16,170	0.92%	16,170	
Etron Technology (HK) Limited	Equity investment	Shanghai Walden Venture Capital Enterprise	None	Financial assets at fair value through other comprehensive income - non-current	-	257,561	1.52%	257,561	
Etron Technology (HK) Limited	Equity investment	Walden Technology Ventures II,L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	105,476	2.64%	105,476	
Etron Technology (HK) Limited	Equity investment	Arm IoT Fund L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	25,262	4.65%	25,262	
Etron Technology (HK) Limited	Equity investment	WI Harper Fund IX, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	22,525	1.08%	22,525	
Plusway Corp.	Equity investment	WI Harper Fund IX, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	33,788	1.62%	33,788	
Plusway Corp.	Equity investment	IT-Farm J-Tech Fund Investment Limited Partnership	None	Financial assets at fair value through other comprehensive income - non-current	-	20,490	4.55%	20,490	
Kingwell Investment Corp.	Stock	Innorich Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income - non-current	3,757,009	20,573	11.21%	20,573	
Kingwell Investment Corp.	Stock	Raytek Semiconductor, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	1,852,000	40,262	1.51%	40,262	
Kingwell Investment Corp.	Stock	Ardentec Corporation	The chairman of the investee and the chairman of the Company are relatives within second degree of kinship	Financial assets at fair value through other comprehensive income - non-current	3,712,457	462,201	0.76%	462,201	
Kingwell Investment Corp.	Stock	Anqing Innovation Investment Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	2,000,000	14,912	4.33%	14,912	
Kingwell Investment Corp.	Equity investment	Arm IoT Fund L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	8,366	1.54%	8,366	
Kingcharm Investment Corp.	Stock	Digitimes Inc.	None	Financial assets at fair value through other comprehensive income - non-current	98,919	4,847	0.35%	4,847	
				Financial assets at fair value through other comprehensive income - non-current	-	991	-	991	Notes1

Notes1 :Where the carrying amount of an investment is less than \$1,000, the aggregate amount is disclosed based on the summarized account titles of the underlying investments.

Etron Technology, Inc.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2025

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship	Transaction Situation				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Remark
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Etron Technology, Inc.	Etron Technology (HK) Limited	An indirectly held subsidiary of the Company	Sales	(\$ 132,829)	(3.45%)	90 days end of month	Not applicable	Not applicable	\$ 56,326	5.68%	

ETRON TECHNOLOGY, INC.
Significant inter-company transactions during the reporting periods
Year ended December 31, 2025

Table 3

		Expressed in thousands of NTD (Except as otherwise indicated)					
		Description of Transactions					
No. (Note 1)	Company	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms (Note 4)	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Service expense	\$ 22,439	-	0.56%
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Commission expenses	23,505	-	0.58%
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Other accrued expense	3,041	-	0.04%
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Other prepaid expense	5,502	-	0.07%
0	Etron Technology, Inc.	Anzon Corporation	1	Service expense	2,832	-	0.07%
0	Etron Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	1	Commission expenses	17,513	-	0.43%
0	Etron Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	1	Service expense	4,864	-	0.12%
0	Etron Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	1	Other accrued expense	3,443	-	0.04%
0	Etron Technology, Inc.	Etron Technology (HK) Limited	1	Sales revenue	132,829	-	3.29%
0	Etron Technology, Inc.	Etron Technology (HK) Limited	1	Accounts receivable	56,326	-	0.73%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Support service income	2,743	-	0.07%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Other receivables	6,633	-	0.09%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Other income	19,645	-	0.49%
0	Etron Technology, Inc.	eYs3D Microelectronics Co.	1	Support service income	4,451	-	0.11%
0	Etron Technology, Inc.	eYs3D Microelectronics Co.	1	Service expense	10,000	-	0.25%
0	Etron Technology, Inc.	eYs3D Microelectronics Co.	1	Other receivables	14,197	-	0.18%
0	Etron Technology, Inc.	eYs3D Microelectronics Co.	1	Other income	23,761	-	0.59%
0	Etron Technology, Inc.	eYs3D Microelectronics Co.	1	Guarantee deposits	1,402	-	0.02%
0	Etron Technology, Inc.	Insignis Technology Corporation	1	Sales revenue	11,989	-	0.30%
0	Etron Technology, Inc.	Insignis Technology Corporation	1	Accounts receivable	2,528	-	0.03%
0	Etron Technology, Inc.	Invention and Collaboration Laboratory Pte. Ltd.	1	Service expense	3,412	-	0.08%
1	eYs3D Microelectronics Co.	Fullboom Electronics (Shenzhen) Co., Ltd.	3	Service expense	7,491	-	0.19%
1	eYs3D Microelectronics Co.	AiYs3D Technology, Inc..	3	Service expense	4,104	-	0.10%
2	eEver Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	3	Service expense	3,595	-	0.09%
3	Invention and Collaboration Laboratory, Inc.	Invention and Collaboration Laboratory Pte. Ltd.	3	Other operating revenue	9,487	-	0.24%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is 0.
- (2) The subsidiaries are numbered in order starting from 1.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose transaction.):

- (1) The parent company to subsidiaries.
- (2) Subsidiaries to the parent company.
- (3) Subsidiaries to subsidiaries.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The prices and credit terms for the transactions between parent company and subsidiaries would be available for third parties. The terms for incomparable transactions are negotiated by the both parties.

ETRON TECHNOLOGY, INC.
Names, locations and other information of investees (not including investees in Mainland China)
Year ended December 31, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Name of investor	Name of Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Profit (loss) of the investee for the year	Investment income (loss) recognized by the Company for the year	Remark
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Carrying amount			
Etron Technology, Inc.	Eutrend Technology, Inc.	Taiwan	Testing service for high frequency or high-power radio frequency, analog, digital, and mixed-signal components	\$ 112,099	\$ 112,099	2,702,522	93.57%	\$ 125	(\$ 75)	(\$ 70)	Subsidiaries
Etron Technology, Inc.	Kinglord Corp.	British Virgin Islands	Investment holdings	848,788	878,713	24,268	100.00%	489,833	29,230	29,230	Subsidiaries
Etron Technology, Inc.	Plusway Corp.	British Virgin Islands	Investment holdings	519,058	511,393	10,375	100.00%	147,930	1,704	1,704	Subsidiaries
Etron Technology, Inc.	Kingwell Investment Corp.	Taiwan	Investment in the manufacturing and service industries	81,000	-	16,783,000	100.00%	716,856	27,304	27,304	Subsidiaries
Etron Technology, Inc.	Kingcharm Investment Corp.	Taiwan	Investment holdings	188,512	188,512	18,000,000	100.00%	13,273	(14,551)	(14,551)	Subsidiaries
Etron Technology, Inc.	Intercosmos Group Limited	British Virgin Islands	Investment holdings	106,429	106,429	4,488	100.00%	203,319	7,272	7,272	Subsidiaries
Etron Technology, Inc.	Creative Ally Limited	British Virgin Islands	Investment holdings	159,787	140,017	5,245	100.00%	15,147	(19,929)	(19,929)	Subsidiaries
Etron Technology, Inc.	eCapture Ltd. Co.	Cayman Islands	Investment holdings	31,051	31,051	11,666,667	100.00%	1,493	(326)	(326)	Subsidiaries
Etron Technology, Inc.	Insignis Technology, Inc.	Cayman Islands	Investment holdings	66,207	60,488	26,400,000	100.00%	7,389	(6,479)	(6,479)	Subsidiaries
Etron Technology, Inc.	eEver Technology Limited	Cayman Islands	Investment holdings	90,121	90,121	17,407,715	43.52%	12,594	(74,490)	(32,527)	Subsidiaries
Etron Technology, Inc.	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	789,051	683,043	74,648,237	64.16%	83,894	(183,261)	(114,643)	Subsidiaries
Etron Technology, Inc.	DeCloak Intelligences Co.	Taiwan	Information and software service expenses	83,944	73,130	6,216,975	79.07%	3,073	(23,631)	(19,053)	Subsidiaries
Etron Technology, Inc.	T-Era Architecture Technology, Inc.	Cayman Islands	Investment holdings	17,046	11,249	4,329,600	10.35%	594	(8,939)	(925)	Subsidiaries
Etron Technology, Inc.	TAT Technology, Inc.	Cayman Islands	Investment holdings	10,452	7,553	2,675,200	9.39%	209	(3,593)	(337)	Subsidiaries
Etron Technology, Inc.	ValueCreation Technology, Inc.	Taiwan	Intellectual property industry	18,200	15,000	1,820,000	100.00%	5,413	(1,232)	(415)	Subsidiaries
Kingwell Investment Corp.	Global Specitronics Solutions Company	Taiwan	Electronic component manufacturing industry	12,077	4,927	1,150,000	93.45%	6,155	(3,576)	(3,343)	Second-tier subsidiary

Name of investor	Name of Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Profit (loss) of the investee for the year	Investment income (loss) recognized by the Company for the year	Remark
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Carrying amount			
Kingwell Investment Corp.	nD-HI Technologies Lab, Inc.	Taiwan	Electronic component manufacturing industry	\$ 39,093	\$ 39,093	4,000,000	88.93%	\$ 22,254	\$ 10,403	\$ 10,175	Second-tier subsidiary Investee company of the
Kingwell Investment Corp.	Great Team Backend Foundry, Inc.	British Virgin Islands	Investment holdings	27,020	27,020	1,555,390	5.42%	34,026	32,995	2,003	Second-tier subsidiary
Kingwell Investment Corp.	Intellect Rise Design, Inc..	Taiwan	Investment holdings	100,500	-	2,010,000	100.00%	99,695	(805)	(805)	Second-tier subsidiary
Kingcharm Investment Corp.	eEver Technology Limited	Cayman Islands	Investment holdings	64,197	64,197	6,195,697	15.49%	4,482	(74,490)	(11,577)	Subsidiaries
Kingcharm Investment Corp.	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	21,654	21,654	2,084,340	1.79%	2,341	(183,261)	(3,470)	Subsidiaries
Kinglord Corp.	Etron Technology America, Inc.	U.S.A	Sales agent of electronic components	204,924	213,758	56,666,666	100.00%	48,756	2,178	2,178	Second-tier subsidiary
Kinglord Corp.	Anzon Technology, Inc.	British Virgin Islands	Investment holdings	11,346	11,835	1,681,000	70.85%	1,229	(214)	(144)	Second-tier subsidiary
Kinglord Corp.	Etron Technology (HK) Limited	Hong Kong	Sales of electronic components	150,864	157,368	37,440,000	100.00%	437,828	29,000	29,000	Second-tier subsidiary
Kinglord Corp.	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	8,811	9,191	785,273	0.68%	889	(183,261)	(1,316)	Subsidiaries
Kinglord Corp.	AISTA, Inc.	U.S.A	Semiconductor technology development, consulting, and design services	314	328	10,000,000	100.00%	52	(151)	(153)	Second-tier subsidiary
Kinglord Corp.	ICL1, Inc.	U.S.A	Semiconductor technology development, consulting, and design services	-	328	-	0.00%	-	(271)	(67)	Second-tier subsidiary
Etron Technology (HK) Limited	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	158,149	132,182	11,663,250	10.02%	13,102	(183,261)	(17,547)	Subsidiaries
Etron Technology (HK) Limited	eEver Technology Limited	Cayman Islands	Investment holdings	22,001	22,949	1,555,555	3.89%	1,126	(74,490)	(2,898)	Subsidiaries
Anzon Technology, Inc.	Anzon Corporation	Japan	Sales agent of electronic components	17,775	18,542	185	100.00%	1,680	(210)	(210)	Third-tier subsidiary
Intercosmos Group Limited	Grandsino Technology Limited	British Virgin Islands	Investment holdings	43,772	45,659	3,866	100.00%	191,458	10,403	10,403	Second-tier subsidiary
Intercosmos Group Limited	Fullboom International Limited	Samoa	Investment holdings	33,002	34,424	1,050,000	100.00%	10,469	(2,881)	(2,881)	Second-tier subsidiary Investee of the second-tier
Grandsino Technology Limited	Great Team Backend Foundry, Inc.	British Virgin Islands	Investment holdings	42,165	43,983	7,979,999	27.82%	190,156	32,995	10,278	Investee company of the
Plusway Corp.	Great Team Backend Foundry, Inc.	British Virgin Islands	Investment holdings	66,471	69,336	2,410,886	9.17%	85,396	32,995	3,388	Investee company of the subsidiary

Name of investor	Name of Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Profit (loss) of the investee for the year	Investment income (loss) recognized by the Company for the year	Remark
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Carrying amount			
Plusway Corp.	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	\$ 9,201	\$ 9,598	887,121	0.76%	\$ 994	(\$ 183,261)	(\$ 1,483)	Subsidiaries
Creative Ally Limited	Invention and Collaboration Laboratory Pte. Ltd.	Singapore	Semiconductor technology development, consulting, and design services	63,659	45,913	20,678,000	82.20%	14,222	(24,272)	(19,903)	Second-tier subsidiary
eCapture Ltd. Co.	eCapture Co., Limited.	Hong Kong	Marketing, sales and development of electronic products	29,859	31,146	950,000	100.00%	1,414	(324)	(324)	Second-tier subsidiary
Insignis Technology, Inc.	Insignis Technology Corporation	U.S.A	Sales of electronic components	66,160	62,783	2,105,000	100.00%	7,285	(6,794)	(6,319)	Second-tier subsidiary
eEver Technology Limited	eEver Technology, Inc.	Taiwan	Electronic component manufacturing industry	361,953	377,557	43,450,000	100.00%	39,219	(74,805)	(74,805)	Second-tier subsidiary
eYs3D Microelectrics, Inc.	eYs3D Microelectronics Co.	Taiwan	Electronic component manufacturing industry	1,320,263	1,231,080	131,350,000	100.00%	133,976	(181,494)	(181,494)	Second-tier subsidiary
eYs3D Microelectrics, Inc.	AiYs3D Technology, Inc	U.S.A	Marketing and customer service	314	328	10,000	100.00%	638	(46)	(46)	Second-tier subsidiary
Invention and Collaboration Laboratory Pte. Ltd.	Invention and Collaboration Laboratory, Inc.	Taiwan	Semiconductor technology development, consulting, and design services	1,511	1,576	134,000	100.00%	859	(282)	(282)	Third-tier subsidiary
Invention and Collaboration Laboratory Pte. Ltd.	T-Era Architecture Technology, Inc.	Cayman Islands	Investment holdings	629	656	20,000,000	47.80%	2,743	(8,939)	(4,273)	Third-tier subsidiary
Invention and Collaboration Laboratory Pte. Ltd.	TAT Technology, Inc.	Cayman Islands	Investment holdings	440	459	14,000,000	49.16%	1,096	(3,593)	(1,766)	Third-tier subsidiary
Invention and Collaboration Laboratory Pte. Ltd.	ICLI, Inc.	U.S.A	Semiconductor technology development, consulting, and design services	6,600	-	10,800,000	100.00%	6,218	(271)	(206)	Third-tier subsidiary
T-Era Architecture Technology, Inc.	T-Era Architecture Technology Corp.	Taiwan	Semiconductor technology development, consulting, and design services	33,288	21,214	3,300,000	100.00%	5,058	(8,564)	(8,564)	Third-tier subsidiary
T-Era Architecture Technology, Inc.	TAT Technology, Inc.	Cayman Islands	Investment holdings	4,777	3,672	1,216,000	4.27%	113	(3,593)	(136)	Third-tier subsidiary
TAT Technology, Inc.	TAT Technology Corp.	Taiwan	Semiconductor technology development, consulting, and design services	15,188	12,101	1,488,000	100.00%	1,312	(2,922)	(2,922)	Third-tier subsidiary
TAT Technology, Inc.	T-Era Architecture Technology, Inc.	Cayman Islands	Investment holdings	7,732	5,442	1,968,000	4.70%	276	(8,939)	(414)	Third-tier subsidiary
ValueCreation Technology, Inc.	WeCrevention, Inc.	U.S.A	Intellectual property industry	9,490	3,209	300,000	100.00%	7,947	(1,026)	(1,026)	Second-tier subsidiary
Intellect Rise Design, Inc.	MemoLead Technology Corporation.	Taiwan	IC Design	100,000	-	10,000,000	20.00%	99,271	(3,643)	(729)	Investee of the second-tier subsidiary

Etron Technology, Inc.
Information on investments in Mainland China
Year ended December 31, 2025

Table 5 Expressed in thousands of NTD
(Except as otherwise indicated)

1. Basic information

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Profit (loss) of the investee for the year	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year (Note 2)	Carrying amount of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2025	Remark
					Remitted to Mainland China	Remitted back to Taiwan							
Great Team Backend Foundry (Dongguan), Ltd.	Other transistors	\$ 2,769,505	(2)	\$ 196,261	\$ -	\$ -	\$ 196,261	\$ 115,024	12.72%	\$ 14,635	\$ 272,539	\$ -	Note 3, Note 4, Note 5
Fullboom Electronics (Shenzhen) Co., Ltd.	Wholesale and international trade of electronic components	31,430	(2)	32,285	-	-	32,285	(2,896)	100.00%	(2,896)	9,577	-	Note 6
Shanghai Walden Venture Capital Enterprise	Investment in new venture companies	40,569	(2)	35,154	-	-	35,154	-	1.52%	-	257,561	-	Note 7
Walden Technology Ventures II, L.P.	Investment in new venture companies	3,501,202	(2)	95,668	-	-	95,668	-	2.64%	-	105,476	-	Note 7

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China
- (3) Others

Note 2: Investment income from Fullboom Electronics (Shenzhen) Co., Ltd. was recognized based on the financial statements that are audited and attested by R.O.C. parent company's CPA; Investment income from Great Team Backend Foundry (Dongguan), Ltd. was recognized based on the financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

Note 3: Investing through Great Team Backend Foundry, Inc., which is invested by Kingwell Investment Corp.

Note 4: Investing through Great Team Backend Foundry, Inc., which is invested by Grandsino Technology Limited and Grandsino Technology Limited is invested by Intercosmos Group Limited.

Note 5: Investing through Great Team Backend Foundry, Inc., which is invested by Plusway Corp.

Note 6: Investing through Fullboom International Limited, which is invested by Intercosmos Group Limited.

Note 7: Investing through Etron Technology (HK) Limited, which is invested by Kinglord Corp.

2. Ceiling on reinvestments in Mainland China:

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Department of Investment Review of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China according to the regulations stipulated by the Department of Investment Review of the Ministry of Economic Affairs (MOEA)
Etron Technology, Inc.	\$ 359,368 (USD 10,790 thousands)	\$ 447,406 (USD 14,235 thousands)	\$ 2,395,438