

Sensortek Technology Corporation

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

Sensortek Technology Corporation

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders
Sensortek Technology Corporation

Opinion

We have audited the accompanying financial statements of Sensortek Technology Corporation (the Company), which comprise the balance sheets as of December 31, 2025 and 2024, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

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

Basis for Opinion

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

Key Audit Matters

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

The key audit matters of the Company's financial statements for the year ended December 31, 2025 are stated as follows:

Recognition of sales revenue

The Company's main source of revenue comes from the sale of goods. For the year ended December 31, 2025, the revenue recognized was NT\$4,561,864 thousand, refer to Notes 4, 22 and 34 for information on the accounting policies of revenue recognition. Such revenue is recognized when the goods are transferred to the customer and the performance obligations are met. The revenue recognition process is that after receiving customers' orders and checking the transaction conditions, the business unit creates a orders in the system, and enters into the production schedule after obtaining the approval from the supervisor. As soon as the production is completed, the manufacturing unit would issue packing lists and invoices from the system, and the Company would obtain a signed packing list or the bill of ladings from the shipping companies when those shipping companies pick up the goods, then the system would generate a shipping receipt details list after checking the shipping-related information. The accounting officers would recognize sales revenue according to the shipping

receipt details list.

We have assessed that the customers of the Company whose revenue significantly changed in 2025 are subject to the risk of validity of revenue recognition. Therefore, in order to confirm the validity of the Company's revenue recognition, we performed the following audit procedures on the sales transactions of these customers:

1. We obtained an understanding of the internal controls over revenue recognition, evaluated the design of the key controls, determined that the controls were implemented and tested the operating effectiveness of the controls.
2. We sampled and inspected the existence of the original purchase orders for each sale and were approved appropriately.
3. We inspected product names and quantities on notifications of manufacturing, invoices and goods receipts. We also inspected and confirmed the amounts were consistent.
4. We inspected the reasonableness of the collection of trade receivable and confirmed the collection amounts from counterparties were consistent with the revenue recognized.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Ya Yun Chang and Ming-Hui Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 3, 2026

Notice to Readers

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

For the convenience of readers, the independent 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. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

SENSORTEK TECHNOLOGY CORPORATION

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

ASSETS	December 31, 2025		December 31, 2024		LIABILITIES AND EQUITY	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4, 6, and 29)	\$ 942,732	17	\$ 748,503	13	Short-term borrowings (Notes 4, 18 and 29)	\$ 37,716	1	\$ -	-
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 29)	165,868	3	129,685	2	Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 29)	20,044	-	7,331	-
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 29)	336,465	6	274,068	5	Trade payables (Note 29)	783,710	14	764,672	13
Financial assets at amortized cost - current (Notes 4, 9, 29 and 31)	875,038	16	1,575,000	28	Accrued profit sharing bonus to employees' compensation and remuneration of directors (Notes 23)	27,545	1	52,707	1
Trade receivables (Notes 4, 11, 22 and 29)	179,696	3	265,955	5	Other payables (Notes 19 and 29)	271,505	5	313,425	6
Trade receivables from related parties (Notes 4, 11, 22, 29 and 30)	457,173	8	368,677	6	Other payables to related parties (Notes 29 and 30)	15,946	-	16,862	-
Other receivables (Notes 4, 11, 29 and 30)	15,280	-	8,523	-	Current tax liabilities (Notes 4 and 24)	38,890	1	44,896	1
Inventories (Notes 4, 5 and 12)	647,753	12	770,068	13	Lease liabilities - current (Notes 4, 14 and 27)	2,985	-	3,025	-
Prepayments (Note 17)	42,728	1	38,100	1	Other current liabilities (Notes 19, 22 and 29)	5,176	-	23,174	-
Other current assets (Notes 17 and 29)	795	-	1,001	-	Total current liabilities	1,203,517	22	1,226,092	21
Total current assets	3,663,528	66	4,179,580	73	NON-CURRENT LIABILITIES				
NON-CURRENT ASSETS					Deferred tax liabilities (Notes 4 and 24)	909	-	-	-
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 29)	186,068	3	132,044	2	Lease liabilities - non-current (Notes 4, 14 and 27)	5,276	-	8,261	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 29)	693,274	13	385,191	7	Other non-current liabilities (Notes 19 and 27)	86,581	2	83,474	2
Property, plant and equipment (Notes 4 and 13)	521,166	10	550,806	10	Total non-current liabilities	92,766	2	91,735	2
Right-of-use assets (Notes 4 and 14)	8,038	-	11,146	-	Total liabilities	1,296,283	24	1,317,827	23
Investment properties (Notes 4 and 15)	406,230	7	412,356	7	EQUITY (Notes 4 and 21)				
Intangible assets (Notes 4 and 16)	34,823	1	44,974	1	Share capital				
Deferred tax assets (Notes 4 and 24)	1,020	-	-	-	Ordinary shares	489,126	9	489,126	9
Other non-current assets (Notes 17 and 29)	2,946	-	1,491	-	Capital surplus	2,202,370	40	2,202,370	38
Total non-current assets	1,853,565	34	1,538,008	27	Retained earnings				
					Legal reserve	680,638	12	626,196	11
					Undistributed earnings	812,725	15	1,052,002	18
					Total retained earnings	1,493,363	27	1,678,198	29
					Other equity				
					Unrealized gain (loss) on financial assets at fair value through other comprehensive income	35,951	-	30,067	1
					Total equity	4,220,810	76	4,399,761	77
TOTAL ASSETS	\$ 5,517,093	100	\$ 5,717,588	100	TOTAL LIABILITIES AND EQUITY	\$ 5,517,093	100	\$ 5,717,588	100

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

SENSORTEK TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 30)	\$ 4,561,864	100	\$ 4,940,683	100
OPERATING COSTS (Notes 4, 12 and 23)	<u>3,743,908</u>	<u>82</u>	<u>3,767,572</u>	<u>76</u>
GROSS PROFIT	<u>817,956</u>	<u>18</u>	<u>1,173,111</u>	<u>24</u>
OPERATING EXPENSES (Notes 4, 23 and 30)				
Selling and marketing expenses	108,398	2	107,037	2
General and administrative expenses	75,364	2	89,898	2
Research and development expenses	<u>473,424</u>	<u>10</u>	<u>468,837</u>	<u>10</u>
Total operating expenses	<u>657,186</u>	<u>14</u>	<u>665,772</u>	<u>14</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 4, 13 and 23)	<u>46</u>	<u>-</u>	<u>39</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>160,816</u>	<u>4</u>	<u>507,378</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 23, 26 and 30)				
Interest income	47,139	1	49,260	1
Other income	86,404	2	51,976	1
Other gains and losses	15,987	-	25,302	1
Finance costs	<u>(3,188)</u>	<u>-</u>	<u>(8,210)</u>	<u>-</u>
Total non-operating income and expenses	<u>146,342</u>	<u>3</u>	<u>118,328</u>	<u>3</u>
INCOME BEFORE INCOME TAX	307,158	7	625,706	13
INCOME TAX EXPENSE (Notes 4 and 24)	<u>2,867</u>	<u>-</u>	<u>85,229</u>	<u>2</u>
NET INCOME FOR THE YEAR	<u>304,291</u>	<u>7</u>	<u>540,477</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 and 21)				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	15,070	-	(24,880)	-

(Continued)

SENSORTEK TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss				
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	(\$ 9,186)	-	\$ 11,214	-
Other comprehensive income (loss) for the year, net of income tax	5,884	-	(13,666)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 310,175</u>	<u>7</u>	<u>\$ 526,811</u>	<u>11</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 6.22</u>		<u>\$ 11.05</u>	
Diluted	<u>\$ 6.20</u>		<u>\$ 11.00</u>	

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

(Concluded)

SENSORTEK TECHNOLOGY CORPORATION

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

	Share Capital (Note 21)		Capital Surplus (Note 21)	Retained Earnings (Note 21)			Other Equity (Notes 4 and 21)	Total Equity
	Number of Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Undistributed Earnings	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2024	48,912	\$ 489,126	\$ 2,202,370	\$ 558,632	\$ 25,082	\$ 1,161,470	\$ 47,678	\$ 4,484,358
Distribution of 2023 earnings								
Legal reserve	-	-	-	67,564	-	(67,564)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(611,408)	-	(611,408)
Special reserve	-	-	-	-	(25,082)	25,082	-	-
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	3,945	(3,945)	-
Net income for the year ended December 31, 2024	-	-	-	-	-	540,477	-	540,477
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	(13,666)	(13,666)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	540,477	(13,666)	526,811
BALANCE AT DECEMBER 31, 2024	48,912	489,126	2,202,370	626,196	-	1,052,002	30,067	4,399,761
Distribution of 2024 earnings								
Legal reserve	-	-	-	54,442	-	(54,442)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(489,126)	-	(489,126)
Net income for the year ended December 31, 2025	-	-	-	-	-	304,291	-	304,291
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	-	5,884	5,884
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	304,291	5,884	310,175
BALANCE AT DECEMBER 31, 2025	48,912	\$ 489,126	\$ 2,202,370	\$ 680,638	\$ -	\$ 812,725	\$ 35,951	\$ 4,220,810

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

SENSORTEK TECHNOLOGY CORPORATION

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

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 307,158	\$ 625,706
Adjustments for:		
Depreciation expense	94,623	84,381
Amortization expense	34,566	34,510
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	(9,943)	(5,742)
Interest expense	3,188	8,210
Interest income	(47,139)	(49,260)
Dividend income	(30,397)	(18,671)
Gain on disposal of financial instruments	(1,235)	(1,473)
Write-down of inventories recognized	22,713	59,425
Unrealized net gain on foreign currency exchange	(216)	(18,108)
Changes in operating assets and liabilities		
Trade receivables	88,764	121,216
Trade receivables from related parties	(83,764)	(16,489)
Other receivables	(7,724)	14
Inventories	99,602	(49,807)
Prepayments	(4,628)	31,491
Other current assets	206	176
Trade payables	10,946	(97,665)
Other payables	(30,472)	(45,794)
Other payables to related parties	(916)	3,332
Other current liabilities	(17,998)	18,958
Accrued profit sharing bonus to employees' compensation and remuneration of directors	(25,162)	(14,169)
Cash generated from operations	402,172	670,241
Interest received	47,022	51,751
Interest paid	(3,174)	(8,210)
Income tax paid	(8,984)	(176,843)
Net cash generated from operating activities	<u>437,036</u>	<u>536,939</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(437,543)	(60,000)
Disposal of financial assets at fair value through other comprehensive income	75,266	27,085
Acquisition of financial assets measured at amortized cost	(1,075,038)	(2,324,500)
Proceeds from the return of principle of financial assets at amortized cost	1,775,000	1,965,000
Acquisition of financial assets at fair value through profit or loss	(236,377)	(211,981)
Disposal of financial assets at fair value through profit or loss	168,826	212,411
Acquisition of property, plant and equipment	(66,412)	(78,711)
Increase in refundable deposits	(9)	(8)
Decrease in refundable deposits	59	1,136
Purchase of intangible assets	(23,819)	(24,178)
Increase in prepayments for equipment	(1,500)	-
Dividends received	<u>30,397</u>	<u>18,723</u>
Net cash generated from (used in) investing activities	<u>208,850</u>	<u>(475,023)</u>

(Continued)

SENSORTEK TECHNOLOGY CORPORATION

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

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	\$ 1,304,590	\$ 2,454,122
Decrease in short-term borrowings	(1,266,890)	(2,454,122)
Increase in guarantee deposits	32,963	6,487
Decrease in guarantee deposits	(26,910)	(60,275)
Repayment of the principal portion of lease liabilities	(3,025)	(3,314)
Cash dividends distributed	(489,126)	(611,408)
Net cash used in financing activities	(448,398)	(668,510)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES TO THE BALANCE OF CASH AND CASH EQUIVALENTS	(3,259)	14,195
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	194,229	(592,399)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>748,503</u>	<u>1,340,902</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 942,732</u>	<u>\$ 748,503</u>

(Concluded)

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

SENSORTEK TECHNOLOGY CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

1. GENERAL INFORMATION

Sensortek Technology Corporation (the Company) was officially established with the approval of the Ministry of Economic Affairs on December 1, 2009. The Company's business activities mainly include research and development, design and sales of sensor integrated circuit products.

The Company's shares have been listed on the OTC market through Taipei Exchange for trading since June 8, 2020.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors and authorized for issue on March 3, 2026.

3. APPLICATION OF NEW OR REVISED STANDARDS AND INTERPRETATIONS

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

1) Amendments to IAS 21 "Lack of Exchangeability"

The initial application of the Amendments to IAS 21 "Lack of Exchangeability" did not have a material impact on the Company's accounting policies.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Issued by International Accounting Standards Board(IASB)</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the financial statements were authorized for issue, the Company has assessed that the application of aforementioned standards will not have a material impact on the Company's financial position and financial performance.

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

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

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

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

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

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

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

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

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

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

Except for the above impact, as of the date the accompanying financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The accompanying financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair values.

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

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

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

Current assets include:

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

Current liabilities include:

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

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

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

d. Foreign currencies

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

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

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

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

e. Cash equivalents

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

f. Inventories

Inventories consist of raw materials, work in progress and finished goods, and are stated at the lower of cost and net realizable value. The item-by-item approach is used in applying the lower of cost and net realizable value, except where it may be appropriate to group at similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost at the end of the reporting period.

g. Property, plant and equipment

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

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

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

h. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation of investment properties is recognized using the straight-line method.

Investment properties are transferred to property, plant and equipment at the carrying amount on the day when the supply for self-use begins.

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

i. Intangible assets

1) Intangible assets acquired separately

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

2) Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

3) Derecognition of intangible assets

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

j. Impairment of property, plant and equipment, right-of-use assets, investment properties and intangible assets

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

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

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

k. Financial instruments

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

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

Financial assets measured at FVTPL were financial assets mandatorily measured as at FVTPL. Financial assets mandatorily measured at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 29.

ii. Financial assets at amortized cost

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

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

Subsequent to initial recognition, financial assets at amortized cost (including cash and cash equivalents, pledged fixed deposits, time deposits with original maturities of over 3 months, trade receivables measured at amortized cost (including related parties), other receivables, other current assets and refundable deposits) are measured at amortized cost, which equals

the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Except for the two following conditions, interest income shall be calculated based on the effective interest rate multiplied by the total carrying amount of financial assets:

- i) For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.
- ii) Interest income for financial assets that are not acquired or initially impaired but subsequently become impaired shall be calculated by multiplying the effective interest rate by the amortized cost of the financial asset from the period in which the impairment was incurred immediately following the reporting period.

A credit-impaired financial asset is one where the issuer or debtor has experienced significant financial difficulties, defaults, the debtor is likely to file for bankruptcy or other financial reorganization, or the active market for the financial asset has disappeared due to financial difficulties.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI, which is neither held for trading nor the contingent consideration recognized by an acquirer in a business combination.

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

Dividends are recognized in profit and loss when the Company's right to receive the dividends is established, unless they clearly represent a recovery of part of the cost of the investment, in which case, they are included in OCI.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) and, investments in debt instruments that are measured at FVTOCI at the end of each reporting period.

Loss allowances for trade receivables are always measured at the lifetime expected credit losses (i.e. ECLs). For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

3) Financial liabilities

a) Subsequent measurement

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

i. Financial liabilities at FVTPL

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

Financial liabilities held for trading are stated at fair value, interest earned on financial liabilities are recognized as financial costs, and any gain or loss arising on remeasurement is recognized in profit or loss.

Fair value is determined in the manner described in Note 29.

b) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

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

4) Derivative financial instruments

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

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated as an effective hedging instrument, in which timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in host contracts that are financial asset within the scope of IFRS 9 "Financial instruments" are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; the risks and characteristics are not closely related to those of the host contracts and the hybrid contracts are not measured at FVTPL.

1. Revenue recognition

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

1) Sale of goods

Revenue comes from sales of integrated circuits. Sales of integrated circuits are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Rendering of services

Service income is recognized when services are provided.

m. Leasing

At the inception of a contract, the Company assesses whether the contract is, or contain a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying the recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are presented on a separate line in the balance sheets.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in the lease terms, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the

right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

n. Borrowing costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Government grants

Government grants are recognized only when it is reasonably certain that the Company will comply with the conditions attached to the government grant and that the grant will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and recognized in profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur.

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

q. Taxation

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

1) Current tax

The Company has determined the current gains (losses) and calculated payable (refundable) taxes in accordance with applicable tax laws of each tax jurisdiction.

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

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

2) Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforward and tax credits for research and development expenditures and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

3) Current and deferred taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

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

The Company considers the possible impact of the economic environment and U.S. reciprocal tariff measures into significant accounting estimates when making its critical significant accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation and Uncertainty

a. Write-down of inventories

The net realizable value of inventory is the estimated selling price less the estimated costs of completion and disposal in the normal operating activities. The estimation of net realizable value was based on current market conditions and the historical sales experience of similar product. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Cash on hand	\$ 20	\$ 20
Demand deposits	61,616	146,638
Cash equivalents		
Time deposits	466,268	281,947
Bonds with repurchase agreements	414,828	319,898
	<u>\$ 942,732</u>	<u>\$ 748,503</u>

The rate intervals of cash equivalents at the end of the reporting period were as follows:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Time deposits	1.2%~3.68%	1.65%~3.55%
Bonds with repurchase agreements	1.32%~1.61%	1.3%~1.6%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Financial assets at FVTPL - current</u>		
Mandatorily measured at FVTPL		
Derivative financial assets		
Credit linked notes - linked with convertible bonds	\$ 70,931	\$ 59,778
Foreign exchange forward contracts	22,876	7,295
Foreign exchange swap contracts	24	1,725
Non-derivative financial assets		
Convertible bonds	53,416	20,682
Exchangeable bonds	-	20,610
Domestic mutual funds investment	18,621	19,595
	<u>\$ 165,868</u>	<u>\$ 129,685</u>

Financial assets at FVTPL - non-current

Mandatorily measured at FVTPL		
Derivative financial assets		
Credit linked notes - linked with convertible bonds	\$ 150,822	\$ 110,490
Non-derivative financial assets		
Limited partnership	30,338	21,554
Exchangeable bonds	4,908	-
	<u>\$ 186,068</u>	<u>\$ 132,044</u>

Financial liabilities at FVTPL - current

Held for trading		
Derivative financial liabilities		
Foreign exchange swap contracts	\$ 20,044	\$ 5,870
Foreign exchange forward contracts	-	1,461
	<u>\$ 20,044</u>	<u>\$ 7,331</u>

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

	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (In Thousands)</u>
<u>December 31, 2025</u>			
Buy forward exchange contracts	NTD/USD	2026.01.28~2026.07.14	NT\$ 354,329/ US\$ 12,000
Sell forward exchange contracts	USD/NTD	2026.01.27	US\$ 500/ NT\$ 15,760

	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (In Thousands)</u>
<u>December 31, 2024</u>			
Buy forward exchange contracts	NTD/USD	2025.02.10~2025.08.05	NT\$ 140,238/ US\$ 4,500
Sell forward exchange contracts	USD/NTD	2025.06.19~2025.06.26	US\$ 3,000/ NT\$ 96,895

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

	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (In Thousands)</u>
<u>December 31, 2025</u>			
Sell forward exchange contracts	USD/NTD	2026.01.30~2026.07.16	US\$ 12,000/ NT\$ 357,117
Buy forward exchange contracts	NTD/USD	2026.01.29	NT\$ 15,691/ US\$ 500

<u>December 31, 2024</u>			
Sell forward exchange contracts	USD/NTD	2025.02.12~2025.08.07	US\$ 4,500/ NT\$ 141,663
Buy forward exchange contracts	NTD/USD	2025.06.23~2025.06.30	NT\$ 96,630/ US\$ 3,000

The Company entered into foreign exchange forward and foreign exchange swap contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Current</u>		
Investments in equity instruments at FVTOCI	\$ 336,465	\$ 225,416
Investments in debt instruments at FVTOCI	-	48,652
	<u>\$ 336,465</u>	<u>\$ 274,068</u>
<u>Non-current</u>		
Investments in equity instruments at FVTOCI	\$ 538,433	\$ 228,656
Investments in debt instruments at FVTOCI	154,841	156,535
	<u>\$ 693,274</u>	<u>\$ 385,191</u>

a. Investments in equity instruments at FVTOCI

	December 31	
	2025	2024
<u>Current</u>		
Domestic investments- Listed Companies		
Preferred shares	\$ 293,283	\$ 211,014
Ordinary shares	43,182	14,402
	<u>\$ 336,465</u>	<u>\$ 225,416</u>
<u>Non-current</u>		
Domestic investments- Listed Companies		
Ordinary shares	\$ 328,665	\$ 128,775
Domestic investments- Unlisted Companies		
Equity investments	209,768	99,881
	<u>\$ 538,433</u>	<u>\$ 228,656</u>

- 1) These investments in equity instruments are not held for trading. Instead, they are held for long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for purposes.
- 2) In 2025 and 2024, the Company acquired domestic listed ordinary shares, domestic listed preferred shares, and domestic unlisted equity investments for \$405,756 thousand and \$60,000 thousand, respectively, for medium- to long-term strategic investment purposes. The management designated these investments as at FVTOCI.
- 3) In 2024, the Company sold domestic listed ordinary shares for \$10,952 thousand to adjust its investment portfolio for risk diversification. The related unrealized gain of \$3,945 thousand, recognized in other equity, was transferred to retained earnings.
- 4) Dividends of \$30,397 thousand and \$18,639 thousand were recognized for the years ended December 31, 2025 and 2024, respectively. Those related to investments held at December 31, 2025 and 2024 were \$ 30,397 thousand and \$18,639 thousand, respectively.

b. Investments in debt instruments at FVTOCI

	December 31	
	2025	2024
<u>Current</u>		
Foreign corporate bonds	\$ -	\$ 48,652
<u>Non-Current</u>		
Foreign corporate bonds	\$ 123,191	\$ 156,535
Domestic corporate bonds	31,650	-
	<u>\$ 154,841</u>	<u>\$ 156,535</u>

- 1) In 2025 and 2024, the Company disposed of foreign corporate bonds upon maturity with proceeds amounting to \$75,266 thousand and \$16,133 thousand, respectively.
- 2) In 2025, the Company purchased domestic corporate bonds for \$31,787 thousand with a coupon rate of 6.1%.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	2024
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	\$ 500,000	\$1,200,000
Pledged fixed deposits (b)	375,038	375,000
	<u>\$ 875,038</u>	<u>\$1,575,000</u>

- a. The interest rates for time deposits with original maturities of more than 3 months ranged from 1.60%~1.655% and 1.60%~1.76% per annum as of December 31, 2025 and 2024, respectively.
- b. Refer to Note 31 for information relating to investments in financial assets at amortized cost pledged as security.

10. CREDIT RISK MANAGEMENT OF DEBT INSTRUMENT INVESTMENTS

The Company's debt instruments are financial assets at fair value through other comprehensive income:

December 31, 2025

	At Fair Value Through Other Comprehensive Income
Gross carrying amount	\$ 152,092
Allowance for impairment loss	-
Amortized cost	152,092
Adjustment to fair value	2,749
	<u>\$ 154,841</u>

December 31, 2024

	At Fair Value Through Other Comprehensive Income
Gross carrying amount	\$ 193,252
Allowance for impairment loss	-
Amortized cost	193,252
Adjustment to fair value	11,935
	<u>\$ 205,187</u>

The Company only invests in debt instruments with a credit rating of investment grade or higher and that are considered to have low credit risk under impairment assessment. The credit rating information is provided by independent rating agencies. The Company continuously monitors external rating information to track changes in the credit risk of the invested debt instruments. Additionally, the Company reviews other information such as bond yield curves and significant disclosures from debtors to assess whether there has been a significant increase in credit risk since initial recognition.

In assessing the 12-month expected credit loss or lifetime expected credit loss of debt instrument investments, the Company considers the historical default probabilities and loss given default associated with each rating category provided by external rating agencies, the current financial status of the debtor, and the industry outlook in which the debtor operates.

The Company's current credit risk rating framework is as follows:

Credit Rating	Definition	Basis for Expected Credit Loss Recognition
Performing	Less than 30 days past due, the debtor has low credit risk and sufficient ability to meet contractual cash flows	12-month expected credit loss

Gross carrying amount and applicable expected credit loss rate of investments in debt instruments are as follows:

December 31, 2025

Credit Rating	Gross Carrying Amount	
	Expected Credit Loss Rate	At Fair Value Through Other Comprehensive Income
Performing	0%~1%	\$ 152,092

December 31, 2024

Credit Rating	Gross Carrying Amount	
	Expected Credit Loss Rate	At Fair Value Through Other Comprehensive Income
Performing	0%~1%	\$ 193,252

11. TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2025	2024
<u>Trade receivables</u>		
Gross carrying amount	\$ 179,833	\$ 266,092
Less: Allowance for impairment loss	(137)	(137)
Amortized cost	<u>\$ 179,696</u>	<u>\$ 265,955</u>
<u>Trade receivables from related parties</u>		
Gross carrying amount	\$ 457,173	\$ 368,677
Less: Allowance for impairment loss	-	-
Amortized cost	<u>\$ 457,173</u>	<u>\$ 368,677</u>

	December 31	
	2025	2024
<u>Other receivables</u>		
Interest receivables	\$ 7,256	\$ 8,223
Other receivables from related parties	6	6
Others	8,018	294
	<u>\$ 15,280</u>	<u>\$ 8,523</u>

The credit period of sales of goods was 5~60 days. No interest was charged on trade receivables. The Company adopted a policy of obtaining advance payment or sufficient collateral, where appropriate, to reduce the risk of financial loss from defaults. The Company uses other publicly available financial information or its own historical trading records to rate its major customers. The Company's credit risk exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by credit limits to counterparties that are reviewed and approved by the Company annually.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base. The Company determined the expected credit loss ratio by due days of trade receivables.

The credit period of sales from related parties was 60 days. Please refer to Note 30 for trade receivables from related parties.

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

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

December 31, 2025

	Not Past Due	Up to 30 Days	31 to 90 Days	Over 91 Days	Total
Expected credit loss rate	0%	0%	0%	0%	
Gross carrying amount	\$ 637,006	\$ -	\$ -	\$ -	\$ 637,006
Loss allowance (Lifetime ECLs)	(137)	-	-	-	(137)
Amortized cost	<u>\$ 636,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 636,869</u>

December 31, 2024

	Not Past Due	Up to 30 Days	31 to 90 Days	Over 91 Days	Total
Expected credit loss rate	0.02%	0%	0%	0%	
Gross carrying amount	\$ 634,769	\$ -	\$ -	\$ -	\$ 634,769
Loss allowance (Lifetime ECLs)	(137)	-	-	-	(137)
Amortized cost	<u>\$ 634,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 634,632</u>

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

	Years Ended December 31	
	2025	2024
Balance at January 1	\$ 137	\$ 137
Add: provision for expected credit loss for the year	-	-
Balance at December 31	<u>\$ 137</u>	<u>\$ 137</u>

Compared with January 1, 2025, the total carrying amount of trade receivables as of December 31, 2025 increased by a net amount of \$2,237 thousand, and the loss allowance did not change; compared with January 1, 2024, the total carrying amount of trade receivables as of December 31, 2024 decreased by a net amount of \$81,326 thousand, and the loss allowance did not change.

12. INVENTORIES

	Years Ended December 31	
	2025	2024
Finished goods	\$ 194,262	\$ 281,034
Work in progress	370,477	413,400
Raw materials	83,014	75,634
	<u>\$ 647,753</u>	<u>\$ 770,068</u>

The above inventories were not provided as guarantee.

Cost of goods sold is defined as follows:

	Years Ended December 31	
	2025	2024
Cost of goods sold	\$ 3,721,494	\$ 3,708,298
Allowance for inventory valuation and obsolescence loss	22,713	59,425
Revenue from sale of scraps	(299)	(151)
	<u>\$ 3,743,908</u>	<u>\$ 3,767,572</u>

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Lease Improvement	Machinery Equipment	Test Equipment	Office Equipment	Total
<u>Cost</u>							
Balance at January 1, 2024	\$ 136,686	\$ 367,581	\$ 2,023	\$ 13,064	\$ 168,085	\$ 12,959	\$ 700,398
Additions	-	486	-	3,183	75,199	38	78,906
Disposals	-	-	-	(179)	(57,819)	-	(57,998)
Balance at December 31, 2024	<u>\$ 136,686</u>	<u>\$ 368,067</u>	<u>\$ 2,023</u>	<u>\$ 16,068</u>	<u>\$ 185,465</u>	<u>\$ 12,997</u>	<u>\$ 721,306</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2024	\$ -	\$ 28,811	\$ 1,144	\$ 7,969	\$ 110,706	\$ 5,045	\$ 153,675
Depreciation expense	-	11,640	405	2,832	57,787	2,159	74,823
Disposals	-	-	-	(179)	(57,819)	-	(57,998)
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 40,451</u>	<u>\$ 1,549</u>	<u>\$ 10,622</u>	<u>\$ 110,674</u>	<u>\$ 7,204</u>	<u>\$ 170,500</u>
Carrying amount at December 31, 2024	<u>\$ 136,686</u>	<u>\$ 327,616</u>	<u>\$ 474</u>	<u>\$ 5,446</u>	<u>\$ 74,791</u>	<u>\$ 5,793</u>	<u>\$ 550,806</u>

	<u>Land</u>	<u>Buildings</u>	<u>Lease Improvement</u>	<u>Machinery Equipment</u>	<u>Test Equipment</u>	<u>Office Equipment</u>	<u>Total</u>
<u>Cost</u>							
Balance at January 1, 2025	\$ 136,686	\$ 368,067	\$ 2,023	\$ 16,068	\$ 185,465	\$ 12,997	\$ 721,306
Additions	-	300	-	2,905	52,486	58	55,749
Disposals	-	-	-	(31)	(23,803)	-	(23,834)
Balance at December 31, 2025	<u>\$ 136,686</u>	<u>\$ 368,367</u>	<u>\$ 2,023</u>	<u>\$ 18,942</u>	<u>\$ 214,148</u>	<u>\$ 13,055</u>	<u>\$ 753,221</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2025	\$ -	\$ 40,451	\$ 1,549	\$ 10,622	\$ 110,674	\$ 7,204	\$ 170,500
Depreciation expense	-	11,780	405	2,995	68,044	2,165	85,389
Disposals	-	-	-	(31)	(23,803)	-	(23,834)
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 52,231</u>	<u>\$ 1,954</u>	<u>\$ 13,586</u>	<u>\$ 154,915</u>	<u>\$ 9,369</u>	<u>\$ 232,055</u>
Carrying amount at December 31, 2025	<u>\$ 136,686</u>	<u>\$ 316,136</u>	<u>\$ 69</u>	<u>\$ 5,356</u>	<u>\$ 59,233</u>	<u>\$ 3,686</u>	<u>\$ 521,166</u>

The Company's property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings

Main buildings	50 years
Renovation construction	2~15 years
Lease improvement	5 years
Machinery equipment	4 years
Test equipment	2~6 years
Office equipment	6 years

In 2025 and 2024, the Company's impairment loss was not recognized or reversed.

14. LEASE ARRANGEMENT

a. Right-of-use assets

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Carrying amount</u>		
Buildings	\$ 7,510	\$ 9,946
Office equipment	479	1,055
Machinery equipment	49	145
	<u>\$ 8,038</u>	<u>\$ 11,146</u>
<u>Years Ended December 31</u>		
	<u>2025</u>	<u>2024</u>
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ 12,179</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 2,436	\$ 2,430
Office equipment	576	907
Machinery equipment	96	96
	<u>\$ 3,108</u>	<u>\$ 3,433</u>
Income from the subleasing of right-of-use assets (included in other operating income and expenses)	<u>\$ 46</u>	<u>\$ 39</u>

Except for the additions and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Company's right-of-use assets in 2025 and 2024.

b. Lease liabilities

	December 31	
	2025	2024
<u>Carrying amounts</u>		
Current	\$ 2,985	\$ 3,025
Non-current	\$ 5,276	\$ 8,261

Discount rates for lease liabilities were as follows:

	December 31	
	2025	2024
Buildings	2.2%	2.2%
Office equipment	2.2%	2.2%
Machinery equipment	1.25%	1.25%

c. Material lease activities and terms

The Company leases various assets including buildings, office equipment and machinery equipment with lease terms between 3~5 years. The leased buildings include offices, and the leased office equipment includes rental cars. The Company does not have bargain purchase options to acquire or renew the leases when they expire, it is also agreed that without the lessor's consent, the Company shall not sublease or assign all or part of the leased subject matter.

d. Other lease information

Lease arrangements under operating leases for leasing out investment properties are set out in Note 15.

	Years Ended December 31	
	2025	2024
Expenses relating to short-term leases	\$ 60	\$ 18
Total cash outflow for leases	\$ 3,296	\$ 3,586

The Company's leases of certain parking spaces qualify as short-term leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1 and December 31, 2024	\$ 130,588	\$ 306,269	\$ 436,857
<u>Accumulated depreciation</u>			
Balance at January 1, 2024	\$ -	\$ 18,376	\$ 18,376

(Continued)

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Depreciation expense	\$ -	\$ 6,125	\$ 6,125
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 24,501</u>	<u>\$ 24,501</u>
Carrying amount at December 31, 2024	<u>\$ 130,588</u>	<u>\$ 281,768</u>	<u>\$ 412,356</u>
<u>Cost</u>			
Balance at January 1 and December 31, 2025	<u>\$ 130,588</u>	<u>\$ 306,269</u>	<u>\$ 436,857</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2025	\$ -	\$ 24,501	\$ 24,501
Depreciation expense	-	6,126	6,126
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 30,627</u>	<u>\$ 30,627</u>
Carrying amount at December 31, 2025	<u>\$ 130,588</u>	<u>\$ 275,642</u>	<u>\$ 406,230</u>

(Concluded)

Investment properties are depreciated using the straight-line method over their estimated useful lives of 50 years.

The above mentioned investment properties were leased out less than 5 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The future minimum lease payments of operating lease agreements were as follows:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Within 1 year	\$ 18,469	\$ 16,417
Years 1~5	12,471	10,114
	<u>\$ 30,940</u>	<u>\$ 26,531</u>

The determination of fair values of the Company's investment properties was performed by independent qualified professional values of the China Real Estate Appraising Firm using Level 3 inputs at the end of each reporting period. The evaluation is based on the cost method and the weighted average of the income method and the market comparison method. The significant unobservable input used include the discount rate, and the appraised fair values are as follows:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Fair value	<u>\$ 527,622</u>	<u>\$ 498,721</u>

All of the Company's investment properties were held under freehold interests.

16. INTANGIBLE ASSETS

	<u>Royalty</u>	<u>Computer Software</u>	<u>Specialized Technology</u>	<u>Total</u>
<u>Cost</u>				
Balance at January 1, 2024	\$ 8,885	\$ 43,665	\$ 79,191	\$ 131,741
Additions	5,045	14,392	-	19,437
Disposals	<u>(2,428)</u>	<u>(5,497)</u>	-	<u>(7,925)</u>
Balance at December 31, 2024	<u>\$ 11,502</u>	<u>\$ 52,560</u>	<u>\$ 79,191</u>	<u>\$ 143,253</u>

(Continued)

	<u>Royalty</u>	<u>Computer Software</u>	<u>Specialized Technology</u>	<u>Total</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2024	\$ 3,846	\$ 17,739	\$ 50,109	\$ 71,694
Amortization expenses	4,285	14,258	15,967	34,510
Disposals	(2,428)	(5,497)	-	(7,925)
Balance at December 31, 2024	<u>\$ 5,703</u>	<u>\$ 26,500</u>	<u>\$ 66,076</u>	<u>\$ 98,279</u>
Carrying amount at December 31, 2024	<u>\$ 5,799</u>	<u>\$ 26,060</u>	<u>\$ 13,115</u>	<u>\$ 44,974</u>
<u>Cost</u>				
Balance at January 1, 2025	\$ 11,502	\$ 52,560	\$ 79,191	\$ 143,253
Additions	5,281	16,838	2,296	24,415
Disposals	(751)	(12,331)	(500)	(13,582)
Balance at December 31, 2025	<u>\$ 16,032</u>	<u>\$ 57,067</u>	<u>\$ 80,987</u>	<u>\$ 154,086</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2025	\$ 5,703	\$ 26,500	\$ 66,076	\$ 98,279
Amortization expenses	5,707	15,361	13,498	34,566
Disposals	(751)	(12,331)	(500)	(13,582)
Balance at December 31, 2025	<u>\$ 10,659</u>	<u>\$ 29,530</u>	<u>\$ 79,074</u>	<u>\$ 119,263</u>
Carrying amount at December 31, 2025	<u>\$ 5,373</u>	<u>\$ 27,537</u>	<u>\$ 1,913</u>	<u>\$ 34,823</u>

(Concluded)

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Royalty	2 years
Computer software	2~6 years
Specialized technology	2~5 years

An analysis of amortization by function:

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Operating costs	\$ 672	\$ 251
Selling and marketing expenses	33	-
General and administrative expenses	868	1,987
Research and development expenses	32,993	32,272
	<u>\$ 34,566</u>	<u>\$ 34,510</u>

17. OTHER ASSETS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Prepayments</u>		
Prepayments	\$ 25,416	\$ 16,924
Input tax and offset against business tax	17,312	21,176
	<u>\$ 42,728</u>	<u>\$ 38,100</u>

	December 31	
	2025	2024
<u>Other current assets</u>		
Others	\$ 795	\$ 1,001
<u>Other non-current assets</u>		
Prepayments for equipment	\$ 1,500	\$ -
Refundable deposits	1,446	1,491
	<u>\$ 2,946</u>	<u>\$ 1,491</u>

18. SHORT-TERM BORROWINGS

	December 31	
	2025	2024
<u>Unsecured borrowings</u>		
Bank loans	\$ 37,716	\$ -

The range of weighted average effective interest rates on bank loans was 4.20%~4.25% as of December 31, 2025.

19. OTHER LIABILITIES

	December 31	
	2025	2024
<u>Current</u>		
Other payables		
Payables for salaries and bonuses	\$ 175,416	\$ 212,197
Payables for research	18,268	19,878
Payables for software and equipment	7,701	17,653
Others	70,120	63,697
	<u>\$ 271,505</u>	<u>\$ 313,425</u>
Deferred revenue		
Government grants	\$ -	\$ 4,009
Other liabilities		
Temporary receipts	\$ 1,735	\$ 12,541
Contract liabilities	603	3,440
Receipts under custody	2,838	3,184
	<u>\$ 5,176</u>	<u>\$ 19,165</u>
<u>Non-current</u>		
Guarantee deposits received	\$ 86,581	\$ 83,474

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The pension costs of the Company for the years ended December 31, 2025 and 2024, were \$14,618 thousand and \$13,888 thousand, respectively.

21. EQUITY

a. Share capital

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Number of shares authorized (in thousands)	80,000	80,000
Share capital	\$ 800,000	\$ 800,000
Number of shares issued (in thousands)	48,912	48,912
Shares issued	\$ 489,126	\$ 489,126

The par value of issued ordinary share is NT\$10, which carry one vote per share and carry a right to dividends.

The authorized shares include 5,000 thousand shares reserved for the exercise of employee stock options.

b. Capital surplus

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>		
Additional paid-in capital	\$ 2,168,341	\$ 2,168,341
Donations received from shareholders	34,029	34,029
	<u>\$ 2,202,370</u>	<u>\$ 2,202,370</u>

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

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a net profit after tax for the year in a fiscal year, the profit shall be distributed in the following order:

- 1) Offsetting losses of previous years.
- 2) Setting aside as a legal reserve of 10% of the remaining profit (legal reserve that has reached the company's paid-in capital is not subject to this condition).
- 3) Setting aside or reversing a special reserve in accordance with the laws and regulations or competent authority regulations.

- 4) Any remaining profit together with the beginning of period undistributed retained earnings (including adjustment of the amount of undistributed earnings) would be the basis for making the distribution proposal by the Company's board of directors, and should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

The Board of Directors of the Company is authorized to make special resolutions to distribute all or part of the dividends and bonuses in the form of cash, and to report it to the latest shareholders' meeting.

For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 23(h).

The Company allocates no less than 10% of distributable profits each year for the distribution of shareholder dividends, the distribution of dividends to shareholders can be made in cash or shares, but the proportion of cash dividends distributed should not be less than 10% of the total dividends distributed. The dividends policy is dependent on the Company's current and future investment environment, capital needs, domestic and international competition and capital budget as well as taking into account the interests of shareholders, balance of dividends and long-term financial planning etc., the board of directors shall make the distribution proposal annually and present it at the shareholders' meeting.

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

The appropriations of earnings for 2024 and 2023 were as follows:

	Years Ended December 31	
	2024	2023
Legal reserve	\$ 54,442	\$ 67,564
Special reserve	\$ -	(\$ 25,082)
Cash dividends	\$ 489,126	\$ 611,408
Cash dividends per share (NT\$)	\$ 10	\$ 12.5

The above appropriations for cash dividends were resolved by the Company's board of directors on March 4, 2025 and March 5, 2024, respectively; the other proposed appropriations for 2024 and 2023 were resolved by the shareholders in their meeting on June 17, 2025 and June 18, 2024, respectively.

The appropriation of earnings for 2025 had been proposed by the Company's board of directors on March 3, 2026. The appropriation and dividends per share were as follows :

	Years Ended December 31, 2025
Legal reserve	\$ 30,429
Cash dividends	\$ 269,019
Cash dividends per share (NT\$)	\$ 5.5

The aforementioned distribution of cash dividends has been resolved by the board of directors, and the rest has yet to be resolved at the shareholders' meeting to be held on May 26, 2026.

d. Special reserve

	Years Ended December 31	
	2025	2024
Balance at January 1	\$ -	\$ 25,082
Reversals in respect of debits to other equity items	-	(25,082)
Balance at December 31	<u>\$ -</u>	<u>\$ -</u>

e. Other equity items

Unrealized gain (loss) on financial assets at FVTOCI

	Years Ended December 31	
	2025	2024
Balance at January 1	\$ 30,067	\$ 47,678
Recognized for the year		
Unrealized (loss) gain - debt instruments	(9,186)	11,214
Unrealized (loss) gain - equity instruments	15,070	(24,880)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	(3,945)
Balance at December 31	<u>\$ 35,951</u>	<u>\$ 30,067</u>

22. REVENUE

a. Disaggregation of revenue

Please refer to Note 34 for information on disaggregation of revenue.

b. Contract balances

	December 31		January 1
	2025	2024	2024
Trade receivables (Note 11)	\$ 179,696	\$ 265,955	\$ 376,800
Trade receivables from related parties (Note 11)	457,173	368,677	339,158
Total	<u>\$ 636,869</u>	<u>\$ 634,632</u>	<u>\$ 715,958</u>
Contract liabilities (presented as other current liabilities)			
Sales of goods	<u>\$ 603</u>	<u>\$ 3,440</u>	<u>\$ 66</u>

Revenue recognized in the current year that was included in the contract liability balance at the beginning of the year is as follows:

	Years Ended December 31	
	2025	2024
From contract liabilities at the beginning of the year		
Sales of goods	<u>\$ 3,440</u>	<u>\$ 66</u>

Changes in contract liabilities are mainly due to the timing difference between the satisfaction of performance obligations and customer payment.

23. NET PROFIT

a. Other operating income and expense

	Years Ended December 31	
	2025	2024
Gain on sublease of right-of-use assets	\$ 46	\$ 39

b. Interest income

	Years Ended December 31	
	2025	2024
Financial assets at amortized cost	\$ 33,808	\$ 35,835
Investments in debt instruments at FVTOCI	7,391	9,325
Financial asset at FVTPL	5,915	3,997
Others	25	103
	<u>\$ 47,139</u>	<u>\$ 49,260</u>

c. Other income

	Years Ended December 31	
	2025	2024
Government grants income	\$ 34,147	\$ 12,286
Dividend income	30,397	18,671
Rental income	21,190	21,019
Others	670	-
	<u>\$ 86,404</u>	<u>\$ 51,976</u>

d. Other gains and (losses)

	Years Ended December 31	
	2025	2024
Net foreign exchange gains	\$ 10,935	\$ 24,212
Gain on financial assets and liabilities designated as at FVTPL	9,943	5,742
Gain on disposal of financial instruments	1,235	1,473
Depreciation of investment property	(6,126)	(6,125)
	<u>\$ 15,987</u>	<u>\$ 25,302</u>

e. Finance costs

	Years Ended December 31	
	2025	2024
Interest on loans	\$ 2,894	\$ 7,879
Interest on lease liabilities	211	254
Others	83	77
	<u>\$ 3,188</u>	<u>\$ 8,210</u>

f. Depreciation and amortization

	Years Ended December 31	
	2025	2024
Property, plant and equipment	\$ 85,389	\$ 74,823
Right-of-use assets	3,108	3,433
Investment properties	6,126	6,125
Intangible assets	34,566	34,510
Total	<u>\$ 129,189</u>	<u>\$ 118,891</u>
An analysis of depreciation by function		
Operating costs	\$ 25,458	\$ 26,218
Operating expenses	63,039	52,038
Other gains and losses	6,126	6,125
	<u>\$ 94,623</u>	<u>\$ 84,381</u>
An analysis of amortization by function		
Operating costs	\$ 672	\$ 251
Operating expenses	33,894	34,259
	<u>\$ 34,566</u>	<u>\$ 34,510</u>

g. Employee benefits expense

	Years Ended December 31	
	2025	2024
Short-term benefits	\$ 416,444	\$ 462,654
Post-employment benefits		
Defined contribution plans	14,618	13,888
	<u>\$ 431,062</u>	<u>\$ 476,542</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 86,083	\$ 89,848
Operating expenses	344,979	386,694
	<u>\$ 431,062</u>	<u>\$ 476,542</u>

h. Employees' compensation and remuneration of directors

According to the articles of incorporation of the Company, the Company accrued employees' compensation at rates of no higher than 25% and no less than 1% and remuneration of directors at rates of no higher than 1%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. In accordance with the amendment to the Securities and Exchange Act enacted in August 2024, the Company's Articles of Incorporation were amended and approved by a resolution of the shareholders' meeting on June 17, 2025, to specify that no less than 50% of the employees' compensation referred to above shall be allocated to non-executive employees' compensation. The employees' compensation (including non-executive employees' compensation) and the remuneration of directors for the years ended December 31, 2025 and 2024, which were approved by the Company's board of directors on March 3, 2026 and March 4, 2025, respectively, are as follows:

	Years Ended December 31			
	2025		2024	
	Cash	Shares	Cash	Shares
Employees' compensation	\$ 25,586	\$ -	\$ 48,643	\$ -
Remuneration of directors	1,959	-	4,064	-

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate. There is no difference between the actual amounts of employees' compensation as well as remuneration of directors and the amount recognized in the financial statements for the years ended December 31, 2024 and 2023.

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

i. Gains or losses on foreign currency exchange

	Years Ended December 31	
	2025	2024
Foreign exchange gains	\$ 144,330	\$ 98,590
Foreign exchange losses	(133,395)	(74,378)
Net benefit	<u>\$ 10,935</u>	<u>\$ 24,212</u>

24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax (profit) expense are as follows:

	Years Ended December 31	
	2025	2024
Current tax		
In respect of the current year	\$ 20,504	\$ 85,229
Adjustments for prior years	(17,526)	-
Deferred tax		
In respect of the current year	(111)	-
Income tax expense recognized in profit or loss	<u>\$ 2,867</u>	<u>\$ 85,229</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	Years Ended December 31	
	2025	2024
Profit before tax	<u>\$ 307,158</u>	<u>\$ 625,706</u>
Tax calculated at the statutory rate	\$ 61,432	\$ 125,141
Deductible items in determining taxable income	(6,679)	(3,729)
Difference between basic tax and regular income tax payable	1,830	-
Impact of the temporary differences	(21,287)	6,315
Effects of investment credits	(14,903)	(42,498)
Adjustments for prior years' tax	(17,526)	-
Income tax expense recognized in profit or loss	<u>\$ 2,867</u>	<u>\$ 85,229</u>

b. Current tax liabilities

	December 31	
	2025	2024
Current tax liabilities		
Income tax payable	<u>\$ 38,890</u>	<u>\$ 44,896</u>

c. Deferred tax assets and liabilities

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

Year Ended December 31, 2025

Deferred Tax Assets	January 1, 2025	Recognized in Profit or Loss	December 31, 2025
Temporary differences			
Unrealized foreign exchange losses	\$ -	\$ 1,020	\$ 1,020
Deferred Tax Liabilities	January 1, 2025	Recognized in Profit or Loss	December 31, 2025
Temporary differences			
Unrealized gains on valuation of financial assets	\$ -	\$ 909	\$ 909

d. Deductible temporary differences for which no deferred assets have been recognized in the balance sheets

	December 31	
	2025	2024
Deductible temporary differences	\$ 33,985	\$ 68,759

e. Income tax assessments

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

25. EARNINGS PER SHARE

Unit: NT\$ Per Share

	Years Ended December 31	
	2025	2024
Basic earnings per share	\$ 6.22	\$ 11.05
Diluted earnings per share	\$ 6.20	\$ 11.00

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

Net Income for the Year

	Years Ended December 31	
	2025	2024
Net income attributable to shareholders	\$ 304,291	\$ 540,477
Earnings used in the computation of basic earnings per share	304,291	540,477
Effect of potentially dilutive ordinary shares:		
Employee s' compensation	-	-
Earnings used in the computation of diluted earnings per share	\$ 304,291	\$ 540,477

Shares

Unit: in thousands of shares

	Years Ended December 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	48,912	48,912
Effect of potentially dilutive ordinary shares:		
Employees' compensation	183	217
Weighted average number of ordinary shares used in the computation of diluted earnings per share	49,095	49,129

Since the Company offered to settle compensation or bonuses paid to employees in cash or shares, the Company assumes that the entire amount of the compensation or bonus will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. GOVERNMENT GRANTS

The Company applied for the Ministry of Economic Affairs' IC Design Top Grant Program for the project "High-Stability IMU Heterogeneous Integration Sensor Chip and Low-power AI-AHRS Chip Module Applied to Unmanned Vehicle Development." The program was approved on September 16, 2024, with a grant amount of \$76,560 thousand. Government grants income of \$34,045 thousand and \$12,026 thousand was recognized for the years ended December 31, 2025 and 2024, respectively.

27. CASH FLOW INFORMATION

a. Changes in liabilities arising from financing activities

Year Ended December 31, 2025

	January 1, 2025	Cash Flows	Non-cash Changes		December 31, 2025
			Foreign Exchange Movement	New Leases	
Lease liabilities	\$ 11,286	(\$ 3,025)	\$ -	\$ -	\$ 8,261
Guarantee deposits received	83,474	6,053	(2,946)	-	86,581
	<u>\$ 94,760</u>	<u>\$ 3,028</u>	<u>(\$ 2,946)</u>	<u>\$ -</u>	<u>\$ 94,842</u>

Year Ended December 31, 2024

	January 1, 2024	Cash Flows	Non-cash Changes		December 31, 2024
			Foreign Exchange Movement	New Leases	
Lease liabilities	\$ 2,421	(\$ 3,314)	\$ -	\$ 12,179	\$ 11,286
Guarantee deposits received	135,317	(53,788)	1,945	-	83,474
	<u>\$ 137,738</u>	<u>(\$ 57,102)</u>	<u>\$ 1,945</u>	<u>\$ 12,179</u>	<u>\$ 94,760</u>

28. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

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

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

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements are relatively close to their fair values.

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

1) Fair value hierarchy

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Convertible bonds	\$ 53,416	\$ -	\$ -	\$ 53,416
Exchangeable bonds	4,908	-	-	4,908
Limited partnership	-	-	30,338	30,338
Domestic corporate funds	18,621	-	-	18,621
Derivative instrument				
Credit linked notes - linked with convertible bonds	-	221,753	-	221,753
Foreign exchange swap contracts	-	24	-	24
Foreign exchange forward contracts	-	22,876	-	22,876
	<u>\$ 76,945</u>	<u>\$ 244,653</u>	<u>\$ 30,338</u>	<u>\$ 351,936</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 665,130	\$ -	\$ -	\$ 665,130
Domestic unlisted equity investments	-	-	209,768	209,768
Investments in debt instruments at FVTOCI				
Domestic corporate bonds	-	31,650	-	31,650
Foreign corporate bonds	-	123,191	-	123,191
Total	<u>\$ 665,130</u>	<u>\$ 154,841</u>	<u>\$ 209,768</u>	<u>\$ 1,029,739</u>

Financial liabilities at FVTPL

Derivative instrument				
Foreign exchange swap contracts	\$ -	\$ 20,044	\$ -	\$ 20,044

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Convertible bonds	\$ 20,682	\$ -	\$ -	\$ 20,682
Exchangeable bonds	20,610	-	-	20,610
Limited partnership	-	-	21,554	21,554
Derivative instrument				
Credit linked notes - linked with convertible bonds	-	170,268	-	170,268

(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Foreign exchange forward contracts	\$ -	\$ 7,295	\$ -	\$ 7,295
Foreign exchange swap contracts	-	1,725	-	1,725
Domestic corporate funds	19,595	-	-	19,595
	<u>\$ 60,887</u>	<u>\$ 179,288</u>	<u>\$ 21,554</u>	<u>\$ 261,729</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 354,191	\$ -	\$ -	\$ 354,191
Domestic unlisted equity investments	-	-	99,881	99,881
Investments in debt instruments at FVTOCI				
Foreign corporate bonds	-	205,187	-	205,187
Total	<u>\$ 354,191</u>	<u>\$ 205,187</u>	<u>\$ 99,881</u>	<u>\$ 659,259</u>
<u>Financial liabilities at FVTPL</u>				
Derivative instrument				
Foreign exchange swap contracts	\$ -	\$ 5,870	\$ -	\$ 5,870
Foreign exchange forward contracts	-	1,461	-	1,461
	<u>\$ -</u>	<u>\$ 7,331</u>	<u>\$ -</u>	<u>\$ 7,331</u>

(Concluded)

For the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Domestic and Foreign corporate bonds	Based on the public market quotes provided by third-party agencies.
Derivatives -credit linked notes - linked with convertible bonds	Based on the public market quotation of convertible bond, the parameters of the repurchase, the coupon interest and the interest compensation are considered as the basis for fair value measurement.
Derivatives - foreign exchange forward contracts and foreign exchange swap contracts	Discounted cash flow method: Estimate the future cash flow at the end of the period by observing the forward exchange rate and the exchange rate and interest rate set by the contract, and have already discounted the discount rate of each counterparty's credit risk.

3) Valuation techniques and inputs applied for Level 3 fair value measurement

Domestic unlisted equity investments are evaluated by the method of net asset value. The management of the Company evaluates the target of such equity investments with the active market quotation, and the net asset amount tends to the fair value of the equity investments.

The domestic limited partnership are valued using the net asset value method. The management of the Company evaluates that the amount of the net assets of this investment is equivalent to its fair value. The evaluation covers the total value of the investment's individual assets and liabilities, which reflects the value of the entity or business.

4) Adjustment of financial instruments measured using Level 3 fair values

The Company's financial assets under level 3 fair value measurement are equity instruments at FVTPL and equity instruments measured at fair value through other comprehensive income.

Year Ended December 31, 2025

	Equity instruments at FVTPL	Equity instruments at FVTOCI
Balance at January 1	\$ 21,554	\$ 99,881
Additions	7,500	80,000
Recognized under profit or loss	1,284	-
Recognized under other comprehensive income	-	29,887
Balance at December 31	<u>\$ 30,338</u>	<u>\$ 209,768</u>

Year Ended December 31, 2024

	Equity instruments at FVTPL	Equity instruments at FVTOCI
Balance at January 1	\$ -	\$ 34,658
Additions	21,400	60,000
Recognized under profit or loss	154	-
Recognized under other comprehensive income	-	5,223
Balance at December 31	<u>\$ 21,554</u>	<u>\$ 99,881</u>

c. Categories of financial instruments

	December 31	
	2025	2024
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 351,936	\$ 261,729
Financial assets at amortized cost (1)	2,472,159	2,969,150
Financial assets at FVTOCI		
Investments in equity instruments	874,898	454,072
Investments in debt instruments	154,841	205,187

Financial liabilities

Financial liabilities at FVTPL		
Held for trading	20,044	7,331
Financial liabilities at amortized cost (2)	1,021,763	978,777

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, pledged fixed deposits, time deposits with original maturities more than 3 months, trade receivables (including receivables from related parties), other receivables, other current assets and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, other payables (including other payables to related parties), other current liabilities and guarantee deposits.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity and debt investments, trade receivables, trade payables and short-term borrowings. The Company's finance department provides services to business departments, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits are reviewed by the internal auditors continuously. The Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

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

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

a) Foreign currency risk

The Company's operating activities are partially denominated in foreign currencies and thus have partial natural hedging effects.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Company was mainly exposed to the USD and CNY.

The following table the Company's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e. the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase (decrease) in pre-tax profit and other equity associated with the New Taiwan dollar weakening (strengthening) 5% against the relevant currency.

	USD Impact		CNY Impact	
	Years Ended December 31		Years Ended December 31	
	2025	2024	2025	2024
Profit or loss	\$3,593	\$2,927	\$6,553	\$5,994

b) Interest rate risk

The Company was exposed to interest rate risk because the Company borrowed funds at both fixed and floating interest rates.

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

	December 31	
	2025	2024
Fair value interest rate risk		
Financial assets	\$ 1,809,975	\$ 2,281,033
Financial liabilities	45,991	11,286
Cash flow interest rate risk		
Financial assets	162,616	247,637

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for the non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the reporting period.

If interest rates had been 0.1% higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2025 and 2024 would increase/decrease by \$163 thousand and \$248 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on variable-rate net assets. The Company's pre-tax other comprehensive income for the years ended December 31, 2025 and 2024 would decrease/increase by \$155 thousand and \$205 thousand, respectively, which was mainly due to the changes in the fair value of investments in fixed-rate debt instruments at FVTOCI.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities, convertible bonds, exchangeable bonds, credit linked structured notes of listed companies and mutual fund investments. The Company does not actively trade these investments. The Company's equity price risk is mainly concentrated in equity instruments operating in the semiconductor industry, and finance and insurance industries, convertible bonds, exchangeable bonds, credit linked structured notes, and exchange-traded funds quoted on the Taiwan Stock Exchange and the Taipei Exchange.

Sensitivity analysis

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

If equity prices had been 5% higher/lower, pre-tax income for the years ended December 31, 2025 and 2024 would have increased/decreased by \$14,935 thousand and \$11,558 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTPL. Pre-tax other comprehensive income for the years ended December 31, 2025 and 2024 would have increased/decreased by \$33,256 thousand and \$17,710 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

To mitigate credit risk, the management of the Company assigns a dedicated team to be responsible for credit limit decisions, credit approvals and other monitoring procedures to ensure appropriate actions are taken for the collections of overdue receivables. In addition, the Company reviews conditions on each collecting receivable to ensure the uncollectible amounts are provided with appropriate impairment losses. Accordingly, the management of the Company believes that the credit risk of the Company has been significantly reduced.

In addition, since the counterparties of liquidity and derivative financial instruments are banks with sound credit ratings, the credit risk is limited.

Apart from customers whose total accounts receivable constitute more than 10% of the Company's total trade receivables, the Company did not have significant credit risk exposure to any single counterparty or any group of counterparties with similar characteristics. The credit risk is minimal because the customers which account for more than 10% of the Company's trade receivables balance are creditworthy companies.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining adequate cash and cash equivalents to meet business operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

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

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

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

December 31, 2025

	<u>On Demand or Less than 1 Month</u>	<u>1-3 Months</u>	<u>3 Months to 1 Year</u>	<u>Over 1 Year</u>	<u>Total</u>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 398,580	\$ 537,800	\$ 136,502	\$ -	\$ 1,072,882
Lease liabilities	261	555	2,313	5,393	8,522
Fixed interest rate liabilities	37,730	-	-	-	37,730
	<u>\$ 436,571</u>	<u>\$ 538,355</u>	<u>\$ 138,815</u>	<u>\$ 5,393</u>	<u>\$ 1,119,134</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	Over 1 Year	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 458,257	\$ 477,892	\$ 171,351	\$ -	\$ 1,107,500
Lease liabilities	261	548	2,428	8,523	11,760
	<u>\$ 458,518</u>	<u>\$ 478,440</u>	<u>\$ 173,779</u>	<u>\$ 8,523</u>	<u>\$ 1,119,260</u>

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

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

The following table details the Company's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross cash inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Foreign exchange forward contracts and foreign exchange swaps contracts				
Inflows	\$ 77,512	\$ 320,003	\$ 368,237	\$ -
Outflows	(76,159)	(319,806)	(366,931)	-
	<u>\$ 1,353</u>	<u>\$ 197</u>	<u>\$ 1,306</u>	<u>\$ -</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Foreign exchange forward contracts and foreign exchange swaps contracts				
Inflows	\$ -	\$ 129,173	\$ 355,272	\$ -
Outflows	-	(128,388)	(354,368)	-
	<u>\$ -</u>	<u>\$ 785</u>	<u>\$ 904</u>	<u>\$ -</u>

c) Financing facilities

	December 31	
	2025	2024
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	\$ 51,719	\$ 16,034
Amount unused	1,762,581	1,311,816
	<u>\$ 1,814,300</u>	<u>\$ 1,327,850</u>

As of December 31, 2025 and 2024, the utilized bank credit facility has been used to issue a guarantee letter for the Bank revolving loan and IC Design Top Grant Program to the Taipei Computer Association.

30. TRANSACTIONS WITH RELATED PARTIES

Sitronix Technology Corp. is the Company's parent company, it owns 46.31% and 46.06% of the Company's common shares as of December 31, 2025 and 2024, respectively.

In addition to those disclosed in other notes, detail of transactions between the Company and related parties are disclosed below.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Sitronix Technology Corp.	Parent company
INFSitronix Technology Corp.	Fellow subsidiary

b. Sales of goods

<u>Related Party Category</u>	<u>Account Item</u>	<u>Years Ended December 31</u>	
		<u>2025</u>	<u>2024</u>
Parent company	Operating Revenue	<u>\$2,112,192</u>	<u>\$2,264,188</u>

The transactions for related parties were negotiated under the terms of general transactions and prices.

c. Trade receivables from related parties

<u>Related Party Category</u>	<u>Account Item</u>	<u>December 31</u>	
		<u>2025</u>	<u>2024</u>
Parent company	Trade receivables from related parties	<u>\$ 457,173</u>	<u>\$ 368,677</u>
Fellow subsidiary	Other receivables from related parties	<u>\$ 6</u>	<u>\$ 6</u>

The outstanding trade receivables from related parties were unsecured. No loss allowance were recognized for trade receivables from related parties for the years ended December 31, 2025 and 2024.

d. Trade payables to related parties

<u>Related Party Category</u>	<u>Account Item</u>	<u>December 31</u>	
		<u>2025</u>	<u>2024</u>
Parent company	Other payables to related parties	\$ 15,946	\$ 16,862

The outstanding trade payables to related parties are unsecured. Other payables to related parties are mainly due to support service expenses.

e. Other transactions with related parties

<u>Related Party Category</u>	<u>Account Item</u>	<u>Years Ended December 31</u>	
		<u>2025</u>	<u>2024</u>
Parent company	Support service expenses	\$ 63,972	\$ 61,398
	Dividend income	\$ 12,552	\$ 7,272
Fellow subsidiary	Rental income	\$ 37	\$ 35

The support service expenses to related parties of the Company were subject to contractual agreements as there were no similar transactions for comparison.

The rental income from related parties of the Company is determined and collected in a manner consistent with typical leasing transactions.

f. Remuneration of key management personnel

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 29,885	\$ 36,136
Post-employment benefits	549	526
	<u>\$ 30,434</u>	<u>\$ 36,662</u>

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

31 ASSETS PLEDGED AS SECURITY

The following assets were provided as collateral for the import tariff and guarantees for raw materials purchases:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Pledged deposits (presented as financial assets at amortized cost-current)	<u>\$ 375,038</u>	<u>\$ 375,000</u>

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

	December 31			
	2025		2024	
	Foreign Currency	Exchange Rate	Foreign Currency	Exchange Rate
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 21,642	31.43	\$ 21,159	32.785
CNY	29,152	4.496	26,858	4.478
<u>Non-monetary items</u>				
USD	17,927	31.43	13,759	32.785
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	19,356	31.43	19,374	32.785
CNY	-	-	88	4.478
<u>Non-monetary items</u>				
USD	12,000	31.43	7,500	32.785

For the years ended December 31, 2025 and 2024, please refer to Note 23(i) for the information of realized and unrealized net foreign exchange gains(losses). It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the functional foreign currency transactions of the entities in the Company.

33. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

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

b. Information on investments: None

c. Information on investments in mainland China: None

34. SEGMENT INFORMATION

a. Segment revenue, operating results and segment assets

The operating decision makers of the Company use the distribution of resources and the evaluation of segment performance to focus on the financial information of the Company as a whole, while individual segments have similar economic characteristics, and individual segments have used similar processes to produce similar products and sell them through the same sales method, so the Company is reported by the single operating department.

The Company provide the segment information reviewed by the operating decision maker on the same basis as the financial statements, and the profit and loss, assets and liabilities of the operating department are measured on the same basis as the financial report preparation, Therefore, the segment income and operating results for the years ended December 31, 2025 and 2024 can be referenced by the Statement of comprehensive income for the years ended December 31, 2025 and 2024.

Segment assets that should be reported can be found in the balance sheets as of December 31, 2025 and 2024.

b. Revenue from major products and services

The following was an analysis of the Company's revenue and results from continuing operations by reportable segment:

	Years Ended December 31	
	2025	2024
Integrated circuits	\$ 4,555,877	\$ 4,933,627
Others	5,987	7,056
	<u>\$ 4,561,864</u>	<u>\$ 4,940,683</u>

c. Geographical information

The Company's net operating revenue from external customers by location based on the location where the goods were shipped as designated by the customers and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers		Non-current Assets	
	Years Ended December 31		Years Ended December 31	
	2025	2024	2025	2024
Taiwan	\$ 2,142,038	\$ 2,308,173	\$ 971,277	\$ 1,019,282
Hong Kong	2,419,822	2,632,492	-	-
Others	4	18	-	-
	<u>\$ 4,561,864</u>	<u>\$ 4,940,683</u>	<u>\$ 971,277</u>	<u>\$ 1,019,282</u>

Non-current assets exclude financial instruments and other non-current assets.

d. Information on major customers

Single customer contributed 10% or more to the Company revenue is below:

Customer Name	Years Ended December 31			
	2025		2024	
	Amount	As a percentage of net sales (%)	Amount	As a percentage of net sales (%)
Sitronix Technology Corp.	\$ 2,112,192	46	\$ 2,264,188	46
A Client	Note	Note	499,130	10

Note : Revenue represents less than 10% of the Company's revenue.

SENSORTEK TECHNOLOGY CORPORATION

SIGNIFICANT MARKETABLE SECURITIES HELD

DECEMBER 31, 2025

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	<u>Derivatives</u> Huaku Development Co., Ltd. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	\$ 50,374	-	\$ 50,374	Note 1
	<u>Stock</u> WT Microelectronics Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	2,000,000	102,800	-	102,800	Note 1
	Cathay Financial Holding Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	1,300,000	78,910	-	78,910	Note 1
	Fubon Financial Holding Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	800,000	50,640	-	50,640	Note 1
	Sitronix Technology Corp.	The Parent Company	Investments in equity instruments at fair value through other comprehensive income - non-current	1,831,000	328,665	-	328,665	Note 1
	<u>Equity Investment</u> Fong Huang VII Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	8,000,000	83,763	3.55	83,763	Note 2
	Fong Huang VI Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	6,000,000	80,112	3	80,112	Note 2
	Fong Huang II Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	3,000,000	45,893	7	45,893	Note 2

Note 1: Calculated based on the closing price on December 31, 2025.

Note 2: Calculated based on the net value on December 31, 2025.

Note 3: The marketable securities listed in the table above refer to the securities, bonds, beneficiary certificates and securities that fall within the scope of IFRS 9 "Financial Instruments".

Note 4: This table presents the marketable securities disclosed by the Company in accordance with the principle of materiality.

SENSORTEK TECHNOLOGY CORPORATION

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer/ Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	Sitronix Technology Corp.	The Parent Company	Sale	\$ 2,112,192	46.3%	Net 60 days from shipping date	\$ -	-	\$ 457,173	71.78%	-

SENSORTEK TECHNOLOGY CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2025

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

Company Name	Related Party	Relationship	Amounts of Receivable from Related Parties	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	Sitronix Technology Corp.	The Parent Company	\$ 457,173	5.12 times	\$ -	—	\$ 457,173	\$ -

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SENSORTEK TECHNOLOGY CORPORATION**STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Bank deposits		
Demand deposits	Including NT\$52,999 thousand, CNY \$496 thousand and US \$203 thousand	\$ 61,616
Cash equivalents		
Time deposits	Expires by the end of January, 2026 , including NT \$300,000 thousand, CNY \$23,000 thousand and US \$2,000 thousand, with interest rate ranging from 1.20% to 3.68%	466,268
Bonds with repurchase agreements	Expires by the end of January, 2026 , including NT \$414,828 thousand, with interest rate ranging from 1.32% to 1.61%	<u>414,828</u>
		881,096
Cash on hand		<u>20</u>
Total		<u>\$ 942,732</u>

The foreign currency exchange rates are as follows:

US1=NT31.43

CNY1=NT4.496

SENORTEK TECHNOLOGY CORPORATION

STATEMENT OF FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS
DECEMBER 31, 2025

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

Item	Number of Shares	Acquisition Cost	Fair Value		Note
			Unit price	Total Amount	
CURRENT ASSETS					
Bond					
Yulon Motor Co., Ltd. third Unsecured Convertible Bond	100,000	\$ 10,050	99.20	\$ 9,920	Note
Gloria Material Technology Corp. seventh Unsecured Convertible Bond	200,000	19,951	99.35	19,870	Note
Alltop Technology Co., Ltd. sixth Unsecured Convertible Bond	15,000	1,515	132.00	1,980	Note
Hua Yu Lien Development Co., Ltd. fourth Unsecured Convertible Bond	100,000	9,540	96.20	9,620	Note
Kenmec Mechanical Engineering Co., Ltd. fifth Unsecured Convertible Bond	25,000	2,467	99.00	2,475	Note
Fittech Co., Ltd. second Unsecured Convertible Bond	44,000	4,226	100.20	4,409	Note
Alexander Marine Co., Ltd. first Unsecured Convertible Bond	55,000	5,143	93.50	5,142	Note
Fund					
Cathay U.S. Treasury 20+ Year Bond ETF	658,000	19,974	28.30	18,621	Note
Derivatives					
Yulon Finance Corp. third Credit Linked Structured Product	-	8,000	100.02	8,001	Note
Gloria Material Technology Corp. seventh Credit Linked Structured Product	-	17,700	100.66	17,817	Note
Sciencetech Corporation first Credit Linked Structured Product	-	5,000	100.20	5,010	Note
Mirle Automation Corp. second Credit Linked Structured Product	-	20,000	100.32	20,065	Note
Acbel Polytech Inc. second Credit Linked Structured Product	-	10,000	100.14	10,014	Note
Elite Semiconductor Microelectronics Technology Inc. first Credit Linked Structured Product	-	10,000	100.24	10,024	Note
Subtotal		<u>143,566</u>		<u>142,968</u>	
NON-CURRENT ASSETS					
Bond					
Far Eastern New Century Corporation second Unsecured Exchangeable Bond	50,000	4,880	98.15	4,908	Note
Derivatives					
Huaku Development CO., LTD. third Credit Linked Structured Product	-	50,000	100.75	50,374	Note
Shunsin Technology Holdings Limited second Credit Linked Structured Product	-	20,000	100.31	20,062	Note
Supreme Electronics Co., Ltd. tenth Credit Linked Structured Product	-	20,000	100.29	20,058	Note
Grand Process Technology Corp. first Credit Linked Structured Product	-	15,000	100.52	15,078	Note
Weikeng Industrial Co., Ltd. seventh Credit Linked Structured Product	-	15,000	100.22	15,032	Note
Nextronics Engineering Corp. third Credit Linked Structured Product	-	10,000	100.99	10,099	Note
Champion Microelectronic Co. first Credit Linked Structured Product	-	10,000	100.65	10,065	Note
Alltop Technology Co., Ltd. sixth Credit Linked Structured Product	-	5,000	100.61	5,031	Note
Group Up Industrial CO., LTD second Credit Linked Structured Product	-	5,000	100.47	5,023	Note

(Continued)

SENORTEK TECHNOLOGY CORPORATION

STATEMENT OF FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

DECEMBER 31, 2025

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

Item	Number of Shares	Acquisition Cost	Fair Value		Note
			Unit price	Total Amount	
Limited partnership					
CDIB Innolux II Limited Partnership	-	\$ 28,900	10.50	\$ 30,338	Note
Subtotal		<u>183,780</u>		<u>186,068</u>	
Total		<u>\$ 327,346</u>		<u>\$ 329,036</u>	(Concluded)

Note: The above financial assets were unsecured and not provided as guarantee.

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

DECEMBER 31, 2025

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

Item	Number of Shares	Acquisition Cost	Fair Value		Note
			Unit price	Total Amount	
CURRENT ASSETS					
Domestic listed shares					
WT Microelectronics Co., Ltd. Preferred Share A	2,000,000	\$ 100,000	51.40	\$ 102,800	Note
Cathay Financial Holding Co., Ltd. Preferred Share A	1,300,000	78,910	60.70	78,910	Note
Fubon Financial Holding Co., Ltd. Preferred Share A	800,000	49,460	63.30	50,640	Note
Taishin Financial Holding Co., Ltd. Preferred Share E	609,000	31,898	50.30	30,633	Note
Powertech Technology Inc.	176,000	22,261	173.00	30,448	Note
Chailease Holding Company Limited Preferred Share A	300,000	30,000	101.00	30,300	Note
Chang Wah Electromaterials Inc.	256,000	11,337	43.45	11,123	Note
Taiwan Cement Corp.	69,450	2,682	23.20	1,611	Note
Subtotal		<u>326,548</u>		<u>336,465</u>	
NON-CURRENT ASSETS					
Bond					
TSMC ARIZONA CORP 4.125% 04/22/2029, USD Bond	-	30,001	3,154.16	31,542	Note
GS 5.8% 12/18/2033, USD Bond	-	31,235	3,149.69	31,497	Note
TSMC ARIZONA CORP 3.875% 04/22/2027, USD Bond	-	31,555	3,142.28	31,423	Note
TSMC ARIZONA CORP 2.5% 10/25/2031, USD Bond	-	27,513	2,872.95	28,729	Note
Domestic corporate bonds					
Cathay Life Insurance Co., Ltd. second unsecured cumulative subordinated corporate bonds of 2023	-	31,787	3,165.02	31,650	Note
Domestic listed shares					
Sitronix Technology Corp.	1,831,000	345,149	179.50	328,665	Note
Domestic equity investments					
Fong Huang VII Innovation Investment Co., Ltd.	8,000,000	80,000	10.47	83,763	Note
Fong Huang VI Innovation Investment Co., Ltd.	6,000,000	60,000	13.35	80,112	Note
Fong Huang II Innovation Investment Co., Ltd.	3,000,000	30,000	15.30	45,893	Note
Subtotal		<u>667,240</u>		<u>693,274</u>	
Total		<u>\$ 993,788</u>		<u>\$ 1,029,739</u>	

Note: The above financial assets were unsecured and not provided as guarantee.

SENSORTEK TECHNOLOGY CORPORATION**STATEMENT OF TRADE RECEIVABLES****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

<u>Client Name</u>	<u>Amount</u>
Trade receivables - non-related parties	
A Client	\$ 62,102
B Client	36,057
C Client	25,433
D Client	16,298
E Client	14,457
F Client	11,151
Others (Note)	14,335
Allowance for impairment loss	(137)
	<u>179,696</u>
Trade receivables - related parties	
Sitronix Technology Corp.	<u>457,173</u>
	<u>\$ 636,869</u>

Note: The amount of individual client included in others does not exceed 5% of the account balance.

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF INVENTORIES

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Amount</u>	
	<u>Cost</u>	<u>Market Price (Note)</u>
Finished goods	\$ 194,262	\$ 258,450
Work in progress	370,477	613,171
Raw materials	83,014	87,632
	<u>\$ 647,753</u>	<u>\$ 959,253</u>

Note: The market price is determined by the net realizable value.

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Buildings	Office Equipment	Machinery Equipment	Total
Cost				
Balance at January 1, 2025	\$ 12,179	\$ 1,727	\$ 482	\$ 14,388
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at December 31, 2025	12,179	1,727	482	14,388
Accumulated depreciation				
Balance at January 1, 2025	2,233	672	337	3,242
Depreciation	2,436	576	96	3,108
Disposals	-	-	-	-
Balance at December 31, 2025	4,669	1,248	433	6,350
Carrying amount at December 31, 2025	\$ 7,510	\$ 479	\$ 49	\$ 8,038

SENSORTEK TECHNOLOGY CORPORATION

**STATEMENT OF SHORT-TERM BORROWINGS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

<u>Type of borrowings</u>	<u>Term of contract</u>	<u>Interest rate range</u>	<u>Ending balance</u>	<u>Financing facilities(Note)</u>	<u>Pledge /Security</u>
Bank short-term borrowings	114/12/26~115/01/23	4.20%~4.25%	<u>\$ 37,716</u>	<u>\$ 1,814,300</u>	-

Note: As of December 31, 2025, the Company's unutilized short-term borrowing credit line amounted to approximately NT\$1,762,581 thousand.

SENSORTEK TECHNOLOGY CORPORATION**STATEMENT OF TRADE PAYABLES****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

<u>Vendor Name</u>	<u>Amount</u>
A vendor	\$ 195,073
B vendor	116,625
C vendor	104,380
D vendor	78,260
E vendor	66,423
F vendor	42,358
Others (Note)	<u>180,591</u>
Total	<u><u>\$ 783,710</u></u>

Note: The amount of individual vendor in others does not exceed 5% of the account balance.

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF OPERATING REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2025

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

Item	Shipment Qty (In Thousands)	Amount
Integrated circuits	821,929	\$ 4,557,252
Others		5,987
Sales returns and discounts		<u>(1,375)</u>
		<u>\$ 4,561,864</u>

SENSORTEK TECHNOLOGY CORPORATION**STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Amount</u>
Raw materials used	
Raw materials, beginning of year	\$ 75,634
Plus: raw materials purchased for the year	1,580,466
Raw materials, end of year	(83,014)
Others	(4,166)
Subtotal	1,568,920
Manufacturing expenses	2,047,592
Manufacturing costs	3,616,512
Work in progress, beginning of year	413,400
Work in progress, end of year	(370,477)
Less: transferred to manufacturing or operating expenses	(6,284)
Cost of finished goods	3,653,151
Finished goods, beginning of year	281,034
Others	1,642
Finished goods, end of year	(194,262)
Production and marketing cost	3,741,565
Less: other operating costs	(299)
Plus: service cost	2,642
Total	<u>\$ 3,743,908</u>

SENSORTEK TECHNOLOGY CORPORATION**STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses
Wages and salaries	\$ 23,821	\$ 33,785	\$ 241,177
Annual activity fees	-	5,068	-
Support fees	62,334	1,638	-
Travel expense	6,051	579	3,177
Taxes	-	4,233	-
Contracted research expense	-	-	90,560
Depreciation expense	1,430	5,808	55,801
Professional service fees	-	6,002	3,690
Amortization expense	33	868	32,993
Others (Note)	14,729	17,383	46,026
	<u>\$ 108,398</u>	<u>\$ 75,364</u>	<u>\$ 473,424</u>

Note: The amount of each item in others does not exceed 5% of the account balance.

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	Years Ended December 31					
	2025			2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Labor expenses						
Wages and salaries	\$ 73,271	\$ 298,783	\$ 372,054	\$ 77,726	\$ 337,469	\$ 415,195
Labor and health insurance	7,468	21,361	28,829	7,346	21,310	28,656
Pension expense	2,944	11,674	14,618	2,801	11,087	13,888
Remuneration of directors	-	3,409	3,409	-	5,304	5,304
Other labor expense	2,400	9,752	12,152	1,975	11,524	13,499
Total	\$ 86,083	\$ 344,979	\$ 431,062	\$ 89,848	\$ 386,694	\$ 476,542
Depreciation expense	\$ 25,458	\$ 63,039	\$ 88,497	\$ 26,218	\$ 52,038	\$ 78,256
Amortization expense	\$ 672	\$ 33,894	\$ 34,566	\$ 251	\$ 34,259	\$ 34,510

Note 1: For the years ended December 31, 2025 and 2024, the Company had 213 and 207 employees, respectively. There were 5 and 4 non-employee directors, respectively.

Note 2: For companies have been listed on the Taiwan stock exchange or are traded on the Taipei Exchange, the following information should be disclosed:

- (a) Average labor expense for the year ended December 31, 2025 was NT\$2,056 thousand (Total labor expense for the year ended December 31, 2025 - total remuneration of directors / Total number of employees for the year ended December 31, 2025 - non-employee directors).

Average labor expense for the year ended December 31, 2024 was NT\$2,321 thousand (Total labor expense for the year ended December 31, 2024 - total remuneration of directors / Total number of employees for the year ended December 31, 2024 - non-employee directors).

- (b) Average wages and salaries for the year ended December 31, 2025 was NT\$1,789 thousand (Total wages and salaries for the year ended December 31, 2025 / Total number of employees for the year ended December 31, 2025 - non-employee directors).

Average wages and salaries for the year ended December 31, 2024 was NT\$2,045 thousand (Total wages and salaries for the year ended December 31, 2024 / Total number of employees for the year ended December 31, 2024 - non-employee directors).

- (c) The average wages and salaries decreased by 12.5% year over year. (Average wages and salaries for the year ended December 31, 2025 - Average wages and salaries for the year ended December 31, 2024 / Average wages and salaries for the year ended December 31, 2024).

- (d) The Company had established an audit committee, so there was no remuneration of the supervisor to disclose.

- (e) According to the Articles of the Company, if the Company makes a profit during the year, the Company accrued employees' compensation at rates of no less than 1% and no higher than 25%, and remuneration of directors at rates of no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.