

Stock code: 6261

YoungTek Electronics Corp. and Its Subsidiaries

**Consolidated Financial Statements and Independent
Auditor's Report**

For the years ended December 31, 2025 and 2024

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Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. 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 consolidated financial statements shall prevail.

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Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year 2025 (from January 1, 2025 to December 31, 2025), the companies that should be included in the preparation of the consolidated financial statements of affiliated enterprises under the "Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Reports on Affiliations" are identical to those that should be included in the preparation of the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Furthermore, the relevant information that should be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned consolidated financial statements of the parent and subsidiary companies. Therefore, the company will not separately prepare consolidated financial statements of affiliated enterprises.

Sincerely,

Company Name: YoungTek Electronics Corp.

Chairman: Ping-Lung Wang

March 10, 2026, Republic of China

Independent Auditors' Report

To: YoungTek Electronics Corp.,

Audit Opinion

The consolidated balance sheets of YoungTek Electronics Corp. and its subsidiaries as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the periods from January 1 to December 31, 2025 and 2024, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies), have been audited by our auditors.

In our opinion, based on our audit results and the audit reports of other auditors (please refer to the Other Matters section), the aforementioned consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretation Bulletins recognized and issued into effect by the Financial Supervisory Commission, and present fairly the consolidated financial position of YoungTek Electronics Corp. and its subsidiaries as of December 31, 2025 and 2024, and their consolidated financial performance and consolidated cash flows for the periods from January 1 to December 31, 2025 and 2024.

Basis for Audit Opinion

We have performed the audit work in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section. The personnel of the our firm, who are subject to independence requirements, have maintained independence from YoungTek Electronics Corp. and its subsidiaries in accordance with the Code of Professional Ethics for Certified Public Accountants, and have fulfilled other responsibilities under those requirements. Based on our audit results and the audit reports of other audios, we believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for expressing our audit opinion.

Key Audit Matters

Key audit matters are the matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of YoungTek Electronics Corp. and its subsidiaries for the year 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion, and we do not provide a separate opinion on these matters.

The key audit matters for the 2025 consolidated financial statements of YoungTek Electronics Corp. and its subsidiaries are described as follows:

Revenue recognition

YoungTek Electronics Corp. and its subsidiaries' sales revenue amounts are significant, mainly comprising test outsourcing, outsourced cutting and inspection, and machine assembly product sales, as detailed in Note 26. Among these, revenue from proprietary products has higher gross profit margins. As YoungTek Electronics Corp. is a listed company in Taiwan, there may be motivation to inflate revenue due to investor pressure regarding core business revenue growth. Therefore, the occurrence of the aforementioned sales has been identified as a key audit matter.

Our audit procedures included (but were not limited to) evaluating the appropriateness of YoungTek Electronics Corp. and its subsidiaries' revenue recognition accounting policies, understanding and testing the effectiveness of internal controls over the shipping process, and selecting samples to examine relevant sales revenue documents, checking whether there are any abnormalities between the sales counterparties and the recipients of payments or other documents.

Other Matters

YoungTek Electronics Corp. has prepared its parent company only financial statements for the years 2025 and 2024, for which we have issued an unqualified audit report with an Other Matters paragraph, available for reference.

The financial statements of certain investee companies included in the above consolidated financial statements which are accounted for under the equity method were audited by other auditors rather than by us. Therefore, in our opinion on the aforementioned consolidated financial statements, the investment balances of the aforementioned equity-method investees and their related shares of profit or loss were recognized based on the audit reports of other auditors. As of December 31, 2025 and 2024, the investment balances in the aforementioned equity-method investees were NT\$37,929 thousand and NT\$26,103 thousand (same currency hereafter), representing 0.45% and 0.31% of the consolidated total assets, respectively. The recognized shares of profit or loss from these equity-method investees for the periods from January 1 to December 31, 2025 and 2024 were (NT\$11,748) thousand and (NT\$1,585) thousand, representing (1.98)% and (0.25)% of the consolidated profit before tax, respectively.

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

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

In preparing the consolidated financial statements, management is also responsible for assessing the ability of YoungTek Electronics Corp. and its subsidiaries to continue as a going concern, disclosing relevant matters, and using the going concern basis of accounting unless management either intends to liquidate YoungTek Electronics Corp. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of YoungTek Electronics Corp. and its subsidiaries (including the Audit Committee) are responsible for overseeing the consolidated financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

The purpose of our audit of the consolidated financial statements is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a significant misstatement when it exists in the consolidated financial statements. Misstatements can arise from fraud or error. If the individual amounts or aggregate amounts of misstatements can reasonably be expected to influence the economic decisions of users of the consolidated financial statements, they are considered significant.

When conducting an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We also perform the following work:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.
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 YoungTek Electronics Corp. and its subsidiaries' 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 YoungTek Electronics Corp. and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.

However, future events or conditions may cause YoungTek Electronics Corp. and its subsidiaries to cease to continue as a going concern.

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

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

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

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

Deloitte & Touche
Accountant Ya-Yun Chang

Accountant Tsai, Mei Chen

Financial Supervisory Commission
Approval Document Number
Financial Supervisory Commission
Securities Examination No. 1110348898
March 10, 2026, Republic of China

Financial Supervisory Commission Approval
Document Number
Financial Supervisory Commission Securities
Examination No. 1010028123

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YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

December 31, 2025 and 2024

Unit: NT\$ thousand

Code	Assets	December 31, 2025		December 31, 2024		Code	Liabilities and Equity	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current liabilities				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 1,415,798	17	\$ 2,398,287	28	2100	Short-term borrowings (Notes 10, 26, and 36)	\$ 14,220	-	\$ 49,756	-
1120	Financial assets measured at fair value through other comprehensive income - current (Notes 4 and 8)	46,908	1	66,283	1	2120	Financial liabilities measured at fair value through profit or loss - current assets(Notes 4 and 7)	-	-	88	-
1170	Notes and accounts receivable (Notes 4, 10, 26, and 36)	1,338,218	16	979,287	12	2130	Contract liabilities - current (Notes 4, 26 and 35)	106,440	2	70,265	1
1180	Notes and accounts receivable - related parties (Notes 4 and 35)	95,232	1	96,048	1	2170	Notes and accounts payable (Note 21)	347,507	4	567,822	7
1200	Other receivables (Note 10)	4,436	-	19,218	-	2180	Accounts payable - related parties (Note 35)	19	-	-	-
1210	Other receivables - related parties (Note 35)	27,909	-	25,540	-	2219	Other payables (Notes 22 and 35)	548,869	7	479,679	6
130X	Inventories (Notes 4, 5, 11 and 32)	1,169,393	14	1,376,311	16	2230	Current income tax liabilities (Notes 4 and 28)	176,979	2	166,280	2
1470	Other current assets (Note 19)	174,714	2	139,223	2	2250	Provisions - current (Notes 4 and 23)	6,675	-	6,509	-
11XX	Total current assets	<u>4,272,608</u>	<u>51</u>	<u>5,100,197</u>	<u>60</u>	2280	Lease liabilities - current (Notes 4, 16 and 35)	21,903	-	23,276	-
	Non-current assets					2399	Other current liabilities (Note 22)	12,225	-	7,315	-
1510	Financial assets measured at fair value through profit or loss - non-current (Notes 4 and 7)	33,189	-	30,055	-	21XX	Total current liabilities	<u>1,234,837</u>	<u>15</u>	<u>1,370,990</u>	<u>16</u>
1517	Financial assets measured at fair value through other comprehensive income - non-current (Notes 4 and 8)	345,763	4	399,136	5		Non-current liabilities				
1535	Financial assets measured at amortized cost - non-current (Notes 4, 9 and 36)	22,304	-	22,237	-	2570	Deferred income tax liabilities (Notes 4 and 28)	10,307	-	1,718	-
1550	Investments accounted for using equity method (Notes 4 and 14)	356,122	4	154,702	2	2580	Lease liabilities - non-current (Notes 4, 16 and 35)	261,450	3	243,725	3
1600	Property, plant and equipment (Notes 4, 15, 32, 35 and 36)	2,642,886	32	2,161,564	25	2645	Guarantee deposits Received	6,930	-	8,770	-
1755	Right-of-use assets (Notes 4, 16, 31 and 35)	283,054	3	269,782	3	25XX	Total non-current liabilities	<u>278,687</u>	<u>3</u>	<u>254,213</u>	<u>3</u>
1760	Net investment properties (Notes 4, 17 and 32)	-	-	1,558	-	2XXX	Total liabilities	<u>1,513,524</u>	<u>18</u>	<u>1,625,203</u>	<u>19</u>
1780	Intangible assets (Notes 4, 18 and 32)	50,966	1	37,488	1		Equity attributable to owners of the Company (Note 25)				
1840	Deferred tax assets (Notes 4 and 28)	87,442	1	87,423	1		Share capital				
1915	Prepayments for equipment	44,136	1	96,915	1	3110	Ordinary share	1,284,980	15	1,284,980	15
1975	Net defined benefit assets (Notes 4 and 24)	46,677	1	51,310	1	3200	Capital surplus	2,456,602	30	2,439,404	29
1990	Other non-current assets (Notes 19 and 35)	156,717	2	115,061	1		Retained earnings				
15XX	Total non-current assets	<u>4,069,256</u>	<u>49</u>	<u>3,427,231</u>	<u>40</u>	3310	Legal reserve	1,261,651	15	1,208,208	14
						3320	Special reserve	28,548	-	17,785	-
						3350	Unappropriated earnings	1,735,172	21	1,786,864	21
						3300	Total retained earnings	3,025,371	36	3,012,857	35
						3400	Other equity	(95,974)	(1)	(28,548)	-
						31XX	Total equity attributable to owners of the Company	6,670,979	80	6,708,693	79
							Non-controlling interests (Notes 13 and 25)	157,361	2	193,532	2
						3XXX	Total equity	<u>6,828,340</u>	<u>82</u>	<u>6,902,225</u>	<u>81</u>
1XXX	Total Assets	<u>\$ 8,341,864</u>	<u>100</u>	<u>\$ 8,527,428</u>	<u>100</u>		Total liabilities and equity	<u>\$ 8,341,864</u>	<u>100</u>	<u>\$ 8,527,428</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the audit report of Deloitte & Touche dated March 10, 2026)

Chairman: Ping-Lung Wang

Manager: Wei-Tang Hsiao

Chief Accountant: Chiao-Fen Chen

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

January 1 to December 31, 2025 and 2024

Unit: NT\$ thousand, except earnings per share expressed in NT\$

Code		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 26 and 35)	\$ 4,190,701	100	\$ 3,966,808	100
5000	Operating costs (Notes 11, 18, 24, 27 and 35)	<u>2,936,638</u>	<u>70</u>	<u>2,771,880</u>	<u>70</u>
5900	Gross profit	<u>1,254,063</u>	<u>30</u>	<u>1,194,928</u>	<u>30</u>
	Operating expenses (Notes 10, 18, 24, 27 and 35)				
6100	Selling expenses	206,066	5	182,330	4
6200	Administrative expenses	219,817	5	184,158	5
6300	Research and development expenses	445,751	11	354,570	9
6450	Expected credit impairment loss (reversal gain)	(<u>41,960</u>)	(<u>1</u>)	<u>57,944</u>	<u>1</u>
6000	Total operating expenses	<u>829,674</u>	<u>20</u>	<u>779,002</u>	<u>19</u>
6500	Other income and expenses, net (Notes 4, 27 and 35)	<u>55,341</u>	<u>1</u>	<u>42,943</u>	<u>1</u>
6900	operating income	<u>479,730</u>	<u>11</u>	<u>458,869</u>	<u>12</u>
	Non-operating income and expenses				
7100	Interest income (Notes 4 and 27)	28,518	1	46,253	1
7010	Other income (Notes 4, 27, 30 and 35)	57,439	1	10,513	-
7020	Other gains and losses (Notes 4, 14, 27 and 31)	32,650	1	133,347	3
7050	Finance costs (Notes 27 and 35)	(7,155)	-	(7,058)	-
7060	Share of profit or loss of associates accounted for using equity method (Notes 4 and 14)	<u>1,992</u>	<u>-</u>	(<u>12,330</u>)	<u>-</u>
7000	Total non-operating income and expenses	<u>113,444</u>	<u>3</u>	<u>170,725</u>	<u>4</u>
7900	Income before income tax	593,174	14	629,594	16
7950	Income Tax Expense (Notes 4 and 28)	<u>89,479</u>	<u>2</u>	<u>115,988</u>	<u>3</u>
8000	Profit for the Year from Continuing Operations	503,695	12	513,606	13
8100	Loss from Discontinued Operations (Note 12)	<u>-</u>	<u>-</u>	(<u>25,294</u>)	(<u>1</u>)
8200	Profit for the Year	<u>503,695</u>	<u>12</u>	<u>488,312</u>	<u>12</u>

(Continued on next page)

(Brought forward)

Code		2025		2024	
		Amount	%	Amount	%
	Other comprehensive income (Notes 24 and 25)				
8310	Items that will not be reclassified to profit or loss:				
8311	Remeasurement of defined benefit plans	(\$ 17,583)	-	\$ 12,408	1
8316	Unrealized valuation gain (loss) on investments in equity instruments measured at fair value through other comprehensive income	(65,181)	(2)	(38,628)	(1)
8320	Share of other comprehensive income of associates accounted for using the equity method	4,264	-	1,441	-
8360	Items That May Be Reclassified Subsequently to Profit or Loss:				
8361	Exchange Differences on Translating the Financial Statements of Foreign Operations	(11,277)	-	37,287	1
8300	Total Other Comprehensive Income	(89,777)	(2)	12,508	1
8500	Total Comprehensive Income for the Year	\$ 413,918	10	\$ 500,820	13
	Profit (Loss) Attributable to:				
8610	Owners of the Company	\$ 544,089	13	\$ 522,018	13
8620	Non-controlling Interests	(40,394)	(1)	(33,706)	(1)
8600		\$ 503,695	12	\$ 488,312	12
	Total Comprehensive Income (Loss) Attributable to:				
8710	Owners of the Company	\$ 459,080	11	\$ 523,663	13
8720	Non-controlling Interests	(45,162)	(1)	(22,843)	-
8700		\$ 413,918	10	\$ 500,820	13
	Earnings per Share (Note 29)				
	From Continuing and Discontinued Operations				
9750	Basic	\$ 4.23		\$ 4.06	
9850	Diluted	\$ 4.20		\$ 4.03	
	From Continuing Operations				
9710	Basic	\$ 4.23		\$ 4.26	
9810	Diluted	\$ 4.20		\$ 4.23	

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

(Please refer to the audit report of Deloitte & Touche dated March 10, 2026)

Chairman: Ping-Lung Wang

Manager: Wei-Tang Hsiao

Chief Accountant: Chiao-Fen Chen

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

January 1 to December 31, 2025 and 2024

Unit: NT\$ thousand

Code		Equity Attributable to Owners of the Company					Other Equity Items		Total	Non-controlling Interests	Total Equity
		Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets measured at Fair Value through Other Comprehensive Income			
				Legal Reserve	Special Reserve	Unappropriated Earnings					
A1	Balance as of January 1, 2024	\$ 1,284,980	\$ 2,439,724	\$ 1,155,550	\$ 32,695	\$ 1,804,178	(\$ 91,401)	\$ 73,616	\$ 6,699,342	\$ 216,375	\$ 6,915,717
	Appropriation and distribution of 2023 earnings:										
B1	Legal reserve	-	-	52,658	-	(52,658)	-	-	-	-	-
B17	Reversal of special reserve	-	-	-	(14,910)	14,910	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	(513,992)	-	-	(513,992)	-	(513,992)
C3	Arising from donation received	-	35	-	-	-	-	-	35	-	35
C7	Changes in equity of associates accounted for using equity method	-	(355)	-	-	-	-	-	(355)	-	(355)
D1	Net income (loss) from January 1 to December 31, 2024	-	-	-	-	522,018	-	-	522,018	(33,706)	488,312
D3	Other comprehensive income from January 1 to December 31, 2024	-	-	-	-	12,408	26,424	(37,187)	1,645	10,863	12,508
D5	Total comprehensive income from January 1 to December 31, 2024	-	-	-	-	534,426	26,424	(37,187)	523,663	(22,843)	500,820
Z1	Balance as of December 31, 2024	1,284,980	2,439,404	1,208,208	17,785	1,786,864	(64,977)	36,429	6,708,693	193,532	6,902,225
	Appropriation and distribution of 2024 earnings:										
B1	Legal reserve	-	-	53,443	-	(53,443)	-	-	-	-	-
B3	Special reserve	-	-	-	10,763	(10,763)	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	(513,992)	-	-	(513,992)	-	(513,992)
C3	Arising from donation received	-	46	-	-	-	-	-	46	-	46
C7	Changes in equity of associates accounted for using equity method	-	17,143	-	-	-	-	-	17,143	-	17,143
M7	Changes in ownership interests in subsidiaries	-	9	-	-	-	-	-	9	(9)	-
D1	Net income (loss) from January 1 to December 31, 2025	-	-	-	-	544,089	-	-	544,089	(40,394)	503,695
D3	Other comprehensive income from January 1 to December 31, 2025	-	-	-	-	(17,583)	(6,509)	(60,917)	(85,009)	(4,768)	(89,777)
D5	Total comprehensive income from January 1 to December 31, 2025	-	-	-	-	526,506	(6,509)	(60,917)	459,080	(45,162)	413,918
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	-	9,000	9,000
Z1	Balance as of December 31, 2025	\$ 1,284,980	\$ 2,456,602	\$ 1,261,651	\$ 28,548	\$ 1,735,172	(\$ 71,486)	(\$ 24,488)	\$ 6,670,979	\$ 157,361	\$ 6,828,340

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the audit report of Deloitte & Touche dated March 10, 2026)

Chairman: Ping-Lung Wang

Manager: Wei-Tang Hsiao

Chief Accountant: Chiao-Fen Chen

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

January 1 to December 31, 2025 and 2024

Unit: NT\$ thousand

<u>Code</u>		<u>2025</u>	<u>2024</u>
	Cash flow from operating activities		
A00010	Income before income tax from continuing operations	\$ 593,174	\$ 629,594
A00020	Loss before income tax from discontinued operations	-	(25,294)
A10000	Income before income tax for the year	593,174	604,300
A20010	Revenue and expense items:		
A20100	Depreciation expense	633,028	501,748
A20200	Amortization expense	21,244	15,232
A20300	Expected credit impairment loss (reversal gain)	(41,960)	57,944
A20400	Gains on financial assets measured at fair value through profit or loss	(3,222)	(143)
A20900	Finance costs	7,155	12,643
A21200	Interest income	(28,518)	(46,276)
A21300	Dividend income	(2,011)	(6,478)
A22300	Share of profit (loss) of associates accounted for using equity method	(1,992)	12,330
A22500	Gain on disposal of property, plant and equipment	(24,958)	(7,737)
A23700	Impairment loss on property, plant, and equipment	-	2,489
A23700	Inventory write-down and obsolescence loss	17,156	34,893
A24100	Foreign exchange net gain	(16,510)	(28,019)
A29900	Gain on disposal of subsidiaries	-	(75,121)
A30000	Net changes in operating assets and liabilities		
A31150	Notes and accounts receivable	(296,326)	72,210
A31160	Notes and accounts receivable - related parties	816	(2,840)
A31180	Other receivables	9,412	(7,006)
A31200	Inventory	(12,068)	(510,265)
A31240	Other current assets	(35,489)	(15,130)
A32125	Contract liabilities	36,175	(101,695)
A32150	Notes and accounts payable	(222,207)	238,391
A32160	Accounts payable - related parties	19	(15)
A32180	Other payables	84,697	63,958
A32200	Provisions	166	535
A32230	Other current liabilities	4,910	(2,844)
A32240	Net defined benefit assets	(12,950)	(11,925)
A33000	Cash generated from operations	709,741	801,179
A33100	Interest received	31,519	45,341
A33200	Dividends received	2,011	6,478
A33300	Interest paid	(8,886)	(12,643)
A33500	Income tax paid	(70,212)	(118,449)
AAAA	Net cash Inflow from operating activities	<u>664,173</u>	<u>721,906</u>

(Continued on next page)

(Brought forward)

<u>Code</u>		<u>2025</u>	<u>2024</u>
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	\$ -	(\$ 16,110)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	7,567	-
B00040	Acquisition of financial assets at amortized cost	(67)	(1,287)
B00100	Acquisition of financial assets measured at fair value through profit or loss	-	(15,000)
B01800	Acquisition of long-term equity investments accounted for using the equity method	(170,306)	-
B02300	Net cash inflow from disposal of subsidiaries	-	2,202
B02700	Acquisition of property, plant, and equipment	(982,576)	(376,012)
B02800	Proceeds from disposal of property, plant, and equipment	97,522	32,310
B03700	Increase in refundable deposits	(21,578)	(3,264)
B03800	Decrease in refundable deposits	2,031	619
B04500	Acquisition of intangible assets	(32,492)	(22,350)
B04500	Increase in prepayments for intangible assets	(22,161)	(7,152)
B07100	Decrease (Increase) in prepayment for equipment	<u>52,779</u>	<u>(76,560)</u>
BBBB	Net cash outflow from investing activities	<u>(1,069,281)</u>	<u>(482,604)</u>
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	-	49,756
C00200	Decrease in short-term borrowings	(35,536)	-
C03000	Receipt of guarantee deposits	-	1,686
C03100	Refund of guarantee deposits	(1,840)	-
C04020	Lease principal repayment	(28,248)	(23,378)
C04500	Distribution of cash dividends	(513,992)	(513,992)
C05400	Acquisition of non-controlling interests	9,000	-
C09900	Arising from donation received	<u>46</u>	<u>35</u>
CCCC	Net cash outflow from financing activities	<u>(570,570)</u>	<u>(485,893)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(6,811)</u>	<u>4,619</u>
EEEE	Net decrease in cash and cash equivalents	(982,489)	(241,972)
E00100	Beginning balance of cash and cash equivalents	<u>2,398,287</u>	<u>2,640,259</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 1,415,798</u>	<u>\$ 2,398,287</u>

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

(Please refer to the audit report of Deloitte & Touche dated March 10, 2026)

Chairman: Ping-Lung Wang

Manager: Wei-Tang Hsiao

Chief Accountant: Chiao-Fen Chen

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

January 1 to December 31, 2025 and 2024

(Amounts are expressed in thousands of New Taiwan Dollars, unless otherwise specified)

1. Company History

YoungTek Electronics Corp. (hereinafter referred to as "the Company") is a corporation approved for establishment on July 22, 1991 in Hsinchu City. Its main businesses include electronic components manufacturing, machinery equipment manufacturing, and manufacturing for export.

The Company's stock has been listed and traded on the Securities Exchange of the Republic of China since March 29, 2004.

The Company merged with WECON AUTOMATION MACHINERY CORP. through absorption on January 1, 2015, with Wecon being the dissolved company and the Company being the surviving entity.

For the principal operating activities of the Company and its subsidiaries, please refer to Note 13 for details.

These consolidated financial statements are presented in the Company's functional currency, New Taiwan Dollars.

2. Date and Procedures for Approval of Financial Statements

The consolidated financial statements were approved by the Board of Directors on March 9, 2026.

3. Application of New and Amended Standards and Interpretations

- (1) Initial application of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Interpretation Bulletins (SIC) (hereinafter referred to as "IFRS accounting standards") recognized and issued by the Financial Supervisory Commission ((hereinafter referred to as "FSC")

Amendments to IAS 21 "Lack of Exchangeability"

The application of the amendment to IAS 21 "Lack of Exchangeability" will not cause significant changes to the accounting policies of the Company and the entities controlled by the Company (hereinafter referred to as "the Consolidated Company").

(2) IFRS Accounting Standards Recognized by the FSC Applicable in 2026

Newly Issued/Amended/Revised Standards and Interpretations	Effective Date Issued by the International Accounting Standards Board (IASB)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 01, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 01, 2026
Annual Improvements to IFRS Accounting Standards – Cycle 11	January 01, 2026
IFRS 17 "Insurance Contracts" (including amendments in 2020 and 2021)	January 01, 2023

As of the date of approval for the issuance of these consolidated financial statements, the Consolidated Company has assessed that the aforementioned amendments to standards will not have a significant impact on its financial position and financial performance.

(3) IFRS Accounting Standards Issued by the IASB but Not Yet Endorsed and Announced Effective by the FSC

Newly Issued/Amended/Revised Standards and Interpretations	IASB Issue Date (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Undetermined
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including amendments in 2025)	January 01, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 01, 2027

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

Note 2: On September 25, 2025, the FSC announced that Taiwanese enterprises are required to adopt IFRS 18 starting January 1, 2028, with early adoption permitted once the FSC endorses IFRS 18.

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

IFRS 18 will replace IAS 1 Presentation of Financial Statements. The main changes in this standard include:

- Consolidated Company should assess whether it has specific major operating activities of investing in certain types of assets and providing financing to customers, and the income statement should classify income and expense items into operating, investing, financing, income tax, and discontinued operations categories accordingly.
- The income statement should present operating profit or loss, profit or loss before financing and tax, and profit or loss subtotals and totals.
- Provide guidance to strengthen aggregation and disaggregation requirements: Consolidated Companies must identify assets, liabilities, equity, income, expenses, and cash flows generated from individual transactions or other events, and classify and aggregate them based on common characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. Consolidated Companies should only label items as "other" when it cannot find more informative labels.
- Increase disclosure of management-defined performance measures: when Consolidated Companies communicate outside the financial statements publicly, and communicate management's views on certain aspects of the Consolidated Company's overall financial performance to financial statement users, they should disclose information about management-defined performance measures in a single note to the financial statements, including descriptions of these measures, how they are calculated, reconciliations with subtotals or totals specified in IFRS accounting standards, and the income tax and non-controlling interest effects of reconciling items.

In addition, IAS 7 "Statement of Cash Flows" includes following consequential amendments:

- When the Consolidated Company prepares the cash flows of operating activities using the indirect method, the operating profit or loss shall be used as the starting point for adjustments.
- The interest and dividends received by the Consolidated Company shall be classified as investing activities, while the interest and dividends paid shall be classified as financing activities. If the Consolidated Company, upon assessment, has specific major operating activities, it should consider the nature of dividend income, interest income, and interest expenses in order to determine the classification of dividend received, interest received and interest paid in the statements of cash flows. However, each of the above cash flow can only be classified into a single activities in the statements of cash flows.

In addition to the impacts mentioned above, as of the approval date of these consolidated financial statements, the Consolidated Company continues to evaluate other impacts of amendments to various standards and interpretations on its financial position and financial performance. The relevant impacts will be disclosed when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Declaration of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS accounting standards recognized and effective as published by the Financial Supervisory Commission.

(2) Basis of Preparation

Except for financial instruments measured at fair value, these consolidated financial statements have been prepared on a historical cost basis.

Fair value measurement is classified into Levels 1 to 3 based on the observability and significance of the inputs:

1. Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
2. Level 2 inputs: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
3. Level 3 inputs: Unobservable inputs for the asset or liability.

(3) Criteria for Classifying Assets and Liabilities as Current and Non-current

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted for exchange or settlement of liabilities for more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due to be settled within 12 months after the balance sheet date (even if long-term refinancing or rescheduling of payments has been completed after the balance sheet date but before the financial statements are authorized for issue, they are still classified as current liabilities), and
3. Liabilities for which the entity does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Assets or liabilities that do not meet the above criteria for current assets or current liabilities are classified as non-current assets or non-current liabilities.

(4) Basis of Consolidation

This consolidated financial report includes the financial reports of the company and entities controlled by the company (subsidiaries). The consolidated statement of comprehensive income has incorporated the operating results of acquired or disposed subsidiaries from the date of acquisition or until the date of disposal during the current period. The financial reports of the subsidiaries have been adjusted to ensure their accounting policies are consistent with those of the Consolidated Company. In preparing the consolidated financial reports, all transactions, account balances, income and expenses between entities have been completely eliminated. The total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When changes in the Consolidated Company's ownership interests in subsidiaries do not result in a loss of control, they are accounted for as equity transactions. The carrying amounts of the Consolidated Company and non-controlling interests have been adjusted to reflect the changes in their relative interests in the subsidiaries. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and attributed to the owners of the Company.

When the Consolidated Company loses control of a subsidiary, the disposal gain or loss is the difference between:(1) the sum of the fair value of the consideration received and the fair value of any remaining investment in the former subsidiary at the date when control is lost, and(2) the aggregate of the carrying amount of the assets (including goodwill), liabilities and non-controlling interests of the former subsidiary at the date when control is lost. The accounting treatment for all amounts recognized in other comprehensive income related to that subsidiary by the Consolidated Company is the same as the basis that would be required if the consolidated company had directly disposed of the related assets or liabilities.

For details of subsidiaries, shareholding ratios, and business activities, please refer to Note 13, Table 7 and 8.

(5) Business Combinations

Business combinations are accounted for using the acquisition method. Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received.

Goodwill is measured as the excess of the sum of the fair value of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree at the acquisition date over the net of the acquisition-date amounts of the identifiable assets

acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed still exceeds the sum of the consideration transferred and the fair value of the acquirer's previously held interest in the acquiree at the acquisition date, the difference is recognized as a bargain purchase gain immediately in profit or loss.

Non-controlling interests that have present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. Other non-controlling interests are measured at fair value.

(6) Foreign Currency

When preparing financial reports, transactions denominated in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign currency monetary items are translated at the closing exchange rate at each balance sheet date. Exchange differences arising from the settlement of monetary items or the translation of monetary items are recognized in profit or loss in the year incurred.

Foreign currency non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value is determined. The resulting exchange differences are recognized in profit or loss for the year, except for those whose changes in fair value are recognized in other comprehensive income, in which case the exchange differences are recognized in other comprehensive income.

Foreign currency non-monetary items measured at historical cost are translated using the exchange rates at the transaction date and are not retranslated.

When preparing consolidated financial reports, the assets and liabilities of foreign operations (including subsidiaries, associates, joint ventures, or branches whose country of operation or currency used differs from the Company's) are translated into New Taiwan Dollars using the exchange rates at each balance sheet date. Income and expense items are translated at the average exchange rates for the period, with the resulting exchange differences recognized in other comprehensive income and attributed separately to the owners of the Company and non-controlling interests.

(7) Inventories

Inventories include raw materials, work in progress, semi-finished goods, and finished goods. Inventories are measured at the lower of cost and net realizable value, with the comparison of cost and net realizable value being made on an individual item basis except for inventories of the same category. Net realizable value refers to the estimated selling price in the ordinary course of business less the estimated costs of completion and the

estimated costs necessary to make the sale. The cost of inventories is calculated using the weighted average method.

(8) Investments in Associates

An associate is an entity over which the Consolidated Company has significant influence but which is neither a subsidiary nor a joint venture.

The Consolidated Company uses the equity method for investments in associates.

Under the equity method, investments in associates are initially recognized at cost, and the carrying amount subsequent to acquisition is increased or decreased to recognize the Consolidated Company's share of the profit or loss and other comprehensive income of the associate and the profit distribution. In addition, changes in the equity of associates are recognized on a proportionate basis according to the shareholding ratio.

The excess of acquisition cost over the Consolidated Company's share of the net fair value of the identifiable assets and liabilities of the associate at the acquisition date is recorded as goodwill. This goodwill is included in the carrying amount of the investment and is not amortized. Any excess of the consolidated company's share of the net fair value of the identifiable assets and liabilities of the associate at the acquisition date over the acquisition cost is recognized in the current profit or loss.

When an associate issues new shares, if the Consolidated Company does not subscribe in proportion to its shareholding ratio, resulting in a change in the shareholding ratio and consequently an increase or decrease in the net equity value of the investment, the adjustment is made to capital surplus - changes in equity of associates accounted for using equity method and investments accounted for using equity method. However, if the Company does not subscribe or acquire shares in proportion to its shareholding ratio, resulting in a decrease in its ownership interest in the associate, the amounts previously recognized in other comprehensive income in relation to that associate are reclassified on a proportionate basis. The basis for this accounting treatment is consistent with the basis that would be required if the associate had directly disposed of the related assets or liabilities. If the aforementioned adjustment should be debited to capital surplus and the capital surplus arising from investments accounted for using the equity method is insufficient, the difference is debited to retained earnings.

When the Consolidated Company's share of losses of an associate equals or exceeds its interest in that associate (including the carrying amount of the investment in the associate under the equity method and other long-term interests that, in substance, form part of the consolidated company's net investment in the associate), the consolidated company discontinues recognizing its share of further losses. The Consolidated Company recognizes additional losses and liabilities only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate.

When assessing impairment, the Consolidated Company treats the entire carrying amount of the investment (including goodwill) as a single asset, comparing the recoverable amount with the carrying amount to perform impairment testing. The recognized impairment loss also constitutes part of the carrying amount of the investment. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Consolidated Company ceases to use the equity method from the date when its investment no longer qualifies as an associate. The retained interest in the former associate is measured at fair value, and the difference between this fair value, the disposal proceeds, and the carrying amount of the investment on the date when the equity method is discontinued is recognized in profit or loss for the period. In addition, all amounts previously recognized in other comprehensive income in relation to that associate are accounted for on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

Profits and losses resulting from upstream, downstream, and sidestream transactions between the Consolidated Company and its associates are recognized in the consolidated financial statements only to the extent that they are unrelated to the Consolidated Company's interest in the associates.

(9) Property, Plant and Equipment

Property, plant and equipment are recognized at cost, and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Except for self-owned land which is not depreciated, depreciation for other property, plant and equipment is recognized on a straight-line basis over the estimated useful lives, with each significant part being depreciated separately. The Consolidated Company reviews its estimated useful lives, residual values, and depreciation methods at least at each financial year-end, and applies the effect of changes in accounting estimates prospectively.

When property, plant and equipment are derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(10) Investment Property

Investment property is real estate held to earn rental income, for capital appreciation, or for both purposes. Investment property also includes land held for currently undetermined future use.

Owned investment property is initially measured at cost (including transaction costs), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of investment property is recognized on a straight-line basis.

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

(11) Goodwill

Goodwill acquired in a business combination is initially measured at cost based on the amount recognized at the acquisition date, and subsequently measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each cash-generating unit or group of cash-generating units (referred to as "cash-generating unit") of the Consolidated Company that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually (and whenever there is an indication that the unit may be impaired) by comparing the carrying amount of the unit, including the goodwill, with its recoverable amount. If the goodwill allocated to a cash-generating unit was acquired in a business combination during the current year, that unit should be tested for impairment before the end of the current year. If the recoverable amount of a cash-generating unit to which goodwill has been allocated is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly as a loss for the current period. Goodwill impairment losses cannot be reversed in subsequent periods.

When disposing of an operation within a cash-generating unit to which goodwill has been allocated, the amount of goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal.

(12) Intangible Assets

1. Separately Acquired

Separately acquired intangible assets with finite useful lives are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives. The Consolidated Company reviews the estimated useful lives, residual values, and amortization methods at least at the end of each fiscal year, and applies prospectively the effects of changes in accounting estimates. Intangible assets with indefinite useful lives are reported at cost less accumulated impairment losses.

2. Internally Generated - Research and Development Expenditure

Research expenditure is recognized as an expense when incurred.

3. Acquired in Business Combinations

Intangible assets acquired in business combinations are recognized at fair value on the acquisition date and are recognized separately from goodwill. The subsequent measurement method is the same as for separately acquired intangible assets.

4. Derecognition

Upon 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 for the period.

(13) Impairment of Property, Plant and Equipment, Right-of-Use Assets, Investment Property and Intangible Assets (Excluding Goodwill)

The Consolidated Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets, investment property and intangible assets (excluding goodwill) may be impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Consolidated Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Common assets are allocated to individual cash-generating units on a reasonable and consistent basis.

For intangible assets with indefinite useful lives and intangible assets not yet available for use, impairment tests are performed at least annually and whenever there is an indication of impairment.

The recoverable amount is the higher of fair value less costs of disposal and its value in use. When the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is 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 the increased carrying amount should not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset or cash-generating unit in prior years. The reversal of an impairment loss is recognized in profit or loss.

(14) Financial Instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Consolidated Company becomes a party to the contractual provisions of the instrument.

When financial assets and financial liabilities are initially recognized, if the financial asset or financial liability is not measured at fair value through profit or loss, it is measured at

fair value plus transaction costs directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial Assets

Regular way purchases or sales of financial assets are recognized and derecognized using trade date accounting.

(1) Measurement categories

The types of financial assets held by the Consolidated Company are financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, and equity instrument investments measured at fair value through other comprehensive income.

A. Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets mandatorily measured at fair value through profit or loss and financial assets designated as at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include equity instrument investments not designated as at fair value through other comprehensive income, and debt instrument investments that do not qualify for classification as measured at amortized cost or at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value, and their dividends, interest, and remeasurement gains or losses are recognized in other gains and losses. Please refer to Note 34 for the method of determining fair value.

B. Financial assets measured at amortized cost

The Consolidated Company classifies financial asset investments as financial assets measured at amortized cost if they simultaneously meet the following two conditions:

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

Financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost, other receivables, and time deposits with original maturities of more than 3 months) are measured, after initial recognition, at amortized cost, which is the gross carrying amount determined using the effective interest method minus any impairment losses. Any foreign exchange gains or losses are recognized in profit or loss.

Except for the following two situations, interest income is calculated by multiplying the gross carrying amount of the financial asset by the effective interest rate:

- a. For purchased or originated credit-impaired financial assets, interest income is calculated by multiplying the amortized cost of the financial asset by the credit-adjusted effective interest rate.
- b. For financial assets that are not purchased or originated credit-impaired but subsequently become credit-impaired, interest income should be calculated by multiplying the amortized cost of the financial asset by the effective interest rate from the next reporting period after the credit impairment occurs.

Credit-impaired financial assets refer to situations where the issuer or debtor has experienced significant financial difficulty, default, 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.

Cash equivalents include time deposits and repurchase agreements acquired within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash, and subject to an insignificant risk of changes in value. These are used to meet short-term cash commitments.

- C. Equity instrument investments measured at fair value through other comprehensive income

At initial recognition, the Consolidated Company may make an irrevocable election to designate equity instrument investments that are not held for trading and are not contingent consideration recognized by an acquirer in a business combination as at fair value through other comprehensive income.

Equity instrument investments measured at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. Upon disposal of the investment, accumulated gains or losses

are transferred directly to retained earnings and are not reclassified to profit or loss.

Dividends from equity instrument investments measured at fair value through other comprehensive income are recognized in profit or loss when the Consolidated Company's right to receive payment is established, unless the dividends clearly represent a recovery of part of the investment cost.

(2) Impairment of financial assets

The Consolidated Company assesses impairment losses of financial assets measured at amortized cost (including accounts receivable) based on expected credit losses at each balance sheet date.

Accounts receivable are recognized with an allowance for losses based on lifetime expected credit losses. For other financial assets, the Consolidated Company first assesses whether credit risk has increased significantly since initial recognition. If it has not increased significantly, an allowance for losses is recognized based on 12-month expected credit losses; if it has increased significantly, an allowance for losses is recognized based on lifetime expected credit losses.

Expected credit losses are weighted average credit losses with the risk of default as the weighting factor. 12-month expected credit losses represent the expected credit losses that may result from possible default events on a financial instrument within 12 months after the reporting date, while lifetime expected credit losses represent the expected credit losses that may result from all possible default events over the expected life of a financial instrument.

The Consolidated Company, for the purpose of internal credit risk management, without considering collateral held, determines that the following situations represent default on financial assets:

- A. Internal or external information indicates that the debtor is unlikely to pay its debts.
- B. Overdue for more than 90 days, unless there is reasonable and supportable information indicating that a more lagged default criterion is more appropriate.

The impairment losses on all financial assets are recognized by reducing their carrying amounts through an allowance account.

(3) Derecognition of financial assets

The Consolidated 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 asset to another entity.

When financial assets measured at amortized cost are derecognized in their entirety, the difference between their carrying amount and the consideration received is recognized in profit or loss. When investments in equity instruments measured at fair value through other comprehensive income are derecognized in their entirety, the accumulated gains or losses are transferred directly to retained earnings and are not reclassified to profit or loss.

2. Equity Instruments

The Consolidated Company classifies the debt and equity instruments it issues as financial liabilities or equity according to the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Consolidated Company are recognized at the amount of consideration received, less direct issuance costs.

Repurchase of the Company's own equity instruments is recognized and deducted from equity. The carrying amount is calculated based on weighted average by share type, and calculated separately according to the reason for repurchase. The purchase, sale, issuance, or cancellation of the company's own equity instruments is not recognized in profit or loss.

3. Financial Liabilities

(1) Subsequent measurement

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

A. Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include those held for trading.

Financial liabilities held for trading are measured at fair value, and the related gains or losses are recognized in other gains and losses. Interest incurred is recognized in finance costs, while other gains or losses from remeasurement are recognized in other gains and losses.

Please refer to Note 34 for the method of determining fair value.

(2) Derecognition of financial liabilities

When derecognizing financial liabilities, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4. Non-Current Assets Held for Sale

The carrying amount of a disposal group is classified as held for sale when it is expected to be recovered primarily through a sale transaction rather than through continuing use. To meet this classification, the disposal group must be available for immediate sale in its present condition, and its sale must be highly probable. When the appropriate level of management is committed to a plan to sell the asset, and the sale transaction is expected to be completed within one year from the date of classification, the sale will be considered highly probable.

If the sale will result in the loss of control over a subsidiary, all assets and liabilities of that subsidiary are classified as held for sale, regardless of whether a non-controlling interest in the former subsidiary is retained after the sale.

Disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and depreciation on such assets is ceased.

(15) Provisions

The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties of the obligation. Provisions are measured at the discounted value of the estimated cash flows required to settle the obligation.

1. Warranty

Warranty obligations to ensure products comply with agreed specifications are recognized when the related goods are recognized as revenue based on management's best estimate of the expenditure required to settle the Consolidated Company's obligation.

(16) Revenue Recognition

After identifying performance obligations in customer contracts, the Consolidated Company allocates the transaction price to each performance obligation and recognizes revenue when each performance obligation is satisfied.

If several contracts are signed almost simultaneously with the same customer (or a related party of the customer), the Consolidated Company treats them as a single contract since the goods or services promised in these contracts are a single performance obligation.

For contracts where the time between the transfer of goods or services and the receipt of payment is within one year, the significant financing component is not adjusted in the transaction price.

1. Revenue from Sale of Goods

Revenue from sale of goods comes from the sale of machine assembly products, the main performance obligation is completed after installation is completed and accepted by the customer, and the Consolidated Company recognizes revenue and accounts receivable at that point.

When processing materials, the control of ownership of processed products is not transferred, so revenue is not recognized when materials are removed.

2. Processing Income

The Consolidated Company's performance of testing and cutting and sorting outsourcing processing contracts is to create or enhance assets that the customers control. The customers simultaneously receive and consume the benefits provided by the Consolidated Company's performance. The Consolidated Company has an enforceable right to payment for performance completed to date; accordingly, revenue from testing and cutting and sorting outsourcing processing contracts is recognized over time. During the semiconductor testing and cutting and sorting outsourcing process, the Consolidated Company recognizes contract assets as performance progresses and reclassifies them to accounts receivable when invoices are issued. If the collected payment exceeds the amount of revenue recognized, the difference is recognized as contract liabilities. The amount shall be recognized as contract assets before the Consolidated Company completed the performance obligation.

(17) Leases

The Consolidated Company evaluates whether a contract is (or contains) a lease on the date the contract is established.

1. The Consolidated Company as Lessor

When the lease terms transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases.

Under operating leases, lease payments, after deducting lease incentives, are recognized as income on a straight-line basis over the relevant lease term. The initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as an expense on a straight-line basis over the lease term.

2. The Consolidated Company as Lessee

Except for the lease payments for leases of low-value underlying assets and short-term leases that qualify for recognition exemption, which are recognized as expenses on a straight-line basis over the lease term, the Group recognizes right-of-use assets and lease liabilities for all other leases at the lease commencement date.

Right-of-use assets are initially measured at cost (including the initial measurement amount of the lease liability, lease payments made before the lease commencement date less lease incentives received, initial direct costs, and the estimated costs of restoring the underlying asset), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Right-of-use assets are presented separately in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date until the earlier of the end of their useful lives or the end of the lease term.

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. If there are changes in future lease payments due to changes in the lease term, the amounts expected to be paid under residual value guarantees, or the index or rate used to determine lease payments, the Consolidated Company remeasures the lease liabilities and makes a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheet.

(18) Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred.

(19) Government Grants

Government grants are recognized only when there is reasonable assurance that the Consolidated Company will comply with the conditions attached to the grants and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Consolidated Company recognizes as expenses the related costs for which the grants are intended to compensate.

If government grants are intended to compensate for expenses or losses already incurred, or are provided for the purpose of giving immediate financial support to the Consolidated Company with no future related costs, they are recognized in profit or loss in the period in which they become receivable.

(20) Employee Benefits

1. Short-term Employee Benefits

Short-term employee benefit liabilities are measured at the undiscounted amount expected to be paid in exchange for employee services.

2. Post-employment Benefits

Pension for defined contribution retirement plans is recognized as an expense based on the amount of contributions required during the period when employees provide services.

The defined benefit cost (including service cost, net interest, and rereasurement) of defined benefit retirement plans is actuarially determined using the Projected Unit Credit Method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefit expenses when incurred, when the plan is amended or curtailed, or when settlement occurs. Remeasurements (including actuarial gains and losses, changes in the effect of the asset ceiling, and the return on plan assets excluding interest) are recognized in other comprehensive income and included in retained earnings when incurred, and are not reclassified to profit or loss in subsequent periods.

Net defined benefit liability (asset) represents the funding deficit (surplus) of the defined benefit retirement plan. The net defined benefit asset may not exceed the present value of any refunds from the plan or reductions in future contributions to the plan.

(21) Income Tax

Income tax expense represents the sum of current income tax and deferred income tax.

1. Current Income Tax

The Consolidated Company determines current income (loss) according to the regulations established by each income tax reporting jurisdiction, based on which it calculates income tax payable (recoverable).

The additional income tax on undistributed earnings calculated according to the Income Tax Act of the Republic of China is recognized in the year when the shareholders' meeting resolution is made.

Adjustments to income tax payable from previous years are included in current income tax.

2. Deferred Income Tax

Deferred income tax is calculated based on the temporary differences between the carrying amounts of assets and liabilities recorded in the accounts and their tax bases used for calculating taxable income. Temporary differences arising from the initial recognition of assets and liabilities that are not part of a business combination, which at the time of the transaction affect neither taxable income nor accounting profit, and do not create equal taxable and deductible temporary differences at the time of the transaction, are not recognized as deferred tax assets and liabilities. In addition, taxable temporary differences arising from the initial recognition of goodwill are not recognized as deferred tax liabilities.

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized when it is probable that taxable income will be available against which deductible temporary differences or tax credits generated from the purchase of machinery and equipment, research and development, and other expenditures can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries and associates, except where the Consolidated Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets related to deductible temporary differences associated with such investments are only recognized to the extent that it is probable that sufficient taxable income will be available to utilize the temporary differences, and to the extent that they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. Deferred tax assets that were not previously recognized are also reviewed at each balance sheet date and increased to the extent that it has become probable that future taxable income will allow all or part of the asset to be recovered.

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

3. Current and Deferred Income Tax

Current and deferred income tax are recognized in profit or loss, except for current and deferred income tax relating to items recognized in other comprehensive income or directly in equity, which are recognized in other comprehensive income or directly in equity, respectively.

5. Significant Accounting Judgments, Estimates, and Key Sources of Assumption Uncertainty

When the Consolidated Company is adopting accounting policies, for information not easily obtained from other sources, management must make relevant judgments, estimates, and assumptions based on historical experience and other relevant factors. Actual results may differ from these estimates.

When developing significant accounting estimates, the Company has incorporated the potential impact such as the reciprocal tariff measures of the U.S. into the consideration of relevant significant estimates, including cash flow projections, growth rates, discount rates, and profitability. Management will continuously review the estimates and underlying assumptions.

Main sources of estimates and assumption uncertainties

(1) Impairment of inventory

The net realizable value of inventory is estimated as the balance after deducting the estimated costs necessary to complete production and the estimated costs required to complete the sale from the estimated selling price in the normal course of business. These estimates are based on assessments of current market conditions and historical sales experience of similar products. Changes in market conditions may significantly impact the results of these estimates.

6. Cash and Cash Equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 610	\$ 593
Bank checks and demand deposits	699,461	725,078
Cash equivalents (investments with original maturities within 3 months)		
Time deposits	<u>715,727</u>	<u>1,672,616</u>
	<u>\$ 1,415,798</u>	<u>\$ 2,398,287</u>

The interest rate ranges for bank deposits as of the balance sheet date are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bank deposits	0.01%~3.94%	0.002%~4.960%

7. Financial Instruments Measured at Fair Value Through Profit or Loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets - non-current</u>		
Mandatory non-derivative financial assets measured at fair value through profit or loss - limited partnerships	\$ <u>33,189</u>	\$ <u>30,055</u>
<u>Financial liabilities - current</u>		
Derivative instruments held for trading (not designated for hedging) - forward foreign exchange contracts(1)	\$ <u>-</u>	\$ <u>88</u>

- (1) Forward foreign exchange contracts that are not subject to hedge accounting and have not yet expired at the balance sheet date are as follows:

December 31, 2024

	<u>Currency</u>	<u>Expiry Period</u>	<u>Contract Amount (Thousands)</u>
Sell forward foreign exchange	RMB to New Taiwan Dollar (TWD)	August 22, 2024 to February 27, 2025	CNY5,000/NTD22,200

The main purpose of the Consolidated Company engaging in forward foreign exchange transactions is to hedge the risk arising from exchange rate fluctuations on foreign currency assets and liabilities.

8. Financial assets measured at fair value through other comprehensive income

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Equity instrument investments measured at fair value through other comprehensive income	\$ 46,908	\$ 66,283
<u>Non-current</u>		
Equity instrument investments measured at fair value through other comprehensive income	<u>345,763</u>	<u>399,136</u>
	<u>\$392,671</u>	<u>\$465,419</u>

- (1) Equity instrument investments measured at fair value through other comprehensive income

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Domestic investments		
Listed (OTC) stocks	<u>\$ 46,908</u>	<u>\$ 66,283</u>
<u>Non-current</u>		
Domestic investments		
Listed (OTC) and emerging stocks	\$234,540	\$279,689
Unlisted (non-OTC) stocks	<u>1,189</u>	<u>5,000</u>
Subtotal	235,729	284,689
Foreign investments		
Unlisted (non-OTC) stocks	<u>110,034</u>	<u>114,447</u>
	<u>\$345,763</u>	<u>\$399,136</u>

The Consolidated Company strategically invests aforementioned in domestic and foreign stocks, expecting to profit through these investments. The management of the Consolidated Company believes that including the short-term fair value fluctuations of these investments in profit or loss would be inconsistent with the aforementioned investment planning, therefore they chose to designate these investments as fair value through other comprehensive income.

9. Financial Assets Measured at Amortized Cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Non-current</u>		
Domestic investments		
Time deposits with original maturities exceeding 1 year (I)	<u>\$ 22,304</u>	<u>\$ 22,237</u>

- (1) As of December 31, 2025 and 2024, the interest rate range for time deposits with original maturities exceeding 3 months was annual interest rates of 0.815% ~ 1.700% and 0.695% ~ 1.700%, respectively.
- (2) For information regarding the pledging of financial assets measured at amortized cost, please refer to Note 36.

10. Notes receivable, accounts receivable, and other receivables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes receivable</u>		
Arising from operations	\$ 103,537	\$ 75,844
<u>Accounts receivable</u>		
Measured at amortized cost		
Total carrying amount	1,275,500	988,530
Less: allowance for losses	(40,819)	(85,087)
	<u>1,234,681</u>	<u>903,443</u>
Notes and accounts receivable, net	<u>\$ 1,338,218</u>	<u>\$ 979,287</u>
 <u>Other Receivables</u>		
Accrued revenue	\$ 1,110	\$ 4,111
Tax refund receivable	-	12,222
Others	<u>3,326</u>	<u>2,885</u>
	<u>\$ 4,436</u>	<u>\$ 19,218</u>

(1) Notes receivable

The Consolidated Company has signed discounted contracts with financial institutions for certain notes receivable with recourse rights. Although the consolidated company has transferred the contractual rights to the cash flows from these notes receivable, according to the contract terms, it still bears the credit risk of these notes receivable if they cannot be collected. This does not meet the derecognition criteria for financial assets. The transaction-related information is as follows:

	<u>December 31, 2025</u>		
<u>Transferee</u>	<u>Transferred Amount</u>	<u>Advanced Amount (Note)</u>	<u>Interest Rate Range</u>
Bank of Ningbo	<u>\$ 14,220</u>	<u>\$ 14,220</u>	0.70%~1.29%
	<u>December 31, 2024</u>		
<u>Transferee</u>	<u>Transferred Amount</u>	<u>Advanced Amount (Note)</u>	<u>Interest Rate Range</u>
Bank of Ningbo	<u>\$ 49,756</u>	<u>\$ 49,756</u>	0.80%~1.95%

Note: Accounted as short-term borrowings. For short-term borrowings and related guarantee information, please refer to Notes 20 and 36.

(2) Accounts Receivable

The Consolidated Company's average credit period for goods sales is 30 to 180 days. Accounts receivable do not bear interest, and adequate collateral is obtained when necessary to mitigate the risk of financial loss from defaults. The Consolidated Company uses other publicly available financial information and historical transaction records to rate major customers. The Consolidated Company continuously monitors credit exposure and

counterparty credit ratings, and manages credit exposure through annual review and approval of counterparty credit limits.

The Consolidated Company recognizes allowance for losses on accounts receivable based on lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix, which considers the customer's past default records, current financial condition, and industry economic conditions. As the Consolidated Company's historical credit loss experience shows no significant difference in loss patterns among different customer groups, the provision matrix does not further distinguish between customer groups and only establishes expected credit loss rates based on the number of days accounts receivable are overdue.

If there is evidence that the counterparty is facing severe financial difficulties and the Consolidated Company cannot reasonably expect to recover the amount, for example, when the counterparty is undergoing liquidation, the consolidated company directly writes off the relevant accounts receivable. However, collection activities will continue, and any amounts recovered through these efforts are recognized in profit or loss.

The Consolidated Company measures the allowance for losses on accounts receivable based on the provision matrix as follows:

December 31, 2025

	<u>Not past due</u>	<u>91-120 Days</u>	<u>121-150 Days</u>	<u>151-180 Days</u>	<u>181 Days or More</u>	<u>Total</u>
Expected credit loss rate	-	0.70%	6.29%	14.37%	36.52%	
Total carrying amount	\$ 1,128,637	\$ 4,589	\$ 16,129	\$ 28,418	\$ 97,727	\$ 1,275,500
Loss allowance (lifetime expected credit losses)	-	(32)	(1,014)	(4,083)	(35,690)	(40,819)
Amortized cost	<u>\$ 1,128,637</u>	<u>\$ 4,557</u>	<u>\$ 15,115</u>	<u>\$ 24,335</u>	<u>\$ 62,037</u>	<u>\$ 1,234,681</u>

December 31, 2024

	<u>Not past due</u>	<u>91-120 Days</u>	<u>121-150 Days</u>	<u>151-180 Days</u>	<u>181 Days or More</u>	<u>Total</u>
Expected credit loss rate	-	10.87%	8.74%	10.94%	35.75%	
Total carrying amount	\$ 647,911	\$ 43,856	\$ 39,913	\$ 60,403	\$ 196,447	\$ 988,530
Loss allowance (lifetime expected credit losses)	-	(4,765)	(3,489)	(6,610)	(70,223)	(85,087)
Amortized cost	<u>\$ 647,911</u>	<u>\$ 39,091</u>	<u>\$ 36,424</u>	<u>\$ 53,793</u>	<u>\$ 126,224</u>	<u>\$ 903,443</u>

Changes in loss allowance for accounts receivable are as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 85,087	\$ 26,137
Add: impairment loss recognized for the year	-	57,944
Less: reversal of impairment loss for the year	(41,960)	-
Foreign currency translation differences	(2,308)	1,006
Ending balance	<u>\$ 40,819</u>	<u>\$ 85,087</u>

11. Inventories

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Finished goods	\$ 546,144	\$ 595,566
Work in process	3,672	3,723
Work in progress	181,177	251,623
Raw materials	<u>438,400</u>	<u>525,399</u>
	<u>\$ 1,169,393</u>	<u>\$ 1,376,311</u>

The nature of cost of goods sold is as follows:

	<u>2025</u>	<u>2024</u>
Cost of inventories sold	\$ 2,919,482	\$ 2,736,987
Inventory valuation loss	<u>17,156</u>	<u>34,893</u>
	<u>\$ 2,936,638</u>	<u>\$ 2,771,880</u>

12. Non-current Assets Held for Sale and Disposal Groups Held for Sale

(1) Discontinued Operations

The Board of Directors of the Consolidated Company approved the plan to sell all equity of its subsidiary, Xiamen YoungTek Electronics Co., Ltd. on March 14, 2024. Since the selling price exceeds the carrying amount of the related net assets, there is no impairment loss to be recognized when classifying these units as held for sale. This disposal plan was completed on November 29, 2024, and control of Xiamen YoungTek Electronics Co., Ltd. was transferred to the acquirer on that date.

Details of discontinued operations' profit and loss and cash flow information are as follows:

	<u>January 1 to November 29, 2024</u>
Operating revenue	\$ 9,368
Operating costs	(<u>12,125</u>)
Gross operating loss	(2,757)
Selling Expenses	(\$ 173)
Administrative Expenses	(33,045)
Other net gains and losses	<u>15,623</u>
Net operating loss	(20,352)
Interest income	23
Other income	382
Other gains and losses	238
Finance Costs	(<u>5,585</u>)
Loss before income tax	(25,294)
Income tax expense	<u>-</u>
Loss from discontinued operations	<u>(\$ 25,294)</u>

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(Brought forward)

	January 1 to November 29, 2024
Loss from discontinued operations attributable to:	
Owners of the Company	(\$ 25,294)
Non-controlling interests	<u>-</u>
	<u>(\$ 25,294)</u>
Cash flow	
Operating activities	(\$ 16,869)
Investing activities	4,514
Financing activities	11,858
Financing activities	<u>(1,618)</u>
Net cash outflow	<u>(\$ 2,115)</u>

Details of other profit and loss supplementary information of discontinued operations are as follows:

1. Depreciation and amortization

	January 1 to November 29, 2024
Property, plant and equipment	\$ 7,801
Right-of-use assets	565
Intangible assets	<u>95</u>
Total	<u>\$ 8,461</u>
Depreciation expenses summarized by function	
Operating expenses	<u>\$ 8,366</u>
Amortization expenses summarized by function	
Operating expenses	<u>\$ 95</u>

2. Employee benefit expenses

	January 1 to November 29, 2024
Other employee benefits	<u>\$ 7,176</u>
Total employee benefit expenses	<u>\$ 7,176</u>
Summarized by function	
Operating expenses	<u>\$ 7,176</u>

There is no income tax loss or benefit resulting from any loss due to business closure.

The carrying amounts of assets and liabilities of Xiamen YoungTek Electronics Co., Ltd. on the disposal date are disclosed in Note 31.

13. Subsidiaries

(1) Subsidiaries Included in the Consolidated Financial Statements

The entities included in the preparation of these consolidated financial statements are as follows:

Investing Company Name	Subsidiary Name	Business Nature	Percentage of Shareholding %		Description
			December 31, 2025	December 31, 2024	
the Company	YTEC Holding (Samoa) Co., Ltd. (YTEC Samoa Company)	Investment holding	100.00	100.00	—
	Wecon Limited (Samoa) (Wecon Samoa Company)	Investment holding	100.00	100.00	—
	NexTagder CO., LTD. (NexTagder Company) (formerly Wecon Automation Machinery Corp.)	Manufacturing of machinery and equipment, electronic components, wired and wireless communication machinery and equipment, telecommunication-controlled radio frequency equipment, computers and peripheral equipment, and molds; installation of machinery and computer equipment, telecommunications and other engineering; wholesale and retail of hardware, electrical appliances, machinery, computers and office machine equipment, telecommunications equipment, information software, electronic materials, etc.	50.00	100.00	Note 4
	YOUNGTEK ELECTRONICS CORPORATION USA, INC. (Youngtek USA)	Semiconductor equipment sales and OEM/ODM services	100.00	100.00	Note 1
YTEC Samoa Company	YTEC (Hong Kong) Global Limited (YTEC HK Company)	Investment holding	100.00	100.00	—
	Clear Reach Limited	Investment holding	100.00	100.00	—
	Suzhou YoungTek Microelectronics Co., Ltd. (Suzhou YoungTek)	Integrated circuit design; chip testing, packaging, and processing; technology development, technical services, and technical consultation in the semiconductor and integrated circuit field; computer software design and development; sales of semiconductors, electronic products, electromechanical equipment, and electronic components; mechanical equipment maintenance, leasing, and sales; self-operated and agency import and export business for various goods and technologies.	100.00	100.00	—
YTEC HK Company	Yangzhou YoungTek Electronics Co., Ltd. (Yangzhou YoungTek)	Research, development, production and processing of frequency control and selection components (RFID tags) and related equipment, and providing related technical consultation and services	45.00	45.00	Note 2
Clear Reach Limited	YoungTek Microelectronics (Shenzhen) Co., Ltd. (Shenzhen YoungTek)	Wafer and integrated circuit testing outsourcing, and providing related technical consultation and services	89.04	89.04	—
Wecon Limited (Samoa)	YoungTek Microelectronics (Shenzhen) Co., Ltd. (Shenzhen YoungTek)	Wafer and integrated circuit testing outsourcing, and providing related technical consultation and services	10.96	10.96	—

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(Brought forward)

Investing Company Name	Subsidiary Name	Business Nature	Percentage of Shareholding %		Description
			December 31, 2025	December 31, 2024	
Suzhou YoungTek	Anhui Utest Electronics Ltd. (Anhui Utest)	Semiconductor device specialized equipment manufacturing and sales; industrial automatic control computer hardware and software and auxiliary equipment manufacturing and sales; integrated circuit chip and product design and sales; software development and sales; semiconductor, electronic products, electronic components, electronic specialized equipment sales; mechanical equipment maintenance, leasing; technical services, development, consultation, promotion.	100.00	100.00	—

Note 1: The Company invested USD 500 thousand in YOUNGTEK ELECTRONICS CORPORATION USA, INC on April 18, 2024.

Note 2: The Company's shareholding ratio is 45%, however, the Company's management has evaluated that it still has control over Yangzhou YoungTek based on the relative absolute amount of voting rights held compared to other shareholders.

Note 3: The Company, based on operational planning, resolved to dispose of Xiamen YoungTek at the Board meeting on March 14, 2024, and sold all equity in November 2024, losing control over Xiamen YoungTek.

Note 4: Wecon Automation Machinery Corp. was approved by the competent authority on September 24, 2025 to change its registration to "NexTagder CO., LTD.", and NexTagder CO., LTD. was approved by the competent authority on November 17, 2025 to change its registration to "NexTagder Co., LTD.". NexTagder CO., LTD. conducted a capital increase on November 17, 2025, during which the Company did not subscribe to NexTagder CO., LTD.'s capital increase in proportion to its shareholding, resulting in the shareholding ratio decreasing from 100% to 50%. The Company holds 50% of the shares of NexTagder CO., LTD. As the Company holds more than half of the members of the Board of Directors of NexTagder CO., LTD., the Company has the substantive ability to direct its relevant activities, and therefore it is classified as a subsidiary.

(2) Information on Subsidiaries with Significant Non-controlling Interests

Subsidiary Name	Non-controlling Interests' Shareholding and Voting Rights Percentage	
	December 31, 2025	December 31, 2024
Yangzhou YoungTek	55.00%	55.00%

Information on the principal place of business and country of incorporation, please refer to Table 7 and 8.

Subsidiary Name	Profit/Loss Allocated to Non-controlling Interests		Non-controlling Interests	
	2025	2024	December 31, 2025	December 31, 2024
Yangzhou YoungTek	(\$ 40,057)	(\$ 33,706)	\$ 148,707	\$ 193,532

The following summarized financial information for subsidiaries with significant non-controlling interests is prepared based on amounts before elimination of intercompany transactions:

	December 31, 2025	December 31, 2024
Current assets	\$209,883	\$269,136
Non-current assets	88,357	126,358
Current liabilities	(27,863)	(41,030)
Non-current liabilities	-	(2,588)
Equity	<u>\$270,377</u>	<u>\$351,876</u>

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(Brought forward)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Equity attributable to:		
Owners of the Company	\$121,670	\$158,344
Non-controlling interests of subsidiaries	<u>148,707</u>	<u>193,532</u>
	<u>\$270,377</u>	<u>\$351,876</u>
	2025	2024
Operating revenue	<u>\$116,645</u>	<u>\$144,097</u>
Net Loss for the Year	(\$ 72,830)	(\$ 61,283)
Other comprehensive income	<u>(8,669)</u>	<u>19,750</u>
Total comprehensive income	<u>(\$ 81,499)</u>	<u>(\$ 41,533)</u>
Net loss attributable to:		
Owners of the Company	(\$ 32,773)	(\$ 27,577)
Non-controlling interests of subsidiaries	<u>(40,057)</u>	<u>(33,706)</u>
	<u>(\$ 72,830)</u>	<u>(\$ 61,283)</u>
Total comprehensive income attributable to:		
Owners of the Company	(\$ 36,675)	(\$ 18,690)
Non-controlling interests of subsidiaries	<u>(44,824)</u>	<u>(22,843)</u>
	<u>(\$ 81,499)</u>	<u>(\$ 41,533)</u>
Cash flow		
Operating activities	(\$ 32,577)	(\$ 43,800)
Investing activities	7,276	(331)
Financing activities	(2,618)	(2,625)
Effect of exchange rate changes	<u>(8,512)</u>	<u>20,021</u>
Net cash outflow	<u>(\$ 36,431)</u>	<u>(\$ 26,735)</u>

14. Investments Accounted for Using Equity Method

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Investments in associates	<u>\$356,122</u>	<u>\$154,702</u>
<u>Individually immaterial associates</u>		
Shanghai Jiuxi Testing Technology Co., Ltd. (Shanghai Jiuxi)	\$168,732	\$ -
Tian Zheng International Precision Machinery Co., Ltd. (Tian Zheng)	149,461	128,599
Sissca Co., Ltd. (Sissca)	<u>37,929</u>	<u>26,103</u>
	<u>\$356,122</u>	<u>\$154,702</u>

As of the balance sheet date, the Consolidated Company's ownership interest and voting right percentage in associates are as follows:

<u>Company Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Shanghai Jiuxi Testing Technology Co., Ltd.	48.40%	-
Tian Zheng	13.17%	14.60%
Sissca	15.30%	15.52%

Shanghai Jiuxi Testing Technology Co., Ltd.

	<u>2025</u>	<u>2024</u>
The Consolidated Company's share Net loss for the year	(\$ <u>8,972</u>)	\$ <u>-</u>

Tian Zheng

	<u>2025</u>	<u>2024</u>
The Consolidated Company's share Net loss for the year	(\$ <u>784</u>)	(\$ <u>10,745</u>)

Sissca

	<u>2025</u>	<u>2024</u>
The Consolidated Company's share Net profit (loss) for the year	\$ <u>11,748</u>	(\$ <u>1,585</u>)

On March 12, 2025, the the Board of Directors of the Consolidated Company resolved to invest RMB 40,000 thousand in Shanghai Jiuxi Testing Technology Co., Ltd., and acquired a 48.4% equity interest on August 1, 2025.

Due to employees exercising stock options at Sissca Co., Ltd on May 22 and December 31, 2025, YoungTek's shareholding ratio decreased from 15.52% to 15.30%.

Tian Zheng International Precision Machinery Co., Ltd. conducted a capital increase on November 17, 2025, during which the Company did not subscribe to Tian Zheng's capital increase in proportion to its shareholding, resulting in the shareholding ratio decreasing from 14.60% to 13.17%.

The Consolidated Company holds less than 20% of the voting rights in Tian Zheng and Sissca. After considering that the management holds one director seat in these companies, they have significant influence, so they still evaluate using the equity method.

15. Property, Plant, and Equipment

	December 31, 2025	December 31, 2024
Self-used	<u>\$ 2,589,702</u>	<u>\$ 2,105,425</u>
Leased out under operating leases	<u>53,184</u>	<u>56,139</u>
	<u>\$ 2,642,886</u>	<u>\$ 2,161,564</u>

(1) Self-used

	Owned Land	Buildings and Structures	Machinery and Equipment	Testing Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Equipment Pending Inspection and In-completed Projects	Total
Cost										
Balance on January 1, 2025	\$ 42,101	\$ 1,301,821	\$ 7,198,516	\$ 40,839	\$ 14,679	\$ 20,813	\$ 18,508	\$ 231,086	\$ 9,788	\$ 8,878,151
Additions	-	15,586	806,306	-	258	44	4,300	35,202	107,104	968,800
Disposals	-	-	(124,855)	-	(146)	(372)	-	(8,728)	-	(134,101)
Reclassification	-	-	(140,961)	47,793	-	-	-	-	(12,980)	(182,130)
Net exchange differences	-	6,356	(15,661)	-	(141)	(274)	(5)	(377)	18	(16,440)
Balance as of December 31, 2025	<u>\$ 42,101</u>	<u>\$ 1,323,763</u>	<u>\$ 8,005,267</u>	<u>\$ 88,632</u>	<u>\$ 14,650</u>	<u>\$ 20,211</u>	<u>\$ 22,803</u>	<u>\$ 257,183</u>	<u>\$ 103,930</u>	<u>\$ 9,878,540</u>
Accumulated depreciation										
Balance on January 1, 2025	\$ -	\$ 777,873	\$ 5,687,433	\$ 33,307	\$ 10,873	\$ 17,362	\$ 5,678	\$ 157,333	\$ -	\$ 6,689,859
Additions	-	48,283	521,216	7,700	1,014	1,128	2,750	22,174	-	604,265
Disposals	-	-	(54,993)	-	(146)	(335)	-	(6,063)	-	(61,337)
Reclassification	-	4,798	(23,195)	-	-	-	-	-	-	(18,397)
Net exchange differences	-	-	(7,423)	-	(60)	(238)	1	(146)	-	(7,866)
Balance as of December 31, 2025	<u>\$ -</u>	<u>\$ 830,954</u>	<u>\$ 6,123,038</u>	<u>\$ 41,007</u>	<u>\$ 11,681</u>	<u>\$ 17,917</u>	<u>\$ 8,429</u>	<u>\$ 173,298</u>	<u>\$ -</u>	<u>\$ 7,206,324</u>
Accumulated impairment										
Balance on January 1, 2025	\$ -	\$ -	\$ 82,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,867
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Net exchange differences	-	-	(353)	-	-	-	-	-	-	(353)
Balance as of December 31, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,514</u>
Net amount on December 31, 2025	<u>\$ 42,101</u>	<u>\$ 497,809</u>	<u>\$ 1,799,715</u>	<u>\$ 47,625</u>	<u>\$ 2,969</u>	<u>\$ 2,794</u>	<u>\$ 14,374</u>	<u>\$ 83,885</u>	<u>\$ 103,931</u>	<u>\$ 7,589,707</u>
Cost										
Balance as of January 1, 2024	\$ 42,101	\$ 1,193,240	\$ 8,033,836	\$ 54,773	\$ 12,660	\$ 61,247	\$ 22,743	\$ 203,202	\$ 123,214	\$ 9,747,016
Additions	-	225,242	138,084	307	1,789	1,188	1,097	27,171	6,374	401,252
Disposals	-	(118)	(114,531)	(20,056)	-	(24,970)	(5,334)	(19)	-	(165,028)
Reclassification	-	42,389	95,807	5,815	64	(3,528)	-	(235)	(112,400)	27,912
Disposal of subsidiaries (Note 31)	-	(165,611)	(1,046,778)	-	(31)	(26,135)	-	-	(7,712)	(1,246,267)
Net exchange differences	-	6,679	92,098	-	197	13,011	2	967	312	113,266
Balance as of December 31, 2024	<u>\$ 42,101</u>	<u>\$ 1,301,821</u>	<u>\$ 7,198,516</u>	<u>\$ 40,839</u>	<u>\$ 14,679</u>	<u>\$ 20,813</u>	<u>\$ 18,508</u>	<u>\$ 231,086</u>	<u>\$ 9,788</u>	<u>\$ 8,878,151</u>
Accumulated depreciation										
Balance as of January 1, 2024	\$ -	\$ 807,988	\$ 6,190,380	\$ 52,107	\$ 10,191	\$ 59,607	\$ 7,930	\$ 140,718	\$ -	\$ 7,268,921
Additions	-	58,259	388,110	2,323	1,327	1,413	2,763	18,322	-	472,517
Disposals	-	(118)	(79,780)	(20,056)	-	(24,965)	(5,015)	(18)	-	(129,952)
Reclassification	-	-	(52,583)	(1,067)	(756)	(3,706)	-	(2,243)	-	(60,355)
Disposal of subsidiaries (Note 31)	-	(91,659)	(813,883)	-	(31)	(26,063)	-	-	-	(931,636)
Net exchange differences	-	3,403	55,189	-	142	11,076	-	554	-	70,364
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ 777,873</u>	<u>\$ 5,687,433</u>	<u>\$ 33,307</u>	<u>\$ 10,873</u>	<u>\$ 17,362</u>	<u>\$ 5,678</u>	<u>\$ 157,333</u>	<u>\$ -</u>	<u>\$ 6,689,859</u>
Accumulated impairment										
Balance as of January 1, 2024	\$ -	\$ -	\$ 312,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 312,654
Additions	-	-	2,489	-	-	-	-	-	-	2,489
Disposals	-	-	(10,503)	-	-	-	-	-	-	(10,503)
Disposal of subsidiaries (Note 31)	-	-	(232,409)	-	-	-	-	-	-	(232,409)
Net exchange differences	-	-	10,636	-	-	-	-	-	-	10,636
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,867</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,867</u>
Net balance on December 31, 2024	<u>\$ 42,101</u>	<u>\$ 523,948</u>	<u>\$ 1,428,216</u>	<u>\$ 7,532</u>	<u>\$ 3,806</u>	<u>\$ 3,451</u>	<u>\$ 12,830</u>	<u>\$ 73,753</u>	<u>\$ 9,788</u>	<u>\$ 2,105,425</u>

The Consolidated Company's property, plant, and equipment for own use are depreciated on a straight-line basis over the following useful lives:

Buildings and structures	
Main plant buildings	15 to 41 years
Engineering systems	8 to 41 years
Machinery and equipment	2 to 10 years
Testing equipment	3 to 6 years
Transportation equipment	2 to 6 years
Office equipment	3 to 10 years
Leasehold improvements	3 to 11 years
Other equipment	3 to 8 years

The Consolidated Company recognized an impairment loss of NT\$2,489 thousand from January 1 to December 31, 2024, due to the evaluation of idle machinery and equipment used in the MINI LED department, which was downsized and eliminated based on operational planning. The impairment loss has been included under other gains and losses in the consolidated statement of comprehensive income.

No impairment losses were recognized for the year ended December 31, 2025.

The amounts of property, plant, and equipment for own use pledged as collateral for borrowings, please refer to Note 36.

(2) Operating Lease Rentals

	Buildings and Structures
<u>Cost</u>	
Balance as of January 1 and December 31, 2025	<u>\$106,362</u>
<u>Accumulated depreciation</u>	
Balance on January 1, 2025	\$ 50,223
Depreciation expense	<u>2,955</u>
Balance as of December 31, 2025	<u>\$ 53,178</u>
Net Amount on December 31, 2025	<u>\$ 53,184</u>
<u>Cost</u>	
Balance as of January 1 and December 31, 2024	<u>\$106,362</u>
<u>Accumulated depreciation</u>	
Balance as of January 1, 2024	\$ 47,268
Depreciation expense	<u>2,955</u>
Balance as of December 31, 2024	<u>\$ 50,223</u>
Net balance on December 31, 2024	<u>\$ 56,139</u>

The Consolidated Company leases out buildings and structures under operating leases, with lease terms of 5 years. All operating lease contracts include terms for adjusting the rent according to market rental rates when the lessee exercises the renewal option. The lessee does not have a preferential purchase option for the asset at the end of the lease term.

As of December 31, 2025 and 2024, the consolidated company received security deposits of NT\$6,830 thousand from operating lease contracts.

Future total lease payments to be received from operating leases of owned property, plant, and equipment are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Year 1	\$ 30,091	\$ 34,536
Year 2	30,091	30,091
Year 3	2,508	30,091
Year 4	<u>-</u>	<u>2,508</u>
	<u>\$ 62,690</u>	<u>\$ 97,226</u>

The Consolidated Company's property, plant, and equipment leased out under operating leases are depreciated on a straight-line basis over the following useful lives:

Buildings and Structures	
Main Plant Buildings	35 years

The Consolidated Company's property, plant, and equipment leased out under operating leases are not pledged as collateral for borrowings.

16. Lease Agreements

(1) Right-of-use Assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of right-of-use assets		
Land	\$210,376	\$182,090
Buildings	<u>72,678</u>	<u>87,692</u>
	<u>\$283,054</u>	<u>\$269,782</u>
	<u>2025</u>	<u>2024</u>
Additions to right-of-use assets	<u>\$ 45,550</u>	<u>\$114,396</u>
Depreciation expenses of right-of-use assets		
Land	\$ 11,029	\$ 11,453
Buildings	<u>14,779</u>	<u>14,694</u>
	<u>\$ 25,808</u>	<u>\$ 26,147</u>

Apart from the additions and depreciation expenses listed above, the Consolidated Company's right-of-use assets did not experience any significant subleasing or impairment from December 31, 2025 and 2024.

(2) Lease Liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of lease liabilities		
Current	<u>\$ 21,903</u>	<u>\$ 23,276</u>
Non-current	<u>\$261,450</u>	<u>\$243,725</u>

The ranges of discount rates for lease liabilities are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land	2.40%~3.15%	2.40%~3.15%
Buildings	2.40%~3.15%	2.40%~3.15%

(3) Significant Leasing Activities and Terms

The Consolidated Company leases certain equipment and machinery for product manufacturing and research and development, with lease terms of 5 years. At the expiration of the lease term, the Consolidated Company may choose to purchase the equipment at the nominal amount at that time, with no terms for renewal or purchase options.

The Consolidated Company also leases certain land and buildings for use as factories and offices, with lease terms of 2 to 20 years. At the termination of the lease term, the Consolidated Company has no preferential purchase options for the leased land and buildings.

As of December 31, 2025 and 2024, the refundable deposits paid by the Consolidated Company for operating lease contracts were NT\$1,342 thousand and NT\$1,100 thousand, respectively.

(4) Other Lease Information

	<u>2025</u>	<u>2024</u>
Short-term lease expenses	<u>\$ 24,622</u>	<u>\$ 26,288</u>
Total cash (outflow) of leases	<u>(\$ 59,637)</u>	<u>(\$ 55,360)</u>

The Consolidated Company has elected to apply the recognition exemption for building, machinery equipment, and transportation equipment leases that qualify as short-term leases, and does not recognize related right-of-use assets and lease liabilities for these leases.

17. Investment Property

<u>Completed Investment Property</u>	<u>2025</u>				
	<u>Beginning Balance</u>	<u>Additions During the Year</u>	<u>Decreases During the Year</u>	<u>Reclassificat ion</u>	<u>Ending Balance</u>
<u>Cost</u>					
Buildings and structures	\$ 6,356	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 6,356)</u>	\$ -
<u>Accumulated depreciation</u>					
Buildings and structures	<u>4,798</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 4,798)</u>	<u>-</u>
Net amount	<u>\$ 1,558</u>				<u>\$ -</u>

Completed Investment Property	2024				
	Beginning Balance	Additions During the Year	Decreases During the Year	Reclassification	Ending Balance
<u>Cost</u>					
Buildings and structures	\$ 6,356	\$ -	\$ -	\$ -	\$ 6,356
<u>Accumulated depreciation</u>					
Buildings and structures	4,669	\$ 129	\$ -	\$ -	4,798
Net amount	\$ 1,687				\$ 1,558

The lease terms for rental of investment property range from 3 to 5 years, and the lessees do not have preferential purchase rights for the investment property at the end of the lease terms.

As of December 31, 2024, the guarantee deposits received by the Consolidated Company from operating lease contracts for investment property were NT\$0 thousand.

Depreciation for investment property is recognized on a straight-line basis over the following useful lives:

Main building	33 to 41 years
Engineering systems	5 to 10 years

The fair value of investment property is estimated by the Consolidated Company's management with reference to the latest government-announced sales market prices in areas surrounding the investment property. After assessment, there are no signs of impairment. The appraised fair values are as follows:

	<u>December 31, 2024</u>
Fair value	<u>\$ 6,260</u>

All investment properties of the Consolidated Company are owned equity.

18. Intangible Assets

	Computer Software Costs	Goodwill	Patent Rights	Others	Total
<u>Cost</u>					
Balance on January 1, 2025	\$ 65,712	\$ 2,583	\$ 68,157	\$ 17,472	\$ 153,924
Acquired separately	32,063	-	-	429	32,492
Reclassification	-	-	-	3,300	3,300
Net exchange differences	(36)	-	-	(1,008)	(1,044)
Balance as of December 31, 2025	\$ 97,739	\$ 2,583	\$ 68,157	\$ 20,193	\$ 188,672

(Continued on next page)

(Brought forward)

	<u>Computer Software Costs</u>	<u>Goodwill</u>	<u>Patent Rights</u>	<u>Others</u>	<u>Total</u>
<u>Accumulated amortization</u>					
Balance on January 1, 2025	\$ 37,609	\$ -	\$ 62,011	\$ 16,816	\$ 116,436
Amortization expense	14,341	-	5,980	923	21,244
Net exchange differences	(40)	-	-	66	26
Balance as of December 31, 2025	<u>\$ 51,910</u>	<u>\$ -</u>	<u>\$ 67,991</u>	<u>\$ 17,805</u>	<u>\$ 137,706</u>
Net amount on December 31, 2025	<u>\$ 45,829</u>	<u>\$ 2,583</u>	<u>\$ 166</u>	<u>\$ 2,388</u>	<u>\$ 50,966</u>
<u>Cost</u>					
Balance as of January 1, 2024	\$ 44,719	\$ 2,583	\$ 68,157	\$ 16,446	\$ 131,905
Acquired separately	21,704	-	-	646	22,350
Disposal of subsidiaries (Note 31)	(1,135)	-	-	-	(1,135)
Net exchange differences	424	-	-	380	804
Balance as of December 31, 2024	<u>\$ 65,712</u>	<u>\$ 2,583</u>	<u>\$ 68,157</u>	<u>\$ 17,472</u>	<u>\$ 153,924</u>
<u>Accumulated amortization</u>					
Balance as of January 1, 2024	\$ 29,955	\$ -	\$ 55,994	\$ 15,743	\$ 101,692
Amortization expense	8,303	-	6,017	912	15,232
Disposal of subsidiaries (Note 31)	(1,060)	-	-	-	(1,060)
Net exchange differences	411	-	-	161	572
Balance as of December 31, 2024	<u>\$ 37,609</u>	<u>\$ -</u>	<u>\$ 62,011</u>	<u>\$ 16,816</u>	<u>\$ 116,436</u>
Net balance on December 31, 2024	<u>\$ 28,103</u>	<u>\$ 2,583</u>	<u>\$ 6,146</u>	<u>\$ 656</u>	<u>\$ 37,488</u>

Except for goodwill, amortization expenses are calculated on a straight-line basis according to the following useful lives:

Computer software costs	2 to 6 years
Patent rights	10 to 11 years
Others	2 to 10 years

Summarized amortization expenses by functions:

	<u>2025</u>	<u>2024</u>
Operating costs	\$ 4,106	\$ 4,618
Administrative expenses	2,523	150
Research and development expenses	14,615	10,369
Discontinued operations	-	95
	<u>\$ 21,244</u>	<u>\$ 15,232</u>

19. Other Assets

	December 31, 2025	December 31, 2024
Prepayments for intangible assets	\$131,471	\$109,310
Prepaid expenses	115,873	79,684
Supplies inventory	45,708	41,583
Refundable deposit (Note 16)	24,245	4,751
Tax credit	4,469	14,368
Refundable deposit - related parties (Note 35)	1,000	1,000
Others (Note)	<u>8,665</u>	<u>3,588</u>
	<u>\$331,431</u>	<u>\$254,284</u>
Current	\$174,714	\$139,223
Non-current	<u>156,717</u>	<u>115,061</u>
	<u>\$331,431</u>	<u>\$254,284</u>

Note: Mainly consists of temporary payments, advance payments, etc.

20. Borrowings

(1) Short-term Borrowings

	December 31, 2025	December 31, 2024
<u>Secured loans</u>		
Bank loans (Note)	<u>\$ 14,220</u>	<u>\$ 49,756</u>

Note: As of December 31, 2025 and 2024, the amount of discounted notes receivable among secured bank loans was NT\$14,220 thousand and NT\$49,756 thousand (refer to Note 10), with effective annual interest rates ranging from 0.70%-1.29% and 0.80%-1.95% as of December 31, 2025 and 2024, respectively.

21. Notes and Accounts Payable

	December 31, 2025	December 31, 2024
<u>Accounts payable</u>		
Arising from operations	<u>\$347,507</u>	<u>\$567,822</u>

The Consolidated Company has a financial risk management policy in place to ensure that all payables are paid within the predetermined credit terms.

22. Other Liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Other payables		
Salaries and bonuses payable	\$194,287	\$169,254
Payables for equipment	76,265	90,041
Payables for employees' compensation	64,200	55,400
Payables for directors' remuneration	5,400	5,300
Others (Note)	<u>208,717</u>	<u>159,684</u>
	<u>\$548,869</u>	<u>\$479,679</u>
Other liabilities		
Others (suspense receipts and receipts on behalf of others)	<u>\$ 12,225</u>	<u>\$ 7,315</u>

Note: Mainly payables for electricity, insurance, and other expenses.

23. Provisions

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	
<u>Current</u>			
Employee benefits(1)	\$ 5,458	\$ 5,291	
Warranty(2)	<u>1,217</u>	<u>1,218</u>	
	<u>\$ 6,675</u>	<u>\$ 6,509</u>	
	Employee benefits	Warranty	Total
Balance on January 1, 2025	\$ 5,291	\$ 1,218	\$ 6,509
Additions for the year	5,458	1,246	6,704
Reversals / Used for the year	(5,291)	(1,247)	(6,538)
Balance as of December 31, 2025	<u>\$ 5,458</u>	<u>\$ 1,217</u>	<u>\$ 6,675</u>
Balance as of January 1, 2024	\$ 4,902	\$ 1,072	\$ 5,974
Additions for the year	5,291	1,226	6,517
Reversals / Used for the year	(4,902)	(1,080)	(5,982)
Balance as of December 31, 2024	<u>\$ 5,291</u>	<u>\$ 1,218</u>	<u>\$ 6,509</u>

- (1) The provision for employee benefit liability is an estimate of employees' entitlement to long service leave.
- (2) The provision for warranty liability is based on the sales contract of goods, which represents the present value of the best estimate by the Consolidated Company's management of the future outflow of economic benefits resulting from warranty obligations. The estimate is

based on historical warranty experience and adjusted for factors such as new materials, changes in manufacturing processes, or other factors affecting product quality.

24. Post-Employment Benefit Plans

(1) Defined Contribution Plans

The retirement system under the "Labor Pension Act" applicable to the Company and NexTagder Company within the Consolidated Company is a government-managed defined contribution retirement plan, which contributes 6% of employees' monthly salaries as retirement funds to individual accounts at the Bureau of Labor Insurance.

Employees of the Consolidated Company's subsidiaries in mainland China are members of the retirement benefit plans operated by the local governments. The subsidiaries are required to contribute a specific percentage of salary costs to the retirement benefit plans to fund these plans. The Consolidated Company's obligation to these government-operated retirement benefit plans is limited to contributing a specific amount.

(2) Defined Benefit Plans

The retirement system implemented by the Company in accordance with Taiwan's "Labor Standards Act" is a government-managed defined benefit retirement plan. Employee retirement payments are calculated based on years of service and the average wages for the 6 months preceding the approved retirement date. The Company contributes 2% of employees' total monthly salaries to the employee retirement fund, which is deposited in a dedicated account at the Bank of Taiwan under the name of the Labor Retirement Reserve Supervision Committee. Before the end of the fiscal year, if the estimated balance in the dedicated account is insufficient to pay employees expected to meet retirement conditions in the following year, the difference will be contributed in a lump sum by the end of March of the following year. The dedicated account is managed by the Bureau of Labor Funds, Ministry of Labor, and the Consolidated Company has no right to influence the investment management strategy.

The amounts of defined benefit plans included in the consolidated balance sheet are shown below:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$108,846	\$ 83,675
Fair value of plan assets	<u>(155,523)</u>	<u>(134,985)</u>
Net defined benefit assets	<u>(\$ 46,677)</u>	<u>(\$ 51,310)</u>

Changes in net defined benefit assets are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
January 1, 2024	<u>\$ 91,362</u>	<u>(\$ 118,339)</u>	<u>(\$ 26,977)</u>
Service cost			
Current service cost	-	-	-
Interest expense (income)	<u>1,197</u>	<u>(1,550)</u>	<u>(353)</u>
Recognized in profit or loss	<u>1,197</u>	<u>(1,550)</u>	<u>(353)</u>
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	\$ -	(\$ 9,919)	(\$ 9,919)
Actuarial loss (gains)			
- Demographic assumption changes	924	-	924
- Financial assumption changes	(4,764)	-	(4,764)
- Experience adjustments	<u>1,351</u>	<u>-</u>	<u>1,351</u>
Recognized in other comprehensive income	<u>(2,489)</u>	<u>(9,919)</u>	<u>(12,408)</u>
Employer contributions	<u>-</u>	<u>(11,572)</u>	<u>(11,572)</u>
Benefit payments	<u>(6,395)</u>	<u>6,395</u>	<u>-</u>
December 31, 2024	<u>83,675</u>	<u>(134,985)</u>	<u>(51,310)</u>
Service cost			
Current service cost	-	-	-
Interest expense (income)	<u>1,422</u>	<u>(2,295)</u>	<u>(873)</u>
Recognized in profit or loss	<u>1,422</u>	<u>(2,295)</u>	<u>(873)</u>
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	-	(9,008)	(9,008)
Actuarial loss (gains)			
- Demographic assumption changes	(3,225)	-	(3,225)
- Financial assumption changes	3,451	-	3,451
- Experience adjustments	<u>26,365</u>	<u>-</u>	<u>26,365</u>
Recognized in other comprehensive income	<u>26,591</u>	<u>(9,008)</u>	<u>17,583</u>
Employer contributions	<u>-</u>	<u>(12,077)</u>	<u>(12,077)</u>
Benefit payments	<u>(2,842)</u>	<u>2,842</u>	<u>-</u>
December 31, 2025	<u>\$ 108,846</u>	<u>(\$ 155,523)</u>	<u>(\$ 46,677)</u>

Amounts recognized in profit or loss for defined benefit plans are summarized by function as follows:

	<u>2025</u>	<u>2024</u>
Summarized by function		
Operating costs	(\$ 546)	(\$ 224)
Selling expenses	(66)	(26)
Administrative expenses	(33)	(13)
Research and development expenses	(<u>228</u>)	(<u>90</u>)
	(<u>\$ 873</u>)	(<u>\$ 353</u>)

The Consolidated Company is exposed to the following risks due to the pension system under the "Labor Standards Act":

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor allocates labor retirement funds to domestic and foreign equity securities, debt securities, and bank deposits through self-management and commissioned management. However, the amount of plan assets distributable to the Company is calculated based on returns at a rate not lower than the local banks' 2-year time deposit rate.
2. Interest rate risk: A decrease in the interest rates of government bonds/corporate bonds will increase the present value of the defined benefit obligation; however, the return on debt investments of plan assets will also increase accordingly. The effects on the net defined benefit liability partially offset each other.
3. Salary risk: The calculation of the present value of defined benefit obligations refers to the future salaries of plan members. Therefore, an increase in the salaries of plan members will increase the present value of the defined benefit obligations.

The present value of the Consolidated Company's defined benefit obligations is actuarially determined by qualified actuaries, with the significant assumptions at the measurement date as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.51%	1.70%
Expected salary increase rate	3.00%	3.00%
Rate of return on plan assets	1.51%	1.70%

The overall expected rate of return on plan assets is based on historical return trends and actuaries' forecasts of the market in which these assets operate over the duration of the related obligations, as well as estimates that consider the effect of the utilization of these plan assets and minimum returns.

If significant actuarial assumptions undergo reasonably possible changes respectively, with all other assumptions remaining unchanged, the amount by which the present value of the defined benefit obligation would increase (decrease) is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
Increase by 0.50%	(\$ 8,591)	(\$ 5,737)
Decrease by 0.50%	<u>\$ 9,547</u>	<u>\$ 6,231</u>
Expected salary increase rate		
Increase by 0.50%	<u>\$ 9,354</u>	<u>\$ 6,118</u>
Decrease by 0.50%	(\$ 8,512)	(\$ 5,694)

Since actuarial assumptions may be interrelated, the possibility of a change in only a single assumption is unlikely, so the above sensitivity analysis may not reflect the actual changes in the present value of the defined benefit obligation.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expected contribution within 1 year	<u>\$ 12,483</u>	<u>\$ 11,969</u>
Average maturity period of defined benefit obligation	17 years	14 years

25. Equity

(1) Share Capital

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Authorized shares (in thousands)	<u>150,000</u>	<u>150,000</u>
Authorized capital	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Number of issued and fully paid shares (in thousands)	<u>128,498</u>	<u>128,498</u>
Issued capital	<u>\$ 1,284,980</u>	<u>\$ 1,284,980</u>

There is no significant change in the company's share capital. Each issued common stock has a par value of 10 dollars, with one voting right and the right to receive dividends.

Among the authorized capital, 5,000 thousand shares are reserved for employee stock options.

(2) Capital Surplus

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Can be used to cover losses, distribute cash or capitalize (Note 1)</u>		
Share premium	\$ 2,275,616	\$ 2,275,616
Merger premium	89,710	89,710
Employee stock options	15,948	15,948
Conversion rights of convertible bonds	2,176	2,176
Changes in equity of associates recognized under the equity method	1,646	1,646

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(Brought forward)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Can only be used to cover losses (Note 2)</u>		
Changes in equity of associates recognized under the equity method	62,723	45,580
Recognition of changes in ownership interests in subsidiaries	8,523	8,514
Donated assets	<u>260</u>	<u>214</u>
	<u>\$ 2,456,602</u>	<u>\$ 2,439,404</u>

Note 1: This type of capital surplus can be used to cover losses, and can also be used to distribute cash or transfer to share capital when the Company has no losses. However, the annual transfer to share capital is limited to a certain percentage of the paid-in capital.

Note 2: This type of capital surplus represents the impact of equity transactions recognized due to changes in subsidiary equity when the Company has not actually acquired or disposed of subsidiary shares, or adjustments to capital surplus of subsidiaries recognized by the Company under the equity method.

(3) Retained Earnings and Dividend Policy

According to the profit distribution policy stipulated in the Articles of Incorporation, the Company's distribution of profits or offsetting of losses may be made after the end of each semi-accounting year. If there are profits after the settlement of each semi-accounting year, tax payments should be made first, followed by offsetting accumulated losses, then allocating 10% as legal reserve; however, this is not applicable when the legal reserve has reached the Company's paid-in capital. The Company shall set aside or reverse special reserve in accordance with laws or regulations of the competent authority. If there is still remaining profit, combined with accumulated undistributed earnings, the Board of Directors shall prepare a proposal for profit distribution in accordance with the Company's dividend policy. When distributing by issuing new shares, it shall be submitted to the shareholders' meeting for resolution.

For the distribution of the aforementioned earnings, legal reserve, and capital surplus in cash, the Board of Directors is authorized to resolve the distribution with the attendance of two-thirds or more of the directors and the approval of more than half of the attending directors, and shall report to the shareholders' meeting.

For the employees' and directors' compensation distribution policy stipulated in the Articles of Incorporation, please refer to Note 27(8) Employees' compensation and Directors' remuneration.

The Company considers future capital requirements and long-term financial planning, while also satisfying shareholders' cash flow needs. Each year, the Board of Directors

legally prepares a distribution proposal to be submitted to the shareholders' meeting for resolution. The distribution of shareholders' dividends may be made in cash or stock, but the proportion of cash dividends shall not be less than 20% of the total dividends.

Legal reserve should be allocated until its balance reaches the total amount of the Company's paid-in capital. When the Company has no losses, the portion of legal reserve exceeding 25% of the total paid-in capital may be distributed in cash in addition to being capitalized.

The earnings distribution for 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Legal reserve	<u>\$ 53,443</u>	<u>\$ 52,658</u>
Special reserve	<u>\$ 10,763</u>	<u>(\$ 14,910)</u>
Cash dividends	<u>\$513,992</u>	<u>\$513,992</u>
Cash dividend per share (NT\$)	\$ 4.0	\$ 4.0

The aforementioned cash dividends were resolved for distribution by the Board of Directors on March 12, 2025 and March 14, 2024 respectively, while the remaining earnings distribution items were resolved at the Annual Shareholders' Meetings on June 27, 2025 and June 19, 2024 respectively.

The Company's Board of Directors proposed the earnings distribution plan for 2025 on March 9, 2026 as follows:

	<u>2025</u>
Legal reserve	<u>\$ 52,650</u>
Special reserve	<u>\$ 67,426</u>
Cash dividends	<u>\$321,245</u>
Cash dividend per share (NT\$)	\$ 2.5

The above cash dividends have been resolved for distribution by the Board of Directors, while the remaining items are still pending resolution at the Annual Shareholders' Meeting scheduled to be held on June 9, 2026.

(4) Special Reserve

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 17,785	\$ 32,695
Appropriation for special reserve		
Appropriation for reduction in other equity items	10,763	-
Reversal of special reserve		
Reversal of reduction in other equity items	-	(14,910)
Ending balance	<u>\$ 28,548</u>	<u>\$ 17,785</u>

(5) Other Equity Items

1. Exchange Differences on Translation of the Financial Statements of Foreign Operations

	<u>2025</u>	<u>2024</u>
Beginning balance	(\$ 64,977)	(\$ 91,401)
Current period incurred		
Exchange differences on translation of foreign operations	(6,509)	26,424
Other comprehensive income for the year	(6,509)	26,424
Ending balance	(\$ 71,486)	(\$ 64,977)

2. Unrealized Gains and Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 36,429	\$ 73,616
Unrealized gains and losses		
Equity instruments	(65,181)	(38,628)
Share of associates accounted for using equity method	4,264	1,441
Ending balance	(\$ 24,488)	\$ 36,429

(6) Non-controlling Interests

	<u>2025</u>	<u>2024</u>
Beginning balance	\$193,532	\$216,375
Net loss for the year	(40,394)	(33,706)
Other comprehensive income for the year		
Exchange differences on translating the financial statements of foreign operations	(4,768)	10,863
Changes in acquisition of non-controlling interests of subsidiaries	8,991	-
Ending balance	\$157,361	\$193,532

26. Revenue

	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers		
Processing income	\$ 2,501,008	\$ 2,437,331
Sales revenue	1,355,954	1,265,240
Other income	333,739	264,237
	<u>\$ 4,190,701</u>	<u>\$ 3,966,808</u>

(1) Contract balances

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Accounts receivable (Note X)	<u>\$ 1,234,681</u>	<u>\$ 903,443</u>	<u>\$ 997,015</u>
Contract Liabilities			
Contract liabilities - current	\$ 105,300	\$ 69,125	\$ 171,960
Contract liabilities - related parties (Note 35)	<u>1,140</u>	<u>1,140</u>	<u>-</u>
	<u>\$ 106,440</u>	<u>\$ 70,265</u>	<u>\$ 171,960</u>

The changes in contract liabilities primarily result from the timing difference between the satisfaction of performance obligations and customer payments.

Revenue recognized during the year from contract liabilities at the beginning of the year and performance obligations satisfied in previous periods is as follows:

	<u>2025</u>	<u>2024</u>
<u>From contract liabilities at the beginning of the year</u>		
Sale of goods	<u>\$ 67,779</u>	<u>\$161,513</u>

Analysis of revenue from major products and services, refer to Note 40.

27. Net Profit from Continuing Operations

(1) Other Gains and Losses, Net

	<u>2025</u>	<u>2024</u>
Operating lease rental income	\$ 33,338	\$ 38,033
Gain on Disposal of Property, Plant and Equipment	24,958	7,994
Depreciation expenses of leased assets	(2,955)	(2,955)
Depreciation expenses of investment properties	<u>-</u>	<u>(129)</u>
	<u>\$ 55,341</u>	<u>\$ 42,943</u>

(2) Interest Income

	<u>2025</u>	<u>2024</u>
Bank deposits	<u>\$ 28,518</u>	<u>\$ 46,253</u>

(3) Other Income

	<u>2025</u>	<u>2024</u>
Grant Income (Note 30)	\$ 51,942	\$ -
Dividend Income	2,011	6,478
Others	3,486	4,035
	<u>\$ 57,439</u>	<u>\$ 10,513</u>

(4) Other Gains and Losses

	<u>2025</u>	<u>2024</u>
Net foreign currency exchange gains	\$ 39,979	\$ 64,978
Net gains on financial assets measured at fair value through profit or loss	3,222	143
Disposal of Subsidiaries gains (Note 31)	-	75,121
Impairment Loss on Property, Plant, and Equipment	-	(2,489)
Others	(10,551)	(4,406)
	<u>\$ 32,650</u>	<u>\$133,347</u>

(5) Finance Costs

	<u>2025</u>	<u>2024</u>
Interest on lease liabilities	\$ 6,767	\$ 5,694
Other interest expenses	388	1,364
	<u>\$ 7,155</u>	<u>\$ 7,058</u>

(6) Depreciation and Amortization

	<u>2025</u>	<u>2024</u>
Property, plant and equipment	\$607,220	\$467,671
Right-of-use assets	25,808	25,582
Investment Property	-	129
Intangible assets	21,244	15,137
Total	<u>\$654,272</u>	<u>\$508,519</u>
Depreciation expenses summarized by function		
Operating costs	\$586,572	\$451,799
Operating expenses	43,501	38,499
Other gains and losses	2,955	3,084
	<u>\$633,028</u>	<u>\$493,382</u>
Amortization expenses summarized by function		
Operating costs	\$ 4,106	\$ 4,618
Operating expenses	17,138	10,519
	<u>\$ 21,244</u>	<u>\$ 15,137</u>

(7) Employee Benefits Expenses

	<u>2025</u>	<u>2024</u>
Post-employment benefits		
Defined contribution plans	\$ 41,144	\$ 39,953
Defined benefit plans (Note 24)	(873)	(353)
	40,271	39,600
Other employee benefits	<u>1,349,779</u>	<u>1,281,661</u>
Total employee benefit expenses	<u>\$ 1,390,050</u>	<u>\$ 1,321,261</u>
Summarized by function		
Operating costs	\$ 836,546	\$ 858,152
Operating expenses	<u>553,504</u>	<u>463,109</u>
	<u>\$ 1,390,050</u>	<u>\$ 1,321,261</u>

(8) Employees' compensation and Directors' remuneration

According to the Company's Articles of Incorporation, employees' compensation and directors' remuneration shall be appropriated from the profit before income tax before deducting employees' and directors' compensation at rates of no less than 2% and no more than 5%, respectively. In accordance with the amendment to the Securities and Exchange Act in August 2024, the Company resolved to amend its Articles of Incorporation at the shareholders' meeting on June 27, 2025, stipulating that no less than 20% of the employees' compensation allocated for the current year shall be distributed as compensation for entry-level employees. The estimated employees' compensation and directors' remuneration for the years 2025 and 2024 were resolved by the Board of Directors on March 9, 2026 and March 12, 2025, respectively, as follows:

Estimated ratio

	<u>2025</u>	<u>2024</u>
Employees' compensation	9.28%	8.05%
Directors' remuneration	0.78%	0.77%

Amount

	<u>2025</u>	<u>2024</u>
	<u>Cash</u>	<u>Cash</u>
Employees' compensation	\$ 64,200	\$ 55,400
Directors' remuneration	5,400	5,300

If there are any changes to the amounts after the date of approval and issuance of the annual consolidated financial statements, they will be treated as changes in accounting estimates and adjusted in the following year.

The actual distribution amounts of employees' compensation and directors' remuneration for 2024 and 2023 were not different from the amounts recognized in the 2024 and 2023 consolidated financial statements.

For information about the employees' compensation and directors' remuneration resolved by the Company's Board of Directors, please refer to the Market Observation Post System of the Taiwan Stock Exchange.

(9) Foreign exchange (loss) gain

	<u>2025</u>	<u>2024</u>
Total foreign exchange gains	\$162,997	\$ 67,101
Total foreign exchange losses	(123,018)	(2,123)
Net gain	<u>\$ 39,979</u>	<u>\$ 64,978</u>

28. Income Tax from Continuing Operations

(1) Income Tax Recognized in Profit or Loss

The main components of income tax expense are as follows:

	<u>2025</u>	<u>2024</u>
Current income tax		
Generated from current year	\$103,819	\$148,715
Adjustments for previous years	(22,910)	(22,423)
Deferred income tax		
Generated from current year	<u>8,570</u>	(10,304)
Income tax expense recognized in profit or loss	<u>\$ 89,479</u>	<u>\$115,988</u>

The reconciliation between accounting income and income tax expense is as follows:

	<u>2025</u>	<u>2024</u>
Income before income tax from continuing operations	<u>\$593,174</u>	<u>\$629,594</u>
Income tax expense calculated at statutory tax rate on net income before tax	\$117,039	\$133,898
Items that should be adjusted (decreased / increased) when determining taxable income	(729)	1,867
Unrecognized deductible temporary differences	(3,921)	2,646
Adjustment of current income tax expense of previous years in the current year	(22,910)	(22,423)
Income tax expense recognized in profit or loss	<u>\$ 89,479</u>	<u>\$115,988</u>

The tax rate applicable to subsidiaries in China is 25%; tax amounts generated from other jurisdictions are calculated according to the applicable tax rates in each relevant jurisdiction.

(2) Current Income Tax Liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current income tax liabilities		
Income tax payable	<u>\$176,979</u>	<u>\$166,280</u>

(3) Deferred Income Tax Assets and Liabilities

The movements of deferred income tax assets and liabilities are as follows:

2025

<u>Deferred income tax assets</u>	<u>Beginning balance</u>	<u>Recognized in profit or loss</u>	<u>Ending balance</u>
Temporary differences			
Allowance for inventory valuation losses	\$ 26,806	\$ 2,517	\$ 29,323
Deferred income	55,060	(1,686)	53,374
Provisions	244	(1)	243
Others	<u>5,313</u>	<u>(811)</u>	<u>4,502</u>
	<u>\$ 87,423</u>	<u>\$ 19</u>	<u>\$ 87,442</u>

<u>Deferred income tax liabilities</u>	<u>Beginning balance</u>	<u>Recognized in profit or loss</u>	<u>Ending balance</u>
Temporary differences			
Allowance for losses	(\$ 288)	(\$ 1,972)	(\$ 2,260)
Others	<u>(1,430)</u>	<u>(6,617)</u>	<u>(8,047)</u>
	<u>(\$ 1,718)</u>	<u>(\$ 8,589)</u>	<u>(\$ 10,307)</u>

2024

<u>Deferred income tax assets</u>	<u>Beginning balance</u>	<u>Recognized in profit or loss</u>	<u>Ending balance</u>
Temporary differences			
Allowance for inventory valuation losses	\$ 20,053	\$ 6,753	\$ 26,806
Deferred income	45,807	9,253	55,060
Allowance for losses	336	(336)	-
Provisions	214	30	244
Others	<u>8,991</u>	<u>(3,678)</u>	<u>5,313</u>
	<u>\$ 75,401</u>	<u>\$ 12,022</u>	<u>\$ 87,423</u>

<u>Deferred income tax liabilities</u>	<u>Beginning balance</u>	<u>Recognized in profit or loss</u>	<u>Ending balance</u>
Temporary differences			
Allowance for losses	\$ -	(\$ 288)	(\$ 288)
Others	<u>-</u>	<u>(1,430)</u>	<u>(1,430)</u>
	<u>\$ -</u>	<u>(\$ 1,718)</u>	<u>(\$ 1,718)</u>

- (4) The Amounts of Deductible Temporary Differences and Unused Tax Loss Carryforward Amounts for Which Deferred Income Tax Assets Have Not Been Recognized in the Consolidated Balance Sheet

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Tax loss carryforward		
Expires in 2025	\$ -	\$ 166,441
Expires in 2026	-	152,141
Expires in 2027	-	144,639
Expires in 2028	40,575	33,669
Expires in 2029	<u>79,205</u>	<u>-</u>
	<u>\$ 119,780</u>	<u>\$ 496,890</u>
Deductible temporary differences	<u>\$ 1,108,402</u>	<u>\$ 1,128,007</u>

- (5) Status of Income Tax Assessments

The company's profit-seeking enterprise income tax returns have been assessed by the tax authorities up to 2023.

29. Earnings per share (Unit: NT\$ per share)

	<u>2025</u>	<u>2024</u>
Basic earnings per share		
From continuing operations	\$ 4.23	\$ 4.26
From discontinued operations	<u>-</u>	<u>(0.20)</u>
Total basic earnings per share	<u>\$ 4.23</u>	<u>\$ 4.06</u>
Diluted earnings per share		
From continuing operations	\$ 4.20	\$ 4.23
From discontinued operations	<u>-</u>	<u>(0.20)</u>
Total diluted earnings per share	<u>\$ 4.20</u>	<u>\$ 4.03</u>

The earnings and weighted average number of ordinary shares used in the calculation of earnings per share from continuing operations are as follows:

Profit for the year

	<u>2025</u>	<u>2024</u>
Net income attributable to owners of the Company	\$544,089	\$522,018
Add: Net profit of discontinued operations used to calculate basic earnings per share of discontinued operations	<u>-</u>	<u>25,294</u>
Net income used to calculate basic earnings per share from continuing operations	544,089	547,312
Effect of dilutive potential ordinary shares	<u>-</u>	<u>-</u>
Net income used to calculate diluted earnings per share from continuing operations	<u>\$544,089</u>	<u>\$547,312</u>

Number of shares in thousands

	<u>2025</u>	<u>2024</u>
Weighted average number of ordinary shares used to calculate basic earnings per share	128,498	128,498
Effect of dilutive potential ordinary shares:		
Employees' compensation	<u>1,116</u>	<u>1,041</u>
Weighted average number of ordinary shares used to calculate diluted earnings per share	<u>129,614</u>	<u>129,539</u>

If the Consolidated Company can choose to distribute employee compensation in stocks or cash, then when calculating diluted earnings per share, it is assumed that employee compensation will be distributed in the form of stocks, and these potential ordinary shares are included in the weighted average number of outstanding shares when they have a dilutive effect, in order to calculate diluted earnings per share. When calculating diluted earnings per share before resolving the number of shares for employee compensation in the following year, the dilutive effect of these potential ordinary shares continues to be considered.

30. Government Grants

In December 2025, the Consolidated Company received a government grant for a development project under the "Industrial Upgrading Innovation Platform Guidance Program" from the Ministry of Economic Affairs, with an approved amount of NT\$51,942 thousand. The full amount of the grant was allocated in December 2025 and recognized under other income in the amount of NT\$51,942 thousand.

31. Disposal of Subsidiaries

Based on operational planning, the Consolidated Company resolved to sell YTEC Samoa's investment in Xiamen YoungTek at the Board of Directors meeting on March 14, 2024, and signed an equity transfer agreement on November 26, 2024. The Consolidated Company completed the disposal on November 29, 2024, and lost control of the subsidiary.

(1) Consideration Received

Total Consideration Received	<u>Xiamen YoungTek</u> <u>\$ 10,260</u>
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(2) Analysis of Assets and Liabilities for which Control was Lost

Current assets	<u>Xiamen YoungTek</u>
Cash and cash equivalents	\$ 8,058
Other receivables	4,245
Inventory	178
Other current assets	140

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	<u>Xiamen YoungTek</u>
Non-current assets	
Property, plant and equipment	82,222
Right-of-use assets	19,814
Intangible assets	75
Current liabilities	
Short-term borrowings	(25,297)
Accounts payable	(2,452)
Other payables	(3,268)
Other current liabilities	(857)
Non-current liabilities	
Long-term borrowings	(147,719)
Net assets disposed	(<u>\$ 64,861</u>)

(3) Gain on Disposal of Subsidiary

	<u>Xiamen YoungTek</u>
Consideration Received	\$ 10,260
Net Assets Disposed	<u>64,861</u>
Gain on Disposal	<u>\$ 75,121</u>

(4) Net Cash Inflow from Disposal of Subsidiary

	<u>Xiamen YoungTek</u>
Consideration received in cash and cash equivalents	\$ 10,260
Less: disposed of cash and cash equivalents balances	(<u>8,058</u>)
	<u>\$ 2,202</u>

32. Cash Flow Information

(1) Non-cash Transactions

The Consolidated Company engaged in the following non-cash investment and financing activities in 2025 and 2024:

In 2025 and 2024, the Consolidated Company transferred inventory of NT\$219,021 thousand and NT\$122,940 thousand, respectively, to property, plant, and equipment; additionally, in 2025 and 2024, the Consolidated Company transferred net property, plant and equipment of NT\$16,752 thousand (recorded cost of NT\$39,947 thousand less accumulated depreciation of NT\$23,195 thousand) and NT\$34,673 thousand (recorded cost of NT\$95,028 thousand less accumulated depreciation of NT\$60,355 thousand) respectively to inventory. Furthermore, from in 2025, the Consolidated Company transferred net property, plant and equipment of NT\$3,300 thousand (recorded as equipment pending inspection and construction in progress) to intangible assets.

Additionally, in 2025, the Consolidated Company transferred net investment property of NT\$1,558 thousand (recorded cost of NT\$6,356 thousand less accumulated depreciation of NT\$4,798 thousand) to property, plant and equipment (see Notes 15, 17, and 18).

33. Capital Risk Management

The Consolidated Company conducts capital management to ensure that, on the premise of continuing operations, it can maximize shareholder returns by optimizing the balance between debt and equity. The Consolidated Company's overall strategy remains unchanged.

The Consolidated Company's capital structure consists of net debt (i.e., borrowings less cash and cash equivalents) and equity (i.e., share capital, capital surplus, retained earnings, and other equity items).

The Consolidated Company is not subject to any other external capital requirements.

The Consolidated Company's key management regularly reviews the Consolidated Company's capital structure, and their review includes consideration of the costs and related risks of various types of capital. The Consolidated Company will balance its overall capital structure through methods such as paying dividends, issuing new shares, repurchasing shares, and issuing new debt or repaying old debt, based on the recommendations of its key management.

34. Financial Instruments

(1) Fair Value Information—Financial Instruments Not Measured at Fair Value

The Consolidated Company's management believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

(2) Fair Value Information—Financial Instruments 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 measured at fair value through profit or loss</u>				
Limited partnership	\$ -	\$ -	\$ 33,189	\$ 33,189
<u>Financial assets measured at fair value through other comprehensive income</u>				
Equity instrument investments				
- Domestic listed (OTC) and emerging stocks	\$ 281,448	\$ -	\$ -	\$ 281,448
- Domestic unlisted (OTC) stocks	-	-	1,189	1,189
- Foreign unlisted (OTC) stocks	-	-	110,034	110,034
Total	<u>\$ 281,448</u>	<u>\$ -</u>	<u>\$ 111,223</u>	<u>\$ 392,671</u>

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets measured at fair value through profit or loss</u>				
Limited partnership	\$ -	\$ -	\$ 30,055	\$ 30,055
<u>Financial assets measured at fair value through other comprehensive income</u>				
Equity instrument investments				
- Domestic listed (OTC) and emerging stocks	\$ 345,972	\$ -	\$ -	\$ 345,972
- Domestic unlisted (OTC) stocks	-	-	5,000	5,000
- Foreign unlisted (OTC) stocks	-	-	114,447	114,447
Total	<u>\$ 345,972</u>	<u>\$ -</u>	<u>\$ 119,447</u>	<u>\$ 465,419</u>
<u>Financial liabilities measured at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 88	\$ -	\$ 88

There was no transfer between Level 1 and Level 2 fair value measurements in 2025 and 2024.

2. Reconciliation of financial instruments measured at Level 3 fair value

2025

	Equity instruments measured at fair value through profit or loss	Equity instruments measured at fair value through other comprehensive income	Total
Beginning balance	\$ 30,055	\$ 119,447	\$ 149,502
Recognized in profit or loss (other gains and losses)	3,134	-	3,134
Recognized in other comprehensive income (unrealized valuation of financial assets measured at fair value through other comprehensive income)	-	(657)	(657)
Disposals	-	(7,567)	(7,567)
Ending balance	<u>\$ 33,189</u>	<u>\$ 111,223</u>	<u>\$ 144,412</u>

2024

	Equity instruments measured at fair value through profit or loss	Equity instruments measured at fair value through other comprehensive income	Total
Beginning balance	\$ 14,824	\$ 108,493	\$ 123,317
Recognized in profit or loss (other gains and losses)	231	-	231
Recognized in other comprehensive income (unrealized valuation of financial assets measured at fair value through other comprehensive income)	-	(5,156)	(5,156)
Purchase	15,000	16,110	31,110
Ending balance	<u>\$ 30,055</u>	<u>\$ 119,447</u>	<u>\$ 149,502</u>

3. Valuation techniques and inputs for Level 2 fair value measurement

Categories of Financial Instruments	Valuation Techniques and inputs
Derivative instruments - forward exchange contracts	Cash flow discount method: Estimate future cash flows based on observable forward exchange rates at the end of the period and contractual exchange rates, and discount them using discount rates that reflect the credit risk of each counterparty.

4. Valuation techniques and inputs for Level 3 fair value measurement

- (1) Some domestic and foreign unlisted (OTC) domestic limited partnership equity investments are measured using the asset approach, or based on their peer companies' stock prices in active markets adjusted for liquidity, to determine their fair value.
- (2) Some domestic and foreign unlisted (OTC) equity investments are measured using the market approach to estimate fair value, which is determined by reference to industry classification, valuation of similar companies, and the company's operating conditions, or based on the company's net worth.

(3) Categories of Financial Instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	\$ 33,189	\$ 30,055
Financial assets measured at amortized cost (Note 1)	2,903,897	3,528,394
Fair value measured through other comprehensive income		
Equity instrument investments	392,671	465,419
<u>Financial liabilities</u>		
Fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	-	88
Measured at amortized cost (Note 2)	630,687	854,777

Note 1: The balance includes cash and cash equivalents, notes and accounts receivable (including amounts due from related parties), other receivables (including amounts due from related parties), and other financial assets measured at amortized cost.

Note 2: The balance includes short-term borrowings, notes and accounts payable (including amounts due from related parties), and other payables (including amounts due from related parties), and other financial liabilities measured at amortized cost.

(4) Financial Risk Management Objectives and Policies

The Consolidated Company's major financial instruments include equity investments, accounts receivable, accounts payable, borrowings, and lease liabilities. The Consolidated Company's financial management department provides services to business units, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Consolidated Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk, and other price risk), credit risk, and liquidity risk.

The Consolidated Company uses derivative financial instruments to hedge exposures in order to mitigate the impact of these risks. The use of derivative financial instruments is governed by policies approved by the Consolidated Company's Board of Directors, which provide written principles for managing foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of excess liquidity. Internal auditors continuously review compliance with policies and exposure

limits. The Consolidated Company does not engage in trading of financial instruments (including derivative financial instruments) for speculative purposes.

The financial management department regularly reports at the Consolidated Company's operational management meetings to mitigate exposure risks.

1. Market risk

The Consolidated Company's operating activities expose it to primary financial risks of changes in foreign currency exchange rates (see (1) below) and interest rate risks (see (2) below). The Consolidated Company engages in derivative financial instruments to manage its exposure to foreign currency risk, including using forward foreign exchange contracts to hedge exchange rate risks arising from equipment exports or provision of services to other regions.

The Consolidated Company's exposure to market risks of financial instruments and the methods of managing and measuring such exposures have not changed.

(1) Foreign exchange risk

The Company and several subsidiaries engage in sales and purchase transactions denominated in foreign currencies, thereby exposing the Consolidated Company to risks of exchange rate fluctuations. The Consolidated Company manages its exposure to foreign exchange risks by using forward foreign exchange contracts within the range permitted by policy.

The carrying amounts of the Consolidated Company's monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date (including monetary items denominated in non-functional currencies that have been eliminated in the consolidated financial statements) and the carrying amounts of derivative instruments with foreign exchange risk exposure are referred to in Note 38.

Sensitivity analysis

The Consolidated Company is primarily affected by fluctuations in the exchange rates of US dollars, RMB, and Japanese yen.

The table below provides a detailed explanation of the Consolidated Company's sensitivity analysis when the New Taiwan Dollar (functional currency) increases by 5%, 5%, and 10% against the US dollar, RMB, and Japanese yen, respectively. 5% and 10% are the sensitivity ratios used when reporting currency risks to key management personnel within the Group, and also represent management's assessment of the reasonably possible range of changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and forward foreign exchange contracts designated as cash flow

hedges. The (negative) positive numbers in the table indicate that when New Taiwan Dollars appreciates by 5%, 5%, and 10% against the relevant foreign currencies, the pre-tax net profit will (decrease) increase by the respective amounts

	Impact of US Dollar		Impact of RMB		Impact of Japanese Yen	
	2025	2024	2025	2024	2025	2024
Pre-tax net (loss) income	(\$21,518)	(\$17,742)	(\$49,616)	(\$44,909)	\$ 236	(\$ 274)

The sensitivity changes mainly stem from the US dollar, RMB, and Japanese Yen denominated receivables and payables of the Consolidated Company that are still outstanding at the balance sheet date and have not undergone cash flow hedging. The Consolidated Company's increased sensitivity to the US dollar exchange rate this year is mainly due to the increase in US dollar-denominated sales, which led to an increase in the balance of accounts receivable denominated in US dollars. The Consolidated Company's increased sensitivity to the RMB exchange rate this year is mainly due to the increase in RMB-denominated sales, which led to an increase in the balance of accounts receivable denominated in RMB.

(2) Interest rate risk

As entities within the Consolidated Company hold both fixed and floating rate assets, they are therefore exposed to interest rate risk. The Consolidated Company manages interest rate risk by maintaining an appropriate mix of fixed and floating rates.

The carrying amounts of financial assets and financial liabilities exposed to interest rate risk on the Consolidated Company's balance sheet date are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fair value interest rate risk		
- Financial assets	\$ 738,031	\$ 1,694,853
- Financial liabilities	297,573	316,757
Cash flow interest rate risk		
- Financial assets	699,461	725,078

Sensitivity analysis

The following sensitivity analysis is determined based on the interest rate exposure of non-derivative instruments on the balance sheet date. For floating rate assets and liabilities, the analysis method assumes that the amounts of assets and liabilities outstanding on the balance sheet date were outstanding throughout the reporting period. The rate of change used when reporting interest rates to key management personnel within the Consolidated Company is an increase or decrease of 0.1% in interest rates, which also represents management's assessment of the reasonably possible range of interest rate fluctuations.

If interest rates increase/decrease by 0.1%, with all other variables remaining constant, the Consolidated Company's pre-tax net profit for 2025 and 2024 would increase/decrease by NT\$699 thousand and NT\$726 thousand, respectively.

(3) Other price risks

The Consolidated Company is exposed to equity price risk due to equity securities investments. The management of the Consolidated Company manages risk by holding investment portfolios with different risks, and the Consolidated Company does not actively trade these investments.

Sensitivity analysis

The following sensitivity analysis is based on the equity price exposure as of the balance sheet date.

If equity prices rise/fall by 1%, pre-tax profit and loss for 2025 and 2024 would increase/decrease by NT\$332 thousand and NT\$301 thousand, respectively, due to the rise/fall in fair value of financial assets measured at fair value through profit or loss. For 2025 and 2024, pre-tax other comprehensive income would increase/decrease by NT\$3,927 thousand and NT\$4,654 thousand, respectively, due to the rise/fall in fair value of financial assets measured at fair value through other comprehensive income.

The Consolidated Company's sensitivity to equity securities investments has not changed significantly compared to the previous year.

2. Credit risk

Credit risk refers to the risk of financial loss to the Group caused by a counterparty defaulting on contractual obligations. As of the balance sheet date, the maximum credit risk exposure of the Consolidated Company that may result in financial losses due to counterparties failing to fulfill their obligations and the financial guarantees provided by the Consolidated Company mainly comes from:

- (1) The carrying amount of financial assets recognized in the consolidated balance sheet.
- (2) The amount of contingent liabilities arising from financial guarantees provided by the Consolidated Company.

To mitigate credit risk, the management of the Consolidated Company has assigned a dedicated team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure that appropriate actions have been taken to recover overdue receivables. In addition, the Consolidated Company reviews the recoverable amount of each receivable on the balance sheet date to ensure that appropriate

impairment losses have been recognized for unrecoverable receivables. Accordingly, the management of the Company believes that the credit risk of the Consolidated Company has been significantly reduced.

The credit risk of the Consolidated Company is primarily concentrated among the Consolidated Company's top six customers. As of December 31, 2025 and 2024, the percentages of total accounts receivable from these customers were 39% and 38%, respectively.

3. Liquidity risk

The Consolidated Company manages and maintains sufficient positions of cash and cash equivalents to support Group operations and mitigate the impact of cash flow fluctuations. The management of the Consolidated Company monitors the usage of bank financing facilities and ensures compliance with loan contract terms.

As of December 31, 2025 and 2024, for the Consolidated Company's unused short-term bank financing facilities, please refer to the explanation of financing facilities in (2) below.

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

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the earliest date on which the Consolidated Company may be required to pay, using undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, bank loans that the Consolidated Company may be required to repay immediately are listed in the earliest period in the table below, regardless of the probability of the banks immediately exercising this right. The maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment dates.

The undiscounted interest amounts of interest cash flows with floating rates are derived based on the expected borrowing rates as of the balance sheet date.

December 31, 2025

	Payable on Demand or Less Than 1 Month	1 to 3 Months	3 Months to 1 Year	1 to 5 Years	More than 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest- bearing liabilities	\$ 500,149	\$ 231,194	\$ 159,520	\$ 12,443	\$ -
Fixed rate instruments	7,642	4,098	2,480	-	-
Lease liabilities	<u>2,464</u>	<u>4,927</u>	<u>21,674</u>	<u>91,092</u>	<u>302,195</u>
	<u>\$ 510,255</u>	<u>\$ 240,219</u>	<u>\$ 183,674</u>	<u>\$ 103,535</u>	<u>\$ 302,195</u>

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

	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>5 to 10 Years</u>	<u>10 to 15 Years</u>	<u>15 to 20 Years</u>	<u>More than 20 years</u>
Lease liabilities	<u>\$ 29,065</u>	<u>\$ 91,092</u>	<u>\$ 71,534</u>	<u>\$ 71,497</u>	<u>\$ 32,368</u>	<u>\$126,796</u>

December 31, 2024

	<u>Payable on Demand or Less Than 1 Month</u>	<u>1 to 3 Months</u>	<u>3 Months to 1 Year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>
<u>Non-derivative financial liabilities</u>					
Non-interest- bearing liabilities	\$ 458,783	\$ 469,584	\$ 119,134	\$ 8,770	\$ -
Fixed rate instruments	-	49,756	-	-	-
Lease liabilities	<u>2,500</u>	<u>5,000</u>	<u>22,549</u>	<u>108,331</u>	<u>184,928</u>
	<u>\$ 461,283</u>	<u>\$ 524,370</u>	<u>\$ 141,683</u>	<u>\$ 117,101</u>	<u>\$ 184,928</u>

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

	<u>Less than 1 year</u>	<u>1 to 5 Years</u>	<u>5 to 10 Years</u>	<u>10 to 15 Years</u>	<u>15 to 20 Years</u>	<u>More than 20 years</u>
Lease liabilities	<u>\$ 30,049</u>	<u>\$108,331</u>	<u>\$ 73,764</u>	<u>\$ 73,738</u>	<u>\$ 37,426</u>	<u>\$ -</u>

The amount of the above floating rate instruments of non-derivative financial liabilities will change due to differences between the floating rate and the estimated interest rate at the balance sheet date.

(2) Liquidity and interest rate risk table for derivative financial liabilities

For liquidity analysis of derivative financial instruments, for derivatives settled on a net basis, it is prepared based on undiscounted net contractual cash inflows and outflows; for derivatives settled on a gross basis, it is prepared based on undiscounted total cash inflows and outflows. When the amounts payable or receivable are not fixed, the disclosed amounts are determined based on the estimated interest rates derived from the yield curve at the balance sheet date.

December 31, 2024

	<u>Payable on Demand or Less Than 1 Month</u>	<u>1 to 3 months</u>	<u>3 Months to 1 Year</u>	<u>1 to 5 Years</u>	<u>More than 5 years</u>
<u>Net Settlement</u>					
Forward Foreign Exchange Contracts	<u>\$ -</u>	<u>\$ 88</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(3) Financing Facilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured Bank Overdraft Facilities		
- Unused Amount	<u>\$ 1,050,000</u>	<u>\$ 1,050,000</u>

As of December 31, 2025 and 2024, the used unsecured bank borrowing facilities, which include performance guarantee facilities, both amounted to NT\$8,000 thousand. These represent guarantees provided by banks for customs tax guarantee letters and performance bond guarantee certificates issued by the Consolidated Company for the Institute for Information Industry's industrial foundation technology project.

35. Related Party Transactions

Transactions, account balances, income and expenses between the Company and its subsidiaries (which are related parties of the Company) are completely eliminated during consolidation and therefore are not disclosed in this note. The Consolidated Company's transactions with other related parties are as follows.

(1) Names of Related Parties and Their Relationships

<u>Names of Related Parties</u>	<u>Abbreviation</u>	<u>Relationship with the Consolidated Company</u>
Tian Zheng International Precision Machinery Co., Ltd.	Tian Zheng	Related enterprise
Sissca Co., Ltd	Sissca	Related enterprise
Shanghai Jiuxi Testing Technology Co., Ltd.	Shanghai Jiuxi	Related enterprise
Harvatek Corporation	Harvatek	Other related parties
iReach Corporation	iReach	Other related parties
Xiamen YoungTek Electronics Co., Ltd.	Xiamen YoungTek	Other Related Parties (a subsidiary before disposal in November 2024)

(2) Operating Revenue

<u>Account Item</u>	<u>Related Party Category</u>	<u>2025</u>	<u>2024</u>
Operating revenue	Other related parties	<u>\$ 44,758</u>	<u>\$ 43,220</u>

The Consolidated Company provides testing, cutting, and other processing services based on customers' products, so transaction prices are determined according to product characteristics. For payment policies on processing income, general customers are on monthly payment terms of 30 to 120 days, while the above related parties have payment terms of 90 to 120 days.

The Consolidated Company provides sales services for its own products, with general customers on monthly payment terms of 30 to 120 days, while the above related parties have payment terms of 90 to 180 days.

(3) Purchases

Related Party Category	2025	2024
Other related parties	\$ 49	\$ 14
Related enterprise	-	195
	\$ 49	\$ 209

The Consolidated Company makes purchases based on market prices with discounts, reflecting the quantity purchased and the relationship with the related party. Transactions with related parties are conducted according to general transaction terms and prices.

(4) Notes and Accounts Receivable - Related Parties and Other Receivables - Related Parties

Account Item	Related Party Category/Name	December 31, 2025	December 31, 2024
Notes and accounts receivable	Other related parties		
- related parties	Harvatek	\$ 93,415	\$ 94,704
	Others	1,817	1,344
		\$ 95,232	\$ 96,048

No collateral is obtained for outstanding notes and accounts receivable - related parties. No allowance for doubtful accounts was recognized for accounts receivable - related parties in 2025 and 2024.

Account Item	Related Party Category/Name	December 31, 2025	December 31, 2024
Other receivables - related parties (including those classified as disposal groups held for sale)	Related enterprise		
	Shanghai Jiuxi	\$ 27,909	\$ -
	Other related parties		
	Xiamen YoungTek	-	25,540
		\$ 27,909	\$ 25,540

(5) Accounts Payable - Related Parties and Other Payables

Account Item	Related Party Category/Name	December 31, 2025	December 31, 2024
Accounts payable - related parties	Other related parties	\$ 19	\$ -

The outstanding balance of accounts payable - related parties is unsecured and will be settled in cash. No guarantee is provided for accounts payable - related parties.

<u>Account Item</u>	<u>Related Party Category/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other payables - related parties (recorded under other payables)	Other related parties Harvatek	\$ <u> -</u>	\$ <u> 512</u>

(6) Disposal of Property, Plant and Equipment

<u>Related Party Category</u>	<u>Disposal Price</u>		<u>Gain on Disposal</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Related enterprise	\$ 57,443	\$ -	(\$ 890)	\$ -
Other related parties	<u> -</u>	<u> 54</u>	<u> -</u>	<u> (1,881)</u>
	<u>\$ 57,443</u>	<u>\$ 54</u>	<u>(\$ 890)</u>	<u>(\$ 1,881)</u>

(7) Lease Agreements

<u>Related Party Category/Name</u>	<u>2025</u>	<u>2024</u>
<u>Acquisition of right-of-use assets</u>		
Other related parties		
Harvatek	<u>\$ -</u>	<u>\$ 56,186</u>

<u>Account Item</u>	<u>Related Party Category/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Lease liabilities	Other related parties Harvatek	<u>\$ 43,613</u>	<u>\$ 54,311</u>

<u>Related Party Category/Name</u>	<u>2025</u>	<u>2024</u>
<u>Interest Expenses</u>		
Investors with Significant Influence		
Other related parties		
Harvatek	<u>\$ 1,255</u>	<u>\$ 187</u>

The Consolidated Company leased a factory from an investor with significant influence in January 2020, with a lease term of 5 years and renewable upon expiration. The rent is determined with reference to rental levels of similar assets, and fixed lease payments are made quarterly according to the lease agreement.

(8) Other Related Party Transactions

	<u>2025</u>	<u>2024</u>
<u>Dividend income</u>		
Other related parties		
Harvatek	\$ <u>-</u>	\$ <u>5,115</u>
<u>Manufacturing expenses</u>		
Other related parties	\$ <u>40,247</u>	\$ <u>35,280</u>
<u>Operating expenses</u>		
Other related parties	\$ <u>2,801</u>	\$ <u>21</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Refundable deposits</u>		
Other related parties		
Harvatek	\$ <u>1,000</u>	\$ <u>1,000</u>
<u>Contract liabilities</u>		
Other related parties	\$ <u>1,140</u>	\$ <u>1,140</u>

The lease arrangements between the Consolidated Company and related parties, the determination of rent, and payment terms are in accordance with contractual provisions, with no comparable transactions available for reference.

The manufacturing expense-related payments to related parties are for utilities, repairs, and other related costs shared by the Consolidated Company and other related parties using the same factory. The determination of expenses and payment terms are in accordance with contractual provisions, with no comparable transactions available for reference.

(9) Compensation of Key Management Personnel

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 35,819	\$ 32,197
Post-employment benefits	<u>362</u>	<u>336</u>
	<u>\$ 36,181</u>	<u>\$ 32,533</u>

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

36. Pledged Assets

The following assets have been provided to financial and government-related institutions as collateral for financing or business guarantees:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment - net	\$ 22,873	\$ 24,835
Pledged certificates of deposit (recognized as financial assets measured at amortized cost)	22,304	22,237
Notes receivable	<u>14,220</u>	<u>49,756</u>
	<u>\$ 59,397</u>	<u>\$ 96,828</u>

Some of the Consolidated Company's owned land and buildings (recognized as property, plant and equipment) have been pledged as collateral for bank loans. The Consolidated Company may not use these pledged assets as collateral for other loans or sell them to other enterprises.

37. Significant Contingent Liabilities and Unrecognized Contractual Commitments

Expect as disclosed in the other notes, the significant commitments of the Consolidated Company on the balance sheet date are as follows:

(1) Acquisition of Property

The Company has entered into several construction contracts with various contractors for the construction of the office building for the new plant, with a total contract amount of NT\$735,000 thousand. As of December 31, 2025, the Company had made no payments, and the outstanding amount amounted to NT\$735,000 thousand.

38. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following information is presented as an aggregation of foreign currencies other than the functional currency of each entity in the Consolidated Company. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to the functional currency. Foreign currency assets and liabilities with significant impact are as follows:

December 31, 2025

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 17,419	31.38	\$ 546,608
JPY	2,174	0.20	435
RMB	222,668	4.47	995,326
			<u>\$ 1,542,369</u>

(Continued on next page)

(Brought forward)

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	3,693	31.48	\$ 116,256
JPY	13,996	0.20	2,799
RMB	664	4.52	3,001
			<u>\$ 122,056</u>

December 31, 2024

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 18,603	32.74	\$ 609,062
JPY	19,302	0.21	4,053
RMB	202,026	4.45	899,016
			<u>\$ 1,512,131</u>
 <u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	\$ 7,741	32.84	\$ 254,214
JPY	6,252	0.21	1,313
RMB	186	4.50	837
			<u>\$ 256,364</u>

In 2025 and 2024, the Consolidated Company's realized and unrealized net foreign exchange gains were NT\$39,979 thousand and NT\$64,978 thousand, respectively. Due to the numerous types of foreign currency transactions and functional currencies within the Group entities, it is not possible to disclose exchange gains and losses by each significant foreign currency.

39. Disclosure Items

(1) Information Related to Significant Transactions:

1. Loans to Others: Table 1.
2. Endorsements/Guarantees Provided for Others: Table 2.
3. Significant securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associates and Joint Ventures): Table 3.
4. Purchases or Sales with Related Parties Reaching NT\$100 Million or 20% of Paid-in Capital or More: Table 4.

5. Receivables from Related Parties Reaching NT\$100 Million or 20% of Paid-in Capital or More: Table 5.
 6. Others: Business Relationship and Significant Intercompany Transactions between Parent and Subsidiaries and among Subsidiaries: Table 6.
- (2) Information on Invested Companies: Table 7.
- (3) Information on Investments in Mainland China
1. Names of Investees in Mainland China, Principal Business Activities, Paid-in Capital, Investment Method, Inward/Outward Remittance of Funds, Percentage of Ownership, Investment Gain or Loss, Carrying Amount of Investments at Period End, Accumulated Repatriation of Investment Income and Limit on Investments in Mainland China: Table 8.
 2. Significant Transactions with Investees in Mainland China, either Directly or Indirectly through a Third Party, and their Prices, Payment Terms, and Unrealized Gains or Losses: Table 9.
 - (1) Purchase amounts and percentages, and the ending balances and percentages of related accounts payables.
 - (2) Sales amounts and percentages, and the ending balances and percentages of related accounts receivables.
 - (3) Property transaction amounts and resulting gains or losses.
 - (4) The ending balance and purpose of endorsements/guarantees of notes or provision of collateral.
 - (5) Maximum balance, ending balance, interest rate range, and total interest for the current period of financing provided.
 - (6) Other significant transactions affecting current profit or loss or financial position, such as providing or receiving services.

40. Segment Information

The Consolidated Company's operating decision makers use information on product sales for resource allocation and segment performance evaluation. The measurement basis of this financial information is the same as that of these consolidated financial statements. The Consolidated Company's reportable segments are the OEM business division and the own-brand product business division.

(1) Segment Revenue and Operating Results

	Segment Revenue	
	2025	2024
OEM business division	\$ 2,501,008	\$ 2,437,331
Own-brand product business division	<u>1,689,693</u>	<u>1,529,477</u>
Total for continuing operations	<u>\$ 4,190,701</u>	<u>\$ 3,966,808</u>
	Segment profit (loss)	
	2025	2024
OEM business division	\$ 400,441	\$ 425,943
Own-brand product business division	<u>853,622</u>	<u>768,985</u>
Total for continuing operations	1,254,063	1,194,928
Operating expenses	(829,674)	(779,002)
Other net gains and losses	55,341	42,943
Interest income	28,518	46,253
Other income	57,439	10,513
Other gains and losses	32,650	133,347
Finance costs	(7,155)	(7,058)
Share of profit (loss) of associates accounted for using the equity method	<u>1,992</u>	(<u>12,330</u>)
Income before income tax from continuing operations	<u>\$ 593,174</u>	<u>\$ 629,594</u>

Segment profit refers to the profit earned by each segment, excluding allocated operating expenses, non-operating income and gains, and non-operating expenses and losses. This measurement is provided to the chief operating decision maker for allocating resources to segments and evaluating their performance.

(2) Revenue from Major Products and Services

The Consolidated Company's revenue analysis for major products and services from continuing operations is as follows:

	2025	2024
Processing income	\$ 2,501,008	\$ 2,437,331
Sales revenue	1,355,954	1,265,240
Other income	<u>333,739</u>	<u>264,237</u>
	<u>\$ 4,190,701</u>	<u>\$ 3,966,808</u>

(3) Geographic Information

The Consolidated Company's main operating areas are Taiwan and China.

The Consolidated Company's revenue from external customers for continuing operations categorized by operating location and non-current assets categorized by asset location are presented as follows:

	<u>Revenue from External Customers</u>		<u>Non-Current Assets</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Domestic	\$ 2,477,034	\$ 2,128,754	\$ 2,933,292	\$ 2,189,895
Foreign	<u>1,713,667</u>	<u>1,838,054</u>	<u>244,467</u>	<u>383,163</u>
	<u>\$ 4,190,701</u>	<u>\$ 3,966,808</u>	<u>\$ 3,177,759</u>	<u>\$ 2,573,058</u>

Non-current assets do not include financial instruments, investments accounted for using the equity method, deferred tax assets, and other financial assets.

(4) Major Customer Information

In 2025 and 2024, there was no revenue from a single customer that accounted for 10% or more of the Consolidated Company's total revenue.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

LOANS TO OTHERS

January 1 to December 31, 2025

Table 1

Unit: NT\$ thousand, unless otherwise specified

No.	Lender	Borrower	Accounting Item	Whether Related Party	Maximum Balance for the Current Period	Ending Balance (Note 1)	Actual Drawdown Amount	Interest Rate Range	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing Needs	Provision for Doubtful Accounts Amount	Collateral		Lending Limit for Individual Counterparty	Total Lending Limit
													Name	Value		
1	YTEC Holding (Samoa) Co., Ltd.	Suzhou YoungTek Microelectronics Co., Ltd.	Other receivables - related parties	Yes	\$ 232,435	\$ 220,010	\$ 125,720	(Note 2)	For operational use	\$ -	For operational use	\$ -	—	\$ -	\$ 285,440 (Note 3)	\$ 285,440 (Note 3)
2	YTEC (Hong Kong) Global Limited	Xiamen YoungTek Electronics Co., Ltd.	Other receivables - related parties	Yes	33,205	-	-	(Note 2)	For operational use	-	For operational use	-	—	-	90,377 (Note 4)	90,377 (Note 4)

Note 1: Converted from the original foreign currency using the exchange rate as of December 31, 2025.

Note 2: Interest is calculated at an annual rate of 3%.

Note 3: The limit for YTEC Holding (Samoa) Co., Ltd. to lend funds to individual entities is 40% of the lending company's net worth, and shall not exceed 25% of the Company's paid-in capital; the total limit for lending funds is 30% of the Company's paid-in capital.

Note 4: The limit for YTEC (Hong Kong) Global Limited to lend funds to individual entities is 40% of the lending company's net worth, and shall not exceed 25% of the Company's paid-in capital; the total limit for lending funds is 30% of the Company's paid-in capital.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
ENDORSEMENTS/GUARANTEES FOR OTHERS

January 1 to December 31, 2025

Table 2

Unit: NT\$ thousand, unless otherwise specified

No.	Endorsement/ Guarantee Provider Company Name	Entity Receiving Endorsement/Guarantee		Limit on Endorsement/ Guarantee to a Single Enterprise	Maximum Balance of Endorsement/ Guarantee for the Current Period	Ending Balance of Endorsement/ Guarantee	Actual Drawdown Amount	Amount of Endorsement/ Guarantee Secured by Property	Ratio of Accumulated Endorsement/ Guarantee Amount to the Net Worth in the Latest Financial Statements	Maximum Limit of Endorsement/ Guarantee	Endorsement/ Guarantee Made by the Parent Company to Its Subsidiary	Endorsement/ Guarantee Made by a Subsidiary to Its Parent Company	Endorsement/ Guarantee Made to Mainland China
		Company Name	Relationship										
0	YTEC Samoa Company	Xiamen YoungTek	Other related parties	\$ 285,440 (Note 1)	\$ 166,025	\$ -	\$ -	\$ -	2.49%	\$ 285,440 (Note 2)	N	N	Y

Note 1: The total amount of external endorsement/guarantee by YTEC Samoa Company shall not exceed 40% of YTEC Samoa Company's net worth, and the limit of endorsement/guarantee for a single enterprise shall not exceed 40% of YTEC Samoa Company's net worth.

Note 2: The total amount of external endorsement/guarantee by the Company shall not exceed 40% of the Company's net worth.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
SIGNIFICANT SECURITIES HELD AT THE END OF THE PERIOD

December 31, 2025

Table 3

Unit: NT\$ thousand, unless otherwise specified

Holding Company	Type and Name of Securities	Relationship with the Issuer of Securities	Account Classification	Ending Balance				Remarks
				Number of Shares/Units	Carrying Amount	Shareholding Ratio %	Fair Value	
YoungTek Electronics Corp. Company	<u>Limited partnership</u> NEXUS CVC Limited Partnership	—	Financial assets measured at fair value through profit or loss - non-current	3,000,000	\$ 33,189	2.15	\$ 33,189	Note 2
	<u>Stock</u> Edison Opto Corporation	The Company is a director of that company	Financial assets measured at fair value through other comprehensive income - current assets	2,549,637	46,908	1.75	46,908	Note 1
	Harvatek Corporation	The Chairman of the Company and the Chairman of that company are the same person	Financial assets measured at fair value through other comprehensive income - non-current assets	10,230,336	197,957	4.96	197,957	Note 1
	Unimicron Technology Corp.	—	Financial assets measured at fair value through other comprehensive income - non-current assets	29,238	6,433	-	6,433	Note 1
	Navifus Corporation	—	Financial assets measured at fair value through other comprehensive income - non-current assets	1,500,000	30,150	2.12	30,150	Note 1
	CSVI Ventures L.P.	—	Financial assets measured at fair value through other comprehensive income - non-current assets	-	109,454	10.03	109,454	Note 2

Note 1: Measured based on the closing price on December 31, 2024.

Note 2: Calculated based on the Company's most recent financial statements or market method estimation.

Note 3: This table shows securities that the Company determines should be disclosed based on the materiality principle.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

PURCHASES OR SALES WITH RELATED PARTIES AMOUNTING TO NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL OR MORE

January 1 to December 31, 2025

Table 4

Unit: NT\$ thousand, unless otherwise specified

Purchasing (Selling) Company	Transaction Counterparty Name	Relationship	Transaction Details				Differences and Reasons for Transaction Terms Being Different from Regular Transactions		Notes and Accounts Receivable (Payable) (Including Other Receivables)		Remarks
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes and Accounts Receivable (Payable)	
Suzhou YoungTek	the Company	A 100% indirectly- owned subsidiary of the Company	Sales	\$ 768,722	21.18%	180 days after monthly settlement	\$ -	—	\$ 771,005	76.70%	—

Note: The paid-in capital refers to the paid-in capital of the parent company. If the issuer's shares have no par value or the par value per share is not NT\$10, the transaction amount provision of 20% of the paid-in capital shall be calculated as 10% of the equity attributable to owners of the parent company in the balance sheet.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES REACHING NT\$100 MILLION OR 20% OR MORE OF THE PAID-IN CAPITAL

December 31, 2025

Table 5

Unit: NT\$ thousand, unless otherwise specified

Company Recording the Receivables	Transaction Counterparty Name	Relationship	Balance of Receivables from Related Parties (Including Other Receivables)	Turnover Rate	Overdue Receivables from Related Parties		Amount of Receivables from Related Parties Subsequently Collected	Allowance for Loss
					Amount	Handling Method		
YoungTek Corporation	Suzhou YoungTek	A 100% indirectly-owned subsidiary of the Company	\$ 771,005	103%	\$ 82,548	Continuously being collected	\$ 48,824	\$ -

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS BETWEEN PARENT AND SUBSIDIARIES AND AMONG SUBSIDIARIES

Year 2025

Table 6

Unit: NT\$ thousand

No.	Transaction Party Name	Counterparty	Relationship with the Transaction Party (Note 1)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Revenue or Total Assets
0	YoungTek Corporation	Yangzhou YoungTek	1	Deferred credit - intercompany transactions	\$ 17,422	Note 2	-
				Purchase	17,701	Note 2	-
		Shenzhen YoungTek	1	Operating revenue	33,765	Note 2	1%
				Deferred credit - intercompany transactions	6,113	Note 2	-
				Accounts receivable	20,932	Note 2	-
		Youngtek USA	1	Commission expense	18,810	Note 2	-
		Suzhou YoungTek	1	Operating revenue	768,722	Note 2	18%
				Sale of fixed assets	21,248	Note 2	1%
				Deferred credit - intercompany transactions	199,987	Note 2	2%
				Accounts receivable	771,005	Note 2	9%
		Purchase	6,117	Note 2	-		
		Anhui Utest	1	Deferred credit - intercompany transactions	43,347	Note 2	1%
				Operating revenue	46,847	Note 2	1%
				Accounts receivable	90,100	Note 2	1%
1	Shenzhen YoungTek	Suzhou YoungTek	2	Rental income	5,237	Note 2	-
				Purchase	91,915	Note 2	2%
				Accounts payable	81,496	Note 2	1%
				Accounts receivable	22,839	Note 2	-
2	Suzhou YoungTek	Anhui Utest	2	Operating revenue	38,013	Note 2	1%
				Accounts receivable	8,943	Note 2	-
		Shenzhen YoungTek	2	Purchase	21,125	Note 2	1%
	YTEC Samoa Company	2	Short-term borrowings	125,720	Note 2	1%	

Note 1: 1 represents transactions from parent company to subsidiary.

2 represents transactions between subsidiaries.

Note 2: Based on conditions agreed upon by both parties.

Note 3: The significant transaction information in this table may be determined for disclosure by the Company based on the materiality principle.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
INVESTEE COMPANY INFORMATION

January 1 to December 31, 2025

Table 7

Unit: NT\$ thousand, unless otherwise specified

Investing Company Name	Investee Company Name	Location	Main Business Activities	Original Investment Amount		The Company's Holdings			Profit/Loss of the Investee Company for the Current Period	Investment Profit/Loss Recognized for the Current Period	Remarks
				End of the Current Period	End of the Previous Period	Number of Shares	Ratio %	Carrying Amount			
YoungTek Electronics Corp.	YTEC Holding (Samoa) Co., Ltd.	Samoa	Investment holding	\$ 1,967,924	\$ 1,967,924	Note 1	100.00	\$ 447,401	\$ 17,915	\$ 17,915	—
	Wecon Ltd. (Samoa)	Samoa	Investment holding	USD 800 \$ 23,738	USD 800 \$ 23,738	Note 1	100.00	13,018	(986)	(986)	—
	NexTagder CO., LTD. (formerly Wecon Automation Machinery Corp.)	Taiwan Hsinchu	Design, manufacturing, assembly, processing, and trading business of various controllers, optoelectronic components and equipment, automation machinery, and testing instruments	9,000	1,000	900,000	50.00	8,653	(682)	(345)	Note 3
	YOUNGTEK ELECTRONICS CORPORATION USA, INC	United States	Semiconductor equipment sales and OEM/ODM services	USD 500 \$ 16,210	USD 500 \$ 16,210	1,500	100.00	11,153	(5,788)	(5,788)	—
	Tian Zheng International Precision Machinery Co., Ltd.	Taiwan Kaohsiung	Precision equipment, electronic components, molds	36,256	36,256	5,395,136	13.17	149,461	(4,933)	(784)	—
	Sissca Co., Ltd	Taiwan Hsinchu	Mechanical equipment, electronic components, optical instruments	24,000	24,000	3,370,752	15.30	37,929	76,770	11,748	—
	YTEC Holding (Samoa) Co., Ltd.	YTEC (Hong Kong) Global Limited	Hong Kong	Investment holding	RMB 224,270 \$ 1,039,916	RMB 224,270 \$ 1,039,916	Note 1	100.00	225,945	(30,934)	(30,934)
Clear Reach Limited		British Virgin Islands	Investment holding	USD 7,198 \$ 209,057	USD 7,198 \$ 209,057	Note 1	100.00	111,177	(8,016)	(8,016)	—

Note 1: It is a limited company, with only capital and no shares.

Note 2: For information regarding investee companies in mainland China, please refer to Schedule 8.

Note 3: Wecon Automation Machinery Corp. was approved by the competent authority on November 17, 2025 to change its registration to "NexTagder CO., LTD."

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA

January 1 to December 31, 2025

Table 8

Unit: NT\$ and foreign currency in thousands, unless otherwise specified

Name of Investee Company in Mainland China	Main Business Activities	Paid-in Capital (Note 2)	Investment Method (Note 1)	Accumulated Investment Amount Remitted from Taiwan at Beginning of Period	Investment Amount Remitted or Repatriated During the Period		Accumulated Investment Amount Remitted from Taiwan at End of Period (Note 2)	Shareholding Ratio of Direct or Indirect Investment by the Company	Investment (Losses) Gains Recognized for the Period	Carrying Amount of Investment at End of Period	Investment Returns Repatriated as of the End of the Period
					Remitted	Recovered					
Yangzhou YoungTek Microelectronics Co., Ltd.	Engaged in research and development, production and processing of frequency control and selection components (radio frequency tags) and related equipment, and provision of related technical consultation and services	RMB 67,887 \$ 308,250	(4)	RMB 30,035 \$ 140,895	\$ -	\$ -	RMB 30,035 \$ 140,895	45%	\$ 32,773 (Note 4)	\$ 121,670 (Note 4)	\$ -
YoungTek Microelectronics (Shenzhen) Co., Ltd.	Wafer and integrated circuit testing outsourcing, and providing related technical consultation and services	RMB 50,172 \$ 202,673	(3)	RMB 47,717 \$ 192,368	-	-	RMB 47,717 \$ 192,368	100%	9,002 (Note 4)	124,861 (Note 4)	-
Suzhou YoungTek Microelectronics Co., Ltd.	Integrated circuit design; chip testing, packaging, and processing; technology development, technical services, and technical consultation in the semiconductor and integrated circuit field; computer software design and development; sales of semiconductors, electronic products, electromechanical equipment, and electronic components; mechanical equipment maintenance, leasing, and sales; self-operated and agency import and export business for various goods and technologies.	RMB 20,677 \$ 93,330	(2)	RMB 20,677 \$ 93,330	-	-	RMB 20,677 \$ 93,330	100%	56,814 (Note 4)	120,900 (Note 4)	-
Anhui Utest Electronics Ltd.	Semiconductor device specialized equipment manufacturing and sales; industrial automatic control computer hardware and software and auxiliary equipment manufacturing and sales; integrated circuit chip and product design and sales; software development and sales; semiconductor, electronic products, electronic components, electronic specialized equipment sales; mechanical equipment maintenance, leasing; technical services, development, consultation, promotion.	RMB 2,500 \$ 10,520	(5)	-	-	-	-	100%	12,795 (Note 4)	388 (Note 4)	-
Shanghai Jiuxi Testing Technology Co., Ltd.	Inspection and testing services; software development, import and export of goods, import and export of technology; technical services, development, and consulting; integrated circuit chip design, product sales and services; sales of specialized equipment for semiconductor devices; wholesale and retail of computer software, hardware and auxiliary equipment; sales of electronic products, specialized equipment, and specialized materials; wholesale and retail of electronic components	RMB 12,500 \$ 380,563	(1)、(5)	RMB - \$ -	RMB 20,000 \$ 85,780 (Note 3)	-	RMB 20,000 \$ 85,780	48.4%	8,972 (Note 4)	168,732 (Note 4)	-

(Continued on next page)

(Brought forward)

Accumulated investment amount remitted from Taiwan to Mainland China at the end of the current period	Investment Amount Approved by the Investment Commission, Ministry of Economic Affairs	Investment Limit in Mainland China According to the Investment Commission, Ministry of Economic Affairs Regulations - 60% of Net Worth
USD 17,510 \$ 512,373	USD 17,510 \$ 512,373	\$ 4,002,587

Note 1: Investment methods are divided into the following three types, please mark the category:

- (1) Direct investment in Mainland China.
- (2) Reinvestment in Mainland China through a third-region company (through the subsidiary YTEC Holding (Samoa) Co., Ltd.).
- (3) Reinvestment in Mainland China through a third-region company (through the subsidiary Wecon Limited (Samoa) and the sub-subsidiary Clear Reach Limited).
- (4) Reinvestment in Mainland China through a third-region company (through the sub-subsidiary YTEC (Hong Kong) Global Limited).
- (5) Other methods (reinvestment using the sub-subsidiary Suzhou YoungTek Microelectronics Co., Ltd.'s own funds).

Note 2: Calculated by converting the original foreign currency amount using the original exchange rate.

Note 3: The investment amount remitted from Taiwan in the current period includes the subscribed capital of RMB3,025 thousand and premium amount of RMB16,975 thousand for YoungTek Electronics Corp.

Note 3: Except for Anhui Chuangxin YouTest Electronics Company, all others are calculated based on the invested companies' financial statements for the same period audited by CPAs.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

SIGNIFICANT TRANSACTIONS THAT OCCURRED DIRECTLY OR INDIRECTLY THROUGH A THIRD REGION WITH THE MAINLAND CHINA INVESTED COMPANIES, AND THEIR PRICES, PAYMENT TERMS, UNREALIZED GAINS AND LOSSES, AND OTHER RELEVANT INFORMATION

January 1 to December 31, 2025

Table 9

Unit: NT\$ thousand, unless otherwise specified

Name of Investee Company in Mainland China	Transaction Type	Sales, Disposal of Fixed Assets		Transaction Terms		Notes Receivable and Accounts Receivable (Including Other Receivables) - Related Parties		Unrealized Gains and Losses	Remarks
		Amount	Percentage	Payment Terms	Comparison with Regular Transactions	Amount	Percentage		
Suzhou YoungTek	Income from equipment sales, disposal of fixed assets and other industry-related revenue	\$ 789,970	22%	Note	Note	\$ 771,005	77%	\$ 102,448	—
Anhui Utest	Income from equipment sales and other industry-related revenue	46,847	1%	Note	Note	90,100	9%	14	—
Shenzhen YoungTek	Income from equipment sales and other industry-related revenue	33,765	1%	Note	Note	20,932	2%	242	—

Note: There are no other appropriate transaction counterparties for comparison regarding the transaction prices of sales to related parties. Payment terms are all 90 to 180 days monthly settlement after acceptance.