

Stock code: 6261

YoungTek Electronics Corp.

Parent Company Only 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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Independent Auditors' Report

To: YoungTek Electronics Corp.,

Audit Opinion

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

In our opinion, based on our audit results and the audit reports of other auditors (please refer to the Other Matters section), the aforementioned parent company only financial statements have been prepared in all significant respects in accordance with the present fairly the parent company only financial position of YoungTek Electronics Corp. as of December 31, 2025 and 2024, and their parent company only financial performance and parent company only 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 parent company only Financial Statements section. The personnel of the our firm, who are subject to independence requirements, have maintained independence from YoungTek Electronics Corp. 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 parent company only financial statements of YoungTek Electronics Corp. for the year 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and in forming our audit opinion, and we do not provide a separate opinion on these matters.

The key audit matters for the 2025 parent company only financial statements of YoungTek Electronics Corp. 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 23. 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

Included in the aforementioned the parent company only financial statements, the financial statements of some investees valued using the equity method were not audited by us but by other auditors. Therefore, with respect to the above parent company only financial statements, the opinion expressed by this accountant regarding the investments using the equity method in the aforementioned investee companies and their related shares of profits or losses was based on the audit reports of other accountants. 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 0.48% and 0.32% of the 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 1.89% and (0.25)% of the consolidated profit before tax, respectively.

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

The responsibility of management is to prepare parent company only financial statements that give a true and fair view in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from significant misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is also responsible for assessing the ability of YoungTek Electronics Corp. 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. to cease operations, or has no realistic alternative but to do so.

Those charged with governance of YoungTek Electronics Corp. (including the Audit Committee) are responsible for overseeing the parent company only financial reporting process.

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

The purpose of our audit of the parent company only financial statements is to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from significant 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 parent company only 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 parent company only 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 parent company only financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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. 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. ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause YoungTek Electronics Corp. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Company to express an opinion on the parent company only financial statements. We

are responsible for the direction, supervision and performance of the 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 parent company only financial statements of YoungTek Electronics Corp. 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 Mei Chen Tsai

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.
PARENT COMPANY ONLY 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) | \$ 871,839 | 11 | \$ 1,730,801 | 21 | 2120 | Financial liabilities measured at fair value through profit or loss - current (Notes 4 and 7) | \$ - | - | \$ 88 | - |
| 1120 | Financial assets measured at fair value through other comprehensive income - Current (Notes 4 and 8) | 46,908 | 1 | 66,283 | 1 | 2130 | Contract liabilities - current (Notes 4, 23 and 31) | 30,050 | 1 | 58,545 | 1 |
| 1170 | Notes and accounts receivable (Notes 4, 10 and 23) | 764,027 | 10 | 487,664 | 6 | 2170 | Notes and accounts payable (Note 18) | 238,908 | 3 | 508,862 | 6 |
| 1180 | Notes and accounts receivable - related parties (Notes 4 and 31) | 894,734 | 11 | 891,879 | 11 | 2180 | Accounts payable - related parties (Note 31) | 2,546 | - | 798 | - |
| 1200 | Other receivables (Note 10) | 1,110 | - | 16,536 | - | 2219 | Other payables (Notes 19 and 31) | 536,213 | 7 | 438,423 | 6 |
| 1210 | Other receivables - related parties (Note 31) | 110,457 | 1 | 134,997 | 2 | 2230 | Current income tax liabilities (Notes 4 and 25) | 169,159 | 2 | 166,280 | 2 |
| 130X | Inventories (Notes 4, 5, 11 and 28) | 811,048 | 10 | 1,053,470 | 13 | 2250 | Provisions - current (Notes 4 and 20) | 6,675 | - | 6,509 | - |
| 1470 | Other current assets (Note 17) | 138,374 | 2 | 106,110 | 1 | 2280 | Lease liabilities - current (Notes 4, 14 and 31) | 18,824 | - | 20,060 | - |
| 11XX | Total current assets | <u>3,638,497</u> | <u>46</u> | <u>4,487,740</u> | <u>55</u> | 2399 | Other non-current liabilities (Notes 19) | <u>7,736</u> | <u>-</u> | <u>7,315</u> | <u>-</u> |
| | Non-current assets | | | | | 21XX | Total current liabilities | <u>1,010,111</u> | <u>13</u> | <u>1,206,880</u> | <u>15</u> |
| 1510 | Financial assets measured at fair value through profit or loss - non-current (Notes 4 and 7) | 33,189 | - | 30,055 | - | | Non-current liabilities | | | | |
| 1517 | Financial assets measured at fair value through other comprehensive income - non-current (Note 4 and 8) | 345,763 | 4 | 399,136 | 5 | 2570 | Deferred income tax liabilities (Notes 4 and 28) | 10,307 | - | 1,718 | - |
| 1535 | Financial assets measured at amortized cost - non-current (Notes 4, 9 and 32) | 22,304 | - | 22,237 | - | 2580 | Lease liabilities - non-current (Notes 4, 14 and 31) | 261,148 | 3 | 240,247 | 3 |
| 1550 | Investments accounted for using equity method (Notes 4 and 12) | 751,511 | 9 | 617,124 | 8 | 2670 | Guarantee deposits received (Note 13) | <u>6,930</u> | <u>-</u> | <u>8,770</u> | <u>-</u> |
| 1600 | Property, plant and equipment (Notes 4, 13, 28, 31 and 32) | 2,506,493 | 31 | 1,959,584 | 24 | 25XX | Total non-current liabilities | <u>278,385</u> | <u>3</u> | <u>250,735</u> | <u>3</u> |
| 1755 | Right-of-use assets (Notes 4, 14 and 31) | 279,869 | 4 | 263,296 | 3 | 2XXX | Total liabilities | <u>1,288,496</u> | <u>16</u> | <u>1,457,615</u> | <u>18</u> |
| 1760 | Net investment properties (Notes 4, 15 and 28) | - | - | 1,558 | - | | Equity (Notes 4 and 22) | | | | |
| 1780 | Intangible assets (Notes 4, 16 and 28) | 48,051 | 1 | 36,599 | 1 | | Share capital | | | | |
| 1840 | Deferred tax assets (Notes 4 and 25) | 87,442 | 1 | 87,423 | 1 | 3110 | Ordinary share | <u>1,284,980</u> | <u>16</u> | <u>1,284,980</u> | <u>16</u> |
| 1915 | Prepayments for equipment | 43,243 | 1 | 95,449 | 1 | 3200 | Capital surplus | <u>2,456,602</u> | <u>31</u> | <u>2,439,404</u> | <u>30</u> |
| 1975 | Net defined benefit assets (Notes 4 and 21) | 46,677 | 1 | 51,310 | 1 | | Retained earnings | | | | |
| 1990 | Other non-current assets (Notes 17 and 31) | <u>156,436</u> | <u>2</u> | <u>114,797</u> | <u>1</u> | 3310 | Legal reserve | 1,261,651 | 16 | 1,208,208 | 15 |
| 15XX | Total non-current assets | <u>4,320,978</u> | <u>54</u> | <u>3,678,568</u> | <u>45</u> | 3320 | Special reserve | 28,548 | - | 17,785 | - |
| | | | | | | 3350 | Unappropriated earnings | <u>1,735,172</u> | <u>22</u> | <u>1,786,864</u> | <u>22</u> |
| | | | | | | 3300 | Total retained earnings | <u>3,025,371</u> | <u>38</u> | <u>3,012,857</u> | <u>37</u> |
| | | | | | | 3400 | Other equity | (<u>95,974</u>) | (<u>1</u>) | (<u>28,548</u>) | (<u>1</u>) |
| | | | | | | 3XXX | Total equity | <u>6,670,979</u> | <u>84</u> | <u>6,708,693</u> | <u>82</u> |
| 1XXX | Total assets | <u>\$ 7,959,475</u> | <u>100</u> | <u>\$ 8,166,308</u> | <u>100</u> | | Total liabilities and equity | <u>\$ 7,959,475</u> | <u>100</u> | <u>\$ 8,166,308</u> | <u>100</u> |

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

PARENT COMPANY ONLY STATEMENT OF COMPREHENSIVE INCOME

January 1 to December 31, 2025 and 2024

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

| <u>Code</u> | | <u>2025</u> | | <u>2024</u> | |
|-------------|--|------------------|-----------|-------------------|--------------|
| | | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> |
| 4000 | Operating revenue (Notes 4, 23 and 31) | \$ 3,629,669 | 100 | \$ 3,585,298 | 100 |
| 5000 | Operating costs (Notes 11, 16, 21, 24 and 31) | <u>2,500,962</u> | <u>69</u> | <u>2,442,368</u> | <u>68</u> |
| 5900 | Gross profit | 1,128,707 | 31 | 1,142,930 | 32 |
| 5910 | Unrealized profits from subsidiaries and associates | (<u>2,954</u>) | <u>-</u> | (<u>41,415</u>) | (<u>1</u>) |
| 5950 | Realized gross profit | <u>1,125,753</u> | <u>31</u> | <u>1,101,515</u> | <u>31</u> |
| | Operating expenses (Notes 10, 16, 21, 24 and 31) | | | | |
| 6100 | Selling expenses | 163,180 | 4 | 139,768 | 4 |
| 6200 | Administrative expenses | 170,919 | 5 | 158,349 | 4 |
| 6300 | Research and development expenses | 403,151 | 11 | 323,678 | 9 |
| 6450 | Expected credit loss | (<u>6,339</u>) | <u>-</u> | (<u>4,711</u>) | <u>-</u> |
| 6000 | Total operating expenses | <u>730,911</u> | <u>20</u> | <u>617,084</u> | <u>17</u> |
| 6500 | Other income and expenses, net (Notes 4, 24 and 31) | <u>91,100</u> | <u>2</u> | <u>89,117</u> | <u>2</u> |
| 6900 | Operating income | <u>485,942</u> | <u>13</u> | <u>573,548</u> | <u>16</u> |
| | Non-operating income and expenses | | | | |
| 7100 | Interest income (Notes 4 and 24) | 18,322 | 1 | 28,756 | 1 |
| 7010 | Other income (Notes 4, 24, 27 and 31) | 55,566 | 2 | 7,514 | - |
| 7020 | Other gains and losses (Notes 4, 13 and 24) | 51,494 | 1 | 44,315 | 1 |
| 7050 | Finance costs (Notes 24 and 31) | (6,681) | - | (5,523) | - |
| 7060 | Share of profit or loss of associates accounted for using equity method (Notes 4 and 12) | <u>17,274</u> | <u>-</u> | (<u>20,750</u>) | <u>-</u> |
| 7000 | Total non-operating income and expenses | <u>135,975</u> | <u>4</u> | <u>54,312</u> | <u>2</u> |

(Continued on next page)

(Brought forward)

| <u>Code</u> | | <u>2025</u> | | <u>2024</u> | |
|-------------|---|-------------------|-----------|-------------------|-----------|
| | | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> |
| 7900 | Income before income tax | \$ 621,917 | 17 | \$ 627,860 | 18 |
| 7950 | Income tax expense (Notes 4 and 25) | <u>77,828</u> | <u>2</u> | <u>105,842</u> | <u>3</u> |
| 8200 | Profit for the Year | <u>544,089</u> | <u>15</u> | <u>522,018</u> | <u>15</u> |
| | Other comprehensive income (Notes 21 and 22) | | | | |
| 8310 | Items that will not be reclassified subsequently to profit or loss: | | | | |
| 8311 | Remeasurement of defined benefit plans | (17,583) | - | 12,408 | - |
| 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 | (6,509) | - | 26,424 | 1 |
| 8300 | Total other comprehensive income | (85,009) | (2) | 1,645 | - |
| 8500 | Total comprehensive income for the year | <u>\$ 459,080</u> | <u>13</u> | <u>\$ 523,663</u> | <u>15</u> |
| | Earnings per share (Note 26) | | | | |
| 9750 | Basic | <u>\$ 4.23</u> | | <u>\$ 4.06</u> | |
| 9850 | Diluted | <u>\$ 4.20</u> | | <u>\$ 4.03</u> | |

The accompanying notes are an integral part of the parent company only 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.
PARENT COMPANY ONLY 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 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 |
| | 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) |
| C3 | Arising from donation received | - | 35 | - | - | - | - | - | 35 |
| C7 | Changes in equity of associates accounted for using equity method | - | (355) | - | - | - | - | - | (355) |
| D1 | Net income from January 1 to December 31, 2024 | - | - | - | - | 522,018 | - | - | 522,018 |
| D3 | Other comprehensive income from January 1 to December 31, 2024 | - | - | - | - | 12,408 | 26,424 | (37,187) | 1,645 |
| D5 | Total comprehensive income from January 1 to December 31, 2024 | - | - | - | - | 534,426 | 26,424 | (37,187) | 523,663 |
| 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 |
| | 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) |
| C3 | Arising from donation received | - | 46 | - | - | - | - | - | 46 |
| C7 | Changes in equity of associates accounted for using equity method | - | 17,143 | - | - | - | - | - | 17,143 |
| M7 | Changes in ownership interests in subsidiaries | - | 9 | - | - | - | - | - | 9 |
| D1 | Net Income from January 1 to December 31, 2025 | - | - | - | - | 544,089 | - | - | 544,089 |
| D3 | Other comprehensive income from January 1 to December 31, 2025 | - | - | - | - | (17,583) | (6,509) | (60,917) | (85,009) |
| D5 | Total comprehensive income from January 1 to December 31, 2025 | - | - | - | - | 526,506 | (6,509) | (60,917) | 459,080 |
| 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 |

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

PARENT COMPANY ONLY STATEMENT OF CASH FLOWS

January 1 to December 31, 2025 and 2024

Unit: NT\$ thousand

| Code | | 2025 | 2024 |
|--------|--|-------------|-------------|
| | Cash Flow from operating activities | | |
| A10000 | Income before income tax for the year | \$ 621,917 | \$ 627,860 |
| A20010 | Revenue and expense items: | | |
| A20100 | Depreciation expense | 604,669 | 583,975 |
| A20200 | Amortization expense | 20,419 | 15,006 |
| A20300 | Gain on reversal of expected credit losses | (6,339) | (4,711) |
| A20400 | Net gains on financial assets measured at fair value through profit or loss | (3,222) | (143) |
| A20900 | Finance costs | 6,681 | 5,523 |
| A21200 | Interest income | (18,322) | (28,756) |
| A21300 | Dividend income | (2,011) | (6,478) |
| A22400 | Share of profit or loss of subsidiaries and associates accounted for using equity method | (17,274) | 20,750 |
| A22500 | Gain on disposal of property, plant and equipment | (60,761) | (53,638) |
| A23700 | Impairment loss on property, plant, and equipment | - | 2,489 |
| A23700 | Inventory write-down and obsolescence loss | 12,586 | 33,764 |
| A24000 | Unrealized profits from subsidiaries and associates | 2,954 | 41,415 |
| A24100 | Foreign exchange net gain | (14,006) | (37,578) |
| A30000 | Net changes in operating assets and liabilities | | |
| A31150 | Notes and accounts receivable | (251,687) | 204,330 |
| A31160 | Notes and accounts receivable - related parties | 49,594 | (220,841) |
| A31180 | Other receivables | 12,425 | (12,089) |
| A31190 | Other receivables - related parties | (27,909) | - |
| A31200 | Inventory | 41,694 | (453,625) |
| A31240 | Other current assets | (32,264) | (4,640) |
| A32125 | Contract liabilities | (28,495) | (58,891) |
| A32150 | Notes and accounts payable | (271,846) | 215,813 |
| A32160 | Accounts payable - related parties | 1,748 | 619 |
| A32180 | Other payables | 110,788 | 1,293 |
| A32200 | Provisions | 166 | 535 |
| A32230 | Other current liabilities | 421 | (3,692) |
| A32240 | Net defined benefit assets | (12,950) | (11,925) |
| A33000 | Cash generated from operations | 738,976 | 856,365 |
| A33100 | Interest received | 21,323 | 27,822 |
| A33200 | Dividends received | 2,011 | 6,478 |

(Continued on next page)

(Brought forward)

| <u>Code</u> | | <u>2025</u> | <u>2024</u> |
|-------------|---|----------------------|---------------------|
| A33300 | Interest paid | (\$ 6,681) | (\$ 5,523) |
| A33500 | Income tax paid | (<u>66,380</u>) | (<u>108,303</u>) |
| AAAA | Net cash inflow from operating activities | <u>689,249</u> | <u>776,839</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 associates | (85,780) | - |
| B02700 | Acquisition of property, plant, and equipment | (994,806) | (353,872) |
| B02800 | Proceeds from disposal of property, plant, and equipment | 92,053 | 65,330 |
| B03700 | Increase in refundable deposits | (21,578) | (3,000) |
| B03800 | Decrease in refundable deposits | 2,100 | 619 |
| B04500 | Acquisition of intangible assets | (31,871) | (21,704) |
| B07300 | Prepayments for intangible assets | (22,161) | (7,152) |
| B07100 | Decrease (increase) in prepayment for equipment | <u>52,206</u> | (<u>90,086</u>) |
| BBBB | Net cash outflow from investing activities | (<u>1,002,337</u>) | (<u>442,262</u>) |
| | Cash flows from financing activities | | |
| C03000 | Receipt of guarantee deposits | - | 1,686 |
| C03100 | Refund of guarantee deposits | (1,840) | - |
| C04020 | Repayment of lease liability principal | (19,650) | (20,223) |
| C04500 | Distribution of cash dividends | (513,992) | (513,992) |
| C05400 | Net cash outflow from subsidiaries | (8,000) | (16,210) |
| C09900 | Arising from donation received | <u>46</u> | <u>35</u> |
| CCCC | Net cash outflow from financing activities | (<u>543,436</u>) | (<u>548,704</u>) |
| DDDD | Effect of exchange rate changes on cash and cash equivalents | (<u>2,438</u>) | <u>4,619</u> |
| EEEE | Net decrease in cash and cash equivalents | (858,962) | (209,508) |
| E00100 | Beginning balance of cash and cash equivalents | <u>1,730,801</u> | <u>1,940,309</u> |
| E00200 | Ending balance of cash and cash equivalents | <u>\$ 871,839</u> | <u>\$ 1,730,801</u> |

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

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

January 1 to December 31, 2025 and 2024

(Amounts are expressed in NT\$ thousand, 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.

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

2. Date and Procedures for Approval of Financial Statements

These parent company only financial statements were approved and issued 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")

1. 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.

(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 parent company only financial statements, the Company has assessed that the aforementioned amendments to standards and interpretations 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:

- The 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: The Company 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. The Company should only label items as "other" when they cannot find more informative labels.
- Increase disclosure of management-defined performance measures: when the Company communicates outside the financial statements publicly, and communicates management's views on certain aspects of the 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 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 Company shall be classified as investing activities, while the interest and dividends paid shall be classified as financing activities. If the 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 parent company only financial statements, the 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 parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of Preparation

Except for financial instruments measured at fair value, the parent company only 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.

In preparing the parent company only financial statements, the Company accounts for its investments in subsidiaries and associates using the equity method. To make the current year's profit or loss, other comprehensive income and equity in these parent company only financial statements equal to those attributable to owners of the parent company in the Company's financial statements, certain accounting differences between the parent company only basis and consolidated basis are adjusted to "investments accounted for using equity method", "share of profit or loss of subsidiaries and associates accounted for using equity method", "share of other comprehensive income of subsidiaries and associates accounted for using equity method" and related equity items.

(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) 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.

(5) Foreign Currency

When preparing, the parent company only financial statements, 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 the parent company only financial statements, 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 NTD 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.

(6) Inventory

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.

(7) Investing Company Name

Investments accounted for using equity method.

A subsidiary refers to an entity over which the Company has control.

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 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.

When changes in the Company's ownership interests in subsidiaries do not result in a loss of control, they are accounted for as equity transactions. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity.

When the 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 Company's net

investment in the associate), the Company continues to recognize losses on a proportionate basis according to the shareholding ratio.

The excess of acquisition cost over the 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 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 evaluating impairment, the Company considers the cash-generating unit as a whole in its financial reporting and compares its recoverable amount with its carrying amount. Subsequently, if the recoverable amount of an asset increases, the reversal of the impairment loss will be recognized as a gain, but the carrying amount of the asset after the reversal of the impairment loss shall not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss allocated to goodwill cannot be reversed in subsequent periods.

When the Company loses control over a subsidiary, it measures its remaining investment in the former subsidiary at fair value on the date when control is lost. The difference between the fair value of the remaining investment and any proceeds from disposal, and the carrying amount of the investment on the date when control is lost, is recognized in profit or loss for the period. The accounting treatment for all amounts recognized in other comprehensive income related to that subsidiary by the Company is the same as the basis that would be required if the Company had directly disposed of the related assets or liabilities.

Unrealized profits or losses from downstream transactions between the Company and its subsidiaries are eliminated in the parent company only financial statements. Profits and losses resulting from upstream, downstream, and sidestream transactions between the Company and its subsidiaries are recognized in the parent company only financial statements only to the extent that they are unrelated to the Company's interest in the associates.

(8) Investments in Associates

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

The 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 associates parent 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 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 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 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 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 Company's net investment in the associate), the Company discontinues recognizing its share of further losses. The 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 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 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 Company and its associates are recognized in the parent company only

financial statements only to the extent that they are unrelated to the 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 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 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 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 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 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 parent company only balance sheet when the 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 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 30 for the method of determining fair value.

B. Financial assets measured at amortized cost

The 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 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 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 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 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 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 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 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 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 30 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.

(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 Company's obligation.

(16) Revenue Recognition

After identifying performance obligations in customer contracts, the 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 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 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 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 Company's performance. The 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 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 Company completed the performance obligation.

(17) Leases

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

1. The 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 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 Company 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. The right-of-use asset is presented separately on the parent company only 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 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. The lease liability is presented separately in the parent company only balance sheet.

(18) Government Grants

Government grants are recognized only when there is reasonable assurance that the 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 Company recognizes as expenses the related costs for which the grants are intended to compensate.

If the government subsidies are used to compensate for expenses or losses incurred, or are intended to provide immediate financial assistance to the Company without future related costs, they are recognized in profit or loss in the period when they are receivable.

(19) 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 remeasurement) 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.

(20) Income Tax

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

1. Current Income Tax

The Company determines its current income (loss) based on the laws and regulations established by the Republic of China, which is used to calculate the 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 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 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 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.

Key sources of estimates and assumption uncertainty

(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 | \$ 600 | \$ 594 |
| Bank checks and demand deposits | 521,239 | 299,267 |
| Cash equivalents (investments with original maturities within 3 months) | | |
| Time deposits | <u>350,000</u> | <u>1,430,940</u> |
| | <u>\$ 871,839</u> | <u>\$ 1,730,801</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%~3.75% | 0.002%~4.450% |

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 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 Company strategically invests in the aforementioned domestic and foreign stocks, expecting to profit through these investments. The management of the 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 measured 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 32.

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 | \$ 36,162 | \$ 2,377 |
| <u>Accounts receivable</u> | | |
| Measured at amortized cost | | |
| Total carrying amount | 733,205 | 496,966 |
| Less: allowance for losses | (5,340) | (11,679) |
| | <u>727,865</u> | <u>485,287</u> |
| Notes and accounts receivable, net | <u>\$764,027</u> | <u>\$487,664</u> |
| <u>Other receivables</u> | | |
| Accrued revenue | \$ 1,110 | \$ 4,111 |
| Tax refund receivable | - | 12,222 |
| Others | - | 203 |
| | <u>\$ 1,110</u> | <u>\$ 16,536</u> |

The 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 Company uses other publicly available financial information and historical transaction records to rate major customers. The Company continuously monitors credit exposure and counterparty credit ratings, and manages credit exposure through annual review and approval of counterparty credit limits.

The 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 credit loss rate of the 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 Company cannot reasonably expect to recover the amount, for example, when the counterparty is undergoing liquidation, the 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 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 | - | 9.70% | 6.19% | 9.87% | 47.48% | |
| Total carrying amount | \$ 718,937 | \$ 237 | \$ 1,679 | \$ 1,733 | \$ 10,619 | \$ 733,205 |
| Loss allowance (lifetime expected credit losses) | - | (23) | (104) | (171) | (5,042) | (5,340) |
| Amortized cost | <u>\$ 718,937</u> | <u>\$ 214</u> | <u>\$ 1,575</u> | <u>\$ 1,562</u> | <u>\$ 5,577</u> | <u>\$ 727,865</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 | - | 12.90% | 5.44% | 9.26% | 59.54% | |
| Total carrying amount | \$ 448,396 | \$ 32,495 | \$ 2,868 | \$ 1,058 | \$ 12,149 | \$ 496,966 |
| Loss allowance (lifetime expected credit losses) | - | (4,192) | (156) | (98) | (7,233) | (11,679) |
| Amortized cost | <u>\$ 448,396</u> | <u>\$ 28,303</u> | <u>\$ 2,712</u> | <u>\$ 960</u> | <u>\$ 4,916</u> | <u>\$ 485,287</u> |

Changes in loss allowance for accounts receivable are as follows:

| | <u>2025</u> | <u>2024</u> |
|--|-----------------|------------------|
| Beginning balance | \$ 11,679 | \$ 16,390 |
| Less: reversal of impairment loss for the year | (6,339) | (4,711) |
| Ending balance | <u>\$ 5,340</u> | <u>\$ 11,679</u> |

11. Inventories

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|------------------|--------------------------|--------------------------|
| Finished goods | \$ 238,588 | \$ 318,782 |
| Work in process | 3,672 | 3,723 |
| Work in progress | 153,029 | 229,273 |
| Raw materials | 415,759 | 501,692 |
| | <u>\$ 811,048</u> | <u>\$ 1,053,470</u> |

The nature of cost of goods sold is as follows:

| | <u>2025</u> | <u>2024</u> |
|--|---------------------|---------------------|
| Cost of inventories sold | \$ 2,488,376 | \$ 2,408,604 |
| Inventory write-down and obsolescence loss | 12,586 | 33,764 |
| | <u>\$ 2,500,962</u> | <u>\$ 2,442,368</u> |

12. Investments Accounted for Using Equity Method

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|-----------------------------|--------------------------|--------------------------|
| Investments in subsidiaries | \$480,225 | \$462,422 |
| Investments in associates | 271,286 | 154,702 |
| | <u>\$751,511</u> | <u>\$617,124</u> |

(1) Investing in subsidiaries

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|--|--------------------------|--------------------------|
| <u>Unlisted company</u> | | |
| YTEC Holding (Samoa) Co., Ltd. (YTEC Samoa Company) | \$447,401 | \$429,778 |
| Wecon Limited (Samoa) (Wecon Samoa Company) | 13,018 | 13,936 |
| NexTagder CO., LTD. (NexTagder Company) (formerly Wecon Automation Machinery Corp.) | 8,653 | 989 |
| YOUNGTEK ELECTRONICS CORPORATION USA, INC. (Youngtek USA) | 11,153 | 17,719 |
| | <u>\$480,225</u> | <u>\$462,422</u> |

| <u>Subsidiary name</u> | Ownership resolutions and voting percentage | |
|--|--|--------------------------|
| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
| YTEC Samoa Company | 100% | 100% |
| Wecon Limited (Samoa) | 100% | 100% |
| NexTagder Co., LTD (Wecon Automation Machinery Corp.) | 50% | 100% |
| Youngtek USA | 100% | 100% |

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.

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

Based on operational planning, investing USD 500,000 to Youngtek USA in April 18 2024.

(2) Investments in associates

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---|--------------------------|--------------------------|
| <u>Individually immaterial associates</u> | | |
| Tian Zheng International Precision Machinery Co., Ltd. (Tian Zheng) | \$149,461 | \$128,599 |
| Shanghai Jiuxi Testing Technology Co., Ltd. (Shanghai Jiuxi) | 83,896 | - |
| Sissca Co., Ltd. (Sissca) | <u>37,929</u> | <u>26,103</u> |
| | <u>\$271,286</u> | <u>\$154,702</u> |

| <u>Company Name</u> | <u>Percentage of Equity and Voting Rights Held</u> | |
|---|--|--------------------------|
| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
| Tian Zheng | 13.17% | 14.60% |
| Shanghai Jiuxi Testing Technology Co., Ltd. | 24.20% | - |
| Sissca | 15.30% | 15.52% |

Tian Zheng

| | <u>2025</u> | <u>2024</u> |
|-------------------------------|------------------|---------------------|
| Profits by company share held | | |
| Net loss for the year | (\$ <u>784</u>) | (\$ <u>10,745</u>) |

Shanghai Jiuxi Testing Technology Co., Ltd.

| | <u>2025</u> | <u>2024</u> |
|-------------------------------|--------------------|-------------|
| Profits by company share held | | |
| Net loss for the year | (\$ <u>4,486</u>) | <u>\$ -</u> |

Sissca

| | <u>2025</u> | <u>2024</u> |
|--------------------------------|------------------|--------------------|
| Profits by company share held | | |
| 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 Company resolved to invest RMB 20,000 thousand in Shanghai Jiuxi Testing Technology Co., Ltd., and acquired a 24.2% 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 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.

13. Property, Plant and Equipment

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|-----------------------------------|--------------------------|--------------------------|
| Self-used | \$ 2,453,309 | \$ 1,903,445 |
| Leased out under operating leases | 53,184 | 56,139 |
| | <u>\$ 2,506,493</u> | <u>\$ 1,959,584</u> |

(1) Self-used

| | <u>Owned Land</u> | <u>Buildings and Structures</u> | <u>Machinery and equipment</u> | <u>Testing equipment</u> | <u>Transportation equipment</u> | <u>Office equipment</u> | <u>Leasehold improvements</u> | <u>Other equipment</u> | <u>Pending Equipment Inspection and In-completed Projects</u> | <u>Total</u> |
|----------------------------------|-------------------|---------------------------------|--------------------------------|--------------------------|---------------------------------|-------------------------|-------------------------------|------------------------|---|--------------------|
| Cost | | | | | | | | | | |
| Balance on January 1, 2025 | \$ 42,101 | \$1,301,821 | \$6,007,795 | \$ 40,839 | \$ 9,459 | \$ 7,165 | \$ 18,392 | \$ 211,512 | \$ 9,788 | \$7,648,872 |
| Additions | - | 15,586 | 820,254 | - | 258 | - | 4,300 | 34,540 | 106,870 | 981,808 |
| Disposals | - | - | (113,842) | - | (146) | - | - | (8,683) | - | (122,671) |
| Reclassification | - | 6,356 | 152,840 | 47,793 | - | - | - | - | (9,679) | 197,310 |
| Balance as of December 31, 2025 | <u>\$ 42,101</u> | <u>\$1,323,763</u> | <u>\$6,867,047</u> | <u>\$ 88,632</u> | <u>\$ 9,571</u> | <u>\$ 7,165</u> | <u>\$ 22,692</u> | <u>\$ 237,369</u> | <u>\$ 106,979</u> | <u>\$8,705,319</u> |
| Accumulated depreciation | | | | | | | | | | |
| Balance on January 1, 2025 | \$ - | \$ 777,873 | \$4,748,484 | \$ 33,307 | \$ 7,621 | \$ 7,107 | \$ 5,675 | \$ 144,223 | \$ - | \$5,724,290 |
| Additions | - | 48,283 | 499,650 | 7,700 | 653 | 58 | 2,743 | 19,885 | - | 578,972 |
| Disposals | - | - | (53,995) | - | (146) | - | - | (6,020) | - | (60,161) |
| Reclassification | - | 4,798 | (17,026) | - | - | - | - | - | - | (12,228) |
| Balance as of December 31, 2025 | <u>\$ -</u> | <u>\$ 830,954</u> | <u>\$5,177,113</u> | <u>\$ 41,007</u> | <u>\$ 8,128</u> | <u>\$ 7,165</u> | <u>\$ 8,418</u> | <u>\$ 158,088</u> | <u>\$ -</u> | <u>\$6,230,873</u> |
| Accumulated Impairment | | | | | | | | | | |
| Balance on January 1, 2025 | \$ - | \$ - | \$ 21,137 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 21,137 |
| Additions | - | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| Balance as of December 31, 2025 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 21,137</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 21,137</u> |
| Net Amount on December 31, 2025 | <u>\$ 42,101</u> | <u>\$ 492,809</u> | <u>\$1,668,797</u> | <u>\$ 47,625</u> | <u>\$ 1,443</u> | <u>\$ -</u> | <u>\$ 14,274</u> | <u>\$ 79,281</u> | <u>\$ 106,979</u> | <u>\$2,453,309</u> |
| Cost | | | | | | | | | | |
| Balance as of January 1, 2024 | \$ 42,101 | \$1,034,308 | \$5,974,810 | \$ 54,773 | \$ 9,459 | \$ 7,165 | \$ 22,743 | \$ 183,856 | \$ 115,814 | \$7,445,029 |
| Additions | - | 225,242 | 120,527 | 307 | - | - | 983 | 27,131 | 6,374 | 380,564 |
| Disposals | - | (118) | (185,164) | (20,056) | - | - | (5,334) | - | - | (210,672) |
| Reclassification | - | 42,389 | 97,622 | 5,815 | - | - | - | 525 | (112,400) | 33,951 |
| Balance as of December 31, 2024 | <u>\$ 42,101</u> | <u>\$1,301,821</u> | <u>\$6,007,795</u> | <u>\$ 40,839</u> | <u>\$ 9,459</u> | <u>\$ 7,165</u> | <u>\$ 18,392</u> | <u>\$ 211,512</u> | <u>\$ 9,788</u> | <u>\$7,648,872</u> |
| Accumulated depreciation | | | | | | | | | | |
| Balance as of January 1, 2024 | \$ - | \$ 727,369 | \$4,491,798 | \$ 51,040 | \$ 6,759 | \$ 6,990 | \$ 7,930 | \$ 128,395 | \$ - | \$5,420,281 |
| Additions | - | 50,622 | 486,030 | 2,323 | 862 | 117 | 2,760 | 15,828 | - | 558,542 |
| Disposals | - | (118) | (172,096) | (20,056) | - | - | (5,015) | - | - | (197,285) |
| Reclassification | - | - | (57,248) | - | - | - | - | - | - | (57,248) |
| Balance as of December 31, 2024 | <u>\$ -</u> | <u>\$ 777,873</u> | <u>\$4,748,484</u> | <u>\$ 33,307</u> | <u>\$ 7,621</u> | <u>\$ 7,107</u> | <u>\$ 5,675</u> | <u>\$ 144,223</u> | <u>\$ -</u> | <u>\$5,724,290</u> |
| Accumulated Impairment | | | | | | | | | | |
| Balance as of January 1, 2024 | \$ - | \$ - | \$ 19,602 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 19,602 |
| Additions | - | - | 2,489 | - | - | - | - | - | - | 2,489 |
| Disposals | - | - | (954) | - | - | - | - | - | - | (954) |
| Balance as of December 31, 2024 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 21,137</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 21,137</u> |
| Net Balance on December 31, 2024 | <u>\$ 42,101</u> | <u>\$ 523,948</u> | <u>\$1,238,174</u> | <u>\$ 7,532</u> | <u>\$ 1,838</u> | <u>\$ 58</u> | <u>\$ 12,717</u> | <u>\$ 67,289</u> | <u>\$ 9,788</u> | <u>\$1,903,445</u> |

The Company 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 | 5 to 8 Years |
| Leasehold improvements | 3 to 11 Years |
| Other equipment | 3 to 8 Years |

The 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 parent company only statement of comprehensive income.

For the amount of owner-occupied property, plant, and equipment set as loan collateral, please refer to Note 32.

(2) Operating lease rentals

| | <u>Buildings and Structures</u> |
|---|--|
| <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 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 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 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 Company's property, plant and equipment leased out under operating leases are not pledged as collateral for borrowings.

14. 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>69,493</u> | <u>81,206</u> |
| | <u>\$279,869</u> | <u>\$263,296</u> |
| | <u>2025</u> | <u>2024</u> |
| Additions to right-of-use assets | <u>\$ 45,550</u> | <u>\$112,792</u> |
| Depreciation expenses of right-of-use assets | | |
| Land | \$ 11,029 | \$ 10,888 |
| Buildings | <u>11,713</u> | <u>11,461</u> |
| | <u>\$ 22,742</u> | <u>\$ 22,349</u> |

Apart from the additions and depreciation expenses listed above, the 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>\$ 18,824</u> | <u>\$ 20,060</u> |
| Non-current | <u>\$261,148</u> | <u>\$240,247</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 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 Company may choose to purchase the equipment at the nominal amount at that time, with no terms for renewal or purchase options.

The 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 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 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>\$ 6,385</u> | <u>\$ 6,748</u> |
| Total cash (outflow) of leases | <u>(\$ 32,644)</u> | <u>(\$ 32,434)</u> |

The 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.

15. Investment Property

| <u>Completed Investment Property</u> | <u>2025</u> | | | | <u>Ending Balance</u> |
|--|------------------------------|--|--|-------------------------|---------------------------|
| | <u>Beginning balance</u> | <u>Additions During the Year</u> | <u>Decreases During the Year</u> | <u>Reclassification</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 | | | | Ending balance |
|-------------------------------------|----------------------|---------------------------------|---------------------------------|------------------|-------------------|
| | Beginning balance | Additions During the Year | Decreases During the Year | Reclassification | |
| <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 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 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 Company are owned equity.

16. Eighteen. Intangible Assets

| | Computer Software Costs | Goodwill | Patent Rights | Others | Total |
|--|----------------------------|-----------------|------------------|-----------------|-------------------|
| <u>Cost</u> | | | | | |
| Balance on January 1, 2025 | \$ 63,069 | \$ 2,583 | \$ 68,157 | \$ 7,665 | \$ 141,474 |
| Acquired separately | 31,871 | - | - | - | 31,871 |
| Reclassification | - | - | - | - | - |
| Balance as of December 31, 2025 | <u>\$ 94,940</u> | <u>\$ 2,583</u> | <u>\$ 68,157</u> | <u>\$ 7,665</u> | <u>\$ 173,345</u> |
| <u>Accumulated amortization and impairment</u> | | | | | |
| Balance on January 1, 2025 | \$ 35,325 | \$ - | \$ 62,011 | \$ 7,539 | \$ 104,875 |
| Amortization expense | 14,313 | - | 5,980 | 126 | 20,419 |
| Balance as of December 31, 2025 | <u>\$ 49,638</u> | <u>\$ -</u> | <u>\$ 67,991</u> | <u>\$ 7,665</u> | <u>\$ 125,294</u> |
| Net Amount on December 31, 2025 | <u>\$ 45,302</u> | <u>\$ 2,583</u> | <u>\$ 166</u> | <u>\$ -</u> | <u>\$ 48,051</u> |

(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>Cost</u> | | | | | |
| Balance as of January 1, 2024 | \$ 41,365 | \$ 2,583 | \$ 68,157 | \$ 7,665 | \$ 119,770 |
| Acquired separately | 21,704 | - | - | - | 21,704 |
| Reclassification | - | - | - | - | - |
| Balance as of December 31, 2024 | <u>\$ 63,069</u> | <u>\$ 2,583</u> | <u>\$ 68,157</u> | <u>\$ 7,665</u> | <u>\$ 141,474</u> |
| <u>Accumulated amortization and impairment</u> | | | | | |
| Balance as of January 1, 2024 | \$ 27,232 | \$ - | \$ 55,994 | \$ 6,643 | \$ 89,869 |
| Amortization expense | 8,093 | - | 6,017 | 896 | 15,006 |
| Balance as of December 31, 2024 | <u>\$ 35,325</u> | <u>\$ -</u> | <u>\$ 62,011</u> | <u>\$ 7,539</u> | <u>\$ 104,875</u> |
| Net Balance on December 31, 2024 | <u>\$ 27,744</u> | <u>\$ 2,583</u> | <u>\$ 6,146</u> | <u>\$ 126</u> | <u>\$ 36,599</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>December 31, 2025</u> | <u>December 31, 2024</u> |
|-----------------------------------|--------------------------|--------------------------|
| Operating costs | \$ 3,233 | \$ 2,935 |
| Administrative expenses | 2,571 | 1,702 |
| Research and development expenses | 14,615 | 10,369 |
| | <u>\$ 20,419</u> | <u>\$ 15,006</u> |

17. Other Assets

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---|--------------------------|--------------------------|
| Prepayments for intangible assets | \$131,471 | \$109,310 |
| Prepaid expenses | 85,898 | 62,596 |
| Supplies inventory | 45,708 | 41,583 |
| Refundable deposit (Note 14) | 23,965 | 4,487 |
| Refundable deposit - related parties (Note 31) | 1,000 | 1,000 |
| Others (Note) | 6,768 | 1,931 |
| | <u>\$294,810</u> | <u>\$220,907</u> |
| Current | \$138,374 | \$106,110 |
| Non-current | 156,436 | 114,797 |
| | <u>\$294,810</u> | <u>\$220,907</u> |

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

18. Notes and Accounts Payable

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|-------------------------|--------------------------|--------------------------|
| <u>Accounts payable</u> | | |
| Arising from operations | <u>\$238,908</u> | <u>\$508,862</u> |

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

19. Other Liabilities

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---|--------------------------|--------------------------|
| <u>Current</u> | | |
| Other payables | | |
| Salaries and bonuses payable | \$173,448 | \$148,611 |
| Payables for equipment | 76,265 | 89,263 |
| Payables for employees' compensation | 64,200 | 55,400 |
| Payables for directors' remuneration | 5,400 | 5,300 |
| Others (Note) | <u>216,900</u> | <u>139,849</u> |
| | <u>\$536,213</u> | <u>\$438,423</u> |
| <u>Other liabilities</u> | | |
| Others (suspense receipts and receipts on behalf of others) | <u>\$ 7,736</u> | <u>\$ 7,315</u> |

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

20. 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> |

| | <u>Employee Benefits</u> | <u>Warranty</u> | <u>Total</u> |
|---------------------------------|--------------------------|-----------------|-----------------|
| 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 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.

21. Post-employment Benefit Plans

(1) Defined Contribution Plans

The retirement system under the "Labor Pension Act" applicable to the 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.

(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 Company has no right to influence the investment management strategy.

The amounts of defined benefit plans included in the parent company only 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 | (155,523) | (134,985) |
| Net defined benefit assets | (\$ 46,677) | (\$ 51,310) |

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 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 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% | (<u>\$ 8,591</u>) | (<u>\$ 5,737</u>) |
| 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% | (<u>\$ 8,512</u>) | (<u>\$ 5,694</u>) |

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 |

22. 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 Company's Articles of Incorporation, please refer to Note 24(8) Employee Compensation and Director 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 | (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 |

23. Revenue

| | <u>2025</u> | <u>2024</u> |
|---------------------------------------|---------------------|---------------------|
| Revenue from contracts with customers | | |
| Processing income | \$ 2,057,495 | \$ 2,091,570 |
| Sales revenue | 1,238,435 | 1,229,491 |
| Other income | 333,739 | 264,237 |
| | <u>\$ 3,629,669</u> | <u>\$ 3,585,298</u> |

(1) Contract Balances

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> | <u>January 1, 2024</u> |
|--|--------------------------|--------------------------|------------------------|
| Accounts receivable (Note 10) | \$ 727,865 | \$ 485,287 | \$ 646,912 |
| Contract liabilities | | | |
| Contract liabilities - current | \$ 28,910 | \$ 57,405 | \$ 117,436 |
| Contract liabilities - related parties (Note 31) | 1,140 | 1,140 | - |
| | <u>\$ 30,050</u> | <u>\$ 58,545</u> | <u>\$ 117,436</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>\$ 56,272</u> | <u>\$ 113,494</u> |

(2) Breakdown of revenue from contracts with customers

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

The Company's revenue from external customers for continuing operations categorized by operating location are presented as follows:

| | <u>Revenue from External Customers</u> | |
|----------|--|---------------------|
| | <u>2025</u> | <u>2024</u> |
| Domestic | \$ 2,492,613 | \$ 2,128,674 |
| Foreign | <u>1,137,056</u> | <u>1,456,624</u> |
| | <u>\$ 3,629,669</u> | <u>\$ 3,585,298</u> |

24. Net Profit from Continuing Operations

(1) Other Income and Expenses, Net

| | <u>2025</u> | <u>2024</u> |
|---|------------------|------------------|
| Gain on disposal of property, plant and equipment | \$ 60,761 | \$ 53,638 |
| Operating lease rental income | 33,294 | 38,563 |
| Depreciation expenses of leased assets | (2,955) | (2,955) |
| Depreciation expenses of investment properties | - | (129) |
| | <u>\$ 91,100</u> | <u>\$ 89,117</u> |

(2) Interest Income

| | <u>2025</u> | <u>2024</u> |
|---------------|------------------|------------------|
| Bank deposits | <u>\$ 18,322</u> | <u>\$ 28,756</u> |

(3) Other Income

| | <u>2025</u> | <u>2024</u> |
|------------------------|------------------|-----------------|
| Grant Income (Note 27) | \$ 51,942 | \$ - |
| Dividend Income | 2,011 | 6,478 |
| Others | <u>1,613</u> | <u>1,036</u> |
| | <u>\$ 55,566</u> | <u>\$ 7,514</u> |

(4) Other Gains and Losses

| | <u>2025</u> | <u>2024</u> |
|---|------------------|------------------|
| Net foreign currency exchange gains | \$ 48,339 | \$ 50,018 |
| Net gains on financial assets measured at fair value through profit or loss | 3,222 | 143 |
| Impairment loss on property, plant, and equipment | - | (2,489) |
| Others | (67) | (3,357) |
| | <u>\$ 51,494</u> | <u>\$ 44,315</u> |

(5) Finance Costs

| | <u>2025</u> | <u>2024</u> |
|-------------------------------|-----------------|-----------------|
| Interest on lease liabilities | \$ 6,609 | \$ 5,463 |
| Other interest expenses | 72 | 60 |
| | <u>\$ 6,681</u> | <u>\$ 5,523</u> |

(6) Depreciation and Amortization

| | <u>2025</u> | <u>2024</u> |
|--|------------------|------------------|
| Property, plant and equipment | \$581,927 | \$561,497 |
| Right-of-use assets | 22,742 | 22,349 |
| Investment property | - | 129 |
| Intangible assets | 20,419 | 15,006 |
| Total | <u>\$625,088</u> | <u>\$598,981</u> |
| Depreciation expenses summarized by function | | |
| Operating costs | \$566,090 | \$552,568 |
| Operating expenses | 35,624 | 28,323 |
| Other gains and losses | 2,955 | 3,084 |
| | <u>\$604,669</u> | <u>\$583,975</u> |
| Amortization expenses summarized by function | | |
| Operating costs | \$ 3,233 | \$ 2,935 |
| Operating expenses | 17,186 | 12,071 |
| | <u>\$ 20,419</u> | <u>\$ 15,006</u> |

(7) Employee Benefits Expenses

| | <u>2025</u> | <u>2024</u> |
|---------------------------------|---------------------|---------------------|
| Post-employment benefits | | |
| Defined contribution plans | \$ 41,132 | \$ 39,953 |
| Defined benefit plans (Note 21) | (873) | (353) |
| | 40,259 | 39,600 |
| Other employee benefits | <u>1,184,571</u> | <u>1,106,957</u> |
| Total employee benefit expenses | <u>\$ 1,224,830</u> | <u>\$ 1,146,557</u> |
| Summarized by function | | |
| Operating costs | \$ 766,385 | \$ 741,817 |
| Operating expenses | <u>458,445</u> | <u>404,740</u> |
| | <u>\$ 1,224,830</u> | <u>\$ 1,146,557</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 the parent company only 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 parent company only 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 | \$141,357 | \$ 54,027 |
| Total foreign exchange losses | (93,018) | (4,009) |
| Net gain | <u>\$ 48,339</u> | <u>\$ 50,018</u> |

25. 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 | \$ 92,168 | \$138,569 |
| 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>\$ 77,828</u> | <u>\$105,842</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>\$621,917</u> | <u>\$627,860</u> |
| Income tax expense calculated at statutory tax rate on net income before tax | \$124,383 | \$125,572 |
| Items that should be adjusted (decreased / increased) when determining taxable income | (19,724) | 47 |
| 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>\$ 77,828</u> | <u>\$105,842</u> |

(2) Current Income Tax Liabilities

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|--------------------------------|--------------------------|--------------------------|
| Current income tax liabilities | | |
| Income tax payable | <u>\$169,159</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) Deductible Temporary Differences and Unused Tax Loss Carryforward Amounts for Which Deferred Income Tax Assets Have Not Been Recognized in The Parent Company Only Balance Sheet

| | <u>December 31, 2025</u> | <u>December 31, 2024</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.

26. Earnings Per Share (Unit: NT\$ per share)

| | <u>2025</u> | <u>2024</u> |
|----------------------------|----------------|----------------|
| Basic earnings per share | <u>\$ 4.23</u> | <u>\$ 4.06</u> |
| 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 Yyear

| | <u>2025</u> | <u>2024</u> |
|----------------------|------------------|------------------|
| Profit for the Yyear | <u>\$544,089</u> | <u>\$522,018</u> |

Number of shares

Unit: 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 Company can choose to distribute employees' compensation in stocks or cash, then when calculating diluted earnings per share, it is assumed that employees' 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.

27. Government Grants

In December 2025, the 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.

28. Cash Flow Information

(1) Non-cash Transactions

Except for those disclosed in other notes, the Company conducted the following non-cash investing and financing activities in 2025 and 2024:

(1) In 2025 and 2024, the 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 Company transferred net property, plant and equipment of NT\$11,042 thousand (recorded cost of NT\$28,068 thousand less accumulated depreciation of NT\$17,026 thousand) and NT\$31,741 thousand (recorded cost of NT\$88,989 thousand less accumulated depreciation of NT\$57,248 thousand) respectively to inventory. Additionally, in 2025, the 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 13 and 15).

29. Capital Risk Management

The 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 Company's overall strategy remains unchanged.

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

The Company's key management regularly reviews the Company's capital structure, and their review includes consideration of the costs and related risks of various types of capital. The 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.

30. Financial Instruments

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

The 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) | 2,664,470 | 3,271,892 |
| 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) | 373,071 | 728,095 |

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 notes and accounts payable (including amounts of related parties), other payables (including amounts of related parties), and other financial liabilities measured at amortized cost.

(4) Financial risk management objectives and policies

The Company's major financial instruments include equity investments, accounts receivable, accounts payable, and lease liabilities. The 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 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 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 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 Company does not engage in trading of financial instruments (including derivative financial instruments) for speculative purposes.

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

1. Market risk

The 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 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 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 engage in sales and purchase transactions denominated in foreign currencies, thereby exposing the Company to risks of exchange rate fluctuations. The 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 Company's monetary assets in non-functional at the balance sheet date and monetary liabilities denominated currencies and carrying amounts of derivative instruments with foreign exchange risk exposure are referred to in Note 34.

Sensitivity analysis

The 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 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 Company, and also represent management's assessment of the reasonably possible range of changes in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency monetary items and forward foreign exchange contracts designated as cash flow hedges. The (negative) positive numbers in the table below indicate the amount by which pre-tax net income would (decrease) increase when the functional currency of each entity within the Company appreciates by 5%, 5%, and 10% against each relevant currency.

| | <u>Impact of US Dollar</u> | | <u>Impact of RMB</u> | | <u>Impact of Japanese Yen</u> | |
|------------------------------|----------------------------|--------------|----------------------|---------------|-------------------------------|-------------|
| | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> |
| Pre-tax net (loss) income | (\$ 15,446) | (\$ 5,959) | (\$ 48,948) | (\$ 44,444) | \$ 236 | (\$ 274) |

The sensitivity changes mainly stem from the US dollar, RMB, and Japanese Yen denominated receivables and payables of the Company that are still outstanding at the balance sheet date and have not undergone cash flow hedging. The 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 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 Company hold both fixed and floating rate assets, they are therefore exposed to interest rate risk. The 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 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 | \$ 372,304 | \$ 1,453,177 |
| - Financial liabilities | 279,972 | 260,307 |
| Cash flow interest rate risk | | |
| - Financial assets | 521,239 | 299,267 |

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, the analysis method assumes that the amounts of assets 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 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 Company's pre-tax net profit for 2025 and 2024 would increase/decrease by NT\$521 thousand and NT\$299 thousand, respectively.

(3) Other price risks

The Company is exposed to equity price risk due to equity securities investments. The management of the Company manages risk by holding investment portfolios with different risks. The Company was not actively trading in such 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 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 Company that may result in financial losses due to counterparties failing to fulfill their obligations and the financial guarantees provided by the Company mainly comes from:

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

To mitigate credit risk, the management of the 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 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 Company has been significantly reduced.

The credit risk of the Company is primarily concentrated among the Company's top six customers. As of December 31, 2024 and 2023, the percentages of total accounts receivable from these customers were 61% and 65%, respectively.

3. Liquidity risk

The 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 Company monitors the usage of bank financing facilities and ensures compliance with loan contract terms.

As of December 31, 2024 and 2023, for the 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 Company may be required to pay, using undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, bank loans that the 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 | \$ 379,550 | \$ 230,535 | \$ 159,520 | \$ 12,443 | \$ - |
| Lease liabilities | <u>2,188</u> | <u>4,376</u> | <u>19,694</u> | <u>91,092</u> | <u>302,195</u> |
| | <u>\$ 381,738</u> | <u>\$ 234,911</u> | <u>\$ 179,214</u> | <u>\$ 103,535</u> | <u>\$ 302,195</u> |

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

| | Less Than 1 Year | 1 to 5 Years | 5 to 10 Years | 10 to 15 Years | 15 to 20 Years | More Than 20 Years |
|-------------------|-----------------------------|---------------------|--------------------------|---------------------------|---------------------------|-------------------------------|
| Lease liabilities | <u>\$ 26,258</u> | <u>\$ 91,092</u> | <u>\$ 71,534</u> | <u>\$ 71,497</u> | <u>\$ 32,368</u> | <u>\$126,796</u> |

December 31, 2024

| | 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 | \$ 363,354 | \$ 465,325 | \$ 119,404 | \$ 8,770 | \$ - |
| Lease liabilities | <u>2,225</u> | <u>4,451</u> | <u>20,029</u> | <u>104,827</u> | <u>184,928</u> |
| | <u>\$ 365,579</u> | <u>\$ 469,776</u> | <u>\$ 139,433</u> | <u>\$ 113,597</u> | <u>\$ 184,928</u> |

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

| | Less Than 1 Year | 1 to 5 Years | 5 to 10 Years | 10 to 15 Years | 15 to 20 Years | More Than 20 Years |
|-------------------|-----------------------------|---------------------|--------------------------|---------------------------|---------------------------|-------------------------------|
| Lease liabilities | <u>\$ 26,705</u> | <u>\$104,827</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

| | 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>Net settlement</u> Forward foreign exchange contracts | \$ - | \$ 88 | \$ - | \$ - | \$ - |

(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 Company for the Institute for Information Industry's industrial foundation technology project.

31. Related Party Transactions

The 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 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) |
| Yangzhou YoungTek Microelectronics Co., Ltd. | Yangzhou YoungTek | Subsidiaries |
| Suzhou YoungTek Microelectronics Co., Ltd. | Suzhou YoungTek Micro | Subsidiaries |
| YoungTek Microelectronics (Shenzhen) Co., Ltd. | Shenzhen YoungTek | Subsidiaries |
| YOUNGTEK ELECTRONICS CORPORATION USA, INC. | Youngtek USA | Subsidiaries |
| Anhui Utest Electronics Ltd. | Anhui Utest | Subsidiaries |

(2) Business Transactions

| Account Item | Related Party Category/Name | 2025 | 2024 |
|---------------------|------------------------------------|-------------------|---------------------|
| Sales revenue | Subsidiaries | | |
| | Suzhou YoungTek Micro | \$ 768,722 | \$ 773,886 |
| | Others | 80,645 | 217,230 |
| | Other related parties | 44,178 | 43,220 |
| | | <u>\$ 893,545</u> | <u>\$ 1,034,336</u> |

The 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 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 |
|-------------------------------|------------------|-----------------|
| Subsidiaries | \$ 23,839 | \$ 3,940 |
| Related enterprise | - | 195 |
| Other related parties | 49 | 14 |
| | <u>\$ 23,888</u> | <u>\$ 4,149</u> |

The 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 - related parties | Subsidiaries | | |
| | Suzhou YoungTek Micro | \$ 688,457 | \$ 591,604 |
| | Anhui Utest | 90,100 | 127,818 |
| | Shenzhen YoungTek | 20,932 | 76,409 |
| | Others | 13 | - |
| | Other related parties | | |
| | Harvatek | 93,415 | 94,704 |
| | Others | 1,817 | 1,344 |
| | | <u>\$ 894,734</u> | <u>\$ 891,879</u> |

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 | Subsidiaries | | |
| | Suzhou YoungTek Micro | \$ 82,548 | \$ 128,318 |
| | Anhui Utest | - | 6,679 |
| | Related enterprise | | |
| | Shanghai Jiuxi | 27,909 | - |
| | | <u>\$ 110,457</u> | <u>\$ 134,997</u> |

Other receivables - no receivable and accounts receivable from related parties. Accounts receivable - reclassified overdue for more than 90 days by related parties.

(5) Accounts Payable - Related Parties and Other Payables

| Account Item | Related Party Category/Name | December 31, 2025 | December 31, 2024 |
|------------------------------------|------------------------------------|--------------------------|--------------------------|
| Accounts payable - related parties | Subsidiaries | | |
| | Yangzhou YoungTek | \$ 2,142 | \$ 532 |
| | Suzhou YoungTek Micro | 385 | 266 |
| | Other related parties | 19 | - |
| | | <u>\$ 2,546</u> | <u>\$ 798</u> |

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.

| Account Item | Related Party Category/Name | December 31, 2025 | December 31, 2024 |
|--|------------------------------------|--------------------------|--------------------------|
| Other payables - related parties (recorded under other payables) | Subsidiaries | | |
| | YoungTek USA | \$ 3,148 | \$ 3,284 |
| | Yangzhou YoungTek | - | 16 |
| | Other related parties | | |
| | Harvatek | - | 21 |
| | | <u>\$ 3,148</u> | <u>\$ 3,321</u> |

(6) Acquisition of Property, Plant and Equipment

| Related Party Category/Name | Acquisition Price | |
|------------------------------------|--------------------------|-------------|
| | 2025 | 2024 |
| Subsidiaries | <u>\$ 3,216</u> | <u>\$ -</u> |

(7) Disposal of Property, Plant and Equipment

| Related Party Category/Name | Disposal Price | | Gain on Disposal | |
|--|-----------------------|------------------|-------------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Subsidiaries | | | | |
| Suzhou YoungTek | | | | |
| Micro | \$ 22,762 | \$ 62,609 | \$ 21,248 | \$ 52,718 |
| Related enterprise | 57,443 | - | (890) | - |
| Other related parties | - | 54 | - | (1,881) |
| | <u>\$ 80,205</u> | <u>\$ 62,663</u> | <u>\$ 20,358</u> | <u>\$ 50,837</u> |

The Company's gain or loss on the disposal of property, plant and equipment to subsidiaries has been deferred and is being amortized over the useful lives of the assets in the subsidiaries.

(8) Lease Agreements

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

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

| Related Party Category/Name | 2025 | 2024 |
|---|-----------------|---------------|
| <u>Interest expenses</u> | | |
| Investors with significant influence | | |
| Other related parties | | |
| Harvatek | <u>\$ 1,255</u> | <u>\$ 187</u> |

The Company leased a factory from an investor with significant influence in January 2024, 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.

(9) Other Related Party Transactions

| | 2025 | 2024 |
|------------------------|-------------|-----------------|
| <u>Dividend Income</u> | | |
| Other related parties | | |
| Harvatek | <u>\$ -</u> | <u>\$ 5,115</u> |

(Continued on next page)

(Brought forward)

| | <u>2025</u> | <u>2024</u> |
|-------------------------------|--------------------------|--------------------------|
| <u>Manufacturing expenses</u> | | |
| Other related parties | <u>\$ 40,962</u> | <u>\$ 35,280</u> |
| <u>Operating expenses</u> | | |
| Subsidiaries | \$ 18,810 | \$ 11,324 |
| Other related parties | <u>2,801</u> | <u>21</u> |
| | <u>\$ 21,611</u> | <u>\$ 11,345</u> |
| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
| <u>Refundable deposits</u> | | |
| Other related parties | <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 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 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.

(10) 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.

32. 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) | <u>22,304</u> | <u>22,237</u> |
| | <u>\$ 45,177</u> | <u>\$ 47,072</u> |

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

33. Significant Contingent Liabilities and Unrecognized Contractual Commitments

Except 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.

34. 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 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> | | | |
| US Dollar | \$ 12,867 | 31.38 | \$ 403,766 |
| Japanese Yen | 2,174 | 0.20 | 435 |
| RMB | 219,680 | 4.47 | 981,970 |
| | | | <u>\$ 1,386,171</u> |
| <u>Foreign currency liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| US Dollar | 3,013 | 31.48 | \$ 94,849 |
| Japanese Yen | 13,996 | 0.20 | 2,799 |
| RMB | 664 | 4.52 | 3,001 |
| | | | <u>\$ 100,649</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> | | | |
| US Dollar | \$ 10,844 | 32.74 | \$ 355,033 |
| Japanese Yen | 19,302 | 0.21 | 4,053 |
| RMB | 199,935 | 4.45 | 889,711 |
| | | | <u>\$ 1,248,797</u> |
| <u>Foreign currency liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| US Dollar | 7,182 | 32.84 | \$ 235,857 |
| Japanese Yen | 6,252 | 0.21 | 1,313 |
| RMB | 186 | 4.50 | 837 |
| | | | <u>\$ 238,007</u> |

In 2025 and 2024, the Company's realized and unrealized net foreign exchange gains were NT\$48,339 thousand and NT\$50,018 thousand, respectively. Due to the numerous types of foreign currency transactions and functional currencies, it is not possible to disclose exchange gains and losses by each significant foreign currency.

35. 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.

(2) Information on invested business: Table 6.

(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 7.

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 8.
 - (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.

YOUNGTEK ELECTRONICS CORP.

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.

ENDORSEMENTS/GUARANTEES FOR OTHERS

January 1 to December 31, 2025

Table 2

Unit: NT\$ thousand, unless otherwise specified

| No. | Endorsement/ Guarantee Provider | 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.

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 | | | | Note |
|----------------------------|-------------------------------|---|---|------------------------|-----------------|----------------------|------------|--------|
| | | | | Number of Shares/Units | Carrying Amount | Shareholding Ratio % | Fair Value | |
| YoungTek Electronics Corp. | Limited partnership | | | | | | | |
| | 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 |
| | Stock | | | | | | | |
| | 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, 2025.

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.

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) | | Note |
|---------------------------------|-------------------------------------|--|----------------------|------------|--|---|---|---------------|---|---|------|
| | | | 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.

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 Impairment 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.
INVESTEE COMPANY INFORMATION

January 1 to December 31, 2025

Table 6

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 | Note |
|--------------------------------|---|------------------------|--|-----------------------------|-----------------------------|------------------------|---------|-----------------|--|--|--------|
| | | | | 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 | USD 800 | 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 | \$ 23,738 9,000 | \$ 23,738 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 Table 7.

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.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

January 1 to December 31, 2025

Table 7

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 4: 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.

SIGNIFICANT TRANSACTIONS WITH INVESTEES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, UNREALIZED GAINS AND LOSSES, AND OTHER RELEVANT INFORMATION

January 1 to December 31, 2025

Table 8

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 | Note |
|--|--|---------------------------------|------------|-------------------|--------------------------------------|--|------------|-----------------------------|------|
| | | 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.

DESCRIPTION OF SIGNIFICANT ACCOUNTING ITEMS

| ITEM | NO./INDEX |
|---|--------------|
| Liabilities and Equity | |
| Cash and Cash Equivalents | Statement 1 |
| Financial Assets Measured at Fair Value Through Other Comprehensive Income - Current Assets | Statement 2 |
| Financial Assets Measured at Amortized Cost - Current Assets | Note 9 |
| Notes and Accounts Receivable | Statement 3 |
| Other Receivables | Note 10 |
| Inventory Statement | Statement 4 |
| Other Current Assets | Note 17 |
| Financial Assets Measured at Fair Value Through Profit or Loss - Non-current Assets. | Statement 5 |
| Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current Assets. | Statement 6 |
| Financial Assets Measured at Amortized Cost - No- current Assets. | Note 9 |
| Investments Accounted for Using Equity Method | Statement 7 |
| Property, Plant and Equipment | Note 13 |
| Changes in Right-of-Use Assets and Accumulated Depreciation of Right-of-Use Assets | Statement 8 |
| Investment Property | Note 15 |
| Intangible Assets | Note 16 |
| Deferred Income Tax Assets | Note 25 |
| Other Non-current Assets | Note 17 |
| Financial Liabilities Measured at Fair Value through Profit or Loss - Current Assets | Note 7 |
| Notes and Accounts Payable | Statement 9 |
| Other Payables | Note 19 |
| Provisions - Current | Note 20 |
| Lease Liabilities | Statement 10 |
| Other Current Liabilities | Note 19 |
| Income Statement | |
| Operating Revenue | Statement 11 |
| Operating Costs | Statement 12 |
| Operating Expenses | Statement 13 |
| Other Net Gains and Losses | Note 24 |
| Financial Costs | Note 24 |
| Summary of Employee Benefits, Depreciation, Depletion, and Amortization Expenses by Function for the Current Period | Statement 14 |

YOUNGTEK ELECTRONICS CORP.
CASH AND CASH EQUIVALENTS

December 31, 2025

Statement 1

Unit: NT\$ thousand, unless otherwise specified

| Name | Summary | Amount |
|---|--|-------------------|
| Cash | Including USD 5,000 @31.38 and RMB 12,000 @4.47 | \$ 600 |
| Bank deposits | | |
| Bank checks and demand deposits | | 443,843 |
| Foreign currency demand deposits | Including USD 2,347,000 @31.38, JPY 1,739,000 @0.20, and RMB 761,000 @4.47 | 77,396 |
| Cash Equivalents | | |
| Deposits with original maturities within 3 months | Maturity date from January to February 2025, interest rate: 3.75% | <u>350,000</u> |
| | | <u>\$ 871,839</u> |

YOUNGTEK ELECTRONICS CORP.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CURRENT ASSETS

December 31, 2025

Statement 2

Unit: NT\$ thousand, unless otherwise specified

| Financial Instruments Name | Number of Shares | Value | Total Amount | Interest Rate | Cost | Accumulated Impairment | Fair Value | | Note |
|----------------------------|------------------|-----------|--------------|---------------|------|------------------------|------------|--------------|------|
| | | | | | | | Unit Price | Total Amount | |
| Stock | | | | | | | | | |
| Edison Opto Corporation | 2,549,367 | \$ 66,283 | \$ 66,283 | - | \$ - | \$ - | \$18.4 | \$ 46,908 | Note |

Note: The fair value is measured based on the year-end closing market prices.

YOUNGTEK ELECTRONICS CORP.
NOTES AND ACCOUNTS RECEIVABLE

December 31, 2025

Statement 3

Unit: NT\$ thousand

| <u>Name</u> | <u>Amount</u> |
|----------------------------|------------------|
| Company A | \$208,166 |
| Company B | 95,142 |
| Company C | 57,668 |
| Company D | 38,197 |
| Company E | 36,682 |
| Others (Note) | <u>333,512</u> |
| | 769,367 |
| Less: allowance for losses | (<u>5,340</u>) |
| | <u>\$764,027</u> |

Note: The balance of each account does not exceed 5% of the balance of this account category.

YOUNGTEK ELECTRONICS CORP.
INVENTORY STATEMENT

December 31, 2025

Statement 4

Unit: NT\$ thousand

| <u>Item</u> | <u>Amount</u> | |
|------------------|-------------------|-----------------------------|
| | <u>Cost</u> | <u>Net Realizable Value</u> |
| Finished goods | \$ 238,588 | \$ 346,986 |
| Work in process | 3,672 | 5,709 |
| Work in progress | 153,029 | 254,613 |
| Raw materials | <u>415,759</u> | <u>527,944</u> |
| | <u>\$ 811,048</u> | <u>\$ 1,135,252</u> |

YOUNGTEK ELECTRONICS CORP.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS - NON-CURRENT ASSETS.

January 1 to December 31, 2025

Statement 5

Unit: NT\$ thousand, unless otherwise specified

| Financial Instruments Name | Beginning Balance | | Additions During the Year | | Decreases During the Year | | Ending Balance | | Pledged Collaterals |
|-----------------------------------|--------------------------|------------------|----------------------------------|-----------------|----------------------------------|---------------|-------------------------|-------------------|----------------------------|
| | Number of Shares | Amount | Number of Shares | Amount | Number of Shares | Amount | Number of Shares | Fair value | |
| NEXUS CVC Limited Partnership | 3,000,000 | <u>\$ 30,055</u> | - | <u>\$ 3,134</u> | - | <u>\$ -</u> | 3,000,000 | <u>\$ 33,189</u> | — |

Note: The fair value is measured based on the net asset value as of December 31, 2025.

YOUNGTEK ELECTRONICS CORP.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT ASSETS.

January 1 to December 31, 2025

Statement 6

Unit: NT\$ thousand, unless otherwise specified

| Name | Beginning Balance | | Increases | | Decreases | | Ending Balance | | Pledged Collaterals | Note |
|--------------------------------------|-------------------|-------------------|------------------|------------------|------------------|--------------------|------------------|-------------------|---------------------|--------|
| | Number of Shares | Fair value | Number of Shares | Amount | Number of Shares | Amount | Number of Shares | Fair value | | |
| Stock | | | | | | | | | | |
| Harvatek Corporation | 10,230,336 | \$ 233,252 | - | \$ - | - | (\$ 35,295) | 10,230,336 | \$ 197,957 | No | Note 1 |
| Unimicron Technology Corp. | 29,238 | 4,122 | - | 2,311 | - | - | 29,238 | 6,433 | No | Note 1 |
| Navifus Corporation | 1,500,000 | 42,315 | - | - | - | (12,165) | 1,500,000 | 30,150 | No | Note 1 |
| YTTEK Technology Corp. | 333,333 | 5,000 | - | - | - | (3,811) | 333,333 | 1,189 | No | Note 2 |
| CSVI Ventures L.P. | - | 98,337 | - | 18,685 | - | (7,568) | - | 109,454 | No | Note 2 |
| Aeolus Robotics Corporation (Cayman) | 2,000,000 | - | - | - | - | - | 2,000,000 | - | No | Note 2 |
| ARK SEMICONDUCTOR INC. | 123,920 | 16,110 | - | - | - | (15,530) | 123,920 | 580 | No | Note 3 |
| | | <u>\$ 399,136</u> | | <u>\$ 20,996</u> | | <u>(\$ 74,369)</u> | | <u>\$ 345,763</u> | | |

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

Note 2: Measured based on the Company's most recent financial statements.

Note 3: The fair value is measured based on market approach.

YOUNGTEK ELECTRONICS CORP.

INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

January 1 to December 31, 2025

Statement 7

Unit: NT\$ thousand, unless otherwise specified

| | Beginning balance | | Additions During the Year | | Decreases During the Year | | Investments Accounted for Using Equity Method | Not Adjusted According to Its Shareholding Ratio | Cumulative Translation Adjustment | Realized (Unrealized) Gross Profit on Sales | Other Comprehensive Income | Ending balance | | | Pledged Status | |
|--|-------------------|-------------------|---------------------------|------------------|---------------------------|-------------|---|--|-----------------------------------|---|----------------------------|------------------|----------------------|-------------------|--------------------|------------|
| | Number of Shares | Amount | Number of Shares | Amount | Number of Shares | Amount | | | | | | Number of Shares | Shareholding Ratio % | Amount | | Net Equity |
| Unlisted company | | | | | | | | | | | | | | | | |
| YETC Samoa Company | - | \$ 429,778 | - | \$ - | - | \$ - | \$ 17,915 | \$ - | (\$ 8,333) | \$ 8,041 | \$ - | - | 100.00 | \$ 447,401 | \$ 713,601 | No |
| Wecon Limited (Samoa) | - | 13,936 | - | - | - | - | (986) | - | (317) | 385 | - | - | 100.00 | 13,018 | 13,688 | No |
| NexTagder CO., LTD. (formerly Wecon Automation Machinery Corp.) | 100,000 | 989 | 800,000 | 8,000 | - | - | (345) | 9 | - | - | - | - | 50.00 | 8,653 | 8,653 | No |
| Youngtek USA | 1,500 | 17,719 | - | - | - | - | (5,788) | - | (778) | - | - | - | 100.00 | 11,153 | 11,153 | No |
| Shanghai Jiuxi Testing Technology Co., Ltd. | - | - | - | 85,780 | - | - | (4,486) | - | 2,602 | - | - | - | 24.20 | 83,896 | 83,896 | No |
| Tian Zheng | 5,395,136 | 128,599 | - | - | - | - | (784) | 17,042 | 340 | - | 4,264 | - | 13.17 | 149,461 | 149,461 | No |
| Sissca | 3,370,752 | 26,103 | - | - | - | - | 11,748 | 101 | (23) | - | - | - | 15.30 | 37,929 | 37,929 | No |
| | | <u>\$ 617,124</u> | | <u>\$ 93,780</u> | | <u>\$ -</u> | <u>\$ 17,274</u> | <u>\$ 17,152</u> | <u>(\$ 6,509)</u> | <u>\$ 8,426</u> | <u>\$ 4,264</u> | | | <u>\$ 751,511</u> | <u>\$1,018,381</u> | |

YOUNGTEK ELECTRONICS CORP.

**CHANGES IN RIGHT-OF-USE ASSETS AND ACCUMULATED
DEPRECIATION OF RIGHT-OF-USE ASSETS**

January 1 to December 31, 2025

Statement 8

Unit: NT\$ thousand, unless otherwise specified

| | <u>Land</u> | <u>Buildings and Structures</u> | <u>Total</u> |
|------------------------------------|-------------------|-------------------------------------|-------------------|
| Cost | | | |
| Balance on January 1, 2025 | \$ 207,597 | \$ 85,038 | \$ 292,635 |
| Additions | 45,550 | - | 45,550 |
| Decreases | (6,235) | - | (6,235) |
| Balance as of December 31, 2025 | <u>246,912</u> | <u>85,038</u> | <u>331,950</u> |
| Accumulated depreciation | | | |
| Balance on January 1, 2025 | 25,507 | 3,832 | 29,339 |
| Depreciation | <u>11,029</u> | <u>11,713</u> | <u>22,742</u> |
| Balance as of December 31, 2025 | <u>36,536</u> | <u>15,545</u> | <u>52,081</u> |
| Net Amount on December 31, 2025 | <u>\$ 210,376</u> | <u>\$ 69,493</u> | <u>\$ 279,869</u> |

YOUNGTEK ELECTRONICS CORP.
NOTES AND ACCOUNTS PAYABLE

December 31, 2025

Statement 9

Unit: NT\$ thousand

| <u>Name of Supplier</u> | <u>Amount</u> |
|-------------------------|------------------|
| Company A | \$ 39,219 |
| Company B | 29,214 |
| Company C | 19,268 |
| Others (Note) | <u>151,207</u> |
| | <u>\$238,908</u> |

Note: The balance of each supplier not exceed 5% of the balance of this account category.

YOUNGTEK ELECTRONICS CORP.

LEASE LIABILITIES

December 31, 2025

Statement 10

Unit: NT\$ thousand, unless otherwise specified

| Name | Lease Term | Discount Rate | Amount |
|---------------------------------|---------------------------------------|---------------|-------------------|
| Land | From January 2020 to December 2082 | 2.40%~3.15% | \$ 236,359 |
| Buildings and structures | From January 2024 to December 2029 | 2.40%~3.15% | <u>43,613</u> |
| Total | | | 279,972 |
| Less: current lease liabilities | | | (<u>18,824</u>) |
| Lease liabilities - non-current | | | <u>\$ 261,148</u> |

YOUNGTEK ELECTRONICS CORP.

OPERATING REVENUE

January 1 to December 31, 2025

Statement 11

Unit: NT\$ thousand, unless otherwise specified

| Item | Quantity (Thousand Pieces/Thousand Grains/Units) | Amount |
|-----------------------------------|---|----------------------------|
| Processing income | 1,320,004 | \$ 2,078,827 |
| Sales revenue | 2,290 | 1,239,590 |
| Other income | | <u>345,177</u> |
| | | 3,663,594 |
| Less: sales returns and discounts | | (<u>33,925</u>) |
| | | <u><u>\$ 3,629,669</u></u> |

YOUNGTEK ELECTRONICS CORP.

OPERATING COSTS

January 1 to December 31, 2025

Statement 12

Unit: NT\$ thousand

| <u>Item</u> | <u>Amount</u> |
|--|---------------------|
| Raw materials | |
| Raw materials at the beginning of the year | \$ 501,692 |
| Add: raw materials purchased for the year | 658,652 |
| Less: reclassified fixed assets and expenses | 19,239 |
| Sale of raw materials | 33,202 |
| Raw materials at the end of the year | <u>415,759</u> |
| Consumption of the year | 692,144 |
| Direct labor | 323,545 |
| Manufacturing expenses | <u>1,540,395</u> |
| Cost | 2,556,084 |
| Add: work in process at the beginning of the year | 229,273 |
| Less: work in process at the end of the year | <u>153,029</u> |
| Cost of Finished goods | 2,632,328 |
| Add: semi-finished products at the beginning of the year | 3,723 |
| Finished goods at the beginning of the year | 318,782 |
| Less: reclassified fixed assets and expenses | 245,990 |
| Semi-finished products at the end of the year | 3,672 |
| Finished goods at the end of the year | <u>238,588</u> |
| Cost | 2,466,583 |
| Add: sale of raw materials | 33,202 |
| Others | <u>1,177</u> |
| Operating costs | <u>\$ 2,500,962</u> |

YOUNGTEK ELECTRONICS CORP.

OPERATING EXPENSES

January 1 to December 31, 2025

Statement 13

Unit: NT\$ thousand

| Item | Selling Expenses | Administrative Expenses | Research and Development Expenses |
|-----------------------|-----------------------------|------------------------------------|--|
| Payroll expenses | \$ 77,890 | \$ 42,419 | \$ 274,280 |
| Services expense | 30,530 | 7,500 | 1,080 |
| Entertainment expense | 12,359 | 359 | 125 |
| Insurance expense | 762 | 12,073 | - |
| Depreciation | 456 | 25,519 | 9,649 |
| Donation expenses | - | 9,590 | - |
| Materials expense | - | - | 39,206 |
| Others (Note) | <u>41,183</u> | <u>73,459</u> | <u>78,811</u> |
| | <u>\$ 163,180</u> | <u>\$ 170,919</u> | <u>\$ 403,151</u> |

Note: Each account above does not exceed 5% of the balance of this account category.

YOUNGTEK ELECTRONICS CORP.

SUMMARY OF EMPLOYEE BENEFITS, DEPRECIATION, AND AMORTIZATION EXPENSES BY FUNCTION FOR THE CURRENT PERIOD

January 1 to December 31, 2025 and 2024

Statement 14

Unit: NT\$ thousand

| | 2025 | | | | 2024 | | | |
|------------------------------------|-------------------------------|----------------------------------|---|---------------------|-------------------------------|----------------------------------|---|---------------------|
| | Classified as Operating Costs | Classified as Operating Expenses | Classified as Other Non-operating Income and Expenses | Total | Classified as Operating Costs | Classified as Operating Expenses | Classified as Other Non-operating Income and Expenses | Total |
| Employee benefit expenses | | | | | | | | |
| Payroll expenses | \$ 650,094 | \$ 389,189 | \$ - | \$ 1,039,283 | \$ 626,428 | \$ 335,747 | \$ - | \$ 962,175 |
| Labor and health insurance expense | 59,980 | 37,864 | - | 97,844 | 59,417 | 38,450 | - | 97,867 |
| Pension expense | 25,313 | 14,946 | - | 40,259 | 25,216 | 14,384 | - | 39,600 |
| Directors' remuneration | - | 5,400 | - | 5,400 | - | 5,300 | - | 5,300 |
| Other employee benefits | 30,998 | 11,046 | - | 42,044 | 30,756 | 10,859 | - | 41,615 |
| Total | <u>\$ 766,385</u> | <u>\$ 458,445</u> | <u>\$ -</u> | <u>\$ 1,224,830</u> | <u>\$ 741,817</u> | <u>\$ 404,740</u> | <u>\$ -</u> | <u>\$ 1,146,557</u> |
| Depreciation expense | <u>\$ 566,090</u> | <u>\$ 35,624</u> | <u>\$ 2,955</u> | <u>\$ 604,669</u> | <u>\$ 552,568</u> | <u>\$ 28,323</u> | <u>\$ 3,084</u> | <u>\$ 583,975</u> |
| Amortization expense | <u>\$ 3,233</u> | <u>\$ 17,186</u> | <u>\$ -</u> | <u>\$ 20,419</u> | <u>\$ 2,935</u> | <u>\$ 12,071</u> | <u>\$ -</u> | <u>\$ 15,006</u> |

Note:

- The monthly average number of employees for 2025 and 2024 were 1,024 and 998 respectively; of which the number of non-executive directors was 7.
- Companies whose stocks have been listed on TWSE or TPEX should disclose the following additional information:
 - The average employee benefit expense for the year was NT\$1,199 thousand (["Total employee benefit expense for the year" – "Total directors' remuneration"] / ["Number of employees for the year" – "Number of non-executive directors"]).
The average employee benefit expense of the previous year was NT\$1,152 thousand (["Total employee welfare expenses of the previous year" – "Total remuneration of directors"] / ["Number of employees of the previous year" – "Number of non-executive directors"]).
 - The average employee salary expense this year was NT\$1,022 thousand (total salary expense this year / ["number of employees this year – number of non-executive directors"]).
The average employee salary expense for the previous year was NT\$902 thousand (total salary expenses for the previous year / ["number of employees – number of directors who were not also employees for the previous year "]).
 - The variation in average employee salary expenses adjustment 5.25% (["The average employee salary expenses for this year – The average employee salary expenses for the previous year"] / The average employee salary expenses for the previous year)
 - The Company has established an Audit Committee on June 15, 2021, and therefore had no supervisors as of December 31, 2024 and 2023.
 - Please describe the Company's compensation and remuneration policy (including for directors, managers, and employees)
The remuneration for the Company's directors and supervisors shall be determined by the board of directors in accordance with the Articles of Incorporation, taking into account their level of participation in the Company's operations and the value of their contributions, and with reference to industry standards. If there is a surplus in the annual final accounts, it shall be handled in accordance with the provisions of Article 23 of the Company's Articles of Incorporation, and cash as remuneration shall be paid to the directors and supervisors
The Company's employee compensation includes salaries, bonuses, and employee compensation, which are determined by the Company's operating performance and the positions held, authorized by the Chairman of the Board, and the compensation system is reviewed in a timely manner based on actual operating conditions and relevant laws and regulations to strike a balance between the company's sustainable operations and risk management.