

Forcelead Technology Corporation

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

Forcelead Technology Corporation

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders
Forcelead Technology Corporation

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Recognition of sales revenue

The Company's main source of revenue comes from the sale of goods, refer to Notes 4, 20 and 33 for information on the accounting policies of revenue recognition. Such revenue is recognized when the goods are transferred to the customer and the performance obligations are met. The revenue recognition process is that after receiving customers' orders and checking the transaction conditions, the business unit creates an order in the system, and enters into the production schedule after obtaining the approval from the supervisor. As soon as the production is completed, the material unit would issue packing lists and invoices from the system, and the Company would obtain a signed packing list or the bill of lading from the shipping companies when those shipping companies pick up the goods, then the system would generate a shipping receipt details list after checking the shipping-related information. The accounting officers would recognize sales revenue according to

the shipping receipt details list.

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 4, 2026

Notice to Readers

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

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

FORCELEAD TECHNOLOGY CORPORATION

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

ASSETS	December 31, 2025		December 31, 2024		LIABILITIES AND EQUITY	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4, 6 and 27)	\$ 633,521	18	\$ 546,687	16	Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 27)	\$ 1,555	-	\$ -	-
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 27)	67,224	2	22,842	1	Trade payables (Note 27)	337,871	10	289,120	8
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 27)	124,012	3	-	-	Accrued profit sharing bonus to employees' compensation and remuneration of directors and supervisors (Notes 19 and 21)	46,845	1	58,267	2
Financial assets at amortized cost - current (Notes 4, 9, 27 and 29)	1,246,705	36	1,770,805	51	Other payables (Notes 17 and 27)	187,929	5	180,705	5
Trade receivables (Notes 4, 11, 20 and 27)	250,436	7	199,004	6	Other payables to related parties (Notes 27 and 28)	53,861	2	44,660	1
Trade receivables from related parties (Notes 4, 20, 27 and 28)	91,707	3	11,534	-	Current tax liabilities (Notes 4 and 22)	69,213	2	66,611	2
Other receivables (Notes 4, 27 and 28)	6,432	-	4,703	-	Lease liabilities - current (Notes 4, 14, 25, 27 and 28)	6,063	-	8,032	-
Inventories (Notes 4 and 12)	468,262	13	536,844	16	Other current liabilities (Notes 17 and 20)	42,839	1	14,880	1
Prepayments and other current assets (Notes 4, 16, 27 and 30)	27,610	1	31,338	1					
Total current assets	2,915,909	83	3,123,757	91	Total current liabilities	746,176	21	662,275	19
NON-CURRENT ASSETS					NON-CURRENT LIABILITIES				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 27)	47,580	1	-	-	Deferred tax liabilities (Notes 4 and 22)	2,147	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8, 10 and 27)	115,414	3	-	-	Lease liabilities - non-current (Notes 4, 14, 25, 27 and 28)	12,735	1	18,798	1
Property, plant and equipment (Notes 4, 13 and 33)	132,316	4	79,393	2	Other non-current liabilities (Notes 4, 17, 25, 27 and 30)	2,577	-	42,130	1
Right-of-use assets (Notes 4, 14, 28 and 33)	19,043	1	27,430	1					
Intangible assets (Notes 4, 15 and 33)	21,285	1	18,069	1	Total non-current liabilities	17,459	1	60,928	2
Other non-current assets (Notes 4, 16, 27, 28 and 30)	242,422	7	186,806	5					
Total non-current assets	578,060	17	311,698	9	Total liabilities	763,635	22	723,203	21
					EQUITY (Notes 4, 19 and 24)				
					Ordinary shares	420,053	12	419,193	12
					Capital surplus	1,492,915	43	1,480,913	43
					Retained earnings				
					Legal reserve	344,217	10	285,395	9
					Special reserve	-	-	904	-
					Unappropriated earnings	507,285	14	588,222	17
					Total retained earnings	851,502	24	874,521	26
					Other equity				
					Unrealized gain on financial assets at fair value through other comprehensive income	5,175	-	-	-
					Unearned stock-based employee compensation	(39,311)	(1)	(62,375)	(2)
					Total other equity	(34,136)	(1)	(62,375)	(2)
					Total equity	2,730,334	78	2,712,252	79
TOTAL	\$ 3,493,969	100	\$ 3,435,455	100	TOTAL	\$ 3,493,969	100	\$ 3,435,455	100

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

FORCELEAD TECHNOLOGY CORPORATION

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

	2025		2024	
	Amount	%	Amount	%
NET REVENUE (Notes 4, 20, 28 and 33)	\$ 2,690,185	100	\$ 2,969,215	100
OPERATING COSTS (Notes 12, 21 and 28)	<u>1,608,278</u>	<u>60</u>	<u>1,772,747</u>	<u>60</u>
GROSS PROFIT	<u>1,081,907</u>	<u>40</u>	<u>1,196,468</u>	<u>40</u>
OPERATING EXPENSES (Notes 15, 21 and 28)				
Selling and marketing expenses	116,862	5	94,611	3
General and administrative expenses	34,919	1	68,895	2
Research and development expenses	<u>409,121</u>	<u>15</u>	<u>389,531</u>	<u>13</u>
Total operating expenses	<u>560,902</u>	<u>21</u>	<u>553,037</u>	<u>18</u>
OTHER OPERATING INCOME (Note 21)	<u>699</u>	<u>-</u>	<u>930</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>521,704</u>	<u>19</u>	<u>644,361</u>	<u>22</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 21 and 28)				
Interest income	35,393	2	22,592	1
Other income	3,698	-	641	-
Other gains and losses	(19,309)	(1)	10,539	-
Finance costs	<u>(1,977)</u>	<u>-</u>	<u>(1,990)</u>	<u>-</u>
Total non-operating income and expenses	<u>17,805</u>	<u>1</u>	<u>31,782</u>	<u>1</u>
INCOME BEFORE INCOME TAX	539,509	20	676,143	23
INCOME TAX EXPENSE (Notes 4 and 22)	<u>33,481</u>	<u>1</u>	<u>87,587</u>	<u>3</u>
NET INCOME FOR THE YEAR	<u>506,028</u>	<u>19</u>	<u>588,556</u>	<u>20</u>
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	<u>6,570</u>	<u>-</u>	<u>570</u>	<u>-</u>
Item that may be reclassified subsequently to profit or loss				
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	<u>(138)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other comprehensive income	<u>6,432</u>	<u>-</u>	<u>570</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 512,460</u>	<u>19</u>	<u>\$ 589,126</u>	<u>20</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 12.15</u>		<u>\$ 15.37</u>	
Diluted	<u>\$ 12.02</u>		<u>\$ 15.27</u>	

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

FORCELEAD TECHNOLOGY CORPORATION

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

	Share Capital		Capital Surplus	Retained Earnings			Other Equity		Total Equity
	Number of Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Stock-based Employee Compensation	
BALANCE AT JANUARY 1, 2024	38,024	\$ 380,243	\$ 616,568	\$ 241,706	\$ -	\$ 436,894	(\$ 904)	\$ -	\$ 1,674,507
Appropriation of 2023 earnings									
Legal reserve	-	-	-	43,689	-	(43,689)	-	-	-
Special reserve	-	-	-	-	904	(904)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(392,301)	-	-	(392,301)
Donations received from shareholders	-	-	3,774	-	-	-	-	-	3,774
Net income for the year ended December 31, 2024	-	-	-	-	-	588,556	-	-	588,556
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	570	-	570
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	588,556	570	-	589,126
Cash capital increase	3,602	36,020	786,165	-	-	-	-	-	822,185
Cash capital increase with reserved employee stock option compensation cost	-	-	9,032	-	-	-	-	-	9,032
Issuance of employee restricted stock	293	2,930	65,374	-	-	-	-	(68,304)	-
Compensation cost of employee restricted stock	-	-	-	-	-	-	-	5,929	5,929
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	(334)	334	-	-
BALANCE AT DECEMBER 31, 2024	41,919	419,193	1,480,913	285,395	904	588,222	-	(62,375)	2,712,252
Appropriation of 2024 earnings									
Legal reserve	-	-	-	58,822	-	(58,822)	-	-	-
Special reserve	-	-	-	-	(904)	904	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(530,304)	-	-	(530,304)
Donations received from shareholders	-	-	2,547	-	-	-	-	-	2,547
Net income for the year ended December 31, 2025	-	-	-	-	-	506,028	-	-	506,028
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	-	6,432	-	6,432
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	506,028	6,432	-	512,460
Issuance of employee restricted stock	104	1,040	13,471	-	-	-	-	(14,511)	-
Compensation cost of employee restricted stock	-	-	-	-	-	-	-	33,379	33,379
Employee restricted stock retired	(18)	(180)	(4,016)	-	-	-	-	4,196	-
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	1,257	(1,257)	-	-
BALANCE AT DECEMBER 31, 2025	42,005	\$ 420,053	\$ 1,492,915	\$ 344,217	\$ -	\$ 507,285	\$ 5,175	(\$ 39,311)	\$ 2,730,334

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

FORCELEAD TECHNOLOGY CORPORATION

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

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 539,509	\$ 676,143
Adjustments for:		
Depreciation expense	58,791	58,527
Amortization expense	12,226	12,713
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	(3,617)	(528)
Finance costs	1,977	1,990
Interest income	(35,393)	(22,592)
Dividend income	(2,190)	(380)
Compensation costs of share-based payments	33,379	14,961
Write-down of inventories recognized	110	36,800
Unrealized net loss (gain) on foreign currency exchange	8,768	(6,315)
Gain on lease modification of lease agreements	-	(231)
Changes in operating assets and liabilities		
Trade receivables	(47,782)	(23,807)
Receivables from related parties	(79,232)	(174)
Other receivables	(1)	-
Inventories	68,472	(77,564)
Prepayments	4,308	(8,317)
Other current assets	(580)	(166)
Trade payables	43,400	31,183
Other payables	(12,786)	46,951
Other payables to related parties	9,199	13,857
Other current liabilities	27,959	(16,956)
Accrued profit sharing bonus to employees' compensation and remuneration of directors and supervisors	(11,422)	15,014
Cash generated from operations	615,095	751,109
Interest received	33,665	20,975
Interest paid	(1,951)	(1,967)
Income tax paid	(28,732)	(122,606)
Net cash generated from operating activities	<u>618,077</u>	<u>647,511</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(260,054)	-
Disposal of financial assets at fair value through other comprehensive income	27,498	9,500
Acquisition of financial assets measured at amortized cost	(1,876,705)	(2,503,195)
Proceeds from the return of principle of financial assets at amortized cost	2,400,805	1,638,095
Acquisition of financial assets at fair value through profit or loss	(106,879)	-
Disposal of financial assets at fair value through profit or loss	20,089	-
Acquisition of property, plant and equipment	(162,242)	(46,210)
Increase in refundable deposits	-	(211)
Decrease in refundable deposits	18,037	23,928
Acquisition of intangible assets	(15,911)	(9,534)
Dividends received	2,190	380
Net cash generated from (used in) investing activities	<u>46,828</u>	<u>(887,247)</u>

(Continued)

FORCELEAD TECHNOLOGY CORPORATION

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

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in guarantee deposits	(\$ 36,607)	(\$ 41,209)
Repayment of the principal portion of lease liabilities	(8,032)	(7,931)
Cash dividends distributed	(530,304)	(392,301)
Cash capital increase	-	822,185
Donations received from shareholders	<u>2,547</u>	<u>3,774</u>
Net cash (used in) generated from financing activities	(<u>572,396</u>)	<u>384,518</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(<u>5,675</u>)	<u>8,787</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	86,834	153,569
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>546,687</u>	<u>393,118</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 633,521</u>	<u>\$ 546,687</u>

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

(Concluded)

FORCELEAD TECHNOLOGY CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

1. GENERAL INFORMATION

Forcelead Technology Corporation (the Company) was officially established with the approval of the Ministry of Economic Affairs on December 11, 2009 and commencement of principal business activities on May 1, 2013, and began generating significant revenue. The Company's business activities mainly include research and development, design and sales of diverse integrated automotive display driver ICs.

Sitronix Technology Corporation (the Parent Company) in order to improve the Parent Company's overall operating performance and increase market competitiveness, the Parent Company reorganized the Group's structure, carried out a professional division of labor and coordinated the allocation of the Group's resources. On March 18, 2021, according to the Business Mergers And Acquisitions Act and the Company Act, the Parent Company's board of directors resolved to spin off the automotive business division to the Company, which issued new ordinary shares as consideration for the transfer. The spin-off completion date is June 1, 2021.

The Company's shares have been listed on the OTC market through Taipei Exchange for trading since December 10, 2024.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors and authorized for issue on March 4, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

1) Amendments to IAS 21 "Lack of Exchangeability"

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

Current assets include:

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

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

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

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

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

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

e. Cash equivalents

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

f. Inventories

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

g. Property, plant and equipment

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

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

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

h. Intangible assets

1) Intangible assets acquired separately

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

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

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

3) Derecognition of intangible assets

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

i. Impairment of property, plant and equipment, right-of-use assets and intangible assets

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

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

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

j. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

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

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 27.

ii. Financial assets at amortized cost

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

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

Subsequent to initial recognition, financial assets at amortized cost (including cash and cash equivalents, trade receivables measured at amortized cost (including related parties), other receivables, time deposits with original maturities of over 3 months, pledged deposits, other current assets and refundable deposits), and are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

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

iii. Investments in debt instruments at FVTOCI

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

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

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign

currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

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

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

b) Impairment of financial assets

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

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

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

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

c) Derecognition of financial assets

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

Derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized

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

2) Equity instruments

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

i. Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading or are designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss.

Fair value is determined in the manner described in Note 27.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

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

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

value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

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

k. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Decommissioning and restoration obligation

Pursuant to the lease agreement, the Company has an obligation, at the end of the respective lease terms, to restore the leased plant assets to their original condition at the time of the lease. Provisions are recognized based on the present value of the best estimate of future outflows of economic benefits that will be required for fulfillment of the restoration obligation stated on the lease contract.

l. Revenue recognition

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

Sale of goods

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

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

m. Leasing

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

1) The Company as lessor

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

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

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

2) The Company as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in the lease terms, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

n. Borrowing costs

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

o. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

p. Share-based payment arrangements

1) Employee stock options and restricted stock awards granted to employees

Employee stock options and shares with restricted employee rights are recognized as expense on a straight-line basis over the vesting period based on the fair value of the equity instruments at the grant date and the best estimate of the number expected to be vested, with an adjustment to capital surplus – employee stock options and other equity (unearned stock-based employee compensation) at the same time. If the vesting is made immediately on the grant date, the full cost is recognized on the grant date. The Company reserves shares for employee subscription at the time of cash capital increase and recognizes the date as the grant date when the number of shares to be subscribed by employees is confirmed.

When restricted shares for employees are issued, other equity (unearned stock-based employee compensation) is recognized on the grant date, with a corresponding increase in capital surplus – restricted shares for employees. Dividends paid to employees on restricted shares which do not need to be returned if employees resign in the vesting period are recognized as expenses upon the dividend declaration with a corresponding adjustment in retained earnings and capital surplus – restricted stock for employees.

The Company shall revise the estimated number of employee stock options and shares with restricted employee rights expected to be vested on each balance sheet date. If the original estimated quantity is revised, the affected amount is recognized as profit or loss, so that the accumulated expenses reflect the revised estimate, and the capital surplus – employee stock option and capital surplus – restricted stock for employees are adjusted accordingly.

q. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

3) Current and deferred taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Based on the assessment of the Company's management, the accounting policies, estimates, and assumptions adopted by the Company have not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	2024
Cash on hand	\$ 10	\$ 110
Checking and demand deposits	52,576	40,657
Cash equivalents		
Bank time deposits	410,000	355,070
Bonds with repurchase agreements	170,935	150,850
	<u>\$ 633,521</u>	<u>\$ 546,687</u>

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

	December 31	
	2025	2024
Bank time deposits	1.650%~1.700%	1.505%~4.430%
Bonds with repurchase agreements	1.320%~3.700%	1.300%~4.650%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2025	2024
<u>Financial assets at FVTPL - current</u>		
Mandatorily measured at FVTPL		
Derivative financial assets		
Credit linked notes - linked to corporate bonds	\$ 30,095	\$ -
Foreign exchange forward contracts and foreign exchange swap contracts	1,806	-
Non-derivative financial assets		
Domestic mutual fund investments	25,703	22,842
Convertible bonds	9,620	-
	<u>\$ 67,224</u>	<u>\$ 22,842</u>

	December 31	
	2025	2024
<u>Financial assets at FVTPL - non-current</u>		
Mandatorily measured at FVTPL		
Derivative financial assets		
Credit linked notes - linked to corporate bonds	\$ 42,667	\$ -
Non-derivative financial assets		
Exchangeable bonds	4,913	-
	<u>\$ 47,580</u>	<u>\$ -</u>

Financial liabilities at FVTPL - current

Held for trading		
Derivative financial liabilities		
Foreign exchange swap contracts	\$ 1,555	\$ -

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

	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (In Thousands)</u>
<u>December 31, 2025</u>			
Buy forward exchange contracts	NTD/USD	2026.03.12~2026.03.13	NT\$ 29,693/ US\$ 1,000
Sell forward exchange contracts	USD/NTD	2026.01.27	US\$ 500/ NT\$ 15,760

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

- b. At the end of the reporting period, outstanding foreign exchange swap contracts not under hedge accounting were as follows:

	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (In Thousands)</u>
<u>December 31, 2025</u>			
Sell forward exchange contracts	USD/NTD	2026.03.16~2026.03.17	US\$ 1,000/NT\$ 29,876
Buy forward exchange contracts	NTD/USD	2026.01.29	NT\$ 15,692/US\$ 500

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2025	2024
<u>Current</u>		
Investments in equity instruments at FVTOCI	\$ 124,012	\$ -

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Non-current</u>		
Investments in equity instruments at FVTOCI	\$ 83,764	\$ -
Investments in debt instruments at FVTOCI	31,650	-
	<u>\$ 115,414</u>	<u>\$ -</u>

a. Investments in equity instruments at FVTOCI

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Current</u>		
Domestic investments		
Listed shares (1) 、(2) 、(4) and (5)	<u>\$ 124,012</u>	<u>\$ -</u>

Non-current

Domestic investments		
Unlisted equity investments (1) and (3)	<u>\$ 83,764</u>	<u>\$ -</u>

- 1) These investments in equity instruments are not held for trading. Instead, they are held for strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for purposes.
- 2) In 2025, the Company acquired the ordinary shares of domestic listed companies at \$148,704 thousand. The management designated these investments as at FVTOCI due to their strategic investment purposes.
- 3) In 2025, the Company acquired domestic unlisted equity investments at \$80,000 thousand. The management designated these investments as at FVTOCI due to their strategic investment purposes.
- 4) In order to manage credit concentration risk, the Company sold its ordinary shares of domestic listed companies in 2025 and 2024 in the amounts of \$27,498 thousand and \$9,500 thousand, respectively; and transferred a (loss) gain of \$1,257 thousand and \$(334) thousand from other equity to retained earnings, respectively.
- 5) Dividends of \$2,190 thousand and \$380 thousand were recognized for the years ended December 31, 2025 and 2024, respectively, the amounts related to investments that had been derecognized by the end of the year were \$403 thousand and \$380 thousand, respectively, while the amounts related to investments still held on December 31, 2025 were \$1,787 thousand.

b. Investments in debt instruments at FVTOCI

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Non-Current</u>		
Domestic corporate bonds	<u>\$ 31,650</u>	<u>\$ -</u>

In 2025, the Company acquired domestic corporate bonds for \$31,788 thousand with a coupon rate of 6.10%

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	2024
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	\$ 829,700	\$ 1,353,800
Pledged fixed deposits (b)	417,005	417,005
	<u>\$ 1,246,705</u>	<u>\$ 1,770,805</u>

- a. The interest rates for time deposits with original maturities of more than 3 months ranged from 1.580%~1.730% and 1.400%~1.770% per annum as of December 31, 2025 and 2024, respectively.
- b. Refer to Note 29 for information relating to investments in financial assets at amortized cost pledged as security.

10. CREDIT RISK MANAGEMENT OF DEBT INSTRUMENT INVESTMENTS

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

December 31, 2025

	At Fair Value Through Other Comprehensive Income
Gross carrying amount	\$ 31,788
Allowance for impairment loss	-
Amortized cost	31,788
Adjustment to fair value	<u>(138)</u>
	<u>\$ 31,650</u>

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

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

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

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

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

December 31, 2025

<u>Credit Rating</u>	<u>Expected Credit Loss Rate</u>	<u>Gross carrying amount</u>	
		<u>At Fair Value</u>	<u>Through Other Comprehensive Income</u>
Performing	0%	\$	31,788

11. TRADE RECEIVABLES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 251,697	\$ 200,265
Less: Allowance for impairment loss	(1,261)	(1,261)
	<u>\$ 250,436</u>	<u>\$ 199,004</u>

The credit period of sales of goods was 30~115 days. No interest was charged on trade receivables. The Company adopted a policy of obtaining advance payment or sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information or its own historical trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Company annually.

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

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

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

December 31, 2025

	<u>Not Past Due</u>	<u>Up to 30 Days</u>	<u>31 to 90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Expected credit loss rate	0.5%	0%	0%	0%	
Gross carrying amount	\$ 251,697	\$ -	\$ -	\$ -	\$ 251,697
Loss allowance (Lifetime ECLs)	(1,261)	(-)	-	-	(1,261)
Amortized cost	<u>\$ 250,436</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,436</u>

December 31, 2024

	<u>Not Past Due</u>	<u>Up to 30 Days</u>	<u>31 to 90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Expected credit loss rate	0.3%	100%	0%	0%	
Gross carrying amount	\$ 199,549	\$ 716	\$ -	\$ -	\$ 200,265
Loss allowance (Lifetime ECLs)	(545)	(716)	-	-	(1,261)
Amortized cost	<u>\$ 199,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,004</u>

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

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Balance at January 1 and December 31	<u>\$ 1,261</u>	<u>\$ 1,261</u>

Compared with January 1, 2025, the total carrying amount of trade receivables as of December 31, 2025 increased by a net amount of \$51,432 thousand, and the loss allowance did not change; compared with January 1, 2024, the total carrying amount of trade receivables as of December 31, 2024 increased by a net amount of \$29,903 thousand, and the loss allowance did not change.

12. INVENTORIES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Finished goods	\$ 113,509	\$ 168,725
Work in progress	255,683	334,556
Raw materials	99,070	33,563
	<u>\$ 468,262</u>	<u>\$ 536,844</u>

The above inventories were not provided as guarantee.

Cost of goods sold is defined as follows:

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Cost of inventories sold	\$ 1,620,971	\$ 1,748,265
Allowance for inventory valuation loss (reversal of write-down inventories)	110	36,800
Others	(12,803)	(12,318)
	<u>\$ 1,608,278</u>	<u>\$ 1,772,747</u>

13. PROPERTY, PLANT AND EQUIPMENT

	<u>Lease Improvement</u>	<u>Machinery Equipment</u>	<u>Test Equipment</u>	<u>Office Equipment</u>	<u>Total</u>
<u>Cost</u>					
Balance at January 1, 2024	\$ 7,631	\$ 8,930	\$ 187,629	\$ 482	\$ 204,672
Additions	3,211	1,951	44,982	-	50,144
Disposals	(1,204)	(245)	(32,715)	-	(34,164)
Balance at December 31, 2024	<u>\$ 9,638</u>	<u>\$ 10,636</u>	<u>\$ 199,896</u>	<u>\$ 482</u>	<u>\$ 220,652</u>

(Continued)

	<u>Lease Improvement</u>	<u>Machinery Equipment</u>	<u>Test Equipment</u>	<u>Office Equipment</u>	<u>Total</u>
	<u>Lease Improvement</u>	<u>Machinery Equipment</u>	<u>Test Equipment</u>	<u>Office Equipment</u>	<u>Total</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2024	\$ 3,873	\$ 4,177	\$ 117,010	\$ 255	\$ 125,315
Depreciation expense	1,468	2,099	46,481	60	50,108
Disposals	(1,204)	(245)	(32,715)	-	(34,164)
Balance at December 31, 2024	<u>\$ 4,137</u>	<u>\$ 6,031</u>	<u>\$ 130,776</u>	<u>\$ 315</u>	<u>\$ 141,259</u>
Carrying amount at December 31, 2024	<u>\$ 5,501</u>	<u>\$ 4,605</u>	<u>\$ 69,120</u>	<u>\$ 167</u>	<u>\$ 79,393</u>

Cost

Balance at January 1, 2025	\$ 9,638	\$ 10,636	\$ 199,896	\$ 482	\$ 220,652
Additions	-	1,487	101,810	30	103,327
Disposals	-	(309)	(31,271)	(48)	(31,628)
Balance at December 31, 2025	<u>\$ 9,638</u>	<u>\$ 11,814</u>	<u>\$ 270,435</u>	<u>\$ 464</u>	<u>\$ 292,351</u>

Accumulated depreciation

Balance at January 1, 2025	\$ 4,137	\$ 6,031	\$ 130,776	\$ 315	\$ 141,259
Depreciation expense	1,952	2,253	46,139	60	50,404
Disposals	-	(309)	(31,271)	(48)	(31,628)
Balance at December 31, 2025	<u>\$ 6,089</u>	<u>\$ 7,975</u>	<u>\$ 145,644</u>	<u>\$ 327</u>	<u>\$ 160,035</u>
Carrying amount at December 31, 2025	<u>\$ 3,549</u>	<u>\$ 3,839</u>	<u>\$ 124,791</u>	<u>\$ 137</u>	<u>\$ 132,316</u>

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

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

Lease improvement	5 years
Machinery equipment	4 years
Test equipment	3~6 years
Office equipment	6 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Carrying amounts</u>		
Buildings	<u>\$ 19,043</u>	<u>\$ 27,430</u>

	Years Ended December 31	
	2025	2024
Additions to right-of-use assets	\$ -	\$ 31,468
Depreciation charge for right-of-use assets		
Buildings	\$ 8,387	\$ 8,419
Income from the subleasing of right-of-use assets (classified under other operating income)	(\$ 699)	(\$ 699)

Except for the addition and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Company's right-of-use assets for the years ended December 31, 2025 and 2024.

b. Lease liabilities

	December 31	
	2025	2024
<u>Carrying amounts</u>		
Current	\$ 6,063	\$ 8,032
Non-current	\$ 12,735	\$ 18,798

Range of discount rates for lease liabilities was as follows:

	December 31	
	2025	2024
Buildings	2.220%	1.845%~2.220%

c. Material lease activities and terms

The Company's buildings were leased from the Parent Company, and the lease terms expire in December 2025 and December 2028, respectively. The Company does not have bargain purchase options to acquire the leases when they expire, it is also agreed that without the lessor's consent, the Company shall not sublease or assign all or part of the leased subject matter, please refer to Note 28 for details.

The Company also leases office space in Tainan, with lease terms expiring in February 2029. The Company does not have bargain purchase options to acquire the leases when they expire, it is also agreed that without the lessor's consent, the Company shall not sublease or assign all or part of the leased subject matter.

However, due to the Company's business planning considerations, the lease for Tainan office, originally set to expire in December 2024, was terminated early in September 2024.

d. Other lease information

	Years Ended December 31	
	2025	2024
Expenses relating to short-term leases	\$ 1,469	\$ 1,101
Total cash outflow for leases	(\$ 9,996)	(\$ 9,680)

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

15. INTANGIBLE ASSETS

	<u>Royalty</u>	<u>Computer Software</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2024	\$ 25,588	\$ 35,337	\$ 60,925
Additions	1,335	8,427	9,762
Balance at December 31, 2024	<u>\$ 26,923</u>	<u>\$ 43,764</u>	<u>\$ 70,687</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2024	\$ 22,387	\$ 17,518	\$ 39,905
Amortization expenses	2,780	9,933	12,713
Balance at December 31, 2024	<u>\$ 25,167</u>	<u>\$ 27,451</u>	<u>\$ 52,618</u>
Carrying amount at December 31, 2024	<u>\$ 1,756</u>	<u>\$ 16,313</u>	<u>\$ 18,069</u>
<u>Cost</u>			
Balance at January 1, 2025	\$ 26,923	\$ 43,764	\$ 70,687
Additions	4,130	11,312	15,442
Balance at December 31, 2025	<u>\$ 31,053</u>	<u>\$ 55,076</u>	<u>\$ 86,129</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2025	\$ 25,167	\$ 27,451	\$ 52,618
Amortization expenses	2,443	9,783	12,226
Balance at December 31, 2025	<u>\$ 27,610</u>	<u>\$ 37,234</u>	<u>\$ 64,844</u>
Carrying amount at December 31, 2025	<u>\$ 3,443</u>	<u>\$ 17,842</u>	<u>\$ 21,285</u>

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

Royalty	2 years
Computer software	2~6 years

An analysis of amortization by function:

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
General and administrative expenses	\$ 1,396	\$ 2,119
Research and development expenses	10,830	10,594
	<u>\$ 12,226</u>	<u>\$ 12,713</u>

16. OTHER ASSETS

	December 31	
	2025	2024
<u>Current</u>		
Other current assets		
Others	\$ 969	\$ 389
Prepayments		
Prepaid probe cards	\$ 16,325	\$ 18,239
Input tax and offset against business tax	9,363	11,935
Prepayments	953	775
	<u>\$ 26,641</u>	<u>\$ 30,949</u>
<u>Non-current</u>		
Other non-current assets		
Prepayments for buildings	\$ 199,658	\$ 121,870
Refundable deposits	41,936	64,936
Prepayments for equipment	828	-
	<u>\$ 242,422</u>	<u>\$ 186,806</u>

Please refer to Note 30 for details of the contract terms related to the prepayments for buildings and the capacity guarantee agreements.

17. OTHER LIABILITIES

	December 31	
	2025	2024
<u>Current</u>		
Other payables		
Payables for salaries and bonuses	\$ 111,039	\$ 125,958
Payables for equipment	29,555	9,694
Payables for research	5,464	10,158
Others	41,871	34,895
	<u>\$ 187,929</u>	<u>\$ 180,705</u>
Other liabilities		
Contract liabilities	\$ 40,913	\$ 12,983
Others	1,926	1,897
	<u>\$ 42,839</u>	<u>\$ 14,880</u>
<u>Non-current</u>		
Other non-current liabilities		
Decommissioning liabilities	\$ 2,577	\$ 2,551
Guarantee deposits received	-	39,579
	<u>\$ 2,577</u>	<u>\$ 42,130</u>

18. RETIREMENT BENEFIT PLANS

Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The pension expenses of the Company for the years ended December 31, 2025 and 2024, were \$10,000 thousand and \$9,318 thousand, respectively.

19. EQUITY

a. Share capital

	December 31	
	2025	2024
Number of shares authorized (in thousands)	50,000	50,000
Share capital	\$ 500,000	\$ 500,000
Number of shares issued and fully paid (in thousands)	42,005	41,919
Shares issued	\$ 420,053	\$ 419,193

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

The authorized shares include 6,000 thousand shares reserved for the exercise of employee stock options.

The changes in the Company's share capital were primarily due to the cash capital increase, the issuance of restricted stock for employees, and the cancellation of unvested restricted stock for employees.

On September 18, 2024, the Company's extraordinary general meeting resolved to issue for free of charge 500 thousand shares of restricted stock for employees, with a par value of \$10. The resolution was also filed to the Securities and Futures Bureau, FSC of the ROC and enforced on October 9, 2024. The Board of Directors resolved the issuance of 293 thousand, 46 thousand and 58 thousand shares of restricted stock for employees, with October 30, 2024, July 30, 2025 and December 17, 2025, respectively, as the capital increase record date, and the registration of the capital change was completed on November 18, 2024, August 29, 2025 and January 2, 2026, respectively.

On October 29, 2025, the Company's Board of Directors resolved to reclaim 18 thousand unvested restricted shares for employees and proceed with cancellation. The capital reduction record date was November 10, 2025, and the registration for the capital reduction was completed on November 17, 2025. Refer to Note 24 for information on restricted shares for employees.

On August 28, 2024, the Company's Board of Directors resolved to conduct a pre-IPO cash capital increase by issuing 3,602 thousand new shares. This issuance has been approved and declared effective by the Taipei Exchange on September 13, 2024.

The aforementioned cash capital increase through the issuance of new shares included public subscription, employee subscription, and auction of 648 thousand shares, 361 thousand shares, and 2,593 thousand shares, respectively. Both the public subscription and employee subscription were issued at a premium of \$200 per share, while the auction method shares were issued at a premium based on the weighted average winning bid price of \$240.41 per share. The capital increase record date was December 6, 2024, and the paid-in capital after the capital increase amounted to \$419,193 thousand. The registration of the capital change was completed on December 23, 2024.

b. Capital surplus

	December 31	
	2025	2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>		
Issuance of ordinary shares	\$ 1,426,705	\$ 1,410,117
Donations received from shareholders	7,969	5,422
<u>Not used for any purpose</u>		
Restricted stock for employees	58,241	65,374
	<u>\$ 1,492,915</u>	<u>\$ 1,480,913</u>

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

c. Retained earnings and dividends policy

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

- 1) Offsetting losses of previous years.
- 2) Setting aside as a legal reserve of 10% of the remaining profit (legal reserve that has reached the company's paid-in capital is not subject to this condition).
- 3) Setting aside or reversing a special reserve in accordance with the laws and regulations or competent authority regulations.
- 4) Any remaining profit together with the beginning of period undistributed retained earnings (including adjustment of the amount of undistributed earnings) would be the basis for making the distribution proposal by the Company's board of directors, and should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

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

For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 21(h).

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

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

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

	Years Ended December 31	
	2024	2023
Legal reserve	\$ 58,822	\$ 43,689
Special reserve	(\$ 904)	\$ 904
Cash dividends	\$ 530,304	\$ 392,301
Cash dividends per share (NT\$)	\$ 12.65	\$ 10.32

The cash dividends from the 2024 and 2023 earnings distribution proposal were approved by the Company's board of directors on March 5, 2025 and March 6, 2024, respectively; the other proposed appropriations were resolved by the shareholders in their meeting on June 26, 2025 and June 26, 2024, respectively.

The appropriation of earnings for 2025 had been proposed by the Company's board of directors on March 4, 2026. The appropriation and dividends per share were as follows:

	Year Ended December 31, 2025
Legal reserve	\$ 50,729
Cash dividends	\$ 420,053
Cash dividends per share (NT\$)	\$ 10.00

The aforementioned distribution of cash dividends has been resolved by the board of directors, and the rest has yet to be resolved at the shareholders' meeting to be held on June 24, 2026.

d. Special reserve

	Years Ended December 31	
	2025	2024
Balance at January 1	\$ 904	\$ -
Appropriations in respect of		
Debits to other equity items	-	904
Reversal of appropriations in respect of		
Debits to other equity items	(904)	-
Balance at December 31	\$ -	\$ 904

e. Other equity items

1) Unrealized gain (loss) on financial assets at FVTOCI

	Years Ended December 31	
	2025	2024
Balance at January 1	\$ -	(\$ 904)
Recognized for the year		
Unrealized gain (loss) - equity instruments	6,570	570

(Continued)

	Years Ended December 31	
	2025	2024
Unrealized gain (loss) - debt instruments	(\$ 138)	\$ -
Cumulative unrealized (gain) loss of equity instruments transferred to retained earnings due to disposal	(1,257)	334
Balance at December 31	<u>\$ 5,175</u>	<u>\$ -</u>
		(Concluded)

2) Unearned stock-based employee compensation

At the extraordinary shareholder's meeting held on September 18, 2024, the Company resolved to issue new restricted stock for employees. Refer to Note 24 for related details.

	Years Ended December 31	
	2025	2024
Balance at January 1	(\$ 62,375)	\$ -
Issued of the current year	(14,511)	(68,304)
Recognized share-based payment	33,379	5,929
Cancelled of the current year	4,196	-
Balance at December 31	<u>(\$ 39,311)</u>	<u>(\$ 62,375)</u>

20. REVENUE

a. Disaggregation of revenue

Product	Years Ended December 31	
	2025	2024
Integrated circuits	\$ 2,690,150	\$ 2,969,215
Others	35	-
	<u>\$ 2,690,185</u>	<u>\$ 2,969,215</u>

Primary geographical markets	Years Ended December 31	
	2025	2024
Hong Kong	\$ 1,945,800	\$ 2,515,369
Taiwan	603,416	385,298
China	140,577	68,363
Others	392	185
	<u>\$ 2,690,185</u>	<u>\$ 2,969,215</u>

The basis of calculation of the Company's revenue segregated by geographical location is mainly based on the location the goods were shipped as designated by the customers.

b. Contract balances

	December 31		January 1,
	2025	2024	2024
Trade receivables (Note 11)	\$ 250,436	\$ 199,004	\$ 169,101
Trade receivables from related parties (Note 28)	91,707	11,534	10,865
Total	<u>\$ 342,143</u>	<u>\$ 210,538</u>	<u>\$ 179,966</u>
Contract liabilities - current (Note 17)			
Sales of goods	<u>\$ 40,913</u>	<u>\$ 12,983</u>	<u>\$ 30,191</u>

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

	Years Ended December 31	
	2025	2024
<u>From contract liabilities at the start of the year</u>		
Sales of goods	<u>\$ 12,983</u>	<u>\$ 30,191</u>

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

21. NET PROFIT

a. Other operating income

	Years Ended December 31	
	2025	2024
Gain on sublease of right-of-use assets	\$ 699	\$ 699
Gain on lease modification of lease agreements	-	231
	<u>\$ 699</u>	<u>\$ 930</u>

b. Interest income

	Years Ended December 31	
	2025	2024
Financial assets at amortized cost	\$ 34,755	\$ 22,576
Financial assets at FVTPL	577	-
Investments in debt instruments at FVTOCI	43	-
Imputed interest on deposits	18	16
	<u>\$ 35,393</u>	<u>\$ 22,592</u>

c. Other income

	Years Ended December 31	
	2025	2024
Dividend income	\$ 2,190	\$ 380

(Continued)

	Years Ended December 31	
	2025	2024
Rental income	\$ 358	\$ 223
Government grants income	117	37
Others	1,033	1
	<u>\$ 3,698</u>	<u>\$ 641</u>

d. Other gains and (losses)

	Years Ended December 31	
	2025	2024
Gain on financial assets and liabilities designated as at FVTPL	\$ 3,617	\$ 528
Net foreign exchange gains (losses)	(3,079)	10,011
Compensation for losses	(19,847)	-
	<u>(\$ 19,309)</u>	<u>\$ 10,539</u>

e. Finance costs

	Years Ended December 31	
	2025	2024
Interest on loans	\$ 1,137	\$ 68
Interest on lease liabilities	495	648
Other interest expenses	345	1,274
	<u>\$ 1,977</u>	<u>\$ 1,990</u>

f. Depreciation and amortization

	Years Ended December 31	
	2025	2024
Property, plant and equipment	\$ 50,404	\$ 50,108
Right-of-use assets	8,387	8,419
Intangible assets	12,226	12,713
Total	<u>\$ 71,017</u>	<u>\$ 71,240</u>
An analysis of depreciation by function		
Operating expenses	\$ 56,202	\$ 56,818
Operating costs	2,589	1,709
	<u>\$ 58,791</u>	<u>\$ 58,527</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 12,226</u>	<u>\$ 12,713</u>

For information regarding the allocation of intangible asset amortization expense to individual line items, please refer to Note 15.

g. Employee benefits expense

	Years Ended December 31	
	2025	2024
Short-term benefits	\$ 355,669	\$ 376,833
Post-employment benefits		
Defined contribution plans (Note 18)	10,000	9,318
Share-based payments	33,379	14,961
Total employee benefits expense	<u>\$ 399,048</u>	<u>\$ 401,112</u>
An analysis of employee benefits expense by function		
Operating expenses	\$ 368,533	\$ 369,369
Operating costs	30,515	31,743
	<u>\$ 399,048</u>	<u>\$ 401,112</u>

h. Employees' compensation and remuneration of directors

According to the articles of incorporation of the Company, the Company accrued employees' compensation at rates of no less than 1% and no higher than 25%, and remuneration of directors at rates of no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

In accordance with the amendment to the Securities and Exchange Act enacted in August 2024, the Company's Articles of Incorporation were amended and approved by a resolution of the shareholders' meeting on June 26, 2025, to specify that no less than 50% of the employee remuneration referred to above shall be allocated to non-executive employees' compensation. The employees' compensation (including non-executive employees' compensation) and the remuneration of directors for the years ended December 31, 2025 and 2024, which were approved by the Company's board of directors on March 4, 2026 and March 5, 2025, respectively, are as follows:

Amount

	Years Ended December 31	
	2025	2024
	Cash	Cash
Employees' compensation	\$ 42,586	\$ 52,970
Remuneration of directors	4,259	5,297

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of employees' compensation as well as remuneration of directors and the amount recognized in the financial statements for the years ended December 31, 2024 and 2023.

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

i. Gains or losses on foreign currency exchange

	Years Ended December 31	
	2025	2024
Foreign exchange gains	\$ 61,331	\$ 43,338
Foreign exchange losses	(64,410)	(33,327)
Net (loss) gain	<u>(\$ 3,079)</u>	<u>\$ 10,011</u>

22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. The major components of income tax expense are recognized in profit or loss:

	Years Ended December 31	
	2025	2024
Current tax		
In respect of the current year	\$ 66,329	\$ 87,587
Adjustments for prior years	(34,995)	-
	<u>31,334</u>	<u>87,587</u>
Deferred tax		
In respect of the current year	2,147	-
Income tax expense recognized in profit or loss	<u>\$ 33,481</u>	<u>\$ 87,587</u>

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

	Years Ended December 31	
	2025	2024
Profit before tax	<u>\$ 539,509</u>	<u>\$ 676,143</u>
Income tax expense calculated at the statutory rate	\$ 107,902	\$ 135,229
Deductible items for adjustments to be increased (decreased) in determining taxable income	71	679
Impact of the temporary differences	(3,613)	(18,518)
Effects of investment credits	(35,884)	(29,803)
Adjustments for prior years' tax	(34,995)	-
Income tax expense recognized in profit or loss	<u>\$ 33,481</u>	<u>\$ 87,587</u>

b. Current tax liabilities

	December 31	
	2025	2024
Current tax liabilities		
Income tax payable	<u>\$ 69,213</u>	<u>\$ 66,611</u>

c. Deferred tax liabilities

The movements of deferred tax liabilities were as follows:

<u>Year Ended December 31, 2025</u>	January 1, 2025	Recognized in Profit or Loss	December 31, 2025
Deferred Tax Liabilities			
Temporary differences			
Unrealized gains on valuation of financial assets	\$ -	\$ 1,274	\$ 1,274
Unrealized foreign exchange gains	-	873	873
	<u>\$ -</u>	<u>\$ 2,147</u>	<u>\$ 2,147</u>

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

	December 31	
	2025	2024
Deductible temporary differences	\$ 80,923	\$ 106,960

- e. Income tax assessments

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

23. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	Years Ended December 31	
	2025	2024
Basic earnings per share	\$ 12.15	\$ 15.37
Diluted earnings per share	\$ 12.02	\$ 15.27

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

Net Income for the Year

	Years Ended December 31	
	2025	2024
Net income attributable to shareholders	\$ 506,028	\$ 588,556
Earnings used in the computation of basic and diluted earnings per share	\$ 506,028	\$ 588,556

Shares

	Unit: in thousands of shares	
	Years Ended December 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	41,646	38,281
Effect of potentially dilutive ordinary shares:		
Employee restricted stock	113	9
Employees' compensation	325	251
Weighted average number of ordinary shares used in the computation of diluted earnings per share	42,084	38,541

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

24. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee restricted stock

On September 18, 2024, the extraordinary general meeting of the Company approved to issue for free of charge 500 thousand shares of restricted stock for employees, with a par value of \$10, according to the issuance plan, the Company may issue the restricted stock for employees either all at once or in several installments, depending on the actual needs, within two years from the effective date of the notice of issuance. The resolution was also filed to the Securities and Futures Bureau, FSC of the ROC and enforced on October 9, 2024.

Information on the Company issued new shares with restricted stocks for employees is as follows:

Date of approval by the shareholders' meeting	Number of shares expected to be issued (In thousands)	Number of shares resolved by the Board of Directors (In thousands)	Granted date	Effective date of the capital increase	Number of actually issued shares (In thousands)	Fair value on the granted date
2024.09.18	500	293	2024.10.30	2024.10.30	293	\$ 233.12
2024.09.18	500	46	2025.07.30	2025.07.30	46	132.00
2024.09.18	500	58	2025.12.17	2025.12.17	58	145.50

1) The vesting conditions for the restricted stock for employees issued by the Company are as follows:

- I .Remaining employed on each vesting period.
- II .Personnel who satisfied the Company's established individual performance assessment indicators and the Company's overall performance.
- III .Has not violated any contracts entered into with the Company or its domestic or foreign subsidiaries or affiliates during any vesting period.
- IV .Has not violated these regulations or the work rules and company policies of the Company or its domestic or foreign subsidiaries or affiliates during any vesting period.
- V .Has not violated any contracts between third parties and the Company or its domestic or foreign subsidiaries or affiliates during any vesting period.

The maximum percentage of shares that may vest each year is as follows:

Vesting period	Proportion
Remain employed by the Company for one year	25%
Remain employed by the Company for two years	25%
Remain employed by the Company for three years	25%
Remain employed by the Company for four years	25%

2) After the allocation of new shares, employees will be delivered to a trust or custodian according to the Company's procedures. In addition, before meeting the vesting conditions, the restricted rights are as follows:

- I .According to the trust agreement, after the employee acquired the new shares, the employee cannot sell, mortgage, transfer, donate, pledge, no objection to the right to buy, or other way due to disposal before the vested condition is reached. However, if there are other norms in this measure, they shall be followed.
- II .The attendance, proposals, speeches, voting rights, and other shareholder rights of the shareholders' meeting shall be exercised by the trust custodian institution according to law.
- III .Employee restricted shares, after the new shares are issued, they should be immediately delivered to the trust, and the employee must not ask the trustee for any reason or manner to receive the return of the employee's rights to new shares before the vested condition is reached.
- IV .During the vesting period, if the Company conducts a cash capital reduction or a capital reduction to offset losses, which is not a statutory capital reduction, the restricted stock awards for employees shall be canceled in proportion to the capital reduction. In the case of a cash capital reduction, the refunded cash must be placed in trust or custody and delivered to the employees upon the fulfillment of the vesting conditions. However, if the vesting conditions are not met, the Company will reclaim the cash.

3) The information regarding the new shares of restricted stock awards for employees issued are as follows:

	Number of Shares (In Thousands)	
	Years Ended December 31	
	2025	2024
Balance at January 1	293	-
Granted for the year	104	293
Vested for the year	(75)	-
Cancelled for the year	(18)	-
Balance at September 30	<u>304</u>	<u>293</u>

On October 30, 2024, the Company granted restricted stock awards for employees, which were valued using the Black-Scholes Pricing Model. The inputs values applied in the valuation model are as follows:

	October 2024
Grant date fair value of shares (NT\$)	\$ 233.12
Expected volatility rate	18.96%
Option life	1~4 years
Dividend yield	0.00%
Risk-free interest rate	1.3625%

If employees fail to meet the vesting conditions, the Company will reclaim the shares without compensation and proceed with cancellation.

Compensation costs of the Company's restricted stock options for employees were \$33,379 thousand and \$5,929 thousand in 2025 and 2024, respectively.

- b. Issuance of shares from cash capital increase reserved for employees' subscription

The board of directors of the Company resolved a pre-IPO cash capital increase on August 28, 2024 and reserved 361 thousand shares for employees' subscription. The grant date of the shares is November 29, 2024. The Black-Scholes pricing model was used to calculate the fair value of the shares; the input values used in the option pricing model are as follows:

	November 2024
Grant date fair value of shares (NT\$)	\$ 224.99
Exercise price (NT\$)	\$ 200
Expected volatility rate	23.358%
Option life	0.011 years
Risk-free interest rate	1.5355%
Share options fair value (NT\$)	\$ 25.02

Compensation costs of the Company's issuance of shares from the cash capital increase reserved for employees were \$9,032 thousand in 2024.

25. CASH FLOW INFORMATION

- a. Changes in liabilities arising from financing activities

Year Ended December 31, 2025

	<u>January 1, 2025</u>	<u>Cash Flows</u>	<u>Non-cash Changes</u>			<u>December 31, 2025</u>
			<u>Foreign Exchange Movement</u>	<u>New Leases</u>	<u>Lease Modification</u>	
Lease liabilities	\$ 26,830	(\$ 8,032)	\$ -	\$ -	\$ -	\$ 18,798
Guarantee deposits received	39,579	(36,607)	(2,972)	-	-	-
	<u>\$ 66,409</u>	<u>(\$ 44,639)</u>	<u>(\$ 2,972)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,798</u>

Year Ended December 31, 2024

	<u>January 1, 2024</u>	<u>Cash Flows</u>	<u>Non-cash Changes</u>			<u>December 31, 2024</u>
			<u>Foreign Exchange Movement</u>	<u>New Leases</u>	<u>Lease Modification</u>	
Lease liabilities	\$ 4,495	(\$ 7,931)	\$ -	\$ 30,340	(\$ 74)	\$ 26,830
Guarantee deposits received	79,422	(41,209)	1,366	-	-	39,579
	<u>\$ 83,917</u>	<u>(\$ 49,140)</u>	<u>\$ 1,366</u>	<u>\$ 30,340</u>	<u>(\$ 74)</u>	<u>\$ 66,409</u>

26. CAPITAL RISK MANAGEMENT

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

The capital structure of the Company consists of equity (comprising issued capital, reserves, retained earnings and other equity).

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

27. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic corporate funds	\$ 25,703	\$ -	\$ -	\$ 25,703
Convertible bonds	9,620	-	-	9,620
Exchangeable bonds	4,913	-	-	4,913
Derivative instrument				
Credit linked notes - linked to corporate bonds	-	72,762	-	72,762
Foreign exchange forward contracts and foreign exchange swap contracts	-	1,806	-	1,806
	<u>\$ 40,236</u>	<u>\$ 74,568</u>	<u>\$ -</u>	<u>\$ 114,804</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 124,012	\$ -	\$ -	\$ 124,012
Domestic unlisted equity investments	-	-	83,764	83,764
Investments in debt instruments at FVTOCI				
Domestic corporate bonds	-	31,650	-	31,650
	<u>\$ 124,012</u>	<u>\$ 31,650</u>	<u>\$ 83,764</u>	<u>\$ 239,426</u>
<u>Financial liabilities at FVTPL</u>				
Derivative instruments				
Foreign exchange swap contracts	\$ -	\$ 1,555	\$ -	\$ 1,555

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic corporate funds	<u>\$ 22,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,842</u>

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

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

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

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

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

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

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

Year Ended December 31, 2025

	<u>Equity instruments at FVTOCI</u>
Balance at January 1	\$ -
Additions	80,000
Recognized under other comprehensive income	3,764
Balance at December 31	<u>\$ 83,764</u>

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 114,804	\$ 22,842
Financial assets at amortized cost (1)	2,271,706	2,598,058
Financial assets at FVTOCI		
Equity instruments	207,776	-
Debt instruments	31,650	-
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	1,555	-
Financial liabilities at amortized cost (2)	468,622	428,106

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, trade receivables (including receivables from related parties), other receivables, refundable deposits and other current assets.
 - 2) The balances include financial liabilities at amortized cost, which comprise trade payables, other payables (including other payables to related parties) and guarantee deposits.
- d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The Company was mainly exposed to the USD.

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

	USD Impact	
	Years Ended	
	December 31	
	2025	2024
Profit or loss	\$ 5,890	\$ 3,015

b) Interest rate risk

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

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

	December 31	
	2025	2024
Fair value interest rate risk		
Financial assets	\$ 1,478,790	\$ 1,846,725
Financial liabilities	\$ 18,798	\$ 26,830
Cash flow interest rate risk		
Financial assets	\$ 433,076	\$ 470,582

Sensitivity analysis

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

If interest rates had been 0.1% higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2025 and 2024 would increase/decrease by \$433 thousand and \$471 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on variable-rate net assets. The Company's pre-tax other comprehensive income for the years ended December 31, 2025 would decrease/increase by \$32 thousand, which was mainly due to the changes in the fair value of investments in fixed-rate debt instruments at FVTOCI.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 5% higher/lower, pre-tax income for the years ended December 31, 2025 and 2024 would have increase/decreased by \$5,650 thousand and \$1,142 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL. Pre-tax other comprehensive income for the year ended December 31, 2025 would have increased/decreased by \$6,201 thousand, as a result of the changes in the fair value of financial assets at FVTOCI.

2) Credit risk

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

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

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

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

3) Liquidity risk

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

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

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

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

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	Over 1 Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 228,860	\$ 272,035	\$ 78,766	\$ -	\$ 579,661
Lease liabilities	531	1,066	4,809	13,012	19,418
	<u>\$ 229,391</u>	<u>\$ 273,101</u>	<u>\$ 83,575</u>	<u>\$ 13,012</u>	<u>\$ 599,079</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	Over 1 Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 214,127	\$ 202,601	\$ 97,757	\$ -	\$ 514,485
Lease liabilities	711	1,421	6,395	19,418	27,945
	<u>\$ 214,838</u>	<u>\$ 204,022</u>	<u>\$ 104,152</u>	<u>\$ 19,418</u>	<u>\$ 542,430</u>

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

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

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

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Foreign exchange forward contracts and foreign exchange swaps contracts</u>				
Inflows	\$ 31,475	\$ 61,306	\$ -	\$ -
Outflows	(31,407)	(61,123)	-	-
	<u>\$ 68</u>	<u>\$ 183</u>	<u>\$ -</u>	<u>\$ -</u>

c) Financing facilities

	December 31	
	2025	2024
<u>Unsecured bank overdraft facilities, reviewed annually and payable on demand:</u>		
Amount used	\$ -	\$ -
Amount unused	1,858,590	1,576,205
	<u>\$ 1,858,590</u>	<u>\$ 1,576,205</u>

28. TRANSACTIONS WITH RELATED PARTIES

Sitronix Technology Corp. is the Company's parent company, it owns 55.80% and 55.10% of the Company's common shares as of December 31, 2025 and 2024, respectively.

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

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Sitronix Technology Corp.	Parent company
Sync-Tech System Corp.	Fellow subsidiary
Top Optronics Corp.	Substantive related party

b. Sales of goods

<u>Related Party Category</u>	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Parent company	\$ 324,179	\$ 92,902

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

c. Manufacturing expenses

<u>Related Party Category</u>	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Fellow subsidiary	\$ 52,979	\$ 50,127
Parent company	114	113
	<u>\$ 53,093</u>	<u>\$ 50,240</u>

The transactions in which the Company made payments of support service expenses, probe cards, and general and administrative expenses to related parties were subject to contractual agreements as there were no similar transactions for comparison.

d. Operating expenses

<u>Account Item</u>	<u>Related Party Category</u>	<u>Years Ended December 31</u>	
		<u>2025</u>	<u>2024</u>
Support service expenses	Parent company	\$ 55,719	\$ 44,668
General and administrative expenses	Fellow subsidiary	34	14
Research and development expenses	Fellow subsidiary	-	85
	Substantive related party	-	52
		<u>\$ 55,753</u>	<u>\$ 44,819</u>

The transactions in which the Company made payments of support service expenses, research and development expenses (components and bonding expenses) and general and administrative expenses to related parties were subject to contractual agreements as there were no similar transactions for comparison.

e. Trade receivables from related parties

<u>Account Item</u>	<u>Related Party Category</u>	<u>December 31</u>	
		<u>2025</u>	<u>2024</u>
Trade receivables from related parties	Parent Company	\$ 91,707	\$ 11,534
Other receivables	Parent Company	1	-
		<u>\$ 91,708</u>	<u>\$ 11,534</u>

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

f. Payables to related parties

<u>Account Item</u>	<u>Related Party Category</u>	<u>December 31</u>	
		<u>2025</u>	<u>2024</u>
Other payables to related parties	Parent company	\$ 38,661	\$ 25,617
	Fellow subsidiary	15,200	19,043
		<u>\$ 53,861</u>	<u>\$ 44,660</u>

The outstanding payables to related parties are unsecured.

g. Refundable deposits

<u>Account Item</u>	<u>Related Party Category</u>	<u>December 31</u>	
		<u>2025</u>	<u>2024</u>
Refundable deposits	Parent company	\$ 961	\$ 961
	Fellow subsidiary	59	59
		<u>\$ 1,020</u>	<u>\$ 1,020</u>

The aforementioned refundable deposits from the related parties were made for lease guarantees.

h. Lease arrangement-the Company is lessee

<u>Related Party Category</u>	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Acquisition of right-of-use assets</u>		
Parent company	\$ -	\$ 26,018

<u>Related Party Category</u>	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Lease liabilities</u>		
Parent company	\$ 15,956	\$ 23,173

Related Party Category	Years Ended December 31	
	2025	2024
<u>Interest expenses</u>		
Parent company	\$ 424	\$ 574
<u>Lease expenses</u>		
Parent company	\$ 816	\$ 701
Fellow subsidiary	337	140
	<u>\$ 1,153</u>	<u>\$ 841</u>
<u>Deposit interest</u>		
Parent company	\$ 17	\$ 15
Fellow subsidiary	1	-
	<u>\$ 18</u>	<u>\$ 15</u>

In February 2023 and January 2024, the Company entered into lease agreements with related parties for office workstations and building A, respectively. The lease terms are 2.92 years and 5 years, respectively. The rental payments were determined with reference to the rental rates of similar assets and are paid in fixed monthly installments in accordance with the lease agreements.

Lease expenses include short-term lease expenses.

i. Others

Account Item	Related Party Category	Years Ended December 31	
		2025	2024
Other income	Parent company	\$ 1	\$ -

The above other income from related parties arose from transactions involving R&D consumables.

j. Remuneration of key management personnel

	Years Ended December 31	
	2025	2024
Short-term employee benefits	\$ 23,081	\$ 33,193
Share-based payments	-	1,889
Post-employment benefits	306	439
	<u>\$ 23,387</u>	<u>\$ 35,521</u>

The remuneration of directors and other key executives was determined by the remuneration committee based on the performance of individuals and the Company's profits.

29. ASSETS PLEDGED AS SECURITY

The following assets were provided as collateral for the tariff of imported raw materials guarantees:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Pledged time deposits(presented as financial assets at amortized cost-current)	<u>\$ 417,005</u>	<u>\$ 417,005</u>

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

In addition to those disclosed in other notes, the significant commitments of the Company at the balance sheet date are as follows:

a. Long-term purchase agreements

The Company entered into long-term purchase agreements of materials with suppliers during 2021. Both parties agreed that during the contract period, the suppliers would deliver the materials to the Company in accordance with the agreements. As of December 31, 2025, the Company has paid the suppliers USD1,296 thousand as guarantee to ensure the supply of materials. The rights and obligations of both parties are based on the content of each agreement. Refundable deposits was USD1,296 thousand.

b. Long-term supply agreements

The Company entered into long-term supply agreements of products with clients from 2021 to 2022. Both parties agreed that during the contract period, the Company would deliver the products to clients in accordance with the agreements. However, the long-term supply agreement was mutually terminated in March 2025, the Company has fully refunded the deposit, which was collected to secure supply volume, as per the terms of the agreement.

c. Acquisition of Property

The Company's Board of Directors approved on September 6, 2023, to purchase the office premises and entered into a purchase agreement with Winsome Development Co., Ltd. to acquire office on the 8th and 9th floors and parking spaces of Building 2B, Phase 10 of Tai Yuen Hi-Tech Industrial Park, in the amounting of NT\$937,250 thousand (including tax). As of December 31, 2025, NT\$196,830 thousand was paid as consideration.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2025

	<u>Foreign Currency</u>	<u>Exchange Rate</u>
<u>Foreign currency assets</u>		
<u>Monetary items</u>		
USD	\$ 14,683	31.430

(Continued)

	<u>Foreign Currency</u>	<u>Exchange Rate</u>
<u>Non-Monetary items</u>		
USD	\$ 3,007	31.430
<u>Foreign currency liabilities</u>		
<u>Monetary items</u>		
USD	10,935	31.430
<u>Non-Monetary items</u>		
USD	1,000	31.430 (Concluded)
<u>December 31, 2024</u>		
	<u>Foreign Currency</u>	<u>Exchange Rate</u>
<u>Foreign currency assets</u>		
<u>Monetary items</u>		
USD	\$ 12,130	32.785
<u>Foreign currency liabilities</u>		
<u>Monetary items</u>		
USD	10,291	32.785

For the years ended December 31, 2025 and 2024, please refer to Note 21(i) for the information of realized and unrealized net foreign exchange gains (losses). It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions of the entities in the Company.

32. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

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

b. Information on investments: None

c. Information on investments in mainland China:

On June 23, 2022, the Company was approved by the Investment Commission, MOEA, to invest US\$778 thousand. If the investment was not completed within three years from the date of approval, the approved investment amount would become invalid. As of December 31, 2025, the Company had not remitted the investment amount, and the entire uninvested amount had invalid.

33. SEGMENT INFORMATION

a. Segment revenues, results and assets

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

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

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

b. Revenue from major products

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

Product	Years Ended December 31	
	2025	2024
Integrated circuits	\$ 2,690,150	\$ 2,969,215
Others	35	-
	<u>\$ 2,690,185</u>	<u>\$ 2,969,215</u>

c. Geographical information

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

	Revenue from External Customers		Non-current Assets	
	Years Ended December 31		December 31	
	2025	2024	2025	2024
Taiwan	\$ 603,416	\$ 385,298	\$ 172,644	\$ 124,892
Hong Kong	1,945,800	2,515,369	-	-
China	140,577	68,363	-	-
Others	392	185	-	-
	<u>\$ 2,690,185</u>	<u>\$ 2,969,215</u>	<u>\$ 172,644</u>	<u>\$ 124,892</u>

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

d. Information on major customers

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

Customer Name	Years Ended December 31			
	2025		2024	
	Amount	As a percentage of net sales (%)	Amount	As a percentage of net sales (%)
F Client	\$ 451,323	17	\$ 658,455	22
G Client	324,179	12	Note	Note
H Client	312,942	12	467,321	16
C Client	273,759	10	505,449	17

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

FORCELEAD TECHNOLOGY CORPORATION

SIGNIFICANT MARKETABLE SECURITIES HELD

DECEMBER 31, 2025

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	<u>Fund</u> TAISHIN JU LONG Fund	-	Financial assets at fair value through profit or loss - current	1,746,862	\$ 25,703	-	\$ 25,703	Note 1
	<u>Stock</u> Cathay Financial Holding Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	1,300,000	78,910	-	78,910	Note 1
	<u>Equity Investment</u> Fong Huang VII Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	8,000,000	83,764	4	83,764	Note 2
	<u>Bonds</u> Cathay Life Insurance Co., Ltd. 2023 Issue 2 USD Denominated Unsecured Accumulated Subordinated Ordinary Corporate Bonds	-	Investments in debt instruments at FVTOCI - non-current	10,000	31,650	-	31,650	Note 1

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

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

Note 3: As of December 31, 2025, the above listed marketable securities were neither provided as guarantee nor pledged as collateral for loans.

Note 4: The marketable securities listed in the table above refer to the securities, bonds, beneficiary certificates and securities that fall within the scope of IFRS 9 "Financial Instruments".

Note 5: This table presents the marketable securities disclosed by the Company in accordance with the principle of materiality.

FORCELEAD TECHNOLOGY CORPORATION

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	Sitronix Technology Corp.	The Parent Company	Sale	\$ 324,179	12.05%	Net 45 days monthly settlement	\$ -	-	\$ 91,707	26.80%	-

FORCELEAD TECHNOLOGY CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2025

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

Company Name	Related Party	Relationship	Amounts of Receivable from Related Parties	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	Sitronix Technology Corp.	The Parent Company	\$ 91,707	6.28 times	\$ -	-	\$ 63,178	\$ -

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

Item	Description	Amount
Bank deposits		
Demand deposits	Including NT\$19,215 thousand and US\$1,061 thousand	\$ 52,576
Cash equivalents		
Time deposits	Including NT\$410,000 thousand, and expires by the end of March, 2026, with an annual interest rate ranging from 1.650%~1.700%.	410,000
Bonds with repurchase agreements	Including NT\$86,031 thousand and US\$2,701 thousand, and expires by the end of January, 2026, with an annual interest rate ranging from 1.320%~3.700%.	170,935
Cash on hand		<u>10</u>
Total		<u>\$ 633,521</u>

The foreign currency exchange rate is as follows:

US1 = NT31.430

STATEMENT 2**FORCELEAD TECHNOLOGY CORPORATION****STATEMENT OF FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

	Number of Shares	Par Value (NT\$)	Amount	Carrying Amount	Fair Value		Note
					Unit price	Total Amount	
CURRENT ASSETS							
Fund							
TAISHIN JU LONG Fund	1,746,862	11.45	\$ 20,000	\$ 20,000	14.71	\$ 25,703	Note
Derivatives							
Gloria Material Technology Corp. seventh Credit Linked Structured Product	-	100.00	10,000	10,000	100.64	10,064	Note
Mirle Automation Corp. second Credit Linked Structured Product	-	100.00	10,000	10,000	100.18	10,017	Note
Acbel Polytech Inc. second Credit Linked Structured Product	-	100.00	10,000	10,000	100.14	10,014	Note
Bond							
Hua Yu Lien Development Co., Ltd. fourth Unsecured Convertible Bond	10,000	95.40	9,540	9,540	96.20	9,620	Note
Subtotal			59,540	59,540		65,418	
NON-CURRENT ASSETS							
Derivatives							
Grand Process Technology Corporation second Credit Linked Structured Product	-	100.00	15,000	15,000	100.47	15,070	Note
Group Up Industrial Co., Ltd. second Credit Linked Structured Product	-	100.00	10,000	10,000	100.50	10,050	Note
Supreme Electronics Co., Ltd. tenth Credit Linked Structured Product	-	100.00	10,000	10,000	100.29	10,029	Note
Nextronics Engineering Corp. third Credit Linked Structured Product	-	100.00	4,600	4,600	100.24	4,611	Note
Champion Microelectronic Corp. first Credit Linked Structured Product	-	100.00	2,900	2,900	100.24	2,907	Note
Bond							
Far Eastern New Century Corporation second Unsecured Exchangeable Bond	50,000	96.77	4,839	4,839	98.25	4,913	Note
Subtotal			47,339	47,339		47,580	
Total			\$ 106,879	\$ 106,879		\$ 112,998	

Note: The above financial assets were unsecured or provided as guarantee.

STATEMENT 3**FORCELEAD TECHNOLOGY CORPORATION****STATEMENT OF FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

	Number of Shares	Par Value (NT\$)	Amount	Carrying Amount	Fair Value		Note
					Unit price (NT\$)	Total Amount	
CURRENT ASSETS							
Domestic listed shares							
Cathay Financial Holding Co., Ltd. Preferred Share A	1,300,000	60.70	\$ 78,910	\$ 78,910	60.70	\$ 78,910	Note
Yuanta Financial Holding Co., Ltd	391,400	29.73	11,635	11,635	39.30	15,382	Note
Far Eastern Department Stores Ltd.	638,000	22.63	14,435	14,435	22.00	14,036	Note
Taiwan Secom Co.,Ltd.	122,000	112.71	13,751	13,751	108.00	13,176	Note
Raydium Semiconductor Corporation	11,000	339.18	3,731	3,731	228.00	2,508	Note
Subtotal			<u>122,462</u>	<u>122,462</u>		<u>124,012</u>	
NON-CURRENT ASSETS							
Domestic unlisted equity investments							
Fong Huang VII Innovation Investment Co., Ltd.	8,000,000	10.00	80,000	80,000	10.47	83,764	Note
Bond							
Cathay Life Insurance Co.,Ltd. 2023 Issue 2 USD Denominated Unsecured Accumulated Subordinated Ordinary Corporate Bonds	10,000	3,178.79	31,788	31,788	3,165.02	31,650	Note
Subtotal			<u>111,788</u>	<u>111,788</u>		<u>115,414</u>	
Total			<u>\$ 234,250</u>	<u>\$ 234,250</u>		<u>\$ 239,426</u>	

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

FORCELEAD TECHNOLOGY CORPORATION

STATEMENT OF TRADE RECEIVABLES

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

<u>Client Name</u>	<u>Amount</u>
A Client	\$ 79,006
B Client	57,100
C Client	36,498
D Client	33,220
E Client	12,808
Others (Note)	33,065
Allowance for impairment loss	<u>(1,261)</u>
	<u>\$ 250,436</u>

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

FORCELEAD TECHNOLOGY CORPORATION**STATEMENT OF INVENTORIES****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Amount</u>	
	<u>Cost</u>	<u>Market Price (Note)</u>
Finished goods	\$ 113,509	\$ 199,150
Work in progress	255,683	510,691
Raw materials	99,070	100,475
	<u>\$ 468,262</u>	<u>\$ 810,316</u>

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

FORCELEAD TECHNOLOGY CORPORATION

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

(In Thousands of New Taiwan Dollars)

Item	Buildings
Cost	
Balance at January 1 and December 31, 2025	\$ 48,175
Accumulated depreciation	
Balance at January 1, 2025	20,745
Depreciation	8,387
Balance at December 31, 2025	29,132
Carrying amount at December 31, 2025	\$ 19,043

FORCELEAD TECHNOLOGY CORPORATION

STATEMENT OF TRADE PAYABLES

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
A vendor	\$ 102,286
B vendor	101,360
C vendor	62,357
D vendor	22,188
E vendor	17,249
Others (Note)	32,431
Total	<u>\$ 337,871</u>

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

FORCELEAD TECHNOLOGY CORPORATION

STATEMENT OF NET REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2025

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

<u>Item</u>	<u>Shipment Qty (In Thousands of Pieces)</u>	<u>Amount</u>
Integrated circuits	93,280	\$ 2,735,240
Others		<u>35</u>
		2,735,275
Sales returns and discounts		<u>(45,090)</u>
		<u><u>\$ 2,690,185</u></u>

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

<u>Item</u>	<u>Amount</u>
Raw materials used	
Raw materials, beginning of year	\$ 33,563
Plus: raw materials purchased for the year	1,019,159
Raw materials, end of year	(99,070)
Others	2,353
Subtotal	<u>956,005</u>
Manufacturing expenses	<u>533,388</u>
Manufacturing costs	1,489,393
Work in progress, beginning of year	334,556
Work in progress, end of year	(255,683)
Less: transferred to manufacturing or operating expenses	<u>(966)</u>
Cost of finished goods	1,567,300
Finished goods, beginning of year	168,725
Others	(1,435)
Finished goods, end of year	<u>(113,509)</u>
Production and marketing cost	1,621,081
Less: other operating costs	<u>(12,803)</u>
Total	<u>\$ 1,608,278</u>

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

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses
Wages and salaries	\$ 44,187	\$ 14,505	\$ 235,486
Support fees	50,808	873	4,039
Share-based payments	6,231	1,024	25,063
Insurance expense	2,266	2,430	13,458
Depreciation expense	663	2,848	52,691
Remuneration of directors	-	6,707	-
Research and development expense	-	-	34,444
Others (Note)	12,707	6,532	43,940
	<u>\$ 116,862</u>	<u>\$ 34,919</u>	<u>\$ 409,121</u>

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

FORCELEAD TECHNOLOGY CORPORATION

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

	Years Ended December 31					
	2025			2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Labor expenses						
Wages and salaries	\$ 25,399	\$ 294,178	\$ 319,577	\$ 27,279	\$ 317,347	\$ 344,626
Share-based payments	1,061	32,318	33,379	975	13,986	14,961
Labor and health insurance	2,172	17,780	19,952	1,956	15,923	17,879
Pension expense	858	9,142	10,000	806	8,512	9,318
Remuneration of directors	-	6,707	6,707	-	7,765	7,765
Other labor expense	1,025	8,408	9,433	727	5,836	6,563
Total	<u>\$ 30,515</u>	<u>\$ 368,533</u>	<u>\$ 399,048</u>	<u>\$ 31,743</u>	<u>\$ 369,369</u>	<u>\$ 401,112</u>
Depreciation expense	\$ 2,589	\$ 56,202	\$ 58,791	\$ 1,709	\$ 56,818	\$ 58,527
Amortization expense	\$ -	\$ 12,226	\$ 12,226	\$ -	\$ 12,713	\$ 12,713

Note 1: For the years ended December 31, 2025 and 2024, the Company had 133 and 126 employees, respectively. There were both 6 non-employee directors, respectively.

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

- (a) Average labor expense for the year ended December 31, 2025 was \$3,089 thousand (Total labor expense for the year ended December 31, 2025 - total remuneration of directors / Total number of employees for the year ended December 31, 2025 - non-employee directors).

Average labor expense for the year ended December 31, 2024 was \$3,278 thousand (Total labor expense for the year ended December 31, 2024 - total remuneration of directors / Total number of employees for the year ended December 31, 2024 - non-employee directors).

- (b) Average wages and salaries for the year ended December 31, 2025 was \$2,516 thousand (Total wages and salaries for the year ended December 31, 2025 / Total number of employees for the year ended December 31, 2025 - non-employee directors).

Average wages and salaries for the year ended December 31, 2024 was \$2,872 thousand (Total wages and salaries for the year ended December 31, 2024 / Total number of employees for the year ended December 31, 2024 - non-employee directors).

- (c) The average wages and salaries decreased by 12.40% year over year. (Average wages and salaries for the year ended December 31, 2025 - Average wages and salaries for the year ended December 31, 2024 / Average wages and salaries for the year ended December 31, 2024).

- (d) The Company has established an audit committee in October 2023, there were no supervisors in 2025 and 2024.

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