

# **Gudeng Precision Industrial Co., Ltd. and Subsidiaries**

Consolidated Financial Statements and Independent Auditors' Report

2025 and 2024

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Notice to Reader

*For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

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## Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2025, the companies required to be included in the preparation of the consolidated financial statements of affiliated enterprises under the "Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements of Affiliated Enterprises, and Affiliation Reports" are the same as those required to be included in the preparation of the consolidated financial statements under International Accounting Standard No. 10. As the relevant information required to be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned consolidated financial statements, the Company has not prepared separate consolidated financial statements of affiliated enterprises.

Hereby declared

Company Name: Gudeng Precision Industrial Co., Ltd.

Person in Charge: Chiu, Ming-Chien

March 10, 2026

## **Auditor's Report**

To Gudeng Precision Industrial Co., Ltd.:

### **Audit Opinion**

The consolidated statements of financial position of Gudeng Precision Industrial Co., Ltd. and its subsidiaries (the Gudeng Group) as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years ended December 31, 2025 and 2024, as well as notes to the consolidated financial statements (including a summary of significant accounting policies), have been audited by us.

In our opinion, based on our audit and the reports of other auditors (refer to the Other Matter section), the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Gudeng Group as of December 31, 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the years ended December 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission.

### **Basis for Audit Opinion**

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by certified public accountants and auditing standards. Our responsibilities under those standards will be further explained in the section on the Responsibilities of CPAs for the Audit of the Consolidated Financial Statements. The personnel of the accounting firm to which the certified public accountant belongs, who are subject to independence regulations, have maintained independence from the Gudeng Group in accordance with the Code of Professional Ethics for Certified Public Accountants, and have fulfilled other responsibilities under that code. We believe that sufficient and appropriate audit evidence has been obtained to serve as a basis for expressing an audit opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the Gudeng Group for the year 2025. These matters were addressed in the context of the audit of the consolidated financial statements as a whole and in forming the audit opinion, and no separate opinion is expressed on these matters.

The key audit matters for the Gudeng Group's consolidated financial statements for the year 2025 are described as follows:

## Revenue Recognition

Gudeng Precision Industrial Co., Ltd.'s revenue sources are mask and wafer transport solutions, where revenue recognition for specific customers requires manual confirmation and verification of relevant documents. Additionally, Gudeng Equipment Co., Ltd.'s main source of operating revenue is the sale of equipment machines, which are customized machines. The transaction terms for equipment sales require the completion of delivery and customer acceptance before the performance obligation is fulfilled. Because this involves judgment on whether the transfer of control over sold goods has occurred, there may be inappropriate revenue recognition situations. Furthermore, the Statement of Auditing Standards presumes revenue recognition as a significant risk. Therefore, the authenticity of sales revenue recognition is listed as a key audit matter. For accounting policies and information related to revenue recognition, please refer to Note 4(16) and Note 28 of the consolidated financial statements.

For the important matters mentioned above, we performed the following main audit procedures:

1. Understanding, evaluating, and testing that the internal control system for revenue recognition is reasonably and effectively implemented.
2. Performing sampling from specific customer sales revenue details and equipment sales revenue details, verifying whether the relevant documents for recognized revenue match, in order to confirm the authenticity of sales revenue.
3. Obtaining details of sales returns after the period, examining their relevant vouchers, and reviewing the reasonableness of the return reasons.

## **Other Matters**

The associates included in Gudeng Group's consolidated financial statements were audited by other accountants. Therefore, in the opinion expressed by us on the aforementioned consolidated financial statements, the amounts listed for investments accounted for using the equity method are based on the audit reports of other accountants. As of December 31, 2025 and 2024, the investment balances in associates accounted for using the equity method were NT\$195,124 thousand and NT\$215,151 thousand, respectively, representing 0.82% and 1.01% of total consolidated assets, respectively. For the years ended December 31, 2025 and 2024, the share of profit (loss) from associates accounted for using the equity method was NT\$14,187 thousand and (NT\$15,336) thousand, respectively, representing 3.13% and (0.81)% of total consolidated comprehensive income, respectively.

Gudeng Precision Industrial Co., Ltd. has prepared its parent company only financial statements for 2025 and 2024, and this certified public accountant has issued an unqualified audit report with an Other Matters paragraph for reference.

## **Management and Governance Units' Responsibilities for the Consolidated Financial Statements**

Management's responsibility is to prepare consolidated financial statements that fairly present in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards, IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into

effect by the Financial Supervisory Commission, and to maintain necessary internal controls relevant to the preparation of consolidated financial statements to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

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

Gudeng Group's governance units (including the Audit Committee) are responsible for overseeing the financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of Gudeng Group for the year 2025. We describe these matters in our auditor's 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 audits resulting in this independent auditor's report are Zeng, Jian-Ming and Wang, Pan-Fa.

Deloitte & Touche

Taipei, Taiwan

Republic of China

March 25, 2026

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GUDENG PRECISION INDUSTRIAL CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEET**

December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
<b>Current Assets</b>					
1100	Cash and Cash Equivalents (Notes 4 and 6)	\$ 5,109,109	22	\$ 4,291,482	20
1110	Financial Assets at Fair Value through Profit or Loss - Current (Notes 4 and 7)	517,873	2	563,611	3
1136	Financial Assets at Amortized Cost - Current (Notes 4 and 9)	484,649	2	928,896	4
1150	Notes Receivable - Non-related Parties (Note 10)	9,109	-	23,306	-
1170	Trade Receivable - Non-related Parties (Notes 4, 10 and 28)	1,576,237	7	1,518,929	7
1180	Trade Receivable - Related Parties (Notes 10, 28 and 38)	8,131	-	12,446	-
1200	Other Receivables (Note 4 and 10)	51,437	-	34,527	-
1210	Other Receivables - Related Parties (Notes 10 and 38)	406,134	2	284	-
1220	Current Tax Assets (Note 30)	3,057	-	2,138	-
130X	Inventories (Notes 4 and 11)	2,067,754	9	2,128,970	10
1410	Prepayments (Notes 19 and 38)	104,826	-	104,653	1
1479	Other Current Assets (Note 20)	41,451	-	81,995	-
11XX	Total Current Assets	<u>10,379,767</u>	<u>44</u>	<u>9,691,237</u>	<u>45</u>
<b>Non-current Assets</b>					
1510	Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	128,295	1	44,212	-
1517	Financial Assets at Fair Value through Other Comprehensive Income - Non-current (Notes 4 and 8)	2,099,365	9	1,677,677	8
1535	Financial Assets at Amortized Cost - Non-current (Notes 4 and 9)	8,500	-	8,500	-
1550	Investments Accounted for Using Equity Method (Notes 4 and 13)	276,183	1	325,365	2
1600	Property, Plant and Equipment (Notes 4, 14 and 38)	9,402,806	40	7,710,854	36
1755	Right-of-use Assets (Notes 4 and 15)	226,908	1	264,651	1
1760	Investment Property, Net (Notes 4 and 16)	252,016	1	657,510	3
1805	Goodwill (Notes 4 and 17)	82,785	-	179,241	1
1821	Other Intangible Assets (Notes 4 and 18)	279,174	1	174,828	1
1840	Deferred Tax Assets (Notes 4 and 30)	66,033	-	76,859	-
1915	Prepayments for Equipment (Note 40)	527,836	2	520,113	3
1920	Refundable Deposits (Note 4 and 38)	36,863	-	33,658	-
1990	Other Non-current Assets - Others (Notes 20 and 26)	-	-	1,617	-
15XX	Total Non-current Assets	<u>13,386,764</u>	<u>56</u>	<u>11,675,085</u>	<u>55</u>
1XXX	Total Assets	<u>\$ 23,766,531</u>	<u>100</u>	<u>\$ 21,366,322</u>	<u>100</u>
<b>Current Liabilities</b>					
2100	Short-term Borrowings (Note 4 and 21)	\$ 485,832	2	\$ 780,545	4
2120	Financial Liabilities at Fair Value through Profit or Loss - Current (Notes 4 and 7)	405	-	120	-
2130	Contract Liabilities - Current (Notes 28)	304,671	1	499,097	2
2150	Notes Payable - Non-related Parties (Note 23)	136	-	114	-
2170	Accounts Payable - Non-related Parties (Note 23)	657,131	3	621,229	3
2180	Accounts Payable - Related Parties (Notes 23 and 38)	61,506	-	76,309	-
2219	Other Payables (Note 24)	1,188,893	5	1,241,645	6
2220	Other Payables - Related Parties (Notes 24 and 38)	12,248	-	1,725	-
2230	Current Income Tax Liabilities (Note 4 and 30)	103,672	1	132,576	1
2250	Provisions - Current (Notes 4 and 25)	33,470	-	32,834	-
2280	Lease Liabilities - Current (Notes 4, 15 and 38)	43,695	-	51,528	-
2320	Current portion of Long-term borrowings (Notes 4, 21 and 22)	923,772	4	706,732	3
2399	Other Current Liabilities (Notes 24 and 38)	46,305	-	85,143	1
21XX	Total Current Liabilities	<u>3,861,736</u>	<u>16</u>	<u>4,229,597</u>	<u>20</u>
<b>Non-current Liabilities</b>					
2540	Long-term Borrowings (Note 4 and 21)	8,287,908	35	5,355,971	25
2570	Deferred Tax Liabilities (Notes 4 and 30)	1,714	-	8,040	-
2580	Lease Liabilities - Non-current (Notes 4, 15 and 38)	165,176	1	195,129	1
2640	Net Defined Benefit Liabilities - Non-current (Notes 4 and 26)	38,471	-	39,155	-
2645	Guarantee Deposits Received (Note 38)	2,006	-	10,356	-
25XX	Total Non-current Liabilities	<u>8,495,275</u>	<u>36</u>	<u>5,608,651</u>	<u>26</u>
2XXX	Total Liabilities	<u>12,357,011</u>	<u>52</u>	<u>9,838,248</u>	<u>46</u>
<b>Equity Attributable to Owners of the Company (Note 27)</b>					
<b>Share Capital</b>					
3110	Ordinary Shares	960,415	4	958,505	5
3140	Stock Subscriptions Received in Advance	-	-	984	-
3100	Total Share Capital	<u>960,415</u>	<u>4</u>	<u>959,489</u>	<u>5</u>
3200	Capital Surplus	6,913,992	29	6,888,506	32
<b>Retained Earnings</b>					
3310	Legal Reserve	494,599	2	401,871	2
3350	Unappropriated Retained Earnings	1,241,559	5	1,083,118	5
3300	Total Retained Earnings	<u>1,736,158</u>	<u>7</u>	<u>1,484,989</u>	<u>7</u>
3400	Other Equity	132,768	1	681,813	3
31XX	Total Equity Attributable to Owners of the Company	<u>9,743,333</u>	<u>41</u>	<u>10,014,797</u>	<u>47</u>
36XX	Non-controlling Interests (Note 27)	<u>1,666,187</u>	<u>7</u>	<u>1,513,277</u>	<u>7</u>
3XXX	Total Equity	<u>11,409,520</u>	<u>48</u>	<u>11,528,074</u>	<u>54</u>
Total Liabilities and Equity		<u>\$ 23,766,531</u>	<u>100</u>	<u>\$ 21,366,322</u>	<u>100</u>

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

Chairman: Chiu, Ming-Chien

Manager: Lin, Tien-Jui

Accounting Supervisor: Lai, Po-An

GUDENG PRECISION INDUSTRIAL CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the year ended December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars, except earnings per share expressed in NT\$

Code		2025		2024	
		Amount	%	Amount	%
4000	Operating Revenue (Notes 4, 28 and 38)	\$ 7,347,242	100	\$ 6,544,796	100
5000	Operating Costs (Notes 4, 11, 29 and 38)	<u>4,270,528</u>	<u>58</u>	<u>3,653,860</u>	<u>56</u>
5900	Gross Profit from Operations	<u>3,076,714</u>	<u>42</u>	<u>2,890,936</u>	<u>44</u>
	Operating Expenses (Notes 26, 29 and 38)				
6100	Selling and Marketing Expenses	493,667	7	346,754	5
6200	General and Administrative Expenses	918,104	12	841,768	13
6300	Research and Development Expenses	559,329	8	526,196	8
6450	Expected credit loss	<u>9,826</u>	<u>-</u>	<u>( 16,780)</u>	<u>-</u>
6000	Total Operating Expenses	<u>1,980,926</u>	<u>27</u>	<u>1,697,938</u>	<u>26</u>
6900	Net Operating Income	<u>1,095,788</u>	<u>15</u>	<u>1,192,998</u>	<u>18</u>
	Non-operating Income and Expenses (Note 29)				
7100	Interest Income	54,985	1	51,920	1
7190	Other Income (Note 38)	175,609	2	114,485	2
7020	Other Gains and Losses (Note 38)	83,578	1	330,853	5
7050	Finance Costs (Note 38)	( 174,935)	( 2)	( 108,954)	( 2)
7060	Share of Profit or Loss of Associates				
	Accounted for Using Equity Method	<u>( 7,633)</u>	<u>-</u>	<u>( 17,559)</u>	<u>-</u>
7000	Total Non-operating Income and Expenses	<u>131,604</u>	<u>2</u>	<u>370,745</u>	<u>6</u>
7900	Profit Before Income Tax	1,227,392	17	1,563,743	24
7950	Income Tax Expense (Notes 4 and 30)	<u>( 228,973)</u>	<u>( 3)</u>	<u>( 286,582)</u>	<u>( 4)</u>
8200	Net Profit/(Loss) For The Period	<u>998,419</u>	<u>14</u>	<u>1,277,161</u>	<u>20</u>
	Other Comprehensive Income				
8310	Items That Will Not Be Reclassified Subsequently to Profit or Loss				
8311	Remeasurement of Defined Benefit Plans (Note 26)	684	-	( 7,533)	-
8316	Unrealized Gain/(Loss) On Investments In Equity Instruments At Fair Value Through Other Comprehensive Income	( 531,450)	( 8)	600,930	9
8360	Items That May Be Reclassified Subsequently to Profit or Loss				
8361	Exchange Differences on Translating the Financial Statements of Foreign Operations	<u>( 14,019)</u>	<u>-</u>	<u>26,638</u>	<u>-</u>
8300	Total Other Comprehensive Income/(Loss) For The Period, Net of Income Tax	<u>( 544,785)</u>	<u>( 8)</u>	<u>620,035</u>	<u>9</u>
8500	Total Comprehensive Income For The Period	<u>\$ 453,634</u>	<u>6</u>	<u>\$ 1,897,196</u>	<u>29</u>
	Net Profit/(Loss) Attributable To				
8610	Owners of the Company	\$ 905,287	13	\$ 1,167,778	18
8620	Non-controlling Interests	<u>93,132</u>	<u>1</u>	<u>109,383</u>	<u>2</u>
8600		<u>\$ 998,419</u>	<u>14</u>	<u>\$ 1,277,161</u>	<u>20</u>
	Total Comprehensive Income Attributable to				
8710	Owners of the Company	\$ 374,744	5	\$ 1,781,652	27
8720	Non-controlling Interests	<u>78,890</u>	<u>1</u>	<u>115,544</u>	<u>2</u>
8700		<u>\$ 453,634</u>	<u>6</u>	<u>\$ 1,897,196</u>	<u>29</u>
	Earnings Per Share (Note 31)				
9750	Basic	<u>\$ 9.43</u>		<u>\$ 12.32</u>	
9850	Diluted	<u>\$ 9.39</u>		<u>\$ 12.11</u>	

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

Chairman: Chiu, Ming-Chien

Manager: Lin, Tien-Jui

Accounting Supervisor: Lai, Po-An

GUDENG PRECISION INDUSTRIAL CO., LTD. AND SUBSIDIARIES  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code		Equity Attributable to Owners of the Company						Other Equity		Total	Non-controlling Interests	Total Equity
		Share Capital		Stock Subscriptions Received in Advance	Capital Surplus	Retained Earnings		Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain or Loss on Financial Assets at Fair Value through Other Comprehensive Income			
		Number of Shares (in thousands)	Amount			Legal Reserve	Unappropriated Retained Earnings					
A1	Balance as of January 1, 2024	94,184	\$ 941,844	\$ 1,128	\$ 5,989,152	\$ 310,168	\$ 794,151	( \$ 30,322 )	\$ 113,123	\$ 8,119,244	\$ 791,527	\$ 8,910,771
B1	Appropriation Of Earnings											
B1	Legal Reserve	-	-	-	-	91,703	( 91,703 )	-	-	-	-	-
B5	Cash Dividends distributed by the Company	-	-	-	-	-	( 694,272 )	-	-	( 694,272 )	-	( 694,272 )
C7	Other Changes in Capital Surplus:											
C7	Changes In Capital Surplus From Investments In Associates/And Joint Ventures Accounted For Using The Equity Method	-	-	-	3,450	-	-	-	-	3,450	-	3,450
N1	Employee Share Options Issued By The Subsidiary	-	-	-	12,056	-	-	-	-	12,056	14,895	26,951
M7	Changes In Percentage Of Ownership Interests In Subsidiaries (Notes 27 and 34)	-	-	-	326,870	-	( 107,698 )	-	-	219,172	661,180	880,352
O1	Changes in Non-controlling Interests (Note 27)	-	-	-	-	-	-	-	-	-	( 69,869 )	( 69,869 )
I1	Convertible Bonds Converted to Ordinary Shares	1,666	16,661	( 144 )	556,978	-	-	-	-	573,495	-	573,495
D1	2024 Net Income	-	-	-	-	-	1,167,778	-	-	1,167,778	109,383	1,277,161
D3	2024 Other Comprehensive Income, Net of Income Tax	-	-	-	-	-	( 7,599 )	20,543	600,930	613,874	6,161	620,035
D5	2024 Total Comprehensive Income/(Loss)	-	-	-	-	-	1,160,179	20,543	600,930	1,781,652	115,544	1,897,196
Q1	Disposal of Equity Instruments at Fair Value through Other Comprehensive Income	-	-	-	-	-	22,461	-	( 22,461 )	-	-	-
Z1	Balance as of December 31, 2024	95,850	958,505	984	6,888,506	401,871	1,083,118	( 9,779 )	691,592	10,014,797	1,513,277	11,528,074
B1	Appropriation Of Earnings											
B1	Legal Reserve	-	-	-	-	92,728	( 92,728 )	-	-	-	-	-
B5	Cash Dividends distributed by the Company	-	-	-	-	-	( 672,279 )	-	-	( 672,279 )	-	( 672,279 )
M5	Other Changes in Capital Surplus:											
M5	Actual Acquisition or Disposal of Partial Interest in Subsidiaries (Note 34)	-	-	-	( 4,458 )	-	-	-	-	( 4,458 )	-	( 4,458 )
C7	Changes In Capital Surplus From Investments In Associates/And Joint Ventures Accounted For Using The Equity Method	-	-	-	( 2 )	-	-	-	-	( 2 )	-	( 2 )
N1	Employee Share Options Issued By The Subsidiary	-	-	-	69	-	-	-	-	69	65	134
M7	Changes In Percentage Of Ownership Interests In Subsidiaries (Notes 27 and 34)	-	-	-	( 1,342 )	-	( 341 )	-	-	( 1,683 )	139,106	137,423
N1	Issuance of Ordinary Shares under Employee Share Options	-	-	-	-	-	-	-	-	-	50,101	50,101
O1	Changes in Non-controlling Interests (Note 27)	-	-	-	-	-	-	-	-	-	( 115,252 )	( 115,252 )
I1	Convertible Bonds Converted to Ordinary Shares	191	1,910	( 984 )	31,219	-	-	-	-	32,145	-	32,145
D1	2025 Net Income	-	-	-	-	-	905,287	-	-	905,287	93,132	998,419
D3	2025 Other Comprehensive Income, Net of Income Tax	-	-	-	-	-	1,097	( 9,883 )	( 521,757 )	( 530,543 )	( 14,242 )	( 544,785 )
D5	2025 Total Comprehensive Income/(Loss)	-	-	-	-	-	906,384	( 9,883 )	( 521,757 )	374,744	78,890	453,634
Q1	Disposal of Equity Instruments at Fair Value through Other Comprehensive Income	-	-	-	-	-	17,405	-	( 17,405 )	-	-	-
Z1	Balance as of December 31, 2025	96,041	\$ 960,415	\$ -	\$ 6,913,992	\$ 494,599	\$ 1,241,559	( \$ 19,662 )	\$ 152,430	\$ 9,743,333	\$ 1,666,187	\$ 11,409,520

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

Chairman: Chiu, Ming-Chien

Manager: Lin, Tien-Jui

Accounting Supervisor: Lai, Po-An

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code		2025	2024
	Cash Flows from Operating Activities		
A10000	Profit (Loss) before Income Tax for the Year	\$ 1,227,392	\$ 1,563,743
A20010	Revenue and Expense Items		
A20100	Depreciation Expense	583,133	467,876
A20200	Amortization Expense	53,275	34,166
A20300	Expected credit loss	9,826	( 16,780 )
A20400	Net Gain on Financial Assets at Fair Value through Profit or Loss	( 154,761 )	( 240,546 )
A20900	Finance Costs	174,935	108,954
A21200	Interest Income	( 54,985 )	( 51,920 )
A21300	Dividend Income	( 71,897 )	( 32,811 )
A21900	Share-based Payment Compensation Cost	134	26,951
A22300	Share of Loss of Associates Accounted for Using Equity Method	7,633	17,559
A22500	Gain on Disposal of Property, Plant and Equipment	( 127,965 )	( 13,359 )
A22700	Gain on disposal of investment properties	( 28,970 )	-
A22800	Loss on Disposal of Intangible Assets	-	196
A23700	Impairment Loss recognized on Non-Financial Assets	187,117	87,721
A24200	Loss on Redemption of Bonds Payable	196	-
A29900	Income from Odd Shares of Convertible Bonds	-	( 12 )
A30000	Net Changes in Operating Assets and Liabilities		
A31130	Notes Receivable	14,197	( 21,461 )
A31150	Accounts Receivable	( 1,367 )	( 587,238 )
A31180	Other Receivables	( 5,887 )	16,301
A31200	Inventories	64,049	( 161,078 )
A31230	Prepayments	285	88,837
A31240	Other Current Assets	41,668	( 7,411 )
A32125	Contract Liabilities	( 194,426 )	( 338,008 )
A32130	Notes Payable	22	( 6,135 )
A32150	Accounts Payable	( 53,647 )	127,151
A32180	Other Payables	80,253	129,197
A32200	Provisions	636	3,516
A32230	Other Current Liabilities	( 42,040 )	4,925
A32240	Net Defined Benefit Liabilities	-	( 4,733 )
A33000	Net Cash Generated From Operations	1,708,806	1,195,601
A33100	Interest Received	54,813	52,962
A33200	Dividends Received	60,196	36,271
A33300	Interest Paid	( 176,313 )	( 100,910 )
A33500	Income Tax Paid	( 256,666 )	( 216,891 )
AAAA	Net Cash generated from Operating Activities	<u>1,390,836</u>	<u>967,033</u>
	Cash Flows from Investing Activities		
B00010	Purchase of Financial Assets at Fair Value through Other Comprehensive Income	( 1,056,880 )	( 471,488 )
B00020	Proceeds From Sale of Financial Assets at Fair Value Through Other Comprehensive Income	79,900	44,895
B00040	Purchase of financial assets at amortized cost	( 1,384,763 )	( 2,964,250 )
B00050	Disposal of Financial Assets at Amortized Cost	1,829,010	2,577,148
B00100	Purchase of Financial Assets at Fair Value Through Profit or Loss	( 322,836 )	( 201,361 )
B00200	Proceeds from Sale of Financial Assets and Liabilities at Fair Value through Profit or Loss	439,465	24,066
B01800	Purchase of Long-term Equity Investments Accounted for Using Equity Method	( 20,000 )	( 169,839 )
B02200	Net Cash Outflow on Acquisition of Subsidiaries (Note 33)	( 10,815 )	( 83,929 )
B02700	Payments for Property, Plant and Equipment	( 1,735,292 )	( 1,702,833 )
B02800	Proceeds from Disposal of Property, Plant and Equipment	31,247	56,920
B03700	Increase in Refundable Deposits	( 3,205 )	-
B03800	Decrease in Refundable Deposits	-	92,284
B04500	Payment of Intangible Assets	( 82,871 )	( 33,402 )
B04600	Proceeds from Disposal of Intangible Assets	-	571
B05500	Proceeds from disposal of investment property	56,259	-
B06700	Increase in Other Non-current Assets	-	( 88 )
B06800	Decrease in Other Non-current Assets	3,217	-
B07100	Increase in Prepayments for Equipment	( 328,333 )	( 482,775 )
B07600	Dividends Received from Associates/Joint ventures	4,285	1,750
BBBB	Net Cash (used in) Investing Activities	<u>( 2,501,612 )</u>	<u>( 3,312,331 )</u>
	Cash Flows from Financing Activities		
C00100	Increase in Short-term Borrowings	5,785,338	1,891,545
C00200	Decrease in Short-term Borrowings	( 6,115,728 )	( 1,315,970 )
C01300	Repayment of bonds payable	( 9,600 )	-
C01600	Proceeds from Long-term Borrowings	6,316,134	3,103,938
C01700	Repayment of Long-term Borrowings	( 3,140,082 )	( 922,494 )
C03000	Increase in Refundable Deposits	-	1,334
C03100	Decrease in Refundable Deposits	( 8,355 )	-
C04020	Repayment of the Principal Portion of Lease Liabilities	( 55,441 )	( 44,471 )
C04500	Cash Dividends paid to owners of the Company	( 854,032 )	( 707,923 )
C05400	Acquisition of Additional Interests in Subsidiary	( 11,587 )	( 241,068 )
C05800	Cash Dividends paid to non-controlling interests	( 115,252 )	( 69,869 )
C09900	Changes in Non-controlling Interests	165,146	914,794
CCCC	Net Cash generated from Financing Activities	<u>1,956,541</u>	<u>2,609,816</u>
DDDD	Effect of Exchange Rate Changes on the Balance of Cash Held in Foreign Currencies	<u>( 28,138 )</u>	<u>22,185</u>
EEEE	Net Increase in Cash and Cash Equivalents	817,627	286,703
E00100	Cash and Cash Equivalents Balance at Beginning of the Period	<u>4,291,482</u>	<u>4,004,779</u>
E00200	Cash and Cash Equivalents Balance at End of the Period	<u>\$ 5,109,109</u>	<u>\$ 4,291,482</u>

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

GUDENG PRECISION INDUSTRIAL CO., LTD. AND SUBSIDIARIES  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025 and 2024

(unless otherwise stated, Amounts are in Thousands of New Taiwan Dollars)

**1. Company History**

Gudeng Precision Industrial Co., Ltd. (hereinafter referred to as "the Company") was established as a company limited by shares in New Taipei City in March 1998, and commenced operations in the same month. The main business activities include the trading and manufacturing of molds, mask packages, etc.

The Company's shares have been listed and traded on the Taipei Exchange (TPEX) since August 2011.

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

**2. Date and Procedures of Approval of Financial Statements**

These consolidated financial statements were approved by the Board of Directors on March 10, 2026.

**3. Application of Newly Released and Revised Standards and IFRIC Interpretations (IFRIC)**

- (1) Initial adoption of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter referred to as "IFRS Accounting Standards") that have been endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as "FSC")

The adoption of amended IFRS Accounting Standards endorsed and issued into effect by the FSC will not cause significant changes to the accounting policies of Gudeng Precision Industrial Co., Ltd. and its subsidiaries (hereinafter referred to as the "consolidated company").

- (2) IFRS Accounting Standards endorsed by the FSC that are applicable in 2026

<b>Newly Released/ Revised Standards/ IFRIC Interpretations (IFRIC)</b>	<b>Effective date issued by the IASB</b>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 01, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 01, 2026
Annual Improvements to IFRS Accounting Standards – Cycle 11	January 01, 2026
IFRS 17 "Insurance Contracts" (including 2020 and 2021 amendments)	January 01, 2023

As of the date of authorization for issue of these consolidated financial statements, the consolidated company has assessed that amendments to other standards will not have a significant impact on its financial position and financial performance.

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

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

Note 1: Unless otherwise stated, the above newly released/ revised standards/ IFRIC Interpretations (IFRIC) are effective for annual reporting periods beginning on or after their respective dates.

Note 2: The FSC announced on September 25, 2025 that enterprises in the ROC shall apply IFRS 18 starting from January 1, 2028, and may also choose to early adopt after the FSC endorses IFRS 18.

#### IFRS 18 "Presentation and Disclosure in Financial Statements" and Related Amendments

IFRS 18 will replace IAS 1 "Presentation of Financial Statements", and the main changes include:

- The consolidated company shall assess whether it has specific principal business activities of investing in certain types of assets and providing financing to customers, and accordingly classify income and expense items in the income statement into the categories of operating, investing, financing, income tax, and discontinued operations.

- Income statement should present operating profit or loss, profit or loss before financing and income tax, and subtotals and totals of profit or loss.
- Guidance is provided to strengthen aggregation and disaggregation requirements: the consolidated company must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. The consolidated company shall label such items as "other" only when it cannot identify a more informative label.
- Enhanced disclosure of management-defined performance measures: When the consolidated company engages in public communications outside the financial statements and communicates management's perspective on certain aspects of the consolidated company's overall financial performance to users of financial statements, it shall disclose information related to management-defined performance measures in a single note to the financial statements, including descriptions of such measures, how they are calculated, reconciliation with subtotals or totals specified in IFRS Accounting Standards, and the income tax and non-controlling interests effects of related reconciling items.

In addition, IAS 7 "Statement of Cash Flows" has been amended with the following consequential amendments:

- When the consolidated company prepares cash flows from operating activities using the indirect method, operating profit or loss shall be used as the starting point for reconciliation.
- Interest and dividends received by the consolidated company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the consolidated company is assessed to have specific principal business activities, it shall consider the categories of dividend income, interest income, and interest expense presented in the income statement to determine the classification of dividends received, interest received, and interest paid in the statement of cash flows; however, each of the aforementioned cash flows may only be classified under a single activity in the statement of cash flows.

In addition to the aforementioned impacts, as of the approval date of the issuance of these consolidated financial statements, the consolidated company is still continuously evaluating other impacts of the amendments to each standard and interpretation on its financial position and financial performance. The related impacts will be disclosed when the assessment is completed.

#### 4. Summary of Significant Accounting Policies

##### (1) Statement of Compliance

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

##### (2) Basis of Preparation

Except for financial instruments measured at fair value and the net defined benefit liability recognized as the present value of defined benefit obligation less the fair value of plan assets, these consolidated financial statements have been prepared on a historical cost basis.

Fair value measurements are categorized into Levels 1 to 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs:

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

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

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due to be settled within 12 months after the balance sheet date, and
3. Liabilities for which the entity does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Assets or liabilities that do not fall into the above categories of current assets or current liabilities are classified as non-current assets or non-current liabilities.

(4) Basis of Consolidation

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

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

For details of subsidiaries, shareholding percentages, and business activities, please refer to Notes 12, Table 7 and 8.

(5) Business Combinations

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

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

(6) Foreign Currency

When each entity prepares its financial reports, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currency using the exchange rate at the date of the transaction.

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

Foreign currency non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was determined. The resulting exchange

differences are included in profit or loss for the period, except for those arising from fair value changes recognized in other comprehensive income, which are recognized in other comprehensive income.

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

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

If the consolidated company disposes of all interests in a foreign operation, or partially disposes of interests in a foreign operation subsidiary but loses control, or disposes of a joint arrangement or associate of a foreign operation, and the retained interest is a financial asset that is accounted for according to the accounting policy for financial instruments, all accumulated exchange differences attributable to the owners of the consolidated company related to that foreign operation will be reclassified to profit or loss.

If a partial disposal of a foreign operation subsidiary does not result in loss of control, the accumulated exchange differences are proportionately reallocated to the non-controlling interests of that subsidiary and are not recognized in profit or loss. In any other case of partial disposal of a foreign operation, the accumulated exchange differences are reclassified to profit or loss in proportion to the disposal.

(7) Inventory and Inventory - Land for Construction

Inventory includes raw materials, semi-finished goods, finished goods, work in progress, and merchandise inventory. Inventory is measured at the lower of cost and net realizable value, and the comparison of cost and net realizable value is made on an individual item basis, except for inventories of the same category. Net realizable value refers to the estimated selling price in the normal course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The calculation of inventory cost is based on the weighted average method.

Land planned for development is listed as land for construction after obtaining ownership, and land for construction is measured at the lower of cost and net realizable value, with the comparison of cost and net realizable value made on an individual item basis.

(8) Investments in Associates

Associates refer to entities over which the consolidated company has significant influence, but which are neither subsidiaries nor joint ventures.

The consolidated company adopts the equity method for investments in associates.

Under the equity method, investments in associates are initially recognized at cost, and the carrying amount after the acquisition date increases or decreases with the consolidated company's share of the associates' profit or loss and other comprehensive income and profit distribution. In addition, changes in the equity of associates are recognized according to the shareholding ratio.

The excess of acquisition cost over the consolidated company's share of the net fair value of the identifiable assets and liabilities of the associate at the date of acquisition is recognized as goodwill, which is included in the carrying amount of the investment and is not amortized; the excess of the consolidated company's share of the net fair value of the identifiable assets and liabilities of the associate at the date of acquisition over the acquisition cost is recognized in profit or loss for the current period.

When an associate issues new shares, if the consolidated company does not subscribe according to its shareholding ratio, resulting in changes in the shareholding ratio and consequently causing an increase or decrease in the net equity value of the investment, the adjustment amount is recognized in capital surplus - changes in the net equity value of associates recognized under the equity method and investments accounted for using the equity method. However, if the failure to subscribe or acquire according to the shareholding ratio results in a decrease in the ownership interest in the associate, the amount recognized in other comprehensive income related to the associate is reclassified according to the reduction ratio, and the basis for this accounting treatment is the same as the basis that would be required if the associate had directly disposed of the related assets or liabilities; if the adjustment mentioned above should be debited to capital surplus, and the balance of capital surplus generated from investments using the equity method is insufficient, the difference is debited to retained earnings.

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

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

The consolidated company ceases to use the equity method from the date when its investment no longer qualifies as an associate. The retained interest in the former associate is measured at fair value, and the difference between this fair value, the proceeds from disposal, and the carrying amount of the investment on the date when the equity method is discontinued is recognized in profit or loss. In addition, all amounts recognized in other comprehensive income related to the associate are accounted for on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the consolidated company continues to apply the equity method and does not remeasure the retained interest.

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

(9) Property, Plant and Equipment

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

Property, plant and equipment under construction are recognized at cost less accumulated impairment losses. Cost includes professional service fees and borrowing costs that meet the capitalization criteria. These assets are classified into the appropriate categories of property, plant and equipment and depreciation begins when they are completed and ready for their intended use.

Except for owned land which is not depreciated, all other property, plant and equipment are depreciated on a straight-line basis over their useful lives, with each significant part being depreciated separately. The consolidated company reviews the estimated useful lives, residual values, and depreciation methods at least at each fiscal year-end. And applies the effect of changes in accounting estimates prospectively.

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

(10) Investment Property

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

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

Investment property is transferred to property, plant and equipment at its carrying amount on the date it begins to be used by the owner.

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

#### (11) Goodwill

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

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

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

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

#### (12) Intangible Assets

##### 1. 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 losses. Intangible assets are amortized on a straight-line basis over their useful lives, and the consolidated company reviews the estimated useful lives, residual values, and amortization methods at least at the end of each fiscal year, and applies the effect of changes in accounting estimates prospectively.

## 2. Acquired in Business Combinations

Intangible assets acquired in business combinations are recognized at fair value on the acquisition date and recognized separately from goodwill, with subsequent measurement identical to intangible assets acquired separately.

## 3. Derecognition

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

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

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

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

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

For inventory, property, plant and equipment, and intangible assets recognized from customer contracts, impairment is first recognized in accordance with inventory impairment regulations and the aforementioned provisions, then impairment losses are recognized to the extent that the carrying amount of the contract cost-related assets exceeds the remaining amount of consideration expected to be received for providing the relevant goods or services, less the directly related costs. Subsequently, the carrying amount of the contract cost-related assets is included in the cash-generating unit to which they belong for impairment assessment of the cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit, or contract cost-related asset is increased to the revised recoverable amount. However, the increased carrying amount shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss

been recognized for the asset, cash-generating unit, or contract cost-related asset in prior years. The reversal of an impairment loss is recognized in profit or loss.

#### (14) Financial Instruments

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

When initially recognizing financial assets and financial liabilities, if the financial asset or financial liability is not classified as at fair value through profit or loss, it is measured at fair value plus transaction costs directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

##### 1. Financial Assets

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

##### (1) Measurement Categories

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

##### A. Financial Assets at Fair Value Through Profit or Loss

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

Financial assets at fair value through profit or loss are measured at fair value, with dividends and interest generated from them recognized in other income and interest income respectively, while gains or losses from remeasurement are recognized in other gains and losses. The method for determining fair value is described in Note 37.

## B. Financial Assets at Amortized Cost

When the consolidated company's investment in financial assets simultaneously meets the following two conditions, they are classified as financial assets measured at amortized cost:

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

Financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost, other receivables, and refundable deposits) are, after initial recognition, measured at amortized cost determined using the effective interest method, which is calculated as the gross carrying amount less any impairment loss, with any foreign exchange gains or losses recognized in profit or loss.

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

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

Cash equivalents include time deposits with high liquidity, which can be converted into a fixed amount of cash at any time with very small risk of value change, and have a maturity of three months or less from the date of acquisition. They are used to meet short-term cash commitments.

## C. Equity Investments at Fair Value through Other Comprehensive Income

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

Equity investments at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. Upon disposal of the investment, the accumulated gains and losses are transferred directly to retained earnings and are not reclassified to profit or loss.

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

## (2) Impairment of Financial Assets

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

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

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

The impairment loss for all financial assets is recognized by reducing their carrying amounts through allowance accounts; however, for debt instrument investments measured at fair value through other comprehensive income, the allowance for losses is recognized in other comprehensive income without reducing their carrying amounts.

## (3) Derecognition of Financial Assets

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

When a financial asset measured at amortized cost is derecognized in its entirety, the difference between its carrying amount and the consideration received is recognized in profit or loss. When a debt instrument investment measured at fair value through other comprehensive income is derecognized in its entirety, the difference between its carrying amount and the sum of the consideration received plus any cumulative gain or loss that has been recognized in other comprehensive income is recognized in profit or loss. When an equity instrument investment measured at fair value through other comprehensive income is derecognized in its entirety, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

## 2. Financial Liabilities

### (1) Subsequent Measurement

All financial liabilities are measured at amortized cost using the effective interest method.

#### Financial liabilities at fair value through profit or loss

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

Financial liabilities held for trading are measured at fair value, and the related gains or losses are recognized in other gains and losses; other gains or losses arising from remeasurement are also recognized in other gains and losses.

The method for determining fair value is described in Note 37.

### (2) Derecognition of Financial Liabilities

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

## 3. Convertible Corporate Bonds

The conversion rights component contained in the proceeds from issuance of convertible bonds is not settled through the exchange of a fixed amount of cash or other financial assets for a fixed number of the consolidated company's own equity instruments, and is therefore classified as a derivative financial liability.

At initial recognition, the derivative financial liability component of the convertible corporate bonds is measured at fair value, while the initial carrying amount of the non-derivative financial liability component is the residual amount after separating the embedded derivative. In subsequent periods, the non-derivative financial liability is

measured at amortized cost using the effective interest method, while the derivative financial liability is measured at fair value with changes in fair value recognized in profit or loss.

The transaction costs related to the issuance of convertible corporate bonds are allocated proportionally based on relative fair values to the non-derivative financial liability component (included in the carrying amount of the liability) and the derivative financial liability component (recognized in profit or loss).

#### (15) Provisions

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

#### Warranties

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

#### (16) Revenue Recognition

The consolidated company identifies performance obligations in customer contracts, allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is satisfied.

##### 1. Sales revenue of commodities

Sales revenue of commodities comes from the sales of mask packages and their design services. Since customers have the right to determine prices and use the products at the time of shipment, as well as bear the primary responsibility for resale and assume the risk of product obsolescence, the consolidated company recognizes revenue and accounts receivable at that point in time.

Sales revenue of commodities comes from the sales of semiconductor equipment manufacturing. When the customer accepts the equipment, the performance obligation is satisfied, and the customer obtains control of the product, at which point revenue and accounts receivable can be recognized.

##### 2. Other operating revenue

Other operating revenue comes from maintenance services.

As the consolidated company provides maintenance services, the related revenue is recognized when the services are rendered.

## (17) Leases

The consolidated company evaluates whether a contract is (or contains) a lease on the date of contract establishment.

### 1. The consolidated company as lessor

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

Under a finance lease, lease payments include fixed payments, in-substance fixed payments, variable lease payments that depend on an index or rate, guaranteed residual values, the exercise price of a purchase option reasonably certain to be exercised, and lease termination penalties reflected in the lease term, less lease incentives payable. The net lease investment is measured and presented as finance lease receivables at the sum of the present values of the lease payments receivable and the unguaranteed residual value, plus initial direct costs. Finance income is allocated to each accounting period to reflect a constant periodic rate of return on the consolidated company's net investment in the lease that is not yet due.

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

Variable rents in lease agreements that do not depend on an index or rate are recognized as income in the period in which they occur.

### 2. The consolidated company as a lessee

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

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

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date until the end of their useful life or the end of the lease term, whichever comes first.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments, in-substance fixed payments, variable lease payments that depend on an index or rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option that the lessee is reasonably certain to exercise, and lease termination penalties reflected in the lease term, less lease incentives received). If the interest rate implicit in the lease is readily determinable, the lease payments are discounted using that rate. If that rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. When there are changes in the lease term, expected payments under residual value guarantees, assessment of purchase options for the underlying asset, or changes in indices or rates used to determine lease payments resulting in changes in future lease payments, the consolidated company remeasures the lease liability and makes a corresponding adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. For lease modifications that are not accounted for as separate leases, the remeasurement of lease liabilities due to a reduction in the scope of the lease is used to reduce the right-of-use asset, and the profit or loss from partial or complete termination of the lease is recognized; the remeasurement of lease liabilities due to other modifications is used to adjust the right-of-use asset. Lease liabilities are presented separately in the consolidated balance sheet.

#### (18) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets until substantially all the necessary activities to prepare the assets for their intended use or sale are complete.

Investment income earned on the temporary investment of specific borrowings prior to their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

## (19) Employee Benefits

### 1. Short-term Employee Benefits

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

### 2. Post-employment Benefits

Pension contributions under the defined contribution pension plan are recognized as expenses during the period when employees render services.

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

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

## (20) Employee Share Options

### Employee share options granted to employees

Employee share options are recognized as expenses on a straight-line basis over the vesting period based on the fair value of the equity instruments on the grant date and the best estimate of the number expected to vest, with a corresponding adjustment to capital surplus - employee stock options. If the stock options vest immediately on the grant date, the expense is fully recognized on the grant date. The Company allocates shares for employee subscription in cash capital increases and transfers treasury shares to employees, with the board approval date as the grant date.

## (21) Income Tax

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

### 1. Current Income Tax

The consolidated company determines current income (loss) according to the regulations established in each income tax filing jurisdiction, and calculates the income tax payable (recoverable) accordingly.

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

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

## 2. Deferred Income Tax

Deferred income tax is calculated based on temporary differences between the carrying amounts of assets and liabilities recorded in the books and their tax bases used for calculating taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized when it is probable that taxable income will be available to utilize deductible temporary differences, loss carryforwards, or income tax credits generated from the purchase of machinery and equipment, research and development, and personnel training expenses.

Taxable temporary differences related to investments in subsidiaries, associates, and joint arrangements are all recognized as deferred income tax liabilities, except where the consolidated company can control the timing of the reversal of the temporary difference, and the temporary difference is unlikely to reverse in the foreseeable future. Deductible temporary differences related to such investments are recognized as deferred income tax assets only to the extent that it is probable that sufficient taxable income will be available to utilize the temporary differences, and the differences are expected to reverse in the foreseeable future.

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

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

### 3. Current and Deferred Income Tax

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

If current income tax or deferred income tax arises from a business combination, the tax effect is included in the accounting treatment of the business combination.

### 5. Main Sources of Significant Accounting Judgments, Estimates and Assumption Uncertainties

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

When developing accounting estimates, the consolidated company considers the potential impacts of inflation, market interest rate fluctuations, and U.S. reciprocal tariff measures in estimates related to cash flow projections, growth rates, discount rates, profitability, and other relevant factors. Management will continue to review estimates and underlying assumptions.

After evaluation by the management of the consolidated company, there are no main sources of significant accounting judgments, estimates and assumption uncertainties.

### 6. Cash and Cash Equivalents

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Cash on Hand and Petty Cash	\$ 1,146	\$ 1,113
Checking accounts and Demand Deposits	3,203,243	3,067,124
Cash Equivalents (Investments with Original Maturities of 3 Months or Less)		
Time Deposits	<u>1,904,720</u>	<u>1,223,245</u>
	<u>\$ 5,109,109</u>	<u>\$ 4,291,482</u>

The market interest rate range for bank deposits as of the balance sheet date is as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Demand Deposits	0.01% ~ 1.64%	0.002% ~ 0.9%
Time Deposits	0.48% ~ 3.2%	1.56% ~ 4.55%

## 7. Financial Instruments at Fair Value through Profit or Loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial Assets - Current</u>		
Mandatory Fair Value through Profit or Loss		
Derivative Financial Assets (not under hedge accounting)		
- Convertible options (Note 22)	\$ 107	\$ 958
Non-derivative Financial Assets		
- Domestic publicly traded shares	112,930	519,303
- Domestic Emerging Stocks	17,412	43,350
- Non-publicly traded shares	387,424	-
	<u>\$ 517,873</u>	<u>\$ 563,611</u>
<u>Financial Assets - Non-current</u>		
Mandatory Fair Value through Profit or Loss		
Non-derivative Financial Assets		
- Domestic Limited Partnerships	<u>\$ 128,295</u>	<u>\$ 44,212</u>
<u>Financial Liabilities - Current</u>		
Held for trading		
Derivative Financial Assets (not under hedge accounting)		
- Forward exchange contracts (1)	\$ 405	\$ -
- Convertible options (Note 22)	-	120
	<u>\$ 405</u>	<u>\$ 120</u>

- (1) Forward foreign exchange contracts outstanding at the balance sheet date for which hedge accounting was not applied are as follows:

### December 31, 2025

	<u>Currency</u>	<u>Maturity period</u>	<u>Contract amount (in thousands)</u>
Sell forward foreign exchange	USD to NTD	January 1 to March 18, 2026	USD 2,029/NTD 63,267

## 8. Financial Assets at Fair Value through Other Comprehensive Income

### Equity Instrument Investments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Non-current</u>		
Domestic Investments		
Domestic publicly traded shares	\$ 1,325,893	\$ 1,085,005
Publicly traded placement shares	107,710	-
Emerging Stocks Private Placement	-	224,147
Emerging stock	312,938	-
Non-publicly traded shares	<u>241,248</u>	<u>368,525</u>
	1,987,789	1,677,677
Foreign investment		
Non-publicly traded shares	<u>111,576</u>	<u>-</u>
	<u>\$ 2,099,365</u>	<u>\$ 1,677,677</u>

The consolidated company invests in domestic common stocks listed on the TWSE, TPEX, and the Emerging Stock Market, as well as unlisted common stocks, for medium- and long-term strategic purposes, expecting to profit through long-term investment. The management of the consolidated company believes that including the short-term fair value fluctuations of these investments in profit or loss would be inconsistent with the aforementioned long-term investment planning, therefore they chose to designate these investments as fair value through other comprehensive income.

The shares of Microprogram held by the consolidated company are privately placed common stocks, which are subject to transfer restrictions in accordance with Article 43-8 of the Securities and Exchange Act.

## 9. Financial Assets at Amortized Cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Pledged certificates of deposit	\$ 142,352	\$ 133,302
Pledged deposits	38,628	276,592
Time deposits with original maturities of more than 3 months	<u>303,669</u>	<u>519,002</u>
	<u>\$ 484,649</u>	<u>\$ 928,896</u>
<u>Non-current</u>		
Pledged certificates of deposit	<u>\$ 8,500</u>	<u>\$ 8,500</u>

- (1) As of December 31, 2025 and 2024, the interest rates on time deposits were 0.56% to 3.8% per annum and 0.54% to 3.6% per annum, respectively.
- (2) Information on the pledge of financial assets at amortized cost is provided in Note 39.

**10. Notes receivable, accounts receivable, other receivables and overdue receivables**

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
<u>Notes Receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 9,109	\$ 23,306
Less: Loss allowance	<u>-</u>	<u>-</u>
	<u>\$ 9,109</u>	<u>\$ 23,306</u>
Arising from business operations	<u>\$ 9,109</u>	<u>\$ 23,306</u>
 <u>Accounts Receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 1,583,204	\$ 1,523,998
Less: Loss allowance	( <u>6,967</u> )	( <u>5,069</u> )
	<u>\$ 1,576,237</u>	<u>\$ 1,518,929</u>
Accounts receivable - Related parties (Note 38)		
Measured at amortized cost		
Total carrying amount	\$ 8,131	\$ 12,446
Less: Loss allowance	<u>-</u>	<u>-</u>
	<u>\$ 8,131</u>	<u>\$ 12,446</u>
 <u>Other Receivables</u>		
Other receivables - Non-related parties		
Receivable for business tax refund	\$ -	\$ 13,000
Dividends receivable	24,243	12,542
Interest receivable	1,667	1,495
Others	<u>25,527</u>	<u>7,490</u>
	<u>\$ 51,437</u>	<u>\$ 34,527</u>
Other receivables - Related parties (Note 38)	<u>\$ 406,134</u>	<u>\$ 284</u>
 <u>Non-performing receivables</u>		
Measured at amortized cost		
Total carrying amount	\$ 9,537	\$ 2,626
Less: Loss allowance	( <u>9,537</u> )	( <u>2,626</u> )
	<u>\$ -</u>	<u>\$ -</u>

## Accounts Receivable

The consolidated company's average credit period for sales of goods is 60 days to 120 days. When determining the recoverability of accounts receivable, the consolidated company considers any changes in credit quality of the accounts receivable from the original credit date to the balance sheet date. To mitigate credit risk, the consolidated company's management has assigned a dedicated team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure appropriate actions are taken for the collection of overdue receivables. Furthermore, the consolidated company reviews the recoverable amount of each receivable on the balance sheet date to ensure that appropriate impairment losses have been recognized for irrecoverable receivables. Accordingly, the Company's management believes that the consolidated company's credit risk has been significantly reduced.

The consolidated company adopts the simplified approach of IFRS 9 to recognize the allowance for losses on accounts receivable based on lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix, which considers the customer's past default records, current financial condition, and industry economic conditions. Since the consolidated company's credit loss historical experience shows that there are no significant differences in loss patterns among different customer groups, the provision matrix does not further differentiate customer groups, but only establishes expected credit loss rates based on the number of days past due for notes receivable and the number of days since initial recognition for accounts receivable.

If there is evidence indicating that the counterparty is facing severe financial difficulties and the consolidated company cannot reasonably expect to recover the amount, such as when the counterparty is undergoing liquidation or the debt has been overdue for more than 365 days, the consolidated company directly reclassifies it as collection accounts and continues collection activities. Any amounts recovered from these collection efforts are offset against the related collection accounts.

The consolidated company measures the allowance for losses on notes receivable and accounts receivable according to the provision matrix as follows:

## Notes Receivable

### December 31, 2025

Expected credit loss rate	<u>0%</u>
Total carrying amount	\$ 9,109
Allowance for losses (lifetime expected credit losses)	<u>-</u>
Amortized cost	<u>\$ 9,109</u>

December 31, 2024

	<b><u>Not past due</u></b>
Expected credit loss rate	0%
Total carrying amount	\$ 23,306
Allowance for losses (lifetime expected credit losses)	-
Amortized cost	<u>\$ 23,306</u>

Accounts Receivable

December 31, 2025

	<u>1~90 days</u>	<u>91~180 days</u>	<u>181~270 days</u>	<u>271~365 days</u>	<u>Total</u>
Expected credit loss rate	0.24%	0.87%	7.54%	8.08%	
Total carrying amount	\$1,438,958	\$ 119,259	\$ 31,038	\$ 2,080	\$1,591,335
Allowance for losses (lifetime expected credit losses)	( 3,423)	( 1,036)	( 2,340)	( 168)	( 6,967)
Amortized cost	<u>\$1,435,535</u>	<u>\$ 118,223</u>	<u>\$ 28,698</u>	<u>\$ 1,912</u>	<u>\$1,584,368</u>

December 31, 2024

	<u>1~90 days</u>	<u>91~180 days</u>	<u>181~270 days</u>	<u>271~365 days</u>	<u>Total</u>
Expected credit loss rate	0.13%	1.35%	3.48%	1.87%	
Total carrying amount	\$1,331,725	\$ 175,196	\$ 24,230	\$ 5,293	\$1,536,444
Allowance for losses (lifetime expected credit losses)	( 1,760)	( 2,367)	( 843)	( 99)	( 5,069)
Amortized cost	<u>\$1,329,965</u>	<u>\$ 172,829</u>	<u>\$ 23,387</u>	<u>\$ 5,194</u>	<u>\$1,531,375</u>

The above is an aging analysis based on the booking date.

The changes in allowance for loss on accounts receivable are as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 5,069	\$ 11,900
Add: Provision for impairment loss for the year	11,610	-
Less: Reversal of impairment loss for the year	-	( 5,493)
Less: Reclassification for the year	( 8,695)	( 1,387)
Less: Write-off for the period	( 990)	-
Foreign currency translation difference	( 27)	49
Ending balance	<u>\$ 6,967</u>	<u>\$ 5,069</u>

The movement information of allowance for loss on nonperforming loans is as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 2,626	\$ 20,203
Add: Reclassification to the year	8,695	1,387
Less: Reversal of impairment loss for the year	( 1,784)	( 11,287)
Less: Write-off for the year	-	( 7,727)
Foreign currency translation difference	-	50
Ending balance	<u>\$ 9,537</u>	<u>\$ 2,626</u>

## 11. Inventories

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Raw materials	\$ 529,689	\$ 554,094
Semi-finished products	338,481	422,895
Work in progress	490,520	615,011
Finished products	300,226	333,628
Merchandise inventory	<u>33,447</u>	<u>8,268</u>
	1,692,363	1,933,896
<u>Construction land</u>		
New Taipei City, Sanxia District	147,726	139,905
<u>Construction in progress</u>		
New Taipei City, Sanxia District	<u>227,665</u>	<u>55,169</u>
	<u>\$ 2,067,754</u>	<u>\$ 2,128,970</u>

The nature of cost of goods sold is as follows:

	<u>2025</u>	<u>2024</u>
Cost of inventory sold	\$ 4,219,007	\$ 3,571,552
Inventory valuation and obsolescence loss	44,544	85,214
Inventory (Profit) shortage	1,187	2,712
Income from selling scrap materials	( 5,970)	( 8,152)
Inventory obsolescence loss	11,762	2,599
Others	( 2)	( 65)
	<u>\$ 4,270,528</u>	<u>\$ 3,653,860</u>

## 12. Subsidiaries

### Subsidiaries included in the consolidated financial statements

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

<u>Name of investing company</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Percentage of ownership</u>		<u>Description</u>
			<u>2025 December 31</u>	<u>2024 December 31</u>	
Gudeng Precision Industrial Co., Ltd. (hereinafter referred to as the Company)	Gudeng Venture Capital Co., Ltd. (hereinafter referred to as Gudeng Venture)	Venture capital investment and management consulting services	100%	100%	-
	Guchii Technology Co., Ltd. (hereinafter referred to as Guchii Technology)	Manufacturing and trading of various semiconductor components	51.43%	54.38%	Note 1
	Gudeng Equipment Co., Ltd. (hereinafter referred to as Gudeng Equipment)	Manufacturing, trading, maintenance, and servicing of various precision instruments	45.48%	45.44%	Notes 1 and 4
	Rich Point Global Corp. (hereinafter referred to as Rich Point)	Investment business operations	100%	100%	-
	Partner one Ltd.	Investment business operations	-	-	Note 2
	Gudeng Inc. (USA)	Operation of various electronic component businesses	51%	51%	-
	Gudeng Aerospace Technologies Corporation (hereinafter referred to as Gudeng Aerospace)	Aircraft and parts retail, wholesale, and manufacturing	100%	100%	-
	Gudeng Japan Co., LTD	Operation of various electronic component businesses	100%	100%	Notes 6 and 17
	Jia Shuo Construction, Inc. (hereinafter referred to as Jia Shuo Construction)	Industrial plant, residential and building development, rental and sales business, real estate buying, selling, and leasing business	100%	100%	Note 8
	Gu Chance Venture Capital Co., Ltd. (hereinafter referred to as Gu Chance Venture Capital)	Investment and management consulting business	100%	100%	Note 9
	Jia Rui Verture Capital Co.,Ltd. (Formerly Fu Rui Sheng) (hereinafter referred to Jia Rui Company )	Investment and management consulting business	100%	100%	Notes 11 and 14
	GUDENG KOREA CO., LTD.	Operation of various electronic component businesses	100%	-	Note 15
	Gudeng Aerospace Technologies Corporation	JYR Aviation Components Co., Ltd. (hereinafter referred to as JYR Aviation)	Aircraft and parts retail, wholesale, and manufacturing	51%	51%
Gudeng Aerospace Inc. (hereinafter referred to as Gudeng Aerospace Inc.)		Aircraft and parts retail, wholesale, and manufacturing	100%	100%	Note 7
Gudeng Venture	Jia Shuo Construction	Industrial plant, residential and building development, rental and sales business, real estate buying, selling, and leasing business	-	-	Note 8
	Hengyang Green Energy Co., Ltd. (hereinafter referred to as Hengyang)	Piping engineering and electrical installation	45%	45%	-

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Name of investing company	Name of subsidiary	Nature of business	Percentage of ownership		Description
			2025 December 31	2024 December 31	
Rich Point	Sun Park Development Limited (hereinafter referred to as Sun Park)	Investment business operations	100%	100%	-
	Gudeng Investment Co., Ltd. (hereinafter referred to as Gudeng Investment)	Investment business operations	100%	100%	-
Sun Park	Jiaqian Technology (Shanghai) Co., Ltd. (hereinafter referred to as Jiaqian Shanghai)	Sales of plastic and electronic products	100%	100%	Note 13
Jiaqian Shanghai	Kawaguchi Plastic Industry (Kunshan) Co., Ltd. (hereinafter referred to as Kunshan Kawaguchi)	Sales of plastic and electronic products	100%	100%	-
Kunshan Kawaguchi	Dachuan Plastic Industrial (Kunshan) Co., Ltd. (hereinafter referred to as Kunshan Dachuan)	Plastic and electronic product manufacturing	100%	100%	-
Partner one Ltd.	Gudeng Investment (HK)	Investment business operations	-	-	Note 2
Gudeng Investment (HK)	Welton Technology Limited (hereinafter referred to as Welton)	Operating in the manufacturing of plastic products, electronic and communication equipment, and electrical machinery and apparatus	-	-	Note 3
Gudeng Equipment	Showa Precision Co., Ltd. (hereinafter referred to as Showa)	Manufacturing, trading, maintenance, and servicing of various precision instruments	100%	100%	-
	Gudeng Inc. (USA)	Operation of various electronic component businesses	4%	4%	-
	Gdauto Equipment Capital Ltd.	Investment business operations	-	-	Note 16
Guchii Technology	Jia Rui Company	Investment and management consulting business	-	-	Notes 1 and 11
	Suting Precision Industry Co., Ltd. (hereinafter referred to as Suting)	Mold manufacturing industry, wholesale and mechanical equipment manufacturing	-	-	Notes 1 and 10
	Cypress Precision Industrial CO., LTD. (hereinafter "Cypress Precision")	Mold manufacturing industry, wholesale and mechanical equipment manufacturing	-	-	Note 12
Jia Rui Company	Cypress Precision	Mold manufacturing industry, wholesale and mechanical equipment manufacturing	95.38%	93.5%	Notes 1 and 12
	Efount international Co., Ltd. (hereinafter "Efount Company")	Wholesale and retail trade	68%	-	Note 18
Gu Chance Venture Capital CO., LTD.	Suting	Mold manufacturing industry, wholesale and mechanical equipment manufacturing	60.02%	100%	Notes 1 and 10
Suting	SU TING (Samoa) Co.,Ltd.	Mold manufacturing industry, wholesale and mechanical equipment manufacturing	-	-	Note 19
Efount Company	EWKTOOL INC.	Wholesale and retail trade	100%	-	Note 18

Note 1: For changes in the percentage of shares held by the consolidated company, please refer to Note 34.

Note 2: Registration was completed in 2017, but capital has not yet been invested.

Note 3: Welton is currently in the name pre-screening stage and has not yet been fully established.

- Note 4: The consolidated company holds 45.48% of the shares of Gudeng Equipment, which is a domestic OTC listed company, with the remaining 54.52% of shares held by hundreds of shareholders who are not related parties to the consolidated company. After considering the absolute quantity, relative size, and distribution of voting rights held by the consolidated company compared to other shareholders, it has been determined that the consolidated company has the substantive ability to direct the relevant activities of Gudeng Equipment, and therefore Gudeng Equipment is listed as a subsidiary.
- Note 5: Gudeng Aerospace invested NT\$260,685 thousand on January 12, 2024, to acquire 51% equity of JYR Aviation.
- Note 6: The consolidated company invested JPY 9,900 thousand on March 1, 2024, to acquire 100% equity of Gudeng Japan Co., LTD
- Note 7: Gudeng Aerospace invested USD 500 thousand on June 25, 2024, to acquire 100% equity of Gudeng Aerospace Inc.
- Note 8: The consolidated company paid NT\$210,285 thousand on October 3, 2024, to acquire 100% equity of Jia Shuo Construction, Inc. from Gudeng Venture.
- Note 9: The consolidated company invested NT\$280,000 thousand on November 6, 2024, to acquire 100% equity of Gu Chance Venture Capital.
- Note 10: We Solutions acquired 100% equity of Suting on October 3, 2024, and disposed of all the shares to Jiachen Venture Capital on the same day for NT\$80,751 thousand.
- Note 11: Guchii Technology acquired 100% equity of Jia Rui Company on October 3, 2024, and disposed of all the shares to the consolidated company on November 30, 2024, for NT\$167,476 thousand.
- Note 12: Guchii Technology disposed of 0.5% of shares of Cypress Precision for NT\$446 thousand to Jia Rui Company on November 15, 2024.
- Note 13: Shanghai Gudeng Trading Co., Ltd. was renamed to Jiaqian Technology (Shanghai) Co., Ltd. in December 2024.
- Note 14: This refers to "Fu Rui Sheng Industrial Co., Ltd." which was renamed to Jia Rui Venture Capital Co., Ltd. in April 2025.
- Note 15: On January 16, 2025, the consolidated company invested KRW 3,721,360 thousand to acquire 100% equity interest in GUDENG KOREA CO., LTD.
- Note 16: Gudeng Equipment established Gdauto Equipment Capital Ltd. in August 2025, and as of December 31, 2025, the capital injection had not yet been completed.
- Note 17: The consolidated company invested JPY 4,095,000 thousand in August of 2025, and the change of registration had not yet been completed as of December 31, 2025.
- Note 18: On September 30, 2025, Jia Rui Company invested NT\$30,000 thousand to acquire 68% equity interest in Efount Company and 100% equity interest in its subsidiaries. Please refer to Note 33.
- Note 19: Suting established SU TING (Samoa) Co., Ltd. in December 2025, and as of December 31, 2025, the capital injection had not yet been completed.

### 13. Investments accounted for using the equity method

		<u>December 31, 2025</u>	<u>December 31, 2024</u>
Individually Associates	Immaterial	<u>\$ 276,183</u>	<u>\$ 325,365</u>

The consolidated company did not participate in YAHOO System Technology Co., Ltd.'s (hereinafter referred to as YAHOO) cash capital increase in proportion to its shareholding ratio on June 30, 2024. It acquired 447 thousand ordinary shares of YAHOO at NT\$42 per share in cash, totaling NT\$18,789 thousand. The shareholding ratio decreased from 21.05% to 20.05%.

The consolidated company invested in Global Magic Electronic Co., Ltd. (hereinafter referred to as Global Magic) on February 4, 2024, acquiring 12,500 thousand ordinary shares of Global Magic at NT\$12 per share in cash, totaling NT\$150,000 thousand, with a shareholding ratio of 33.47%. Additionally, in June 2024, the company waived its right to participate in Global Magic's cash capital increase, resulting in a decrease of shareholding ratio to 29.98%.

For some individually insignificant investments accounted for using equity method that are not performing as expected, the management of the consolidated company has conducted impairment tests on these investments as of December 31, 2025, comparing their carrying amounts with their recoverable amounts. The value in use is calculated based on the consolidated company's estimated share of the present value of cash flows generated from the operations of associates, discounted at an annual rate of 14.45%~17.77%. After individual assessment, the aggregate recoverable amount of certain individually immaterial associates as of December 31, 2025, calculated on the basis of value in use, amounted to NT\$197,168 thousand, which is less than their carrying amounts.

The impairment loss recognized for these individually immaterial associates in 2025 amounted to NT\$55,007 thousand.

For information regarding the business nature, main operating locations, and countries of registration of the aforementioned associates, please refer to Table 7 "Information of Investee Companies, Locations... and Other Related Information" in the appendix.

The share of profit (loss) and other comprehensive income of associates accounted for using the equity method by the consolidated company, of which NT\$14,187 thousand was calculated based on financial reports audited by other accountants.

## 14. Property, Plant and Equipment

	<u>Owned Land</u>	<u>Buildings</u>	<u>Machinery Equipment</u>	<u>Leasehold Improvements</u>	<u>Other Equipment</u>	<u>Property Under Construction</u>	<u>Total</u>
<b>Cost</b>							
Balance as of January 1, 2025	\$ 3,146,419	\$ 1,139,563	\$ 1,954,333	\$ 257,222	\$ 1,664,152	\$ 1,765,030	\$ 9,926,719
Acquired from Business Combination (Note 33)	-	-	-	-	500	-	500
Additions	157,747	110,485	189,998	60,430	444,796	867,608	1,831,064
Disposals	( 90,800 )	( 214,568 )	( 20,589 )	-	( 15,166 )	-	( 341,123 )
Reclassification	( 173,340 )	1,055,877	181,176	7,205	156,730	( 897,991 )	329,657
Transferred from Investment Properties	276,421	647,735	-	-	-	( 497,528 )	426,628
Net Exchange Differences	( 9,471 )	( 2,294 )	4,338	( 80 )	( 527 )	( 9,784 )	( 17,818 )
Balance as of December 31, 2025	<u>\$ 3,306,976</u>	<u>\$ 2,736,798</u>	<u>\$ 2,309,256</u>	<u>\$ 324,777</u>	<u>\$ 2,250,485</u>	<u>\$ 1,227,335</u>	<u>\$ 12,155,627</u>
<b>Accumulated Depreciation and Impairment</b>							
Balance as of January 1, 2025	\$ -	\$ 185,692	\$ 941,122	\$ 96,398	\$ 992,653	\$ -	\$ 2,215,865
Acquired from Business Combination (Note 33)	-	-	-	-	71	-	71
Disposals	-	( 1,573 )	( 20,374 )	-	( 10,894 )	-	( 32,841 )
Depreciation Expense	-	49,679	202,302	34,092	229,073	-	515,146
Transferred to Investment Properties	-	53,768	-	-	-	-	53,768
Net Exchange Differences	-	368	410	84	( 50 )	-	812
Balance as of December 31, 2025	<u>\$ -</u>	<u>\$ 287,934</u>	<u>\$ 1,123,460</u>	<u>\$ 130,574</u>	<u>\$ 1,210,853</u>	<u>\$ -</u>	<u>\$ 2,752,821</u>
Net Amount as of December 31, 2025	<u>\$ 3,306,976</u>	<u>\$ 2,448,864</u>	<u>\$ 1,185,796</u>	<u>\$ 194,203</u>	<u>\$ 1,039,632</u>	<u>\$ 1,227,335</u>	<u>\$ 9,402,806</u>
Net balance as of December 31, 2024 and January 1, 2025	<u>\$ 3,146,419</u>	<u>\$ 953,871</u>	<u>\$ 1,013,211</u>	<u>\$ 160,824</u>	<u>\$ 671,499</u>	<u>\$ 1,765,030</u>	<u>\$ 7,710,854</u>
<b>Cost</b>							
Balance as of January 1, 2024	\$ 2,853,930	\$ 829,572	\$ 1,528,776	\$ 112,499	\$ 1,378,494	\$ 1,004,767	\$ 7,708,038
Acquired from Business Combination (Note 33)	-	-	201,987	40,176	121,332	-	363,495
Additions	291,011	266,855	156,082	97,808	170,136	760,324	1,742,216
Disposals	( 24,630 )	-	( 70,407 )	( 14 )	( 30,964 )	-	( 126,015 )
Reclassification	36,088	39,963	130,361	5,314	23,155	-	234,881
Transferred to Investment Properties	( 7,677 )	( 2,958 )	-	-	-	-	( 10,635 )
Net Exchange Differences	( 2,303 )	6,131	7,534	1,439	1,999	( 61 )	14,739
Balance as of December 31, 2024	<u>\$ 3,146,419</u>	<u>\$ 1,139,563</u>	<u>\$ 1,954,333</u>	<u>\$ 257,222</u>	<u>\$ 1,664,152</u>	<u>\$ 1,765,030</u>	<u>\$ 9,926,719</u>
<b>Accumulated Depreciation and Impairment</b>							
Balance as of January 1, 2024	\$ -	\$ 158,796	\$ 713,352	\$ 44,373	\$ 711,890	\$ -	\$ 1,628,411
Acquired from Business Combination (Note 33)	-	-	114,361	33,324	105,004	-	252,689
Disposals	-	-	( 61,113 )	( 14 )	( 21,327 )	-	( 82,454 )
Depreciation Expense	-	24,979	166,010	18,876	200,172	-	410,037
Reclassification	-	-	4,217	-	( 4,217 )	-	-
Transferred to Investment Properties	-	( 551 )	-	-	-	-	( 551 )
Net Exchange Differences	-	2,468	4,295	( 161 )	1,131	-	7,733
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ 185,692</u>	<u>\$ 941,122</u>	<u>\$ 96,398</u>	<u>\$ 992,653</u>	<u>\$ -</u>	<u>\$ 2,215,865</u>
Net Amount as of December 31, 2024	<u>\$ 3,146,419</u>	<u>\$ 953,871</u>	<u>\$ 1,013,211</u>	<u>\$ 160,824</u>	<u>\$ 671,499</u>	<u>\$ 1,765,030</u>	<u>\$ 7,710,854</u>

Depreciation expense is calculated on a straight-line basis over the following useful lives:

Buildings	6 to 51 years
Machinery Equipment	1 to 15 years
Leasehold Improvements	2 to 11 years
Other Equipment	1 to 21 years

The consolidated company's significant components of buildings mainly include the main factory building, main building improvements, roads, and fencing, etc., and are depreciated according to their useful lives of 51 years, 21 years, and 20 years.

As of December 31, 2025 and 2024, among the consolidated company's own land, NT\$408,049 thousand and NT\$304,803 thousand, respectively, consist of agricultural land registered under third-party names, and the trustees have issued letters of undertaking.

For the amounts of self-used property, plant and equipment set as collateral for loans, please refer to Note 39.

The construction of the consolidated company's Guchii Technology Building was completed in the third quarter of 2025 and was reclassified from properties under construction to buildings and structures.

## 15. Lease Agreements

### (1) Right-of-use assets

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Right-of-use assets carrying amount		
Land	\$ 137,339	\$ 137,721
Buildings	75,112	112,396
Machinery Equipment	1,616	-
Transportation equipment	<u>12,841</u>	<u>14,534</u>
	<u>\$ 226,908</u>	<u>\$ 264,651</u>
	<b>2025</b>	<b>2024</b>
Additions to right-of-use assets	<u>\$ 19,296</u>	<u>\$ 147,157</u>
Depreciation expense of right-of-use assets		
Land	\$ 6,814	\$ 3,719
Buildings	49,266	41,440
Machinery Equipment	359	-
Transportation equipment	<u>6,203</u>	<u>5,731</u>
	<u>\$ 62,642</u>	<u>\$ 50,890</u>

Apart from the additions and depreciation expenses recognized as listed above, the Group's right-of-use assets were not subject to any significant subleasing or impairment for the years ended December 31, 2025 and 2024.

### (2) Lease liabilities

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Carrying amount of lease liabilities		
Current	<u>\$ 43,695</u>	<u>\$ 51,528</u>
Non-current	<u>\$ 165,176</u>	<u>\$ 195,129</u>

The discount rate range for lease liabilities is as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Land	2.33% ~ 2.66%	2.33%
Buildings	1.03% ~ 5.33%	1.03% ~ 5.33%
Machinery Equipment	2.58%	-
Transportation equipment	1.46% ~ 2.99%	1.46% ~ 2.99%

(3) Significant leasing activities and terms

The consolidated company leases several transportation equipment for operational use, with lease terms ranging from 3 to 5 years. Upon expiration of the lease term, the consolidated company may choose to purchase the equipment at the nominal amount at that time.

The consolidated company also leases several parcels of land for factory use, with lease terms ranging from 5 to 20 years. At the end of the lease term, the consolidated company has no preferential purchase options for the leased land, buildings, and transportation equipment, and it is stipulated that the consolidated company shall not sublease or transfer all or part of the leased items without the lessor's consent.

(4) Other lease information

	<b>2025</b>	<b>2024</b>
Short-term lease expenses	<u>\$ 34,004</u>	<u>\$ 21,301</u>
Low-value asset lease expenses	<u>\$ 6,175</u>	<u>\$ 380</u>
Total cash (outflow) for leases	<u>(\$ 99,923)</u>	<u>(\$ 69,550)</u>

The consolidated company elects to apply the recognition exemption to short-term leases of buildings and low-value asset leases of office equipment, and does not recognize the related right-of-use assets and lease liabilities for these leases.

All lease commitments with lease terms commencing after the balance sheet date are as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Lease commitments	<u>\$ -</u>	<u>\$ 1,109</u>

## 16. Investment Property

	<u>Completed investment property</u>
<u>Cost</u>	
Balance as of January 1, 2025	\$ 715,280
Reclassification to property, plant and equipment	( 426,628)
Disposals	( 31,222)
Balance as of December 31, 2025	<u>\$ 257,430</u>
<u>Accumulated Depreciation and Impairment</u>	
Balance as of January 1, 2025	\$ 57,770
Reclassification to property, plant and equipment	( 53,768)
Disposals	( 3,933)
Depreciation Expense	<u>5,345</u>
Balance as of December 31, 2025	<u>\$ 5,414</u>
Net Amount as of December 31, 2025	<u>\$ 252,016</u>
Net balance as of December 31, 2024 and January 1, 2025	<u>\$ 657,510</u>
<u>Cost</u>	
Balance as of January 1, 2024	\$ 704,645
Transfer from property, plant and equipment	<u>10,635</u>
Balance as of December 31, 2024	<u>\$ 715,280</u>
<u>Accumulated Depreciation and Impairment</u>	
Balance as of January 1, 2024	\$ 50,270
Transfer from property, plant and equipment	551
Depreciation Expense	<u>6,949</u>
Balance as of December 31, 2024	<u>\$ 57,770</u>
Net Amount as of December 31, 2024	<u>\$ 657,510</u>

The total amount of future lease payments to be collected for investment property leased under operating leases is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
1st year	\$ 2,559	\$ 6,511
2nd year	56	1,200
3rd year	-	400
	<u>\$ 2,615</u>	<u>\$ 8,111</u>

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

Main building	51 years
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The fair values of investment properties are measured using Level 3 inputs by an independent valuation company as of December 31, 2025. The valuation adopts cash flow method and comparison method, with key unobservable inputs including discount rate. The fair value obtained from the valuation is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fair value	<u>\$ 289,191</u>	<u>\$ 1,158,468</u>

All investment properties of the consolidated company are proprietary equity. For the amount of investment property set as loan collateral, please refer to Note 39.

The consolidated company has no lease commitments that begin after the balance sheet date.

## 17. Goodwill

	<u>2025</u>	<u>2024</u>
<u>Cost</u>		
Beginning balance	\$ 205,949	\$ 200,951
Business combination acquisition in the current year (Note 33)	14,356	46,801
Reclassification	( 23,049)	( 41,803)
Net Exchange Differences	( 197)	-
Ending balance	<u>\$ 197,059</u>	<u>\$ 205,949</u>
<u>Accumulated impairment losses</u>		
Beginning balance	(\$ 26,708)	(\$ 24,201)
Impairment losses recognized in the current year	( 87,566)	( 2,507)
Ending balance	<u>(\$ 114,274)</u>	<u>(\$ 26,708)</u>
Beginning balance, net	<u>\$ 179,241</u>	<u>\$ 176,750</u>
Ending balance, net	<u>\$ 82,785</u>	<u>\$ 179,241</u>

The consolidated company acquired Efont Company and JYR Aviation on September 30, 2025 and January 12, 2024, respectively, resulting in goodwill of NT\$14,356 thousand and NT\$46,801 thousand, mainly arising from control premium, including expected synergies, revenue growth and future development.

The fair value of inventory, property, plant and equipment, and other intangible assets of subsidiary JYR Aviation on the acquisition date of January 12, 2024, was NT\$259,553 thousand. The consolidated company obtained a valuation report in January 2025, according to which the

fair value of inventory, property, plant and equipment, and other intangible assets was NT\$304,748 thousand. The consolidated company has adjusted the differences between the original accounting treatment and provisional amounts.

The recoverable amount is determined based on value in use, estimated using cash flows from financial budgets approved by the consolidated company's management for the next 5 years. In 2025, Showa, JYR Aviation, Kawaguchi, and Jia Rui applied annual discount rates of 14.97%, 12.59%, 21.53%, and 17.80%, respectively; in 2024, Showa applied an annual discount rate of 14.75%.

After assessment, the recoverable amounts of Showa, JYR Aviation, Kawaguchi, and Jia Rui in 2025 were less than their carrying amounts; accordingly, goodwill impairment losses of NT\$3,347 thousand, NT\$23,594 thousand, NT\$41,689 thousand, and NT\$18,936 thousand were recognized, respectively. In 2024, the recoverable amount of Showa was less than its carrying amount; accordingly, a goodwill impairment loss of NT\$2,507 thousand was recognized, recorded under other gains and losses.

## 18. Other Intangible Assets

	Patent rights	Computer software	Golf membership certificate	Technology	Customer relationships	Product agency rights	Total
<u>Cost</u>							
Balance as of January 1, 2025	\$ 99,925	\$ 180,611	\$ 8,763	\$ 5,900	\$ 35,652	\$ -	\$ 330,851
Acquired from Business							
Combination (Note 33)	-	-	-	-	39,167	-	39,167
Reclassification (Note 17)	-	34,382	-	-	-	-	34,382
Acquired separately	-	30,490	-	-	-	52,381	82,871
Disposals during the year	-	( 36 )	-	-	-	-	( 36 )
Net Exchange Differences	-	-	-	-	1,267	-	1,267
Balance as of December 31, 2025	<u>\$ 99,925</u>	<u>\$ 245,447</u>	<u>\$ 8,763</u>	<u>\$ 5,900</u>	<u>\$ 76,086</u>	<u>\$ 52,381</u>	<u>\$ 488,502</u>
<u>Accumulated amortization and impairment</u>							
Balance as of January 1, 2025	\$ 48,214	\$ 95,883	\$ -	\$ 3,371	\$ 8,555	\$ -	\$ 156,023
Amortization Expense	8,763	31,972	-	844	3,839	7,857	53,275
Disposals during the year	-	( 36 )	-	-	-	-	( 36 )
Net Exchange Differences	-	48	-	-	18	-	66
Balance as of December 31, 2025	<u>\$ 56,977</u>	<u>\$ 127,867</u>	<u>\$ -</u>	<u>\$ 4,215</u>	<u>\$ 12,412</u>	<u>\$ 7,857</u>	<u>\$ 209,328</u>
Net Amount as of December 31, 2025	<u>\$ 42,948</u>	<u>\$ 117,580</u>	<u>\$ 8,763</u>	<u>\$ 1,685</u>	<u>\$ 63,674</u>	<u>\$ 44,524</u>	<u>\$ 279,174</u>
Net balance as of December 31, 2024 and January 1, 2025	<u>\$ 51,711</u>	<u>\$ 84,728</u>	<u>\$ 8,763</u>	<u>\$ 2,529</u>	<u>\$ 27,097</u>	<u>\$ -</u>	<u>\$ 174,828</u>
<u>Cost</u>							
Balance as of January 1, 2024	\$ 99,925	\$ 124,438	\$ 8,763	\$ 5,900	\$ 25,204	\$ -	\$ 264,230
Acquired from Business							
Combination (Note 33)	-	22,675	-	-	-	-	22,675
Reclassification (Note 17)	-	1,622	-	-	10,434	-	12,056
Acquired separately	-	33,402	-	-	-	-	33,402
Disposals during the year	-	( 1,526 )	-	-	-	-	( 1,526 )
Net Exchange Differences	-	-	-	-	14	-	14
Balance as of December 31, 2024	<u>\$ 99,925</u>	<u>\$ 180,611</u>	<u>\$ 8,763</u>	<u>\$ 5,900</u>	<u>\$ 35,652</u>	<u>\$ -</u>	<u>\$ 330,851</u>
<u>Accumulated amortization and impairment</u>							
Balance as of January 1, 2024	\$ 39,450	\$ 54,917	\$ -	\$ 2,528	\$ 5,300	\$ -	\$ 102,195
Acquired from Business							
Combination (Note 33)	-	20,839	-	-	-	-	20,839
Amortization Expense	8,764	21,304	-	843	3,255	-	34,166
Disposal during the period	-	( 759 )	-	-	-	-	( 759 )
Net Exchange Differences	-	( 418 )	-	-	-	-	( 418 )
Balance as of December 31, 2024	<u>\$ 48,214</u>	<u>\$ 95,883</u>	<u>\$ -</u>	<u>\$ 3,371</u>	<u>\$ 8,555</u>	<u>\$ -</u>	<u>\$ 156,023</u>
Net Amount as of December 31, 2024	<u>\$ 51,711</u>	<u>\$ 84,728</u>	<u>\$ 8,763</u>	<u>\$ 2,529</u>	<u>\$ 27,097</u>	<u>\$ -</u>	<u>\$ 174,828</u>

The consolidated company's golf membership certificate represents a right of use, and the management of the consolidated company believes that the consolidated company has the intention and ability to continuously extend the useful life, so it is an intangible asset with an indefinite useful life. However, regardless of whether there are any indications of impairment, impairment tests are conducted regularly every year. The golf club membership deposit of NT\$12,000 thousand is recorded as refundable deposits.

Amortization expenses are calculated on a straight-line basis according to the following useful lives:

Computer software	1 to 9 years
Patent rights	5 to 10 years
Technology	7 years
Customer relationships	2 to 8 years
Product agency rights	5 years

Amortization expenses summarized by function:

	<u>2025</u>	<u>2024</u>
Operating costs	\$ 7,372	\$ 5,861
Selling and Marketing Expenses	11,918	802
General and Administrative Expenses	21,703	17,122
Research and development expenses	<u>12,282</u>	<u>10,381</u>
	<u>\$ 53,275</u>	<u>\$ 34,166</u>

## 19. Prepayments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Prepaid inventory	\$ 19,322	\$ 15,188
Tax offset	37,532	34,735
Other prepaid expenses	<u>47,972</u>	<u>54,730</u>
	<u>\$ 104,826</u>	<u>\$ 104,653</u>

## 20. Other assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Temporary payment	\$ 5,265	\$ 4,844
Payment on behalf	<u>36,186</u>	<u>77,151</u>
	<u>\$ 41,451</u>	<u>\$ 81,995</u>
<u>Non-current</u>		
Net defined benefit assets (Note 26)	\$ -	\$ 965
Others	<u>-</u>	<u>652</u>
	<u>\$ -</u>	<u>\$ 1,617</u>

## 21. Borrowings

### (1) Short-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Unsecured borrowings</u>		
- Bank loans	\$ 485,832	\$ 780,545

The interest rates on bank revolving loans as of December 31, 2025 and 2024 ranged from 2.14% to 3.00% and 1.83% to 3.10%, respectively.

### (2) Long-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Secured borrowings (Note 39)	\$ 4,352,321	\$ 3,781,420
<u>Unsecured borrowings</u>	4,509,220	1,897,101
Less: Portion due within 1 year	( 573,633 )	( 322,550 )
	<u>\$ 8,287,908</u>	<u>\$ 5,355,971</u>
<u>Borrowing details</u>		
Annual interest rate	1.52% ~ 3.40%	1.03% ~ 3.50%
Maturity date	Maturing successively before January 2042	Maturing successively before January 2042

For the collateral situation of the above bank borrowings, please refer to Notes 39 and 40.

## 22. Corporate bonds payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Domestic unsecured convertible corporate bonds	\$ 350,139	\$ 384,182
Less: Portion due within 1 year	( 350,139 )	( 384,182 )
	<u>\$ -</u>	<u>\$ -</u>

### The 4th domestic unsecured convertible corporate bonds

The consolidated company issued 10 thousand units of Taiwan dollar-denominated unsecured convertible corporate bonds in Taiwan on October 18, 2023, with a three-year term and a coupon rate of 0%, for a total principal amount of NT\$1,000,000 thousand.

Each unit of corporate bond holder has the right to convert into common shares of the consolidated company at NT\$374.9 per share. After the conversion price is determined, if there is an increase in the number of issued common shares, the conversion price should be adjusted according to the conversion price adjustment formula.

From the day after three months from the issuance of these convertible bonds to 40 days before the maturity date, if the closing price of the consolidated company's common shares exceeds 30% of the conversion price for 30 consecutive business days, the consolidated company may, within the following 30 business days, send a "Notice to call back bonds" with a 30-day maturity by registered mail, and upon expiration of that period, redeem all bonds in cash at the face value of the bonds; from the day after three months from the issuance of these convertible bonds to 40 days before the maturity date, if the outstanding balance of these convertible bonds is less than 10% of the original total issuance amount, the consolidated company may, at any time thereafter, send a "Notice to call back bonds" with a 30-day maturity by registered mail, and redeem all bonds in cash at the face value of the bonds.

The day after two years from the issuance of these convertible bonds is the base date for bondholders to early redeem these convertible bonds. The consolidated company should, 40 business days prior to this date, send a "Notice of Exercise of Put-back Option" with a 5-day maturity by registered mail, and redeem all bonds in cash at the face value of the bonds.

These convertible corporate bonds include liability and equity components, with the equity component presented under equity as capital surplus - stock options. The original effective interest rate for the liability component is 2.14%.

As of December 31, 2025, the Consolidated company has executed full conversion at the request of bondholders, with conversion details as follows:

	<u>2025</u>
Total amount of bonds requested for conversion	\$ 33,400
Less: Ordinary share capital to be issued at the conversion price stipulated in the issuance regulations for the aforementioned bonds requested for conversion	( <u>926</u> )
Conversion premium	32,474
Add: Capital surplus - stock options	1,885
Financial liabilities at fair value through profit or loss	10
Less: Corporate bonds payable discount	( 1,186 )
Financial assets at fair value through profit or loss	( <u>79</u> )
Part of issued ordinary shares included in capital surplus - corporate bond conversion premium	<u>\$ 33,104</u>

The changes in the debt master contract from the issuance date to December 31, 2025 are as follows:

	<u>Amount</u>
Issuance proceeds on October 18, 2023 (less transaction costs of NT\$2,715 thousand)	\$ 997,285
Equity component (less transaction costs allocated to equity of NT\$154 thousand)	( 56,446)
Derivative component - put option	( 3,700)
Derivative component - redemption right	<u>1,200</u>
Liability component at issuance date (derivative component - redemption right)	938,339
Interest calculated at effective interest rate of 2.14%	21,303
Conversion of corporate bonds into common shares	( <u>575,460</u> )
Liability component as of December 31, 2024	<u>\$ 384,182</u>
Liability component as of January 1, 2025	\$ 384,182
Interest calculated at effective interest rate of 2.14%	7,578
Conversion of corporate bonds into common shares	( 32,214)
Redemption of Bonds Payable	( <u>9,407</u> )
Liability component as of December 31, 2025	<u>\$ 350,139</u>

As of March 31, 2024, the consolidated company has executed all conversions at the request of bondholders, with conversion details as follows:

	<u>2024</u>
Total amount of bonds requested for conversion	\$ 600,900
Less: Ordinary share capital to be issued at the conversion price stipulated in the issuance regulations for the aforementioned bonds requested for conversion	( <u>16,517</u> )
Conversion premium	584,383
Add: Capital surplus - stock options	33,918
Financial liabilities at fair value through profit or loss	320
Less: Corporate bonds payable discount	( 25,440)
Financial assets at fair value through profit or loss	( 2,273)
Fractional shares converted to other income	( <u>12</u> )
Part of issued ordinary shares included in capital surplus - corporate bond conversion premium	<u>\$ 590,896</u>

The changes in the debt master contract from the issuance date to December 31, 2024 are as follows:

	<u>Amount</u>
Issuance proceeds on October 18, 2023 (less transaction costs of NT\$2,715 thousand)	\$ 997,285
Equity component (less transaction costs allocated to equity of NT\$154 thousand)	( 56,446)
Derivative component - put option	( 3,700)
Derivative component - redemption right	<u>1,200</u>
Liability component at issuance date (derivative component - redemption right)	\$ 938,339
Interest calculated at effective interest rate of 2.14%	<u>4,076</u>
Liability component as of December 31, 2023	<u>\$ 942,415</u>

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	<u>Amount</u>
Liability component as of January 1, 2024	\$ 942,415
Interest calculated at effective interest rate of 2.14%	17,227
Conversion of corporate bonds into common shares	( 575,460)
Liability component as of December 31, 2024	<u>\$ 384,182</u>

### 23. Notes Payable and Accounts Payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes Payable</u>		
Arising from operations -		
Non-related parties	<u>\$ 136</u>	<u>\$ 114</u>
<u>Accounts Payable</u>		
Arising from operations -		
Non-related parties	<u>\$ 657,131</u>	<u>\$ 621,229</u>
Arising from operations - Related parties (Note 38)	<u>\$ 61,506</u>	<u>\$ 76,309</u>

The consolidated company has an average credit period of 1-3 months for the purchase of certain goods, and no interest is charged on accounts payable. The consolidated company has established financial risk management policies to ensure that all payables are paid within pre-agreed credit terms.

### 24. Other Liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
<u>Other Payables</u>		
Payables for equipment	\$ 237,957	\$ 152,574
Payables for salaries and bonuses	320,800	294,244
Payables for employee compensation	75,797	85,962
Payables for directors' compensation	45,512	57,239
Payables for vacation benefits	18,519	16,790
Payables for interest	4,869	3,436
Payables for dividends	182,479	364,232
Payables for investments (Note 35)	-	27,545
Payables for business tax	20,311	5,217
Others	<u>282,649</u>	<u>234,406</u>
	<u>\$ 1,188,893</u>	<u>\$ 1,241,645</u>
Other payables - related parties (Note 38)	<u>\$ 12,248</u>	<u>\$ 1,725</u>

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	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other liabilities		
Temporary receipts	\$ 2,270	\$ 424
Collections for others	<u>44,035</u>	<u>84,719</u>
	<u>\$ 46,305</u>	<u>\$ 85,143</u>

## 25. Provisions

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u> Warranties	<u>\$ 33,470</u>	<u>\$ 32,834</u>

The provision for warranty liabilities is based on the contractual obligations for product sales, representing the present value of the best estimate by the consolidated company's management regarding the outflow of future economic benefits due to warranty obligations. This estimate is based on historical warranty experience and adjusted for events affecting product quality, such as new materials, manufacturing process changes, or other factors.

## 26. Post-employment Benefit Plans

### (1) Defined Contribution Plans

The Company, Gudeng Equipment, Showa, Hengyang, Guchii Technology, Cypress Precision, Suting JYR Aviation and Efount Company within the consolidated company have adopted the retirement system under the "Labor Pension Act," which is a government-managed defined contribution retirement plan. Under this plan, 6% of employees' monthly salaries are contributed to individual accounts at the Bureau of Labor Insurance.

The subsidiaries of the consolidated company, including Jiaqian Tech, Kunshan Kawaguchi, Kunshan Dachuan, Gudeng Inc. (USA) and GUDENG KOREA CO., LTD., have not yet established employee retirement policies, and the local governments do not mandate such policies. Therefore, these entities are not subject to the provisions of International Accounting Standard No. 19.

### (2) Defined Benefit Plans

Within the consolidated company, the retirement systems implemented by the Company, Suting, and Showa in accordance with Taiwan's "Labor Standards Act" are government-managed defined benefit retirement plans. Employee pension payments are calculated based on years of service and the average wage over the 6 months prior to the approved retirement date. These companies contribute 2% of employees' total monthly salaries as retirement funds, which are deposited into a dedicated account at the Bank of Taiwan under the name of the Labor Retirement Reserve Supervision Committee. Before the end of each fiscal year, if the estimated balance in the dedicated account is insufficient

to pay employees expected to meet retirement conditions in the following year, the difference will be contributed in a lump sum by the end of March of the following year. The dedicated account is managed by the Bureau of Labor Funds, Ministry of Labor, and the consolidated company does not have the right to influence investment management strategies.

The amounts of defined benefit plans included in the consolidated company's balance sheet are shown as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 46,595	\$ 45,109
Fair value of plan assets	( 8,124)	( 6,919)
Net defined benefit liability (asset)	<u>\$ 38,471</u>	<u>\$ 38,190</u>
Classified under other non-current assets	\$ -	(\$ 965)
Classified under net defined benefit liabilities	<u>38,471</u>	<u>39,155</u>
	<u>\$ 38,471</u>	<u>\$ 38,190</u>

Changes in net defined benefit liability (asset) are as follows:

	<b>Present value of defined benefit obligations</b>	<b>Fair value of plan assets</b>	<b>Net Defined Benefit Liabilities</b>
January 1, 2025	<u>\$ 45,109</u>	<u>(\$ 6,919)</u>	<u>\$ 38,190</u>
Service cost			
Current service cost	900	-	900
Interest expense (income)	<u>699</u>	<u>( 113)</u>	<u>586</u>
Recognized in profit or loss	<u>1,599</u>	<u>( 113)</u>	<u>1,486</u>
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	-	( 272)	( 272)
Actuarial loss - changes in financial assumptions	630	-	630
Actuarial loss (gain) - experience adjustments	<u>( 743)</u>	<u>( 299)</u>	<u>( 1,042)</u>
Recognized in other comprehensive income	<u>( 113)</u>	<u>( 571)</u>	<u>( 684)</u>
Employer contributions	-	( 521)	( 521)
Benefit payments	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2025	<u>\$ 46,595</u>	<u>(\$ 8,124)</u>	<u>\$ 38,471</u>
January 1, 2024	<u>\$ 37,843</u>	<u>(\$ 2,425)</u>	<u>\$ 35,418</u>
Service cost			
Current service cost	522	-	522
Interest expense (income)	<u>446</u>	<u>( 20)</u>	<u>426</u>
Recognized in profit or loss	<u>968</u>	<u>( 20)</u>	<u>948</u>

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	<b>Present value of defined benefit obligations</b>	<b>Fair value of plan assets</b>	<b>Net Defined Benefit Liabilities</b>
Remeasurements			
Actuarial loss - changes in financial assumptions	\$ 501	\$ -	\$ 501
Actuarial loss (gain) - experience adjustments	<u>7,166</u>	<u>( 134)</u>	<u>7,032</u>
Recognized in other comprehensive income	<u>7,667</u>	<u>( 134)</u>	<u>7,533</u>
Employer contributions	-	<u>( 5,709)</u>	<u>( 5,709)</u>
Benefit payments	<u>( 1,369)</u>	<u>1,369</u>	<u>-</u>
December 31, 2024	<u>\$ 45,109</u>	<u>(\$ 6,919)</u>	<u>\$ 38,190</u>

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

	<u>2025</u>	<u>2024</u>
General and Administrative Expenses	<u>\$ 1,486</u>	<u>\$ 948</u>

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

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor, through self-operation and commissioned management, invests labor retirement funds in domestic (foreign) equity securities, debt securities, and bank deposits, among other targets. However, the amount of plan assets distributable to the consolidated company is calculated based on earnings at a rate not lower than the local bank's 2-year time deposit rate.
2. Interest rate risk: A decrease in government bond interest rates will increase the present value of the defined benefit obligation, but the return on debt investments in plan assets will also increase accordingly, resulting in a partially offsetting effect on the net defined benefit liability.
3. Salary risk: The calculation of the present value of the defined benefit obligation is based on the future salaries of plan members. Therefore, an increase in plan members' salaries will increase the present value of the defined benefit obligation.

The present value of the consolidated company's defined benefit obligation is determined by qualified actuaries, with the significant assumptions on the measurement date as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.2000% ~ 1.4705%	1.5205% ~ 1.6000%
Expected salary increase rate	1.0000% ~ 4.5000%	2.0000% ~ 4.5000%

Mortality rate is based on the 2021 Taiwan Life Insurance Industry Experience Life Table.

The turnover rate is adopted based on the data obtained from the employee turnover rate experience provided by the consolidated company and consideration of future trends, with appropriate adjustments.

If significant actuarial assumptions individually experience reasonably possible changes, while all other assumptions remain unchanged, the amount by which the present value of the defined benefit obligation would increase (decrease) is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
Increase of 0.5%	(\$ 1,704)	(\$ 1,786)
Decrease of 0.5%	<u>\$ 1,806</u>	<u>\$ 1,894</u>
Expected salary increase rate		
Increase of 0.5%	<u>\$ 1,732</u>	<u>\$ 1,816</u>
Decrease of 0.5%	(\$ 1,651)	(\$ 1,732)

Since actuarial assumptions may be correlated with each other, the possibility of only a single assumption changing is unlikely; therefore, the above sensitivity analysis may not reflect the actual changes in the present value of the defined benefit obligation.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expected contribution amount within 1 year	<u>\$ 522</u>	<u>\$ 38</u>
Average maturity period of defined benefit obligation	4~25.13 years	5~23.55 years

## 27. Equity

### (1) Common stock capital and stock subscriptions received in advance

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Authorized shares (thousand shares)	<u>150,000</u>	<u>150,000</u>
Authorized capital	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Number of issued and fully paid shares (thousand shares)	<u>96,041</u>	<u>95,850</u>
Issued capital	<u>\$ 960,415</u>	<u>\$ 958,505</u>
Stock Subscriptions Received	<u>\$ -</u>	<u>\$ 984</u>

in Advance

In 2025 and 2024, the Company's corporate bonds were converted into 93 and 1,652 ordinary shares respectively, with a par value of NT\$10 per share, totaling NT\$926 thousand and NT\$16,517 thousand.

As of December 31, 2024, bondholders of the Company's convertible bonds have requested to convert unsecured convertible bonds into 98 thousand ordinary shares, which are classified as advance share capital receipts of NT\$984 thousand. The Company will complete the registration of changes after issuing new shares on the share issuance record date in accordance with applicable laws.

(2) Capital Surplus

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Can be used to offset losses, distribute cash or transfer to capital (1)		
Share premium	\$ 4,412,831	\$ 4,412,831
Convertible bond premium	1,855,476	1,822,372
Treasury stock transactions	200,461	200,461
Changes in equity of associates and joint ventures accounted for using equity method	1,170	1,172
Difference between the actual acquisition or disposal value of subsidiaries' shares and their book value	118,410	122,868
Stock warrants - Expired	542	-
Can only be used to offset losses (2)		
Recognition of changes in ownership equity of subsidiaries	301,551	302,824
Changes in equity of associates and joint ventures accounted for using equity method	3,450	3,450
<u>Cannot be used for any purpose</u>		
Stock warrants	<u>20,101</u>	<u>22,528</u>
	<u>\$ 6,913,992</u>	<u>\$ 6,888,506</u>

1. This type of capital reserve can be used to offset losses, and can also be used to distribute cash or to be capitalized when the company has no losses. However, when being capitalized, it is limited to a certain percentage of the paid-in capital each year.

2. This type of capital reserve represents the impact of equity transactions recognized from changes in subsidiaries' equity when the Company has not actually acquired or disposed of subsidiaries' shares, or the adjustment amount from the Company's recognition of subsidiaries' capital reserve under the equity method.

(3) Retained Earnings and Dividend Policy

According to the dividend distribution policy stipulated in the Company's Articles of Incorporation, the Company may distribute profits or make up losses after the end of each half fiscal year. When the distribution is made by issuing new shares, it shall be submitted to the shareholders' meeting for resolution and then distributed; when it is made in cash, it shall be resolved by the Board of Directors and reported to the shareholders' meeting.

According to the dividend distribution policy stipulated in the Company's Articles of Incorporation, if there is a profit in the annual financial statement, after paying taxes in accordance with the law and offsetting accumulated losses, 10% shall be set aside as legal reserve, followed by the appropriation or reversal of special reserve as required by law; if there is still a balance, it shall be combined with the accumulated undistributed earnings, and the Board of Directors shall propose a profit distribution plan and submit it to the shareholders' meeting for resolution on the distribution of shareholders' dividends. Please refer to Note 27(7) Employee Compensation and Directors' Remuneration for the employee and director remuneration distribution policy stipulated in the Company's Articles of Incorporation.

The legal reserve must be set aside until its balance reaches the total amount of the Company's paid-in capital. The legal reserve may be used to offset losses. When the company has no losses, the portion of the legal reserve that exceeds 25% of the total paid-in capital may be capitalized or distributed in cash.

The Company appropriates and reverses special reserve in accordance with the Financial Supervisory Commission's Letters No. 1010012865 and No. 1090150022. When there is a subsequent reversal of the net amount of other equity deduction items, the special reserve may be reversed for the distribution of earnings to the extent of the reversal.

The Company has resolved the distribution of 2023 earnings at the Board of Directors meeting as follows:

	<b>For the three months ended December 31, 2023</b>	<b>For the nine months ended June 30, 2023</b>
Board resolution date	March 6, 2024	November 8, 2023
Legal Reserve	<u>\$ 42,317</u>	<u>\$ 48,184</u>
Special Reserve	<u>\$ -</u>	<u>(\$ 146,666)</u>
Cash dividend	<u>\$ 330,040</u>	<u>\$ 377,883</u>
Cash dividend per share (NT\$)	<u>\$ 3.5</u>	<u>\$ 4.27</u>

The aforementioned cash dividend has been allocated by resolution of the Board of Directors, and the remaining distribution items were also resolved at the Annual General Meeting of Shareholders held on May 24, 2024.

The Company has resolved the distribution of 2024 earnings at the Board of Directors meeting as follows:

	<b>For the six months ended December 31, 2024</b>	<b>For the six months ended June 30, 2024</b>
Board resolution date	March 5, 2025	November 6, 2024
Legal Reserve	<u>\$ 67,392</u>	<u>\$ 49,386</u>
Cash dividend	<u>\$ 489,800</u>	<u>\$ 364,232</u>
Cash dividend per share (NT\$)	<u>\$ 5.1</u>	<u>\$ 3.8</u>

The aforementioned cash dividend has been allocated by resolution of the Board of Directors, and the remaining distribution items were also resolved at the Annual General Meeting of Shareholders held on May 23, 2025.

The Company made resolutions at the Board of Directors meeting regarding the 2025 earnings distribution as follows:

	<b>For the six months ended December 31, 2025</b>	<b>For the nine months ended June 30, 2025</b>
Board resolution date	March 10, 2026	November 6, 2025
Legal Reserve	<u>\$ 67,008</u>	<u>\$ 25,336</u>
Special Reserve	<u>\$ -</u>	<u>\$ -</u>
Cash dividend	<u>\$ 480,207</u>	<u>\$ 182,479</u>
Cash dividend per share (NT\$)	<u>\$ 5.0</u>	<u>\$ 1.9</u>

The aforementioned cash dividend has been allocated by resolution of the Board of Directors, and the remaining earnings distribution items are pending resolution at the Annual General Meeting of Shareholders to be held on May 27, 2026.

(4) Non-controlling interests

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 1,513,277	\$ 791,527
Net Profit/(Loss) For The Period	93,132	109,383
Other comprehensive income for the year		
Exchange Differences on Translating the Financial Statements of Foreign Operations	( 4,136)	6,095
Unrealized Gain or Loss on Financial Assets at Fair Value through Other Comprehensive Income	( 9,693)	-
Remeasurement of defined benefit plans	( 413)	66
Earnings distribution for the year	( 115,252)	( 69,869)
Acquisition of non-controlling interests from subsidiaries (Note 33)	29,508	205,496
Acquisition of partial interests in subsidiaries (Note 34)	( 478)	( 117,069)
Disposal of partial interests in Guchii Technology subsidiaries (Note 34)	-	87,161
Non-controlling interests participating in subsidiaries' cash capital increase (Note 34)	-	485,592
Non-proportional acquisition of non-controlling interests from subsidiaries (Note 34)	110,076	-
Non-controlling interests related to outstanding vested stock options held by subsidiary employees (Note 32)	50,101	-
Share-based payment transactions	65	14,895
Ending balance	<u>\$ 1,666,187</u>	<u>\$ 1,513,277</u>

## 28. Revenue

	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers		
Sales revenue of commodities	\$ 6,092,704	\$ 5,381,176
Other operating revenue	<u>1,254,538</u>	<u>1,163,620</u>
	<u>\$ 7,347,242</u>	<u>\$ 6,544,796</u>

### (1) Description of contracts with customers

#### Sales revenue of commodities

Sales revenue of commodities is derived from the manufacture of mask packages, their design services, and sales of semiconductor-related products. Since customers have the right to set prices and use the goods at the time of shipment of mask package products, and bear the primary responsibility for resale and the risk of product obsolescence, and for the sales of semiconductor equipment, the performance obligation is satisfied when the customer accepts the equipment, at which point the customer obtains control of the product, the consolidated company recognizes revenue and accounts receivable at the aforementioned point in time.

### (2) Contract balance

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Accounts receivable (Note 10)	<u>\$ 1,576,237</u>	<u>\$ 1,518,929</u>	<u>\$ 885,391</u>
Accounts receivable - related parties (Note 10)	<u>\$ 8,131</u>	<u>\$ 12,446</u>	<u>\$ 147</u>
Contract liabilities - advance receipts			
Sales of commodities	\$ 284,759	\$ 489,626	\$ 817,764
Others	<u>19,912</u>	<u>9,471</u>	<u>19,341</u>
	<u>\$ 304,671</u>	<u>\$ 499,097</u>	<u>\$ 837,105</u>

The amounts recognized as revenue during the current year from contract liabilities at the beginning of the year and performance obligations satisfied in previous periods are as follows:

	<u>2025</u>	<u>2024</u>
<u>From contract liabilities at beginning of year</u>		
Sales of commodities	\$ 460,743	\$ 816,649
Others	<u>9,471</u>	<u>5,973</u>
	<u>\$ 470,214</u>	<u>\$ 822,622</u>

### (3) Disaggregation of revenue from contracts with customers

For disaggregation of revenue information, please refer to Note 43.

## 29. Profit before income tax

### (1) Interest income

	<u>2025</u>	<u>2024</u>
Bank deposits	\$ 54,791	\$ 51,812
Imputed interest on deposits	<u>194</u>	<u>108</u>
	<u>\$ 54,985</u>	<u>\$ 51,920</u>

### (2) Other income

	<u>2025</u>	<u>2024</u>
Rental income		
Investment property	\$ 28,771	\$ 34,899
Other rental	<u>15,158</u>	<u>11,592</u>
	<u>43,929</u>	<u>46,491</u>
Sample revenue	<u>25,801</u>	<u>-</u>
Dividend Income		
Financial assets at fair value through profit or loss	8,516	14,318
Investments in equity instruments at fair value through other comprehensive income	<u>63,381</u>	<u>18,493</u>
	<u>71,897</u>	<u>32,811</u>
Others	<u>33,982</u>	<u>35,183</u>
	<u>\$ 175,609</u>	<u>\$ 114,485</u>

### (3) Other gains and (losses)

	<u>2025</u>	<u>2024</u>
Gains and losses on financial assets and financial liabilities		
Financial assets and liabilities mandatorily measured at fair value through profit or loss	\$ 154,761	\$ 240,546
Net gain (loss) on foreign currency exchange	( 75,032 )	81,826
Gain on disposal of property, plant and equipment/investment property/intangible assets	156,935	13,163
Impairment losses on investments accounted for using equity method	( 55,007 )	-
Loss on Redemption of Bonds Payable	( 196 )	-
Goodwill impairment loss	( 87,566 )	( 2,507 )
Others	<u>( 10,317 )</u>	<u>( 2,175 )</u>
	<u>\$ 83,578</u>	<u>\$ 330,853</u>

(4) Finance costs

	<u>2025</u>	<u>2024</u>
Bank borrowing interest	\$ 173,219	\$ 97,512
Convertible corporate bond interest	7,578	17,227
Interest on lease liabilities	4,303	3,398
Imputed interest on deposits	104	74
Other interest expenses	120	-
Interest on loans from related parties	-	26
Less: Amount included in cost of qualifying assets	( <u>10,389</u> )	( <u>9,283</u> )
	<u>\$ 174,935</u>	<u>\$ 108,954</u>

Information related to interest capitalization is as follows:

	<u>2025</u>	<u>2024</u>
Capitalized interest amount	\$ 10,389	\$ 9,283
Interest capitalization rate	1.47% ~ 2.78%	1.89% ~ 2.63%

(5) Depreciation and amortization

	<u>2025</u>	<u>2024</u>
Depreciation expense by function		
Operating costs	\$ 348,896	\$ 291,472
Operating expenses	<u>234,237</u>	<u>176,404</u>
	<u>\$ 583,133</u>	<u>\$ 467,876</u>
Amortization expense by function		
Operating costs	\$ 7,372	\$ 5,861
Operating expenses	<u>45,903</u>	<u>28,305</u>
	<u>\$ 53,275</u>	<u>\$ 34,166</u>

(6) Employee benefit expenses

	<u>2025</u>	<u>2024</u>
Post-employment benefits		
Defined contribution plans	\$ 45,814	\$ 39,811
Defined benefit plans (Note 26)	<u>1,486</u>	<u>948</u>
	47,300	40,759
Share-based payment		
Equity-settled	134	26,951
Other employee benefits	<u>1,637,117</u>	<u>1,458,371</u>
Total employee benefit expenses	<u>\$ 1,684,551</u>	<u>\$ 1,526,081</u>

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	<u>2025</u>	<u>2024</u>
Summarized by function		
Operating costs	\$ 663,375	\$ 631,340
Operating expenses	<u>1,021,176</u>	<u>894,741</u>
	<u>\$ 1,684,551</u>	<u>\$ 1,526,081</u>

(7) Employee compensation and directors' compensation

The Company's Articles of Incorporation stipulate that employee compensation and directors' compensation shall be appropriated at no less than 3% and no more than 3%, respectively, from the profit before tax prior to deducting employee and directors' compensation for the year. The estimated employee compensation and directors' remuneration for 2025 and 2024 were resolved by the Board of Directors on March 10, 2025 and March 5, 2024, respectively, as follows:

Estimated percentage

	<u>2025</u>	<u>2024</u>
Employees' compensation	3.56%	3%
Directors' compensation	3%	2.92%

Amount

	<u>2025</u>		<u>2024</u>	
	<u>Cash</u>	<u>Stock</u>	<u>Cash</u>	<u>Stock</u>
Employees' compensation	\$ 40,106	\$ -	\$ 41,827	\$ -
Directors' compensation	33,798	-	40,713	-

If there are still changes in the amount after the approval and issuance of the annual consolidated financial statements, it will be treated as a change in accounting estimate and adjusted in the following year.

There is no difference between the actual distribution amount of employee compensation and directors' compensation for 2024 and 2023, and the recognized amount in the consolidated financial statements for 2024 and 2023.

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

### 30. Income Tax

(1) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

	<u>2025</u>	<u>2024</u>
Current income tax		
Generated from the current year	\$ 266,486	\$ 296,517
Additional levy on undistributed earnings	1,108	5,289
Adjustments from previous years	( 13,596)	3,191
Investment tax credit	( 30,773)	( 30,824)
Non-deductible foreign-source income	<u>1,248</u>	<u>390</u>
	<u>224,473</u>	<u>274,563</u>
Deferred income tax		
Generated from the current year	4,500	8,457
Adjustments from previous years	<u>-</u>	<u>3,562</u>
	<u>4,500</u>	<u>12,019</u>
Income tax expense recognized in profit or loss	<u>\$ 228,973</u>	<u>\$ 286,582</u>

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

	<u>2025</u>	<u>2024</u>
Profit Before Income Tax	<u>\$ 1,227,392</u>	<u>\$ 1,563,743</u>
Income tax expense calculated at the statutory tax rate before Income Tax	\$ 245,478	\$ 312,749
Non-deductible expenses for tax purposes	22,545	6,245
Tax-exempt income	( 33,895)	( 46,143)
Difference payable for basic tax	15,512	61
Unrecognized loss carryforwards	24,600	20,653
Additional levy on undistributed earnings	1,108	5,289
Effect of different tax rates of subsidiaries operating in other jurisdictions	( 3,254)	8,302
Adjustment of current income tax expense for previous years in the current year	( 13,596)	3,191
Adjustment of deferred income tax expense for previous years in the current period	-	3,562
Non-deductible foreign-source income	1,248	390
Investment tax credit	( 30,773)	( 30,824)
Integrated house and land tax	<u>-</u>	<u>3,107</u>
Income tax expense recognized in profit or loss	<u>\$ 228,973</u>	<u>\$ 286,582</u>

(2) Income tax directly recognized in equity

	<u>2025</u>	<u>2024</u>
Current income tax		
Disposal of investments in equity instruments measured at fair value through other comprehensive income	\$ 2,370	\$ 1,498
Income tax directly recognized in equity	<u>\$ 2,370</u>	<u>\$ 1,498</u>

(3) Current income tax assets and liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current tax assets		
Tax refund receivable	\$ 3,057	\$ 2,138
Current income tax liabilities		
Income tax payable	<u>\$ 103,672</u>	<u>\$ 132,576</u>

(4) Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are as follows:

2025

	<u>Beginning balance</u>	<u>Recognized in profit or loss</u>	<u>Ending balance</u>
<u>Deferred tax assets</u>			
Temporary differences			
Unrealized exchange gains and losses	\$ 4	\$ 475	\$ 479
Unrealized inventory valuation loss	54,712	( 9,019 )	45,693
Unrealized loss from transactions with subsidiaries	346	-	346
Payables for vacation benefits	3,359	86	3,445
Excess allowance for doubtful accounts	364	1,087	1,451
Fixed asset impairment loss	6,250	-	6,250
Warranty loss	4,947	-	4,947
Defined benefit retirement plan	-	63	63
Loss carryforwards	<u>6,877</u>	<u>( 3,518 )</u>	<u>3,359</u>
	<u>\$ 76,859</u>	<u>( \$ 10,826 )</u>	<u>\$ 66,033</u>
<u>Deferred income tax liabilities</u>			
Temporary differences			
Unrealized exchange gains	( \$ 7,290 )	\$ 6,224	( \$ 1,066 )
Unrealized loss from transactions with subsidiaries	( 346 )	-	( 346 )
Defined benefit retirement plan	( 102 )	102	-
Bargain purchase gain	<u>( 302 )</u>	<u>-</u>	<u>( 302 )</u>
	<u>( \$ 8,040 )</u>	<u>\$ 6,326</u>	<u>( \$ 1,714 )</u>

2024

	<u>Beginning balance</u>	<u>Acquired from business combination</u>	<u>Recognized in profit or loss</u>	<u>Ending balance</u>
<u>Deferred tax assets</u>				
<u>Temporary differences</u>				
Unrealized exchange gains and losses	\$ 2,797	\$ -	( \$ 2,793 )	\$ 4
Unrealized inventory valuation loss	29,060	19,000	6,652	54,712
Unrealized loss from transactions with subsidiaries	346	-	-	346
Payables for vacation benefits	4,023	-	( 664 )	3,359
Excess allowance for doubtful accounts	5,120	-	( 4,756 )	364
Fixed asset impairment loss	6,250	-	-	6,250
Warranty loss	5,817	-	( 870 )	4,947
Defined benefit retirement plan	1,022	-	( 1,022 )	-
Loss carryforwards	<u>4,758</u>	<u>3,562</u>	<u>( 1,443 )</u>	<u>6,877</u>
	<u>\$ 59,193</u>	<u>\$ 22,562</u>	<u>( \$ 4,896 )</u>	<u>\$ 76,859</u>
<u>Deferred income tax liabilities</u>				
<u>Temporary differences</u>				
Unrealized exchange gains	\$ -	( \$ 102 )	( \$ 7,188 )	( \$ 7,290 )
Unrealized loss from transactions with subsidiaries	( 346 )	-	-	( 346 )
Defined benefit retirement plan	( 167 )	-	65	( 102 )
Bargain purchase gain	<u>( 302 )</u>	<u>-</u>	<u>-</u>	<u>( 302 )</u>
	<u>( \$ 815 )</u>	<u>( \$ 102 )</u>	<u>( \$ 7,123 )</u>	<u>( \$ 8,040 )</u>

- (5) Unused loss carryforwards amount not recognized as deferred income tax assets in the consolidated balance sheet

Gudeng Venture

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Loss carryforwards		
Expiring in 2029	\$ 2,639	\$ 2,639
Expiring in 2030	1,748	1,748
Expiring in 2031	<u>600</u>	<u>600</u>
	<u>\$ 4,987</u>	<u>\$ 4,987</u>

Jia Shuo Construction

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Loss carryforwards		
Expiring in 2032	\$ 3,890	\$ 3,890
Expiring in 2033	3,033	3,033
Expiring in 2034	<u>4,120</u>	<u>4,120</u>
	<u>\$ 11,043</u>	<u>\$ 11,043</u>

Jia Rui Company

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Loss carryforwards		
Expiring in 2032	\$ 670	\$ 670
Expiring in 2033	453	453
Expiring in 2034	236	236
Expiring in 2035	346	-
	<u>\$ 1,705</u>	<u>\$ 1,359</u>

JYR Aviation

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Loss carryforwards		
Expiring in 2034	\$ 82,225	\$ 82,225
Expiring in 2035	75,921	-
	<u>\$ 158,146</u>	<u>\$ 82,225</u>

Hengyang

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Loss carryforwards		
Expiring in 2033	\$ 9,710	\$ 9,710
Expiring in 2034	8,563	8,563
Expiring in 2035	8,217	-
	<u>\$ 26,490</u>	<u>\$ 18,273</u>

Efount Company

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Loss carryforwards		
Expiring in 2035	\$ 17,373	\$ -

(6) Income Tax Assessment Status

The Company, Gudeng Equipment, Showa, Gudeng Venture, Hengyang, Jia Shuo Construction, Guchii Technology, Jia Rui, Cypress Precision, Efount Company, Suting, Gudeng Aerospace and JYR Aviation have had their business income tax returns approved by the tax authorities for all filings up to and including the 2023 fiscal year.

### 31. Earnings Per Share

The earnings and weighted average number of common shares used to calculate earnings per share are as follows:

#### Net Profit/(Loss) For The Period

	<u>2025</u>	<u>2024</u>
Net income used to calculate basic earnings per share	\$ 905,287	\$ 1,167,778
Effects of dilutive potential common shares:		
Interest on Convertible Bonds and Fair Value Gains (Losses) on Conversion Options, Net of Income Tax	<u>6,722</u>	<u>8,690</u>
Net income used to calculate diluted earnings per share	<u>\$ 912,009</u>	<u>\$ 1,176,468</u>

#### Number of shares Unit: Thousand shares

	<u>2025</u>	<u>2024</u>
Weighted average number of common shares used to calculate basic earnings per share	96,039	94,771
Effects of dilutive potential common shares:		
Convertible corporate bonds	998	2,253
Employees' compensation	<u>129</u>	<u>99</u>
Weighted average number of common shares used to calculate diluted earnings per share	<u>97,166</u>	<u>97,123</u>

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

The Company's outstanding convertible bonds, if converted, would have a conversion price higher than the average market price of the Company's shares for the year ended December 31, 2025. Due to the antidilutive effect, they were not included in the calculation of diluted earnings per share.

### 32. Share-based Payment Agreements

#### (1) Employee Share Options Issued By The Subsidiary Plan

The Company's subsidiary, Gudeng Equipment Co., Ltd. (hereinafter referred to as "Gudeng Equipment"), granted 407 thousand shares of employee stock options in April 2024, with Gudeng Equipment employees as the recipients.

Information on employee share options is as follows:

<u>Employee share Options</u>	<u>2024</u>	
	<u>Units (thousands)</u>	<u>Weighted Average Exercise Price (NT\$)</u>
Outstanding at the beginning of the year	-	\$ -
Granted during the year	407	216.8
Exercised during the year	( 345 )	216.8
Expired and forfeited during the year	( <u>62</u> )	-
Outstanding at the end of the year	<u>-</u>	-
Exercisable at the end of the year	<u>-</u>	-
Weighted average fair value of stock options granted during the year (NT\$)	<u>\$ 71.9</u>	

The weighted average share price at the date of exercise of employee share options exercised during 2024 was NT\$284.64.

The employee share options granted by Gudeng Equipment in April 2024 all used the Black-Scholes valuation model, with the following inputs used in the valuation model:

	<u>April 2024</u>
Grant date market price	NT\$284.64
Exercise price	NT\$216.8
Expected volatility	165.687%
Duration	8 days
Expected dividend yield	0%
Risk-free interest rate	0.03626%

The remuneration cost recognized by Gudeng Equipment in 2024 was NT\$24,805 thousand.

#### (2) Employee Share Options Issued By The Subsidiary Plan

The Company's subsidiary Guchii Technology Co., Ltd. (hereinafter referred to as "Guchii Technology") granted 1,900 thousand employee stock options in April 2024, with the recipients being employees of We Solutions.

Information on employee share options is as follows:

<u>Employee share Options</u>	<u>2025</u>	
	<u>Units (thousands)</u>	<u>Weighted Average Exercise Price (NT\$)</u>
Outstanding at the beginning of the year	1,900	\$ 12.67
Exercised during the year	( <u>1,900</u> )	12.67
Outstanding at the end of the year	<u>-</u>	-
Exercisable at the end of the year	<u>-</u>	-
Weighted average fair value of stock options granted during the year (NT\$)	<u>\$ 1.2</u>	

For employee share options exercised in 2025, the weighted average share price on the exercise date was NT\$12.75.

The employee share options granted by Guchii Technology in April 2024 all used the Black-Scholes valuation model, with the following inputs used in the valuation model:

	<u>April 2024</u>
Grant date market price	NT\$12.75
Exercise price	NT\$12.67
Expected volatility	26.20%
Duration	9 months
Expected dividend yield	0%
Risk-free interest rate	1.3846%

For the years 2025 and 2024, Guchii Technology recognized compensation costs of NT\$134 thousand and NT\$2,146 thousand, respectively.

### 33. Business Combinations

#### (1) Acquisition of Subsidiaries

##### 2025

	<u>Main Operating Activities</u>	<u>Acquisition Date</u>	<u>Voting Ownership Interest/ Acquisition Percentage (%)</u>	<u>Transfer Consideration</u>
Efount and its subsidiary EWKTOOL INC.	Wholesale and retail trade	September 30, 2025	68%	<u>\$ 30,000</u>

2024

	<u>Main Operating Activities</u>	<u>Acquisition Date</u>	<u>Voting Ownership Interest/ Acquisition Percentage (%)</u>	<u>Transfer Consideration</u>
JYR Aviation Components Co., Ltd.	Aircraft and parts retail, wholesale, and manufacturing	January 12, 2024	51%	<u>\$ 260,685</u>

The consolidated company's acquisitions of Efount International Co., Ltd. and JYR Aviation Components Co., Ltd. in 2025 and 2024, respectively, were made to continue expanding the consolidated company's operations.

(2) Transfer Consideration

2025

Cash	<u><b>Efount and its subsidiary EWKTOOL INC.</b></u> <u>\$ 30,000</u>
------	--

2024

Cash	<u><b>JYR Aviation Components Co., Ltd.</b></u> <u>\$ 260,685</u>
------	--

(3) Assets Acquired and Liabilities Assumed on Acquisition Date

2025

	<u><b>Efount and its subsidiary EWKTOOL INC.</b></u>
Current Assets	
Cash and cash equivalents	\$ 19,185
Accounts receivable and other receivables	61,426
Inventories	33,745
Prepayments	458
Other Current Assets	1,159
Non-current Assets	
Property, plant and equipment	429
Other intangible assets	39,167
Other non-current assets	1,565

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	<b>Efount and its subsidiary EWKTOOL INC.</b>
Current Liabilities	
Short-term borrowings	(\$ 29,700)
Accounts payable and other payables	( 74,746)
Other Current Liabilities	( 3,202)
Non-current Liabilities	
Long-term borrowings	( 26,475)
Other Non-current Liabilities	( 5)
	<u>\$ 23,006</u>

If the measurement of identifiable assets acquired and liabilities assumed in a business combination is not yet complete, they are recognized at provisional amounts on the balance sheet date. During the measurement period, retrospective adjustments are made or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

2024

	<b>JYR Aviation Components Co., Ltd.</b>
Current Assets	
Cash and cash equivalents	\$ 269,787
Accounts receivable and other receivables	43,257
Current tax assets	25
Inventories	146,911
Prepayments	29,768
Other Current Assets	4,040
Non-current Assets	
Property, plant and equipment	110,806
Other intangible assets	1,836
Deferred tax assets	22,562
Prepayment for equipment	2,178
Other non-current assets	658
Current Liabilities	
Short-term borrowings	( 79,970)
Notes Payable	( 6,126)
Accounts payable and other payables	( 68,383)
Current portion of long-term borrowings	( 10,861)
Non-current Liabilities	
Long-term borrowings	( 47,006)
Deferred income tax liabilities	( 102)
	<u>\$ 419,380</u>

(4) Goodwill arising from acquisition

2025

	<b>Efount and its subsidiary EWKTOOL INC.</b>
Transfer Consideration	\$ 30,000
Add: Non-controlling interests	7,362
Less: Fair value of identifiable net assets acquired	( 23,006)
Goodwill arising from acquisition	<u>\$ 14,356</u>

2024

	<b>JYR Aviation Components Co., Ltd.</b>
Transfer Consideration	\$ 260,685
Add: Non-controlling interests	205,496
Less: Fair value of identifiable net assets acquired	( 419,380)
Goodwill arising from acquisition	<u>\$ 46,801</u>

The goodwill arising from the acquisition of Efount Company and JYR Aviation is primarily attributable to control premium. In addition, the consideration paid for the merger includes the expected synergies from the combination, revenue growth, and future market development. However, these benefits do not meet the recognition criteria for identifiable intangible assets, and therefore are not recognized separately.

Goodwill arising from the merger is not expected to be deductible for tax purposes.

(5) Net cash outflow on acquisition of subsidiaries

2025

	<b>Efount and its subsidiary EWKTOOL INC.</b>
Consideration paid in cash	\$ 30,000
Less: Cash and cash equivalents balance acquired	( 19,185)
	<u>(\$ 10,815)</u>

2024

	<b>JYR Aviation Components Co., Ltd.</b>
Consideration paid in cash	\$ 260,685
Less: Cash and cash equivalents balance acquired	( 269,787)
	<u>(\$ 9,102)</u>

### 34. Equity transactions with non-controlling interests

The consolidated company did not subscribe to Suting's cash capital increase in proportion to its shareholding in November of 2025, and Suting's employees exercised their employee stock options in October of 2025, causing the shareholding ratio to decrease from 100% to 60.02%.

	<b>(October and December 2025)</b>
	<b><u>Suting</u></b>
Cash consideration received	\$ 117,373
The amount of non-controlling interests to be transferred based on the relative change in equity calculated from the carrying amount of the subsidiary's net assets	( 117,714)
Difference in equity transactions	( \$ 341)
 <u>Adjustment items for equity transaction differences</u>	
Unappropriated Retained Earnings	( \$ 341)

In March and August 2025, the consolidated company acquired shares in Cypress Precision not proportionate to its ownership, resulting in an increase in ownership percentage to 95.38%.

	<b>(March and August 2025)</b>
	<b><u>Cypress Precision</u></b>
Cash consideration (paid)	( \$ 2,800)
The amount of non-controlling interests to be transferred in based on the relative change in equity calculated from the carrying amount of the subsidiary's net assets	( 549)
Difference in equity transactions	( \$ 3,349)
 <u>Adjustment items for equity transaction differences</u>	
Capital surplus - Difference between the actual price of acquisition or disposal of subsidiary shares and their carrying value	( \$ 3,349)

In April 2025, the consolidated company acquired shares of Gudeng Equipment not in proportion to its shareholding ratio, resulting in an increase in ownership percentage to 45.48%.

	<b>April 2025</b>
	<b><u>Gudeng Equipment</u></b>
Cash consideration (paid)	( \$ 1,587)
The amount of non-controlling interests to be transferred based on the relative change in equity calculated from the carrying amount of the subsidiary's net assets	478
Difference in equity transactions	( \$ 1,109)
 <u>Adjustment items for equity transaction differences</u>	
Capital surplus - Difference between the actual price of acquisition or disposal of subsidiary shares and their carrying value	( \$ 1,109)

In January 2025, employees of Guchii Technology, a subsidiary of the consolidated company, exercised employee stock options, causing the consolidated company's ownership percentage to decrease to 51.43%.

	<b>(January 2025)</b>
	<b><u>Guchii Technology</u></b>
Cash consideration received	\$ 24,073
The amount of non-controlling interests to be transferred in based on the relative change in equity calculated from the carrying amount of the subsidiary's net assets	( <u>25,346</u> )
Difference in equity transactions	( <u>\$ 1,273</u> )
 <u>Adjustment items for equity transaction differences</u>	
Capital surplus - Recognition of changes in ownership interests in subsidiaries	( <u>\$ 1,273</u> )

The consolidated company's subsidiary, We Solutions, received shares in Fu Rui Sheng and Suting in exchange for a capital increase on October 3, 2024, resulting in a 100% ownership stake in both companies.

	<b><u>Fu Rui Sheng</u></b>	<b><u>Suting</u></b>
Equity consideration (paid)	(\$ 31,200)	(\$ 11,076)
The amount of non-controlling interests to be transferred based on the relative change in equity calculated from the carrying amount of the subsidiary's net assets	<u>31,089</u>	<u>11,680</u>
Difference in equity transactions	( <u>\$ 111</u> )	( <u>\$ 604</u> )
 <u>Adjustment items for equity transaction differences</u>		
Unappropriated Retained Earnings	( <u>\$ 111</u> )	( <u>\$ 604</u> )

In September 2024, the consolidated company disposed of 21.50% of its shareholding in Guchii Technolog, reducing its ownership percentage from 76.78% to 55.28%.

	<b>(September 2, 2024)</b>
	<b><u>Guchii Technology</u></b>
Cash consideration received	\$ 210,000
The amount of non-controlling interests to be transferred in based on the relative change in equity calculated from the carrying amount of the subsidiary's net assets	( <u>87,161</u> )
Difference in equity transactions	( <u>\$ 122,839</u> )
 <u>Adjustment items for equity transaction differences</u>	
Capital surplus - Difference between the actual price of acquisition or disposal of subsidiary shares and their carrying value	( <u>\$ 122,839</u> )

In 2024, the consolidated company acquired shares of Gudeng Equipment not in proportion to its shareholding ratio, resulting in an increase in ownership percentage to 45.44%.

	<u>Gudeng Equipment</u>
Cash consideration (paid)	(\$ 230,106)
The amount of non-controlling interests to be transferred based on the relative change in equity calculated from the carrying amount of the subsidiary's net assets	<u>38,466</u>
Difference in equity transactions	<u>(\$ 191,640)</u>
<u>Adjustment items for equity transaction differences</u>	
Capital surplus - Difference between the actual price of acquisition or disposal of subsidiary shares and their carrying value	(\$ 86,856)
Unappropriated Retained Earnings	<u>(\$ 104,784)</u>
	<u>(\$ 191,640)</u>

The consolidated company did not participate in the cash capital increase of Gudeng Equipment and Guchii Technology, resulting in a increase in ownership percentages to 75.19% and 85.54%, respectively.

	<u>(April 30, 2024)</u> <u>Jia Rui Company</u>	<u>(April 30, 2024)</u> <u>Suting</u>
Equity consideration (paid)	(\$ 20,369)	(\$ 7,417)
The amount of non-controlling interests to be transferred based on the relative change in equity calculated from the carrying amount of the subsidiary's net assets	<u>20,396</u>	<u>8,368</u>
Difference in equity transactions	<u>\$ 27</u>	<u>\$ 951</u>
<u>Adjustment items for equity transaction differences</u>		
Unappropriated Retained Earnings	<u>\$ 27</u>	<u>\$ 951</u>

In January 2024, the consolidated company's subsidiary, Guchii Technology, acquired shares of Jia Rui Company and Suting not in proportion to its shareholding ratio, resulting in an increase in ownership percentages to 58.18% and 74.37%, respectively.

	<u>(January 17, 2024)</u> <u>Jia Rui Company</u>	<u>(January 17, 2024)</u> <u>Suting</u>
Cash consideration (paid)	(\$ 6,258)	(\$ 4,704)
The amount of non-controlling interests to be transferred based on the relative change in equity calculated from the carrying amount of the subsidiary's net assets	<u>3,807</u>	<u>2,758</u>
Difference in equity transactions	<u>(\$ 2,451)</u>	<u>(\$ 1,946)</u>
<u>Adjustment items for equity transaction differences</u>		
Unappropriated Retained Earnings	<u>(\$ 2,451)</u>	<u>(\$ 1,946)</u>

The consolidated company did not participate in the cash capital increase of Gudeng Equipment and Guchii Technology, resulting in a decrease in ownership percentages to 42.92% and 54.38%, respectively.

	<b>(May 9, 2024)</b> <b>Gudeng</b> <b>Equipment</b>	<b>(April and</b> <b>October 2024)</b> <b>Guchii Technology</b>
Cash consideration received	\$ 694,612	\$ 4,682
Equity consideration received	-	70,063
Amount of subsidiary's net asset carrying value to be transferred (in) to non-controlling interests based on relative equity changes	( 425,820)	( 53,780)
Difference in equity transactions	<u>\$ 268,792</u>	<u>\$ 20,965</u>
<u>Adjustment items for equity transaction differences</u>		
Capital surplus - Recognition of changes in ownership interests in subsidiaries	<u>\$ 268,792</u>	<u>\$ 20,965</u>

Since the aforementioned transactions did not change the Company's control over these subsidiaries, the Company treats them as equity transactions.

### 35. Cash Flow Information

#### Non-cash transactions

Except as disclosed in other notes, the consolidated company conducted the following non-cash investing and financing activities in 2025 and 2024:

- (1) The consolidated company sold owner-occupied land and buildings in 2025; as of December 31, 2025, NT\$405,000 thousand had not yet been collected and was recorded under other receivables – related parties (refer to Note 38); the full amount was subsequently recovered in February of 2026.
- (2) Gudeng Venture, a subsidiary of the Company, made additional investments in Symtek on December 30 and 31, 2024; as of December 31, 2024, NT\$27,545 thousand had not yet been paid and was recorded under other payables.
- (3) We Solutions, a subsidiary of the Company, conducted share swaps with Jia Rui and Suting on April 30, 2024, and October 3, 2024 (see Note 34).

### 36. Capital Risk Management

The consolidated company is currently operating stably, and its capital risk management objective is to ensure that, on the premise of continuing operations and growth, it can maximize shareholder returns by optimizing the balance between debt and equity.

The consolidated company adopts prudent risk management strategies and conducts regular reviews, making comprehensive plans according to business development strategies and operational needs, to determine an appropriate capital structure for the consolidated company.

### 37. Financial Instruments

#### (1) Fair Value Information - Financial Instruments Not Measured at Fair Value

The management of the consolidated company believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

#### (2) Fair Value Information - Financial Instruments Measured at Fair Value on a Recurring Basis

##### 1. Fair Value Hierarchy

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value</u>				
<u>through Profit or Loss</u>				
Derivatives	\$ -	\$ 107	\$ -	\$ 107
Domestic publicly traded shares	112,930	-	-	112,930
Domestic Emerging Stocks	-	17,412	-	17,412
Domestic Limited Partnerships	-	-	128,295	128,295
- Non-publicly traded shares	-	-	387,424	387,424
Total	<u>\$ 112,930</u>	<u>\$ 17,519</u>	<u>\$ 515,719</u>	<u>\$ 646,168</u>
<u>Financial Assets at Fair Value</u>				
<u>through Other Comprehensive Income</u>				
Equity Instrument Investments				
- Domestic publicly traded placement shares	\$ -	\$ 107,710	\$ -	\$ 107,710
- Domestic publicly traded shares	1,325,893	-	-	1,325,893
- Domestic Emerging Stocks	237,702	75,236	-	312,938
- Non-publicly traded shares	-	-	352,824	352,824
Total	<u>\$1,563,595</u>	<u>\$ 182,946</u>	<u>\$ 352,824</u>	<u>\$2,099,365</u>
<u>Financial liabilities at fair value</u>				
<u>through profit or loss</u>				
Derivatives	\$ -	\$ 405	\$ -	\$ 405

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value</u>				
<u>through Profit or Loss</u>				
Derivatives	\$ -	\$ 958	\$ -	\$ 958
Domestic publicly traded shares	519,303	-	-	519,303
Domestic Emerging Stocks	43,350	-	-	43,350
Domestic Limited Partnerships	-	-	44,212	44,212
Total	<u>\$ 562,653</u>	<u>\$ 958</u>	<u>\$ 44,212</u>	<u>\$ 607,823</u>
<u>Financial Assets at Fair Value</u>				
<u>through Other Comprehensive Income</u>				
Equity Instrument Investments				
- Domestic publicly traded shares	\$1,085,005	\$ -	\$ -	\$1,085,005
- Domestic Emerging Stocks	-	224,147	-	224,147
- Non-publicly traded shares	-	-	368,525	368,525
Total	<u>\$1,085,005</u>	<u>\$ 224,147</u>	<u>\$ 368,525</u>	<u>\$1,677,677</u>
<u>Financial liabilities at fair value</u>				
<u>through profit or loss</u>				
Derivatives	\$ -	\$ 120	\$ -	\$ 120

There were no transfers between Level 1 and Level 2 fair value measurements in 2025; in 2024, due to the expiration of the lock-up period on a portion of Symtek's shares held, transfers were made from Level 2 to Level 1.

2. Reconciliation of Financial Instruments Measured at Level 3 Fair Value

2025

<u>Financial Assets</u>	<u>Fair Value through Profit or Loss</u>	<u>Financial Assets at Fair Value through Other Comprehensive Income</u>	<u>Total</u>
	<u>Equity Instruments</u>	<u>Equity Instruments</u>	
Beginning Balance	\$ 44,212	\$ 368,525	\$ 412,737
Recognized in profit or loss	( 5,137 )	-	( 5,137 )
Recognized in other comprehensive income	-	( 42,311 )	( 42,311 )
Purchase	476,644	264,750	741,394
Disposals	-	( 79,900 )	( 79,900 )
Transfer Out of Level 3	-	( 158,240 )	( 158,240 )
Ending Balance	<u>\$ 515,719</u>	<u>\$ 352,824</u>	<u>\$ 868,543</u>

2024

<b>Financial Assets</b>	<b>Fair Value through</b>	<b>Financial Assets at</b>	<b>Total</b>
	<b>Profit or Loss</b>	<b>Fair Value through</b>	
	<b>Equity</b>	<b>Other</b>	
	<b>Instruments</b>	<b>Comprehensive</b>	
		<b>Income</b>	
	<b>Equity</b>	<b>Equity</b>	
	<b>Instruments</b>	<b>Instruments</b>	
Beginning Balance	\$ -	\$ 87,965	\$ 87,965
Recognized in profit or loss	( 1,568 )	-	( 1,568 )
Recognized in other comprehensive income	-	112,367	112,367
Purchase	81,780	213,088	294,868
Disposals	-	( 44,895 )	( 44,895 )
Transfer Out of Level 3	( 36,000 )	-	( 36,000 )
Ending Balance	<u>\$ 44,212</u>	<u>\$ 368,525</u>	<u>\$ 412,737</u>

### 3. Valuation Techniques and Inputs for Level 2 Fair Value Measurement

<b>Financial Instrument Categories</b>	<b>Valuation Techniques and Inputs</b>
Derivatives - Forward exchange contracts	Discounted cash flow method: Future cash flows are estimated based on observable forward exchange rates at the end of the period and the exchange rates stipulated in the contracts, and are discounted using discount rates that reflect the credit risk of each counterparty.
Derivatives - Convertible Corporate Bond Redemption Options	The fair value is estimated using a binomial tree convertible bond valuation model, with stock price volatility being the significant unobservable input used. When stock price volatility increases, the fair value of these derivatives will increase.
Domestic publicly traded securities	The consolidated company's investment in private common shares is a financial instrument with an active market but is restricted from sale due to a lock-up period. The company determines the fair value of this financial instrument based on relevant market prices.
Emerging stock market securities	The consolidated company's holdings of general and privately placed common stock investments, due to limited trading volume or lock-up period restrictions, do not possess active market characteristics. The consolidated company determines the fair value of these financial instruments based on relevant market prices and considering liquidity discounts.

#### 4. Valuation Techniques and Inputs for Level 3 Fair Value Measurement

- (1) The fair value of non-publicly quoted stocks is based on the market valuation method - using the price-earnings ratio method and price-to-book ratio method as the basis to evaluate a reasonable fair value.
- (2) The fair value of limited partnerships is evaluated using the asset-based approach, referring to the net asset value and operating conditions from the recently published financial statements of the investment targets.(

#### (3) Types of Financial Instruments

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
<u>Financial Assets</u>		
Fair Value through Profit or Loss		
Mandatorily measured at fair value through profit or loss	\$ 646,168	\$ 607,823
Financial assets measured at amortized cost (Note 1)	7,690,169	6,852,028
Financial Assets at Fair Value through Other Comprehensive Income Equity Instrument Investments		
	2,099,365	1,677,677
<u>Financial liabilities</u>		
Fair Value through Profit or Loss		
Held for trading	405	120
Measured at amortized cost (Note 2)	11,619,432	8,794,626

Note 1: The balance includes cash and cash equivalents, notes receivable, accounts receivable (including related parties), financial assets measured at amortized cost, other receivables (including related parties), and refundable deposits, which are financial assets measured at amortized cost.

Note 2: The balance includes short-term borrowings, notes payable, accounts payable (including related parties), other payables, guarantee deposits received, current portion of long-term liabilities, corporate bonds payable, and long-term borrowings, which are financial liabilities measured at amortized cost.

#### (4) Financial Risk Management Objectives and Policies

The consolidated company's major financial instruments include investments in equity instruments, accounts receivable, accounts payable, corporate bonds payable, and borrowings. The above financial instruments are associated with operational financial risks.

(including exchange rate risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

## 1. Market Risk

The consolidated company's operating activities expose it to major financial risks, including foreign currency exchange rate fluctuation risk (see(1) below) and interest rate fluctuation risk (see(2) below).

The consolidated company's exposure to market risks related to financial instruments and its methods of managing and measuring these exposures have not changed.

### (1) Exchange Rate Risk

Several subsidiaries of the Company engage in sales and purchase transactions denominated in foreign currencies, thus exposing the consolidated company to exchange rate fluctuation risks. The consolidated company manages its exchange rate exposure by using forward foreign exchange contracts and options within policy-approved limits.

The carrying amounts of the consolidated company's monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date (including monetary items denominated in non-functional currencies that have been eliminated in the consolidated financial statements) are referred to in Note 41.

### Sensitivity Analysis

The consolidated company is mainly affected by fluctuations in the US dollar, Japanese yen, and Chinese yuan.

The table below provides a detailed explanation of the consolidated company's sensitivity analysis when the New Taiwan Dollar (functional currency) increases and decreases by 1% against each relevant foreign currency. 1% is the sensitivity ratio used when reporting exchange rate risks to key management personnel within the group, and also represents management's assessment of the reasonably possible range of foreign currency exchange rate fluctuations.

	Impact of US Dollar Currency		Impact of Japanese Yen Currency		Impact of Chinese Yuan Currency	
	2025	2024	2025	2024	2025	2024
Profit and Loss	\$ 6,149	\$ 9,592 (i)	\$ 7	\$ 215 (ii)	( \$ 169 )	( \$ 185 ) (iii)

(i) This mainly arises from the consolidated company's outstanding US dollar-denominated bank deposits, receivables and payables that have not been hedged for cash flow at the balance sheet date.

- (ii) This mainly arises from the consolidated company's outstanding Japanese yen-denominated bank deposits, receivables and payables that have not been hedged for cash flow at the balance sheet date.
- (iii) This mainly arises from the consolidated company's outstanding Chinese yuan-denominated receivables and payables that have not been hedged for cash flow at the balance sheet date.

(2) Interest Rate Risk

As entities within the consolidated company borrow funds at both fixed and floating interest rates, this creates interest rate exposure.

The carrying amounts of financial assets and financial liabilities exposed to interest rate risk at the consolidated company's balance sheet date are as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Fair value interest rate risk		
- Financial assets	\$ 1,904,720	\$ 1,223,245
- Financial liabilities	559,010	630,839
Cash flow interest rate risk		
- Financial assets	3,696,392	4,004,520
- Financial liabilities	9,352,242	6,462,502

Sensitivity Analysis

The following sensitivity analysis is determined based on the interest rate exposure of derivative and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis assumes that the amount of liabilities outstanding at the balance sheet date was outstanding throughout the reporting period. The rate of change used by the Group when reporting interest rates to key management internally is an increase or decrease of 25 basis points, which also represents management's assessment of the reasonable possible range of interest rate fluctuations.

If interest rates increase/decrease by 25 basis points, with all other variables remaining constant, the consolidated company's profit before income tax for 2024 and 2023 would decrease/increase by NT\$6,145 thousand and increase/decrease by NT\$1,916 thousand, respectively.

(3) Other price risks

The consolidated company has equity price exposure arising from equity securities and domestic limited partnership investments. The consolidated

company's management manages risk by holding diversified risk investment portfolios.

### Sensitivity Analysis

The following sensitivity analysis is conducted based on the equity price exposure at the balance sheet date.

If equity prices rise/fall by 10%, the pre-tax profit and loss for 2025 and 2024 would increase/decrease by NT\$64,606 thousand and NT\$60,687 thousand, respectively, due to the rise/fall in fair value of financial assets at fair value through profit or loss. The pre-tax other comprehensive income for 2025 and 2024 would increase/decrease by NT\$209,937 thousand and NT\$167,768 thousand, respectively, due to the rise/fall in the fair value of financial assets at fair value through other comprehensive income.

The consolidated company's sensitivity to price risk increased during the period, mainly due to the purchase of domestic listed (OTC) stocks and domestic limited partnerships.

## 2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the group. As of the balance sheet date, the maximum credit risk exposure that may cause financial loss to the consolidated company due to counterparty failure to fulfill obligations and financial guarantees provided by the consolidated company mainly comes from:

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

The policy adopted by the consolidated company is to only transact with creditworthy counterparties and obtain sufficient collateral, where appropriate, to mitigate the risk of financial loss from defaults. To mitigate credit risk, the consolidated company's management has assigned a dedicated team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure appropriate actions are taken for the collection of overdue receivables. Furthermore, the consolidated company reviews the recoverable amount of each receivable on the balance sheet date to ensure that appropriate impairment losses have been recognized for irrecoverable receivables. Accordingly, the Company's management believes that the consolidated company's credit risk has been significantly reduced. Therefore, the credit risk is limited.

The credit risk of the consolidated company is primarily concentrated in its largest customer. As of December 31, 2025 and 2024, the proportion of total accounts receivable from the aforementioned customer was 43% and 16%, respectively.

### 3. Liquidity Risk

The consolidated company manages and maintains sufficient positions of cash and cash equivalents to support the group's operations and mitigate the impact of cash flow fluctuations. The management of the consolidated company monitors the use of bank financing facilities and ensures compliance with loan agreement terms.

Bank loans are an important source of liquidity for the consolidated company. As of the years ended 2025 and 2024, the consolidated company's unused short-term bank financing facilities are described in section(2) Financing Facilities below.

#### (1) Liquidity of Non-derivative Financial Liabilities

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

#### December 31, 2025

	<u>Less than 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>3 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities</u>						
Notes Payable	\$ 136	\$ -	\$ -	\$ -	\$ -	\$ 136
Accounts Payable	718,637	-	-	-	-	718,637
Other Payables	1,196,272	-	-	-	-	1,196,272
Lease liabilities	66,403	50,365	30,067	17,968	102,197	267,000
Guarantee deposits received	-	2,006	-	-	-	2,006
Other Current Liabilities	46,305	-	-	-	-	46,305
Borrowings	1,064,334	4,407,964	536,099	3,343,845	-	9,352,242
Convertible bonds	356,100	-	-	-	-	356,100
	<u>\$ 3,448,187</u>	<u>\$ 4,460,335</u>	<u>\$ 566,166</u>	<u>\$ 3,361,813</u>	<u>\$ 102,197</u>	<u>\$ 11,938,698</u>

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

	<u>Less than 1 year</u>	<u>1~2 years</u>	<u>2~3 year</u>	<u>3~5 years</u>	<u>More than 5 years</u>
Lease liabilities	<u>\$ 66,403</u>	<u>\$ 50,365</u>	<u>\$ 30,067</u>	<u>\$ 17,968</u>	<u>\$ 102,197</u>

## December 31, 2024

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	More than 5 years	Total
<u>Non-derivative financial liabilities</u>						
Notes Payable	\$ 114	\$ -	\$ -	\$ -	\$ -	\$ 114
Accounts Payable	697,538	-	-	-	-	697,538
Other Payables	1,239,934	-	-	-	-	1,239,934
Lease liabilities	60,662	46,621	40,593	37,198	104,324	289,398
Guarantee deposits received	-	10,356	-	-	-	10,356
Other Current Liabilities	85,143	-	-	-	-	85,143
Borrowings	1,106,530	710,720	303,130	4,342,122	-	6,462,502
Convertible bonds	-	399,100	-	-	-	399,100
	<u>\$ 3,189,921</u>	<u>\$ 1,166,797</u>	<u>\$ 343,723</u>	<u>\$ 4,379,320</u>	<u>\$ 104,324</u>	<u>\$ 9,184,085</u>

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

	Less than 1 year	1-2 years	2-3 year	3-5 years	More than 5 years
Lease liabilities	<u>\$ 60,662</u>	<u>\$ 46,621</u>	<u>\$ 40,593</u>	<u>\$ 37,198</u>	<u>\$ 104,324</u>

### (2) Financing Facilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured bank loan facilities (renewable upon mutual agreement)		
Amount utilized	\$ 4,995,052	\$ 2,677,646
Unused amount	<u>3,326,663</u>	<u>920,000</u>
	<u>\$ 8,321,715</u>	<u>\$ 3,597,646</u>
Secured bank loan facilities (renewable upon mutual agreement)		
Amount utilized	\$ 4,352,321	\$ 3,781,420
Unused amount	<u>1,843,660</u>	<u>1,420,097</u>
	<u>\$ 6,195,981</u>	<u>\$ 5,201,517</u>

### 38. Related Party Transactions

Transactions, account balances, revenues, and expenses between the Company and its subsidiaries (which are related parties of the Company) are fully eliminated upon consolidation and are therefore not disclosed in this note. Apart from those disclosed in other notes, transactions between the consolidated company and other related parties are as follows.

(1) Names of Related Parties and Their Relationships

<u>Names of Related Parties</u>	<u>Relationship with the Consolidated Company</u>
Jin Peng Investment Co., Ltd. (hereinafter referred to as Jin Peng)	Substantial related party
Sheng Jie Investment Co., Ltd. (hereinafter referred to as Sheng Jie)	Substantial related party
Yun Sheng Investment Co., Ltd. (hereinafter referred to as Yun Sheng)	Substantial related party
Onore King Taiwan International Marketing Co., Ltd. (hereinafter referred to as Onore King)	Substantial related party
Laien Parts Technology Co., Ltd. (hereinafter referred to as Laien Parts)	Substantial related party
Giga Computing Technology Co., Ltd. (hereinafter referred to as Giga Computing)	Substantial related party
Sun Bright Technology Co., Ltd. (hereinafter referred to as Sun Bright)	Substantial related party
Symtek Automation Asia Co., Ltd. (hereinafter referred to as Symtek)	Substantial related party
Symtek Automation Asia (DongGuan) Co., Ltd. (hereinafter referred to as Symtek (DongGuan) )	Substantial related party
Jau Yeou Industry Co., Ltd. (hereinafter referred to as Jau Yeou)	Substantial related party
Lo, Tsai-Fang	Substantial related party
Chongqing Huanmei Electronic Technology Co., Ltd. (hereinafter referred to as Chongqing Huanmei)	Associates
Shenzhen Global Magic Electronic Co., Ltd. (hereinafter referred to as Shenzhen Global Magic)	Associates
Global Magic Electronic Co., Ltd. (hereinafter referred to as Global Magic)	Associates
Jin Hui Technology Co., Ltd. (hereinafter referred to as Jin Hui)	Associates
YAHOO System Technology Co., Ltd. (hereinafter referred to as YAHOO)	Associates
i Analyzer Incorporation (hereinafter referred to as i Analyzer Company)	Associates

(2) Operating Revenue

<u>Items Listed in Account</u>	<u>Names of Related Parties</u>	<u>2025</u>	<u>2024</u>
Sales Revenue	Substantial related party	\$ 10,209	\$ 19,677
	Associates	<u>9,117</u>	<u>17,434</u>
		<u>\$ 19,326</u>	<u>\$ 37,111</u>

The consolidated company's selling prices to related parties are comparable to those of general customers.

(3) Purchases

<b>Items Listed in Account</b>	<b>Names of Related Parties</b>	<b>2025</b>	<b>2024</b>
Cost of Goods Sold	Substantial related party Associates	\$ -	\$ 67,183
		<u>169,102</u>	<u>108,225</u>
		<u>\$ 169,102</u>	<u>\$ 175,408</u>

Purchases are made based on market prices with discounts, reflecting the quantity purchased and the relationship with the related party.

(4) Receivables from Related Parties (Excluding Loans to Related Parties)

<b>Items Listed in Account</b>	<b>Names of Related Parties</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Accounts Receivable - Related Parties	Symtek	\$ 475	\$ 496
	Symtek Automation China Co., Ltd.	6	-
	Giga Computing	255	-
	Chongqing Huanmei	7,333	11,950
	Global Magic	<u>62</u>	<u>-</u>
		<u>\$ 8,131</u>	<u>\$ 12,446</u>
Other Receivables - Related Parties	Symtek	\$ 984	\$ 206
	Jin Hui	12	1
	YAHOO	126	67
	Giga Computing	405,000	-
	Laien Parts	<u>12</u>	<u>10</u>
		<u>\$ 406,134</u>	<u>\$ 284</u>

No collateral is held for outstanding receivables from related parties. No expected credit loss was recognized on receivables from related parties in 2025 and 2024.

(5) Payables to Related Parties (Excluding Loans from Related Parties)

<u>Items Listed in Account</u>	<u>Names of Related Parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts Payable - Related Parties		\$ -	\$ 956
	Laien Parts		
	Symtek	-	5,654
	Jin Hui	17,531	6,713
	YAHO	25,239	41,835
	Chongqing Huanmei	18,631	21,151
	i Analyzer Company	<u>105</u>	<u>-</u>
		<u>\$ 61,506</u>	<u>\$ 76,309</u>
Other Payables - Related Parties	Chongqing Huanmei	\$ -	\$ 1,715
	Laien Parts	10	10
	YAHO	<u>12,238</u>	<u>-</u>
		<u>\$ 12,248</u>	<u>\$ 1,725</u>

Outstanding payables to related parties are not secured by collateral.

(6) Prepayments

<u>Names of Related Parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Symtek	\$ 1,785	\$ -
YAHO	<u>6,746</u>	<u>6,746</u>
	<u>\$ 8,531</u>	<u>\$ 6,746</u>

(7) Property, Plant and Equipment Acquired

<u>Names of Related Parties</u>	<u>Acquisition Cost</u>	
	<u>2025</u>	<u>2024</u>
YAHO	<u>\$ 42,780</u>	<u>\$ 21,390</u>

(8) Disposal of Property, Plant and Equipment

<u>Names of Related Parties</u>	<u>Disposal Proceeds</u>		<u>Disposal (Loss) Gain</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Giga Computing	<u>\$ 405,000</u>	<u>\$ -</u>	<u>\$ 124,649</u>	<u>\$ -</u>

## (9) Lease Agreements

<u>Related Party Categories</u>	<u>2025</u>	<u>2024</u>	
<u>Acquisition of Right-of-use</u>			
<u>Assets</u>			
Substantial related party			
Lo, Tsai-Fang	\$ <u>          -</u>	\$ <u>  1,754</u>	
<u>Items Listed in Account</u>	<u>Names of Related Parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Lease liabilities	Substantial related party	\$ <u>  813</u>	\$ <u> 1,386</u>

Lease Expenses

<u>Lessor</u>	<u>Subject Matter</u>	<u>Leasing Method and Rental Payment Terms</u>	<u>Lease Expenses</u>	
			<u>2025</u>	<u>2024</u>
Substantial related party	Employee Dormitory	Monthly rent of NT\$235 thousand, paid monthly.	\$ <u> 2,604</u>	\$ <u> 2,832</u>
Substantial related party	Warehouse	Monthly rent of NT\$150 thousand, paid monthly.	\$ <u> 1,800</u>	\$ <u> 1,800</u>
Substantial related party	Factory Building	Monthly rent of NT\$245 thousand, paid monthly.	\$ <u> 2,945</u>	\$ <u> 2,945</u>
Associates	Factory Building	Monthly rent of RMB 250 thousand, paid monthly.	\$ <u>13,000</u>	\$ <u> 6,681</u>
Associates	Factory Building	Monthly rent of RMB 25 thousand, paid monthly.	\$ <u> 1,122</u>	\$ <u>  186</u>

## (10) Lease Agreements

1. Other advance receipts (listed as contract liabilities) are summarized as follows:

<u>Names of Related Parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Sheng Jie	\$ 8	\$ 8
Yun Sheng	8	8
Jin Peng	8	8
	<u>\$ 24</u>	<u>\$ 24</u>

2. The total amount of future lease payments to be received is summarized as follows:

<u>Names of Related Parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Substantial related party	\$ <u>36</u>	\$ <u>12</u>

3. Lease income is summarized as follows:

<u>Lessee</u>	<u>Subject Matter</u>	<u>Leasing Method and Rental Payment Terms</u>	<u>2025</u>	<u>2024</u>
Substantial related party	Office	Monthly rent of 1 thousand dollars, paid monthly.	\$ 48	\$ 48
	Employee Dormitory	Monthly rent of US\$1.85 thousand, paid monthly.	-	178
Associates	Office	Monthly rent of US\$12 thousand, paid monthly.	5,893	-
	Employee Dormitory	Monthly rent of US\$16 thousand, paid monthly.	<u>3,085</u>	<u>-</u>
			<u>\$ 9,026</u>	<u>\$ 226</u>

4. Guarantee deposits are summarized as follows:

<u>Names of Related Parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Sheng Jie	\$ 2	\$ 2
Yun Sheng	2	2
Jin Peng	2	2
Onore King	2	2
YAHU	126	616
	<u>\$ 134</u>	<u>\$ 624</u>

(11) Transactions with Other Related Parties

1. Other Assets and Liabilities

<u>Items Listed in Account</u>	<u>Names of Related Parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Refundable Deposits	Sheng Jie	\$ 103	\$ 103
	Yun Sheng	<u>300</u>	<u>300</u>
		<u>\$ 403</u>	<u>\$ 403</u>
Collections for others	Sun Bright	<u>\$ 36,686</u>	<u>\$ 78,190</u>
Temporary receipts	YAHU	<u>\$ 1</u>	<u>\$ -</u>

2. Manufacturing Expenses and Operating Expenses

Items Listed in Account	Names of Related Parties	2025	2024
Manufacturing Expenses	Substantial related party Associates	\$ 2,368	\$ -
		<u>-</u>	<u>15</u>
		<u>\$ 2,368</u>	<u>\$ 15</u>
Operating expenses	Associates	<u>\$ 5,679</u>	<u>\$ 3,639</u>

3. Other Income

Items Listed in Account	Names of Related Parties	2025	2024
Other Income	Substantial related party Associates	\$ 2,271	\$ 2,349
		<u>161</u>	<u>67</u>
		<u>\$ 2,432</u>	<u>\$ 2,416</u>

4. Other gains and losses

Items Listed in Account	Names of Related Parties	2025	2024
Compensation for losses	Substantial related party	<u>\$ 8,667</u>	<u>\$ -</u>

5. Interest Expenses

Items Listed in Account	Names of Related Parties	2025	2024
Interest Expenses	Substantial related party	<u>\$ -</u>	<u>\$ 26</u>

(12) Compensation of Key Management Personnel

	2025	2024
Short-term Employee Benefits	\$ 144,997	\$ 162,858
Share-based payment	<u>-</u>	<u>7,816</u>
	<u>\$ 144,997</u>	<u>\$ 170,674</u>

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

### 39. Pledged Assets

The following assets have been provided as collateral for financing loans:

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Pledged certificates of deposit (recognized under financial assets measured at amortized cost)	\$ 150,852	\$ 141,802
Pledged deposits (recognized under financial assets measured at amortized cost)	38,628	276,592
Owned Land	2,391,127	2,369,622
Buildings - net	789,165	543,617
Investment property	252,016	657,510
Construction in progress	<u>261,877</u>	<u>-</u>
	<u>\$ 3,883,665</u>	<u>\$ 3,989,143</u>

### 40. Significant Contingent Liabilities and Unrecognized Contractual Commitments

In addition to those mentioned in other notes, the consolidated company has the following significant commitments and contingencies as of the balance sheet date:

#### (1) Significant Commitments

1. As of December 31, 2025, the consolidated company issued guarantee notes totaling NT\$377,160 thousand (including long-term and short-term borrowings) for applying credit facilities from financial institutions.
2. The consolidated company has contractual commitments with various manufacturers to purchase equipment and construct residential complex with a total contract value of NT\$6,756,897 thousand. As of December 31, 2025, NT\$904,775 thousand has been paid, which is recorded as prepaid equipment of NT\$527,836 thousand, properties under construction of NT\$151,290 thousand, and construction in progress of NT\$225,649 thousand. The remaining NT\$5,852,122 thousand has not yet been paid.
3. As of December 31, 2025, the consolidated company's remaining committed investment amount for signed limited partnership fund contracts that has not yet been invested is NT\$165,000 thousand.

#### (2) Contingent Matters

The Company's R.O.C. Invention Patent No. I238804 was infringed upon without authorization by Entegris Inc. (hereinafter referred to as "Entegris") and others, causing damages to the Company. The Company filed a damage compensation lawsuit with the Intellectual Property and Commercial Court, requesting that the aforementioned parties

jointly and severally compensate the Company in the amount of NT\$100 million. After hearing by the first and second instance courts, the claim was dismissed as groundless. The Company appealed the judgment to the Supreme Court and retained attorneys at Formosa Transnational Attorneys at Law to represent and handle the case. On November 5, 2025, the Supreme Court dismissed the appeal, and the case became final.

Entegris Inc. has filed a lawsuit against the Company with the Intellectual Property Court of the Intellectual Property and Commercial Court for damages, claiming that the Company infringed upon its Republic of China invention patent No. I830642, and demanding compensation of NT\$30 million from the Company. The Company received a copy of the complaint on May 15, 2024, and the case is currently undergoing first-instance proceedings at the Intellectual Property Court.

After evaluation, the cases still under review are not expected to have a significant impact on the Company's financial and business operations.

#### 41. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following information is presented as a summary of foreign currencies other than the functional currency of each entity within the consolidated company. The exchange rates disclosed refer to the rates used to convert these foreign currencies into the functional currency. Foreign currency assets and liabilities with significant impact are as follows:

December 31, 2025

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Foreign Currency Assets</u>			
<u>Monetary Items</u>			
USD	\$ 24,025	31.43 (US Dollar: New Taiwan Dollar)	\$ 755,106
JPY	7,480	0.201 (Japanese Yen: New Taiwan Dollar)	1,503
RMB	4,208	4.496 (Chinese Yuan: New Taiwan Dollar)	<u>18,919</u>
			<u>\$ 775,528</u>
<u>Foreign Currency</u>			
<u>Liabilities</u>			
<u>Monetary Items</u>			
USD	4,460	31.43 (US Dollar: New Taiwan Dollar)	\$ 140,178
JPY	4,241	0.201 (Japanese Yen: New Taiwan Dollar)	852
RMB	7,968	4.496 (Chinese Yuan: New Taiwan Dollar)	<u>35,824</u>
			<u>\$ 176,854</u>

December 31, 2024

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Foreign Currency Assets</u>			
<u>Monetary Items</u>			
USD	\$ 34,727	32.785 (US Dollar: New Taiwan Dollar)	\$ 1,138,525
JPY	106,002	0.210 (Japanese Yen: New Taiwan Dollar)	22,250
RMB	331	4.478 (Chinese Yuan: New Taiwan Dollar)	1,482
			<u>\$ 1,162,257</u>
<u>Foreign Currency</u>			
<u>Liabilities</u>			
<u>Monetary Items</u>			
USD	5,470	32.785 (US Dollar: New Taiwan Dollar)	\$ 179,334
JPY	3,393	0.210 (Japanese Yen: New Taiwan Dollar)	712
RMB	4,455	4.478 (Chinese Yuan: New Taiwan Dollar)	19,949
			<u>\$ 199,995</u>

For the years 2025 and 2024, the consolidated company's net foreign currency exchange gains (losses) (realized and unrealized) were a loss of NT\$75,032 thousand and a gain of NT\$81,826 thousand, respectively. Due to the numerous foreign currency transactions and various functional currencies of group entities, it is impracticable to disclose exchange gains (losses) by each significant foreign currency.

#### 42. Supplementary Disclosures

(1) Information on Significant Transactions and(2) Information on Investee Companies:

Number	Item	Description
1	Loans to others.	Table 1
2	Endorsement and guarantee for others.	Table 2
3	Significant securities held at end of period (Excluding Investments in Subsidiaries, Associates and Joint Ventures)	Table 3
4	Purchases or Sales with Related Parties Reaching NT\$100 Million or 20% of Paid-in Capital or More.	Table 4
5	Receivables from Related Parties Reaching NT\$100 Million or 20% of Paid-in Capital or More.	Table 5
6	Others: Business Relationships and Significant Intercompany Transactions between the Parent Company and its Subsidiaries, and among Subsidiaries, and the Amounts thereof.	Table 6

(2) Information on Investee Companies (Table 7)

(3) Information on Investment in Mainland China:

Number	Item	Description
1	Names of investee companies in Mainland China, their main business activities, paid-in capital, investment method, inward and outward remittance of funds, ownership percentage, profit or loss for the period and recognized investment gain or loss, ending investment carrying amount, investment income remitted back to Taiwan, and limits on investment in Mainland China.	Table 8
2	Significant transactions that have occurred directly or indirectly through a third area with investee companies in Mainland China, including their prices, payment terms, and unrealized gains or losses:	
	(1) Purchase amount and percentage, and the ending balance and percentage of related accounts payable.	Table 9
	(2) Sales amount and percentage, and the ending balance and percentage of related accounts receivable.	Table 9
	(3) Amount of property transactions and the resulting gain or loss.	None
	(4) Ending balance of endorsements/guarantees or collateral provided and their purpose.	Table 2
	(5) Maximum balance of financing, ending balance, interest rate range, and total interest for the current period.	Table 1
	(6) Other transaction matters that have a significant impact on the current profit or loss or financial position, such as the provision or receipt of services, etc.	Table 9

#### 43. Segment Information

Information provided to the chief operating decision maker for allocating resources and assessing segment performance focuses on the types of products or services delivered or provided. The reportable segments of the consolidated company are as follows:

Semiconductor - Carriers.

Semiconductor - Equipment manufacturing.

Others

(1) Segment Revenue and Operating Results

The consolidated company's revenue and operating results analyzed by reportable segment are as follows:

	<b>2025</b>				
	<b>Semiconductor Manufacturing</b>	<b>Semiconductor Equipment Manufacturing</b>	<b>Others</b>	<b>Reconciliation and Elimination</b>	<b>Total</b>
Revenue					
Revenue from External					
Customers	\$ 5,623,900	\$ 1,282,045	\$ 441,297	\$ -	\$ 7,347,242
Intersegment Revenue	902,760	47,287	2,395	( 952,442)	-
Interest Income	<u>29,384</u>	<u>18,141</u>	<u>7,460</u>	<u>-</u>	<u>54,985</u>
Total Revenue	<u>\$ 6,556,044</u>	<u>\$ 1,347,473</u>	<u>\$ 451,152</u>	<u>(\$ 952,442)</u>	<u>\$ 7,402,227</u>
Interest Expense	<u>\$ 164,587</u>	<u>\$ 4,411</u>	<u>\$ 6,091</u>	<u>(\$ 154)</u>	<u>\$ 174,935</u>
Depreciation and Amortization	<u>\$ 512,898</u>	<u>\$ 41,122</u>	<u>\$ 82,388</u>	<u>\$ -</u>	<u>\$ 636,408</u>
Segment (Loss) Profit	<u>\$ 924,278</u>	<u>\$ 239,685</u>	<u>\$ 94,437</u>	<u>(\$ 259,981)</u>	<u>\$ 998,419</u>
	<b>2024</b>				
	<b>Semiconductor Manufacturing</b>	<b>Semiconductor Equipment Manufacturing</b>	<b>Others</b>	<b>Reconciliation and Elimination</b>	<b>Total</b>
Revenue					
Revenue from External					
Customers	\$ 5,007,659	\$ 1,244,006	\$ 293,131	\$ -	\$ 6,544,796
Intersegment Revenue	855,941	64,995	2,849	( 923,785)	-
Interest Income	<u>27,621</u>	<u>19,070</u>	<u>6,651</u>	<u>( 1,422)</u>	<u>51,920</u>
Total Revenue	<u>\$ 5,891,221</u>	<u>\$ 1,328,071</u>	<u>\$ 302,631</u>	<u>(\$ 925,207)</u>	<u>\$ 6,596,716</u>
Interest Expense	<u>\$ 101,632</u>	<u>\$ 1,967</u>	<u>\$ 6,990</u>	<u>(\$ 1,635)</u>	<u>\$ 108,594</u>
Depreciation and Amortization	<u>\$ 357,696</u>	<u>\$ 38,225</u>	<u>\$ 109,530</u>	<u>(\$ 3,409)</u>	<u>\$ 502,042</u>
Segment (Loss) Profit	<u>\$ 1,353,272</u>	<u>\$ 239,746</u>	<u>\$ 215,479</u>	<u>(\$ 531,336)</u>	<u>\$ 1,277,161</u>

(2) Segment Assets and Liabilities

	<b>December 31, 2025</b>				
	<b>Semiconductor Manufacturing</b>	<b>Semiconductor Equipment Manufacturing</b>	<b>Others</b>	<b>Reconciliation and Elimination</b>	<b>Total</b>
Segment Assets	<u>\$ 23,446,280</u>	<u>\$ 2,568,392</u>	<u>\$ 4,530,404</u>	<u>(\$ 6,778,545)</u>	<u>\$ 23,766,531</u>
Segment Liabilities	<u>\$ 11,863,920</u>	<u>\$ 956,660</u>	<u>\$ 687,934</u>	<u>(\$ 1,151,503)</u>	<u>\$ 12,357,011</u>
	<b>December 31, 2024</b>				
	<b>Semiconductor Manufacturing</b>	<b>Semiconductor Equipment Manufacturing</b>	<b>Others</b>	<b>Reconciliation and Elimination</b>	<b>Total</b>
Segment Assets	<u>\$ 20,086,768</u>	<u>\$ 2,651,040</u>	<u>\$ 3,319,598</u>	<u>(\$ 4,691,084)</u>	<u>\$ 21,366,322</u>
Segment Liabilities	<u>\$ 8,534,511</u>	<u>\$ 1,080,770</u>	<u>\$ 412,718</u>	<u>(\$ 189,751)</u>	<u>\$ 9,838,248</u>

For the purpose of monitoring segment performance and allocating resources to segments:

1. All assets, except for investments in associates accounted for using the equity method, other financial assets, and current and deferred tax assets, are allocated to the reportable segments. Goodwill has been allocated to the reportable segments. Assets used jointly by reportable segments are allocated on the basis of the revenue earned by individual reportable segments; and

2. All liabilities, except for borrowings, other financial liabilities, and current and deferred tax liabilities, are allocated to the reportable segments. Liabilities attributable jointly to reportable segments are allocated in proportion to segment assets.

(3) Revenue from Major Products and Services

The consolidated company's revenue analysis of major products and services is as follows:

	<u>2025</u>	<u>2024</u>
Photomask carriers	\$ 3,062,675	\$ 2,288,791
Wafer carriers	1,857,917	1,942,595
Equipment products	1,172,112	1,149,790
Semiconductor manufacturing materials and consumables	216,086	235,880
Others	<u>1,038,452</u>	<u>927,740</u>
	<u>\$ 7,347,242</u>	<u>\$ 6,544,796</u>

(4) Geographic Information

The consolidated company mainly operates in two regions - Taiwan and China.

Revenue from external customers of the consolidated company, categorized by operating location, and information on non-current assets, categorized by the location of the assets, are listed as follows:

	<b>Revenue from external customers</b>		<b>Non-current Assets</b>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
			<b>December 31</b>	<b>December 31</b>
Taiwan	\$ 6,557,043	\$ 6,026,223	\$ 9,262,377	\$ 8,374,224
China	750,017	497,448	754,672	722,608
Others	<u>40,182</u>	<u>21,125</u>	<u>754,476</u>	<u>411,982</u>
	<u>\$ 7,347,242</u>	<u>\$ 6,544,796</u>	<u>\$ 10,771,525</u>	<u>\$ 9,508,814</u>

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

(5) Main customer information

Revenue from a single customer that accounts for more than 10% of the consolidated company's total revenue is as follows:

	<u>2025</u>	<u>2024</u>
Customer A	<u>\$ 3,324,720</u>	<u>\$ 2,268,281</u>

GUDENG PRECISION INDUSTRIAL CO., LTD. AND SUBSIDIARIES  
**LENDING FUNDS TO OTHERS**

For the year ended December 31, 2025

**Table 1**

Unit: New Taiwan Dollar and foreign currency in thousands, unless otherwise stated

Number (Note 1)	Company lending funds	Borrowing entity	Nature of transaction	Whether related party	Maximum balance for the period	Ending Balance	Actual amount drawn	Interest rate range	Nature of fund lending (Note 2)	Business transaction amount	Reason for the necessity of short-term financing	Provision for bad debt	Collateral		Individual lending limit (Note 3)	Aggregate lending limit (Note 3)	Notes
													Name	Value			
1	Gudeng Venture Capital Co., Ltd.	Gudeng Japan Co., LTD	Other Receivables - Related Parties	Y	\$ 4,400 (JPY 20,000)	\$ -	\$ -	3%	2	\$ -	Operating turnover	\$ -	-	\$ -	\$ 654,958	\$ 654,958	
2	Kawaguchi Plastic Industry (Kunshan) Co., Ltd.	Dachuan Plastic Industrial (Kunshan) Co., Ltd.	Other Receivables - Related Parties	Y	67,680 (RMB 15,000)	-	-	3%	2	-	Operating turnover	-	-	-	173,423	173,423	

Note 1: The completion of the number field is as follows:

- (1) Issuer fills in 0.
- (2) Invested companies are numbered sequentially starting from Arabic numeral 1 according to company category.

Note 2: The nature of fund lending is explained as follows:

- (1) Fill in 1 for business transactions.
- (2) Fill in 2 for those with necessary short-term financing.

Note 3: The calculation method and amount of fund lending limit.

1. Individual fund lending limit:
  - (1) The Company's fund lending limit to individual counterparties is regulated according to the Company's fund lending procedures, which stipulates that it shall not exceed 40% of the Company's current net worth (as of 2025.12.31).
  - (2) The fund lending limit to individual counterparties by invested companies is regulated according to the Company's fund lending procedures, which stipulates that it shall not exceed 40% of the Company's current net worth (as of 2025.12.31).
2. Total fund lending limit:
  - (1) The Company's accumulated fund lending limit to external parties is regulated according to the Company's fund lending procedures, which stipulates that it shall not exceed 40% of the Company's current net worth (as of 2025.12.31).
  - (2) The accumulated fund lending limit to external parties by invested companies is regulated according to the Company's fund lending procedures, which stipulates that it shall not exceed 40% of the Company's current net worth (as of 2025.12.31).
3. The Company's fund lending limit is calculated based on the net worth in the financial statements audited by accountants; the fund lending limit for invested companies is calculated based on the net worth in the foreign currency financial statements of the Company audited by accountants.

GUDENG PRECISION INDUSTRIAL CO., LTD. AND SUBSIDIARIES  
**ENDORSEMENT AND GUARANTEE FOR OTHERS**

For the year ended December 31, 2025

**Table 2**

Unit: New Taiwan Dollar and foreign currency in thousands, unless otherwise stated

Number (Note 1)	Name of endorsing/ guaranteeing company	Entity being endorsed/guaranteed		Endorsement and guarantee limit for a single enterprise (Note 3)	Maximum balance of endorsement and guarantee for the current period	Ending balance of endorsement and guarantee	Actual amount drawn	Amount of endorsements and guarantees secured by collateral	Ratio of accumulated endorsement and guarantee amount to the net worth of the most recent financial statements (%)	Maximum limit of endorsement and guarantee (Note 3)	Endorsement and guarantee from parent company to subsidiaries	Endorsement and guarantee from subsidiaries to parent company	Endorsement and guarantee for Mainland China	Notes
		Company Name	Relationship (Note 2)											
0	Gudeng Precision Industrial Co., Ltd.	Jiaqian Technology (Shanghai) Co., Ltd.	(3)	\$ 1,948,667	\$ 848,256 (RMB 188,000)	\$ 559,752 (RMB 124,500)	\$ 407,954	\$ -	5.7%	\$ 4,871,667	Y	N	Y	
0	Gudeng Precision Industrial Co., Ltd.	Gudeng Japan Co., LTD	(3)	1,948,667	865,092 (JYP 4,155,100)	834,344 (JYP 4,155,100)	484,273	-	8.6%	4,871,667	Y	N	N	
0	Gudeng Precision Industrial Co., Ltd.	Suting Precision Industry Co., Ltd.	(3)	1,948,667	50,000	-	-	-	-	4,871,667	Y	N	N	
0	Gudeng Precision Industrial Co., Ltd.	JYR Aviation Components Co., Ltd.	(3)	1,948,667	90,000	90,000	-	-	0.9%	4,871,667	Y	N	N	
0	Gudeng Precision Industrial Co., Ltd.	Dachuan Plastic Industrial (Kunshan) Co., Ltd.	(3)	1,948,667	539,520 (RMB 120,000)	539,520 (RMB 120,000)	212,331	-	5.5%	4,871,667	Y	N	Y	
0	Gudeng Precision Industrial Co., Ltd.	Efount international Co., Ltd.	(3)	1,948,667	30,000	30,000	-	-	0.3%	4,871,667	Y	N	N	
1	Dachuan Plastic Industrial (Kunshan) Co., Ltd.	Jiaqian Technology (Shanghai) Co., Ltd.	(4)	62,537	22,480 (RMB 5,000)	22,480 (RMB 5,000)	22,480	-	7.7%	156,342	N	N	Y	

Note 1: The numbering column should be completed as follows:

- (1) Issuer fills in 0.
- (2) Invested companies are numbered sequentially starting from Arabic numeral 1 according to company category.

Note 2: The relationship between the endorser/guarantor and the endorsed/guaranteed party is as follows:

- (1) Companies with business relationships.
- (2) Subsidiaries in which the company directly holds more than 50% of ordinary shares.
- (3) Invested companies in which the parent company and subsidiaries jointly hold more than 50% of ordinary shares.
- (4) Parent companies that directly or indirectly hold more than 50% of ordinary shares in the company through subsidiaries.

Note 3: Calculation method and amount of endorsement/guarantee limits:

1. Endorsement and guarantee limit for a single enterprise:
  - (1) According to the Company's endorsement/guarantee operating procedures, the endorsement/guarantee limit for a single enterprise shall not exceed 20% of the Company's current net worth (2025.12.31).
  - (2) According to the Company's endorsement/guarantee operating procedures, the endorsement/guarantee limit for a single overseas affiliated company shall not exceed 20% of the Company's current net worth (2025.12.31).
2. Maximum limit of endorsement and guarantee:
  - (1) According to the Company's endorsement/guarantee operating procedures, the cumulative limit for external endorsements/guarantees shall not exceed 50% of the Company's current net worth (2025.12.31).

GUDENG PRECISION INDUSTRIAL CO., LTD. AND SUBSIDIARIES  
**SIGNIFICANT SECURITIES HELD AT END OF PERIOD**

December 31, 2025

**Table 3**

Unit: In Thousands of New Taiwan Dollars, except for number of shares

Holding Company	Types and Names of Securities (Note 1)	Relationship with the Securities Issuer	Account Classification	End of Period				Notes
				Number of Shares	Carrying Amount	Shareholding Ratio	Fair value	
Gudeng Precision Industrial Co., Ltd.	Listed Companies							
	Symtek Automation Asia Co., Ltd.	Substantial related party	Financial assets at fair value through other comprehensive income - non-current	7,651,564	\$ 1,052,090	9.31	\$ 1,052,090	—
	MicroProgram Information Co., Ltd	—	"	4,000,000	107,710	7.22	107,710	Note 2
	Non-publicly traded shares Graphen Drugomics, Inc.	—	"	5,000,000	<u>111,576</u>	6.64	<u>111,576</u>	—
					<u>\$ 1,271,376</u>		<u>\$ 1,271,376</u>	
	Domestic Limited Partnerships Oasis Ventures Fund I, L.P. Fund.	—	Financial assets at fair value through profit or loss - non-current	-	<u>\$ 128,295</u>	-	<u>\$ 128,295</u>	—
Gudeng Equipment Co., Ltd.	Listed Companies							
	Symtek Automation Asia Co., Ltd.	Substantial related party	Financial assets at fair value through other comprehensive income - non-current	208	\$ 28,600	0.25	\$ 28,600	—
	Emerging Stock Company Chyi Ding Technologies Co., Ltd.	—	"	500	<u>14,511</u>	1.28	<u>14,511</u>	—
					<u>\$ 43,111</u>		<u>\$ 43,111</u>	
Gudeng Venture Capital Co., Ltd.	Listed Companies							
	SynPower Co., Ltd.	—	Financial assets at fair value through profit or loss - current	364,000	\$ 21,330	1.00	\$ 21,330	—
	Foxwell Power Co., Ltd.	—	"	1,000,000	91,600	1.35	91,600	—
	Asia Neo Tech Industrial Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	2,443,000	214,740	7.57	214,740	—
	Symtek Automation Asia Co., Ltd.	Substantial related party	"	221,545	30,463	0.27	30,463	—
	Emerging Stock Company							
	Chyi Ding Technologies Co., Ltd.	—	Financial assets at fair value through profit or loss - current	600,000	17,412	1.54	17,412	—
Chyi Ding Technologies Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	558,422	16,205	1.43	16,205	—	
	GMT GLOBAL INC.	—	"	401,519	<u>30,889</u>	0.96	<u>30,889</u>	—
					<u>\$ 422,639</u>		<u>\$ 422,639</u>	

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Holding Company	Types and Names of Securities (Note 1)	Relationship with the Securities Issuer	Account Classification	End of Period				Notes
				Number of Shares	Carrying Amount	Shareholding Ratio	Fair value	
Gudeng Venture Capital Co., Ltd.	Non-publicly traded company NanoClean Materials Co., LTD.	—	Financial assets at fair value through other comprehensive income - non-current	1,000,000	\$ 780	10.00	\$ 780	—
	Jiurun Precision Technology Co., Ltd.	—	"	932,000	42,965	16.00	42,965	—
	Origin Precision Technology Co., Ltd.	—	"	590,000	6,478	19.67	6,478	—
	Certain Micro Application Technology Inc.	—	"	1,595,495	120,428	6.97	120,428	—
	KoJem International Co., Ltd.	—	"	761,533	10,273	3.05	10,273	—
	Shun Jih Fa Co., Ltd.	Substantial related party	"	3,900,000	40,248	15.00	40,248	—
	ShuChen AI Co., Ltd.	—	"	2,571,400	<u>12,060</u>	10.00	<u>12,060</u>	—
							<u>\$ 233,232</u>	
Gu Chance Venture Capital CO., LTD.	Emerging Stock Company							
	Nytex Composites Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	3,440,000	\$ 206,813	5.00	\$ 206,813	—
	Santa phoenix technology co., ltd.	—	"	300,000	44,520	1.13	44,520	—
	Non-publicly traded company SteadyBeat Technology Corporation.	—	Financial assets at fair value through other comprehensive income - non-current	428,571	5,516	3.92	5,516	—
	Jia Ying Applied Materials Co., Ltd.	—	"	250,000	2,500	17.86	2,500	—
	Chung King Enterprise Co., Ltd.	—	Financial assets at fair value through profit or loss - current	999,000	375,424	5.00	375,424	—
COHO Advanced Materials Tech. Co., Ltd.	—	"	800,000	<u>12,000</u>	5.82	<u>12,000</u>	—	
							<u>\$ 646,773</u>	

Note 1: The term "securities" as used in this table refers to stocks, bonds, beneficiary certificates, and derivative securities that fall within the scope of IFRS 9 "Financial Instruments".

Note 2: These are private placement common shares, which are financial products that have an active market but cannot be sold due to lock-up period restrictions. The fair value of these financial products is determined based on relevant market prices.

Note 3: The securities held by the Company, except as disclosed in the remarks, are not provided as guarantees, pledged for loans, or restricted by other contractual arrangements.

Note 4: This table presents securities that the Company has determined should be disclosed based on the materiality principle.

Note 5: For information related to investments in subsidiaries, associates and joint venture interests, please refer to Schedule 7 and Schedule 8.

GUDENG PRECISION INDUSTRIAL CO., LTD. AND SUBSIDIARIES

**PURCHASES FROM AND 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

**Table 4**

Unit: In Thousands of New Taiwan Dollars, unless otherwise stated

Purchasing (selling) company	Name of transaction counterparty	Relationship	Transaction status				Circumstances and reasons for transaction conditions differing from general transactions		Notes and accounts receivable (payable)		Notes
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	
Gudeng Precision Industrial Co., Ltd.	Jiaqian Technology (Shanghai) Co., Ltd.	Same affiliated company	Sales	\$ 176,965	4	120 days, monthly settlement	-	-	\$ 68,599	6	
"	Guchii Technology Co., Ltd.	"	Purchases	139,056	5	65 days, monthly settlement	-	-	( 51,479)	( 12)	
Jiaqian Technology (Shanghai) Co., Ltd.	Dachuan Plastic Industrial (Kunshan) Co., Ltd.	"	Purchases	308,833	51	30 days, monthly settlement	-	-	( 25,103)	( 24)	

Note 1: If the terms of related party transactions differ from general transaction terms, differences and reasons should be explained in the unit price and credit period columns.

Note 2: If there are advance receipts (payments), the reasons, contractual terms, amounts, and differences from general transaction patterns should be explained in the remarks column.

Note 3: The paid-in capital refers to the paid-in capital of the parent company. In the case of an issuer whose stocks have no par value or a par value other than NT\$10 per share, the transaction amount requirement of 20% of paid-in capital shall be calculated as 10% of equity attributable to owners of the parent as stated in the balance sheet.

GUDENG PRECISION INDUSTRIAL CO., LTD. AND SUBSIDIARIES  
**RECEIVABLES FROM RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE**

December 31, 2025

**Table 5**

Unit: In Thousands of New Taiwan Dollars, unless otherwise stated

Company with Listed Receivables	Name of transaction counterparty	Relationship	Related Party Receivables Balance of Receivables (Note 1)	Turnover Rate	Overdue Related Party Receivables		Amount of Related Party Receivables Collected Subsequent to Period End	Amount of Allowance for Loss Recognized
					Amount	Treatment Method		
Gudeng Precision Industrial Co., Ltd.	Giga Computing Technology Co., Ltd.	Substantial related party	Other Receivables \$ 405,000	-	\$ -	—	\$ 405,000	\$ -

Note 1: Please list separately by related party accounts receivable, notes receivable, other receivables, etc.

Note 2: The paid-in capital refers to the paid-in capital of the parent company. In the case of an issuer whose stocks have no par value or a par value other than NT\$10 per share, the transaction amount requirement of 20% of paid-in capital shall be calculated as 10% of equity attributable to owners of the parent as stated in the balance sheet.

GUDENG PRECISION INDUSTRIAL CO., LTD. AND SUBSIDIARIES  
**BUSINESS RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS BETWEEN PARENT AND SUBSIDIARIES**

For the year ended December 31, 2025

**Table 6**

Unit: In Thousands of New Taiwan Dollars, unless otherwise stated

Number (Note 1)	Transaction party name	Counterparty to transaction	Relationship with transaction party (Note 2)	Transaction situation			Percentage of consolidated total revenue or total assets (Note 3)
				Classification	Amount	Transaction terms (Note 4)	
0	Gudeng Precision Industrial Co., Ltd.	Gudeng Equipment Co., Ltd.	1	Sales	\$ 12,219	—	-
			1	Purchases	20,926	—	-
			1	Accounts Receivable - Related Parties	6,286	—	-
		Guchii Technology Co., Ltd.	1	Purchases	139,056	—	2
			1	Other expenses	13,540	—	-
			1	Accounts Payable - Related Parties	51,479	—	-
		Suting Precision Industry Co., Ltd.	1	Sales	25,285	—	-
			1	Purchases	15,855	—	-
			1	Accounts Receivable - Related Parties	12,163	—	-
		Jiaqian Technology (Shanghai) Co., Ltd.	1	Sales	176,965	—	2
			1	Other Income	10,610	—	-
			1	Service fees	49,770	—	1
			1	Accounts Receivable - Related Parties	68,599	—	-
		Gudeng Inc. (USA)	1	Other Receivables - Related Parties	10,610	—	-
			1	Sales	18,279	—	-
			1	Service fees	33,396	—	-
		Dachuan Plastic Industrial (Kunshan) Co., Ltd.	1	Other Payables - Related Parties	6,688	—	-
			1	Sales	44,065	—	1
			1	Processing fee	40,081	—	1
		Gudeng Japan Co., LTD	1	Accounts Receivable - Related Parties	40,208	—	-
1	Accounts Payable - Related Parties		30,890	—	-		
1	Prepayment for long-term investments		840,704	—	4		
GUDENG KOREA CO., LTD.	1	Other Income	5,020	—	-		
	1	Other Receivables - Related Parties	5,020	—	-		

Number (Note 1)	Transaction party name	Counterparty to transaction	Relationship with transaction party (Note 2)	Transaction situation			
				Classification	Amount	Transaction terms (Note 4)	Percentage of consolidated total revenue or total assets (Note 3)
1	Jiaqian Technology (Shanghai) Co., Ltd.	Gudeng Equipment Co., Ltd.	3	Purchases	21,367	—	-
		Dachuan Plastic Industrial (Kunshan) Co., Ltd.	3	Sales	6,505	—	-
			3	Purchases	308,833	—	4
			3	Accounts Payable - Related Parties	25,103	—	-
2	Efount international Co., Ltd.	EWKTOOL INC.	3	Accounts Receivable - Related Parties	48,789	—	-

Note 1: Information about business transactions between the parent company and subsidiaries should be noted separately in the number column. The method for filling in the numbers is as follows:

1. Parent company fills in 0.
2. Subsidiaries are numbered sequentially starting from Arabic numeral 1 according to the company.

Note 2: The relationship with the transaction party has the following three types, just indicate the type:

1. Parent company to subsidiaries.
2. Subsidiaries to parent company.
3. Subsidiaries to subsidiaries.

Note 3: The calculation of the transaction amount as a percentage of consolidated total revenue or total assets is as follows: for balance sheet items, calculate using the ending balance as a percentage of consolidated total assets; for income statement items, calculate using the accumulated amount during the period as a percentage of consolidated total revenue.

Note 4: The purchase and sales transaction prices between parent and subsidiaries are according to contract provisions, with payment terms of 90 days monthly settlement, adjusted based on the affiliated companies' capital utilization. For the remaining transactions, due to lack of relevant similar transactions for reference, they are determined through mutual negotiation between both parties.

Note 5: This table's significant transaction activities may be determined by the Company based on the materiality principle as to whether disclosure is required.

GUDENG PRECISION INDUSTRIAL CO., LTD. AND SUBSIDIARIES  
**INVESTEE COMPANY INFORMATION, LOCATION...AND OTHER RELEVANT INFORMATION**

For the year ended December 31, 2025

**Table 7**

Unit: Except for number of shares, in thousands of New Taiwan Dollars and foreign currency

Name of investing company	Name of Investee Company	Location	Main Business Activities	Original Investment Amount		End of Period Holdings			Current Period Profit (Loss) of Investee Company	Investment Profit (Loss) Recognized in Current Period	Notes
				End of Current Period	End of Last Year	Number of Shares	Ratio (%)	Carrying Amount			
Gudeng Precision Industrial Co., Ltd.	Rich Point Global Corp.	Equity Trust Chambers, P. O. Box 3269, Apia, Samoa	Investments in Various Business Operations	\$ 388,571	\$ 388,571	-	100	\$ 636,453	(\$ 6,198)	(\$ 6,198)	Note 1
	Gudeng Venture Capital Co., Ltd.	9F, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City	Venture capital investment and management consulting services	1,377,000	1,077,000	61,700,000	100	1,637,394	( 164,509)	( 164,509)	Note 1
	Guchii Technology Co., Ltd.	No. 9, Dongyuan 2nd Rd., Zhongli Dist., Taoyuan City	Trading, Maintenance, and Servicing of Various Precision Instruments	179,798	179,798	18,000,000	51.43	247,116	26,264	13,611	Note 1
	Gudeng Equipment Co., Ltd.	8F-6, No. 100, Sec. 1, Jiafeng 11th Rd., Zhubei City, Hsinchu County	Manufacturing, trading, maintenance, and servicing of various precision instruments	318,260	316,673	13,649,268	45.48	728,351	239,685	109,637	Note 1
	Gudeng Inc. (USA)	1798 Technology DR, #298 San Jose, CA, 95110	Operation of various electronic component businesses	USD 2,652	USD 2,652	2,652,000	51	94,389	( 12,394)	( 6,321)	Note 1
	Gudeng Aerospace Technologies Corporation	10F, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City	Aircraft and parts retail, wholesale, and manufacturing	320,000	320,000	16,000,000	100	221,090	( 65,263)	( 65,263)	Note 1
	TSS Holdings Limited	4F, No. 172, Sec. 2, Minsheng E. Rd., Zhongshan Dist., Taipei City	Investment and management consulting business	40,000	20,000	4,132,483	12.5	43,977	( 1,634)	( 204)	Note 1
	Gudeng Japan Co., LTD	2-5-19 Hakataeki Higashi, Hakata-ku, Fukuoka-shi, Fukuoka, 812-0013, Japan	Operation of various electronic component businesses	JPY 930,900	JPY 930,900	10,000	100	166,362	( 13,968)	( 13,968)	Note 1
	Jia Shuo Construction, Inc.	9F, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City	Industrial plant, residential and building development, rental and sales business, real estate buying, selling, and leasing business	389,465	210,285	25,000,000	100	389,129	432	432	Note 1
	Gu Chance Venture Capital CO., LTD.	10F, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City	Investment and management consulting business	598,200	280,000	45,000,000	100	955,733	321,320	321,320	Note 1
Jia Rui Verture Capital Co.,Ltd.	10F, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City	Investment and management consulting business	237,472	167,476	7,700,000	100	207,949	( 4,963)	( 7,451)	Note 1	
GUDENG KOREA CO., LTD.	경 기도 화성 시 동탄대로 23 길 121, 1708 호 (영 천동 , 우미뉴브)	Operation of various electronic component businesses	KWR 8,191,060	-	20,000	100	163,413	( 16,755)	( 16,755)	Note 1	
Rich Point Global Corp.	Sun Park Development Limited	Suite 2302-6 23/F Great Eagle CTR 23 Harbour RD Wanchai H.K.	Investments in Various Business Operations	RMB 89,672	RMB 63,920	-	100	RMB 139,488	(RMB 1,339)	(RMB 1,339)	Note 1
	Gudeng Investment Co., Ltd.	TMF Chambers, P. O. Box 3269, Apia, Samoa	Investments in Various Business Operations	RMB 3,428	RMB 22,549	-	100	RMB 2,474	RMB 90	RMB 90	Note 1
Gudeng Venture Capital Co., Ltd.	Jin Hui Technology Co., Ltd.	No. 43, Jingjian 4th Rd., Guanyin Dist., Taoyuan City	Surface treatment and heat treatment, wholesale of chemical materials, manufacturing of other chemical materials and other metals, wholesale of pollution prevention equipment, wholesale of recycling materials	36,050	36,050	3,570,000	34.76	57,726	17,611	6,122	Note 1

(Continued on the next page)

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Name of investing company	Name of Investee Company	Location	Main Business Activities	Original Investment Amount		End of Period Holdings			Current Period Profit (Loss) of Investee Company	Investment Profit (Loss) Recognized in Current Period	Notes
				End of Current Period	End of Last Year	Number of Shares	Ratio (%)	Carrying Amount			
Gudeng Venture Capital Co., Ltd.	i Analyzer Incorporation	No. 99, Lane 130, Section 1, Academia Road, Nangang District, Taipei City	Manufacturing, trading, maintenance, and servicing of various precision instruments	\$ 78,806	\$ 78,806	24,298,415	30.64	\$ 21,570	(\$ 16,326)	(\$ 4,219)	Note 1
	Hengyang Green Energy Co., Ltd.	10F-2, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City	Piping engineering and electrical installation	171,000	157,500	17,100,000	45	155,314	( 8,217)	( 3,698)	Note 1
	YAHOO System Technology Co., Ltd.	1F, No. 485, Section 1, Huanzhong Road, Beitun District, Taichung City	Equipment engineering industry, machinery equipment manufacturing industry	45,389	45,389	1,911,107	20.05	71,851	69,401	12,488	Note 1
	Global Magic Electronic Co., Ltd.	17F-2, No. 700, Zhongzheng Rd., Zhonghe Dist., New Taipei City	Operation of various electronic component businesses	135,969	135,969	12,500,000	29.98	81,059	( 72,794)	( 21,820)	Note 1
Gudeng Equipment Co., Ltd.	Showa Precision Co., Ltd.	No. 106, Sec. 2, Fuxing 3rd Rd., Zhubei City, Hsinchu County	Design and modification of PVD vacuum technology-related equipment for semiconductors and panels	70,000	70,000	3,773,236	100	52,526	( 6,248)	( 7,092)	Note 1
	Gudeng Inc. (USA)	1798 Technology DR, #298 San Jose, CA, 95110	Operation of various electronic component businesses	USD 208	USD 208	208,000	4	7,403	( 12,394)	( 496)	Note 1
Jia Rui Venture Capital Co., Ltd.	Cypress Precision Industrial Co., Ltd.	No. 2, Ln. 146, Fuyi Rd., Yixin Vil., Taiping Dist., Taichung City	Mold manufacturing industry, wholesale and mechanical equipment manufacturing	67,986	17,186	2,480,000	95.38	137,874	2,763	2,737	Note 1
	Efont international Co., Ltd.	9F-5, No. 213, Chaofu Rd., Chaoyang Li, Xitun Dist., Taichung City	Wholesale and retail trade	30,000	-	2,550,000	68	23,365	( 29,066)	( 6,831)	Note 1
Gu Chance Venture Capital CO., LTD.	Suting Precision Industry Co., Ltd.	1F, No. 8, Ln. 64, Sec. 2, Gansu Rd., Dahe Vil., Xitun Dist., Taichung City	Mold manufacturing industry, wholesale and mechanical equipment manufacturing	126,807	80,751	14,681,000	60.02	177,070	49,462	48,792	Note 1
Gudeng Aerospace Technologies Corporation	JYR Aviation Components Co., Ltd.	No. 3, Shengde Rd., Gangshan Dist., Kaohsiung City	Aircraft and parts retail, wholesale, and manufacturing	260,685	260,685	21,567,979	51	164,612	( 57,909)	( 40,293)	Note 1
	Gudeng Aerospace Inc.	131 Continental Drive, Suite 301 Newark, DE 19713-4323	Aircraft and parts retail, wholesale, and manufacturing	USD 500	USD 500	5	100	12,201	( 1,758)	( 1,758)	Note 1
Efont international Co., Ltd.	EWKTOOL INC.	150 N SANTA ANITA AVE., STE 300 ARCADIA, CA 91006	Wholesale and retail trade	USD 409	-	100	100	6,253	( 6,536)	( 6,536)	Note 1

Note 1: The (loss) profit of the invested company for the current period and the recognized investment (loss) profit for the current period are amounts audited by the CPA.

Note 2: For information regarding invested companies in Mainland China, please refer to Table VIII.

GUDENG PRECISION INDUSTRIAL CO., LTD. AND SUBSIDIARIES  
**MAINLAND CHINA INVESTMENT INFORMATION**

For the year ended December 31, 2025

**Table 8**

Unit: New Taiwan Dollar and foreign currency in thousands, unless otherwise stated

Name of Invested Company in Mainland China	Main Business Activities	Paid-in Capital	Investment Method (Note 1)	Accumulated Investment Amount Remitted from Taiwan at the Beginning of the Period	Outward or Inward Remittance of Investment Amount for the Period		Accumulated Outward Remittance from Taiwan at the End of the Period	Current Period Profit (Loss) of Investee Company	Shareholding Ratio Directly or Indirectly Invested by the Company (%)	Investment Gain or Loss Recognized for the Period (Note 2)	Carrying Amount of Investment at the End of the Period	Investment Income Remitted as of the End of the Period	Notes
					Outward Remittance	Recovery							
Jiaqian Technology (Shanghai) Co., Ltd.	Wholesale, import and export, commission agency, and related supporting services for plastic products, electrical products, hardware and electrical appliances, etc.	USD 12,400	(2) Investment company: Sun Park Development Limited	\$ 249,869 (USD 7,950)	\$ 111,890 (USD 3,560)	\$ -	\$ 361,759 (USD 11,510)	(\$ 6,144) (RMB -1,418)	100	(\$ 6,144) (RMB -1,418) (2)B	\$ 625,146 (RMB 139,045)	\$ -	
Kawaguchi Plastic Industry (Kunshan) Co., Ltd.	Plastic and electronic product manufacturing	RMB 13,656	(1) Investing Company: Jiaqian Technology (Shanghai) Co., Ltd.	-	-	-	-	4,350 (RMB 1,004)	100	1,547 (RMB 357) (2)B	518,384 (RMB 115,299)	-	
Dachuan Plastic Industrial (Kunshan) Co., Ltd.	Plastic and electronic product manufacturing	RMB 15,500	(1) Investing Company: Kawaguchi Plastic Industry (Kunshan) Co., Ltd.	-	-	-	-	4,428 (RMB 1,022)	100	4,641 (RMB 1,071) (2)B	312,904 (RMB 69,596)	-	

Accumulated Investment Amount Remitted from Taiwan to Mainland China at the End of the Current Period	Investment Amount Approved by the Investment Commission, Ministry of Economic Affairs	Investment Limit in Mainland China as Approved by the Investment Commission, Ministry of Economic Affairs
NTD 361,759 (USD 11,510)	NTD 389,732 (USD 12,400)	NTD 5,846,000 (USD 186,001)

Note 1: Investment methods are classified into the following three categories:

- (1) Directly investing in Mainland China.
- (2) Reinvesting in Mainland China through a third-area company (please specify the investment company in the third area).
- (3) Other methods.

Note 2: In the column of recognized investment income (loss) for the current period:

- (1) If the company is in preparation and has no investment income or loss yet, it should be specified.
- (2) The basis for recognizing investment income or loss is divided into the following three types, which should be specified.
  - A. Financial statements audited by international accounting firms that have cooperative relationships with accounting firms in the Republic of China.
  - B. Financial statements audited by the certifying accountant of the Taiwan parent company.
  - C. Others - based on financial statements not audited by accountants.

Note 3: The relevant amounts in this table are listed in New Taiwan Dollars. For amounts involving foreign currencies, they are converted to New Taiwan Dollars using the spot exchange rate on the financial report date (the USD spot exchange rate on 2025.12.31 was 31.43; the RMB spot exchange rate was 4.496; the RMB income and expense exchange rate was 4.333).

GUDENG PRECISION INDUSTRIAL CO., LTD. AND SUBSIDIARIES

**MAJOR TRANSACTIONS WITH MAINLAND CHINA INVESTED COMPANIES DIRECTLY OR INDIRECTLY THROUGH THIRD REGIONS, INCLUDING PRICE, PAYMENT TERMS, UNREALIZED GAINS/LOSSES, AND OTHER RELEVANT INFORMATION**

For the year ended December 31, 2025

**Table 9**

Unit: In Thousands of New Taiwan Dollars, unless otherwise stated

Name of Invested Company in Mainland China	Transaction type	Purchase, sales, and service expenses		Price	Transaction terms		Notes and accounts receivable (payable)		Unrealized gains/losses	Notes
		Amount	Percentage		Payment terms	Comparison with regular transactions	Amount	Percentage		
Jiaqian Technology (Shanghai) Co., Ltd.	Sales	\$ 176,965	3	Same as regular customers	Same as regular customers	Same as regular customers	\$ 68,599	4	\$ -	
"	Other operating revenue	10,610	6	Same as regular customers	Same as regular customers	Same as regular customers	10,610	2	-	
"	Service fees	49,770	2	Same as regular customers	Same as regular customers	Same as regular customers	( 2,232 )	-	-	
Dachuan Plastic Industrial (Kunshan) Co., Ltd.	Sales	44,065	1	Same as regular customers	Same as regular customers	Same as regular customers	40,208	2	-	
"	Processing fee	40,081	1	Same as regular customers	Same as regular customers	Same as regular customers	( 30,890 )	( 4 )	-	
Chongqing Huanmei Electronic Technology Co., Ltd.	Sales	19,336	-	Same as regular customers	Same as regular customers	Same as regular customers	5,620	-	-	
"	Purchases	29,451	1	Same as regular customers	Same as regular customers	Same as regular customers	( 53 )	-	-	