

Gudeng Precision Industrial Co., Ltd.

Parent Company Only Financial Statements and Independent Auditor's 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

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Auditor's Report

To Gudeng Precision Industrial Co., Ltd.:

Audit Opinion

The individual statements of financial position of Gudeng Precision Industrial Co., Ltd. as of December 31, 2025 and 2024, and the individual statements of comprehensive income, parent company only financial statements of changes in equity, and individual statements of cash flows for the years ended December 31, 2025 and 2024, as well as notes to the individual 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 individual financial statements present fairly, in all material respects, the individual financial position of Gudeng Precision Industrial Co., Ltd. as of December 31, 2025 and 2024, and its individual financial performance and individual 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.

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. The responsibilities of the auditor under these standards will be further explained in the section on the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements. The personnel of the firm to which I belong who are subject to independence regulations have maintained independence from Gudeng Precision Industrial Co., Ltd. in accordance with the Code of Professional Ethics for Certified Public Accountants, and have fulfilled other responsibilities under those regulations. Based on my audit results and the audit reports of other accountants, I believe I have obtained sufficient and appropriate audit evidence to serve as a basis for expressing an audit opinion.

Key Audit Matters

Key audit matters refer to those matters that, in my professional judgment, were of most significance in my audit of the parent company only financial statements of Gudeng Precision Industrial Co., Ltd. for the year 2025. These matters were addressed in the context of my audit of the parent company only financial statements as a whole and in forming my audit opinion, and I do not provide a separate opinion on these matters.

The key audit matters for the parent company only financial statements of Gudeng Precision Industrial Co., Ltd. for the year 2025 are described as follows:

The authenticity of sales revenue recognition for specific customers

Gudeng Precision Industrial Co., Ltd.'s revenue sources are from photomask and wafer shipping solutions. The recognition of sales revenue from specific customers requires manual confirmation and verification of relevant documents, which may lead to inappropriate revenue recognition. Additionally, the Statement on Auditing Standards presumes revenue recognition as a significant risk. Therefore, the authenticity of sales revenue recognition has been identified as a key audit matter. For accounting policies and information related to revenue recognition, please refer to Note 4(14) and Note 26 of the parent company only financial report.

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. Sample from the sales revenue details of specific customers, verify whether the relevant documents for revenue recognition match, 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

As stated in Note 12 to the parent company only financial statements, certain investments accounted for using the equity method and their reinvestments included in the individual financial statements were not audited by me but were audited by other auditors. Therefore, in my opinion on the aforementioned parent company only financial statements, the amounts related to certain investments accounted for using the equity method and their reinvestments are based on the audit reports of other auditors. As of December 31, 2025 and 2024, the carrying amounts of investments accounted for using the equity method were NT\$195,124 thousand and NT\$215,151 thousand, representing 1.02% and 1.24% of total assets, respectively. For the years ended December 31, 2025 and 2024, the share of comprehensive income recognized under the equity method amounted to NT\$14,187 thousand and (NT\$15,336) thousand, representing 3.79% and (0.86)% of total comprehensive income, respectively.

Management and Governance Unit's Responsibility for the Parent Company Only Financial Statements

Management's responsibility is to prepare parent company only financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain necessary internal controls related to the preparation of individual financial statements, to ensure that the individual financial statements are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management's responsibility also includes evaluating Gudeng Precision Industrial Co., Ltd.'s ability to continue as a going concern, disclosing related matters, and using the going concern basis of accounting, unless management

intends to liquidate Gudeng Precision Industrial Co., Ltd. or cease operations, or has no realistic alternative but to do so.

Gudeng Precision Industrial Co., Ltd.'s governance units (including the Audit Committee) are responsible for overseeing the financial reporting process.

Auditor's Responsibility for the Audit of the Parent Company Only Financial Statements

The purpose of our audit of the individual financial statements is to obtain reasonable assurance about whether the individual 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 parent company only 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 parent company only 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 parent company only financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Gudeng Precision Industrial Co., Ltd.'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 Precision Industrial Co., Ltd.'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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Gudeng Precision Industrial Co., Ltd. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the related notes), and whether the individual 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 parent company only financial statements . We are responsible for the direction, supervision and performance of Gudeng Precision Industrial Co., Ltd. audit, and are responsible for forming the Company 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 parent company only financial statements of Gudeng Precision Industrial Co., Ltd. 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.
STATEMENTS OF BALANCE SHEET

December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and Cash Equivalents (Notes 4 and 6)	\$ 659,191	3	\$ 1,579,316	9
1110	Financial Assets at Fair Value through Profit or Loss - Current (Notes 4 and 7)	107	-	958	-
1136	Financial Assets at Amortized Cost - Current (Notes 4 and 9)	171,000	1	304,907	2
1150	Notes Receivable - Non-related Parties (Note 4 and 10)	277	-	361	-
1170	Accounts receivable - related parties (Note 4 and 10)	1,072,515	6	959,483	5
1180	Trade Receivable - Related Parties (Notes 4, 10 and 34)	133,147	1	114,172	1
1200	Other Receivables (Note 10)	26,818	-	24,442	-
1210	Other Receivables - Related Parties (Notes 10 and 34)	427,546	2	3,493	-
130X	Inventories (Notes 4 and 11)	676,318	4	977,693	6
1410	Prepayments (Notes 17 and 34)	20,788	-	36,345	-
1470	Other Current Assets (Note 18)	5,035	-	4,814	-
11XX	Total Current Assets	<u>3,192,742</u>	<u>17</u>	<u>4,005,984</u>	<u>23</u>
	Non-current Assets				
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)	1,271,376	7	1,085,617	7
1550	Investments Accounted for Using Equity Method (Notes 4 and 12)	5,491,356	29	4,460,604	26
1600	Property, Plant and Equipment (Notes 4, 13 and 34)	6,806,951	35	6,421,780	37
1755	Right-of-use Assets (Notes 4 and 14)	4,922	-	10,674	-
1760	Investment Property, Net (Notes 4 and 15)	814,498	4	726,058	4
1821	Other Intangible Assets (Notes 4 and 16)	138,663	1	125,702	1
1840	Deferred Tax Assets (Notes 4 and 28)	33,119	-	30,687	-
1915	Prepayments for Equipment (Note 36)	368,969	2	366,206	2
1920	Refundable Deposits (Note 34)	21,205	-	21,251	-
1990	Other Non-current Assets (Note 18)	840,704	4	-	-
15XX	Total Non-current Assets	<u>15,920,058</u>	<u>83</u>	<u>13,292,791</u>	<u>77</u>
1XXX	Total Assets	<u>\$ 19,112,800</u>	<u>100</u>	<u>\$ 17,298,775</u>	<u>100</u>
	Liabilities and Equity				
	Current Liabilities				
2100	Short-term Borrowings (Note 4 and 19)	\$ -	-	\$ 600,000	4
2120	Financial Liabilities at Fair Value through Profit or Loss - Current (Notes 4 and 7)	374	-	120	-
2130	Contract Liabilities - Current (Notes 26 and 34)	350	-	3,680	-
2170	Accounts Payable - Non-related Parties (Note 21)	336,591	2	306,660	2
2180	Accounts Payable - Non-related Parties (Note 21 and 34)	95,528	1	37,882	-
2219	Other Payables (Note 22)	826,739	4	944,962	5
2220	Other Payables - Related parties (Note 34)	21,282	-	20,115	-
2230	Current Income Tax Liabilities (Note 4 and 28)	68,197	-	71,380	-
2250	Provisions - Current (Notes 4 and 23)	-	-	2	-
2280	Lease Liabilities - Current (Notes 4 and 14)	2,957	-	6,584	-
2320	Current portion of Long-term borrowings (Notes 4, 19 and 20)	814,159	4	613,888	4
2399	Other Current Liabilities (Notes 22)	4,938	-	4,221	-
21XX	Total Current Liabilities	<u>2,171,115</u>	<u>11</u>	<u>2,609,494</u>	<u>15</u>
	Non-current Liabilities				
2540	Long-term Borrowings (Note 4 and 19)	7,152,513	38	4,615,084	27
2570	Deferred tax liabilities (Note 4 and 28)	554	-	5,572	-
2580	Lease liabilities - non-current (Notes 4 and 14)	2,289	-	4,511	-
2640	Net Defined Benefit Liabilities - Non-current (Notes 4 and 24)	38,258	-	39,155	-
2645	Guarantee Deposits Received (Note 34)	4,738	-	10,162	-
25XX	Total Non-current Liabilities	<u>7,198,352</u>	<u>38</u>	<u>4,674,484</u>	<u>27</u>
2XXX	Total Liabilities	<u>9,369,467</u>	<u>49</u>	<u>7,283,978</u>	<u>42</u>
	Equity Attributable to Shareholders of the Parent (Note 25)				
	Share Capital				
3110	Ordinary Shares	960,415	5	958,505	5
3140	Stock Subscriptions Received in Advance	-	-	984	-
3100	Total Share Capital	<u>960,415</u>	<u>5</u>	<u>959,489</u>	<u>5</u>
3200	Capital Surplus	<u>6,913,992</u>	<u>36</u>	<u>6,888,506</u>	<u>40</u>
	Retained Earnings				
3310	Legal Reserve	494,599	3	401,871	3
3350	Unappropriated Retained Earnings	1,241,559	6	1,083,118	6
3300	Total Retained Earnings	<u>1,736,158</u>	<u>9</u>	<u>1,484,989</u>	<u>9</u>
3400	Other Equity	<u>132,768</u>	<u>1</u>	<u>681,813</u>	<u>4</u>
3XXX	Total Equity	<u>9,743,333</u>	<u>51</u>	<u>10,014,797</u>	<u>58</u>
	Total Liabilities and Equity	<u>\$ 19,112,800</u>	<u>100</u>	<u>\$ 17,298,775</u>	<u>100</u>

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

Chairman: Chiu, Ming-Chien

Manager: Lin, Tien-Jui

Accounting Supervisor: Lai, Po-An

STATEMENTS 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, 26 and 34)	\$ 4,748,433	100	\$ 4,445,156	100
5000	Operating Costs (Notes 4, 11, 27 and 34)	<u>2,829,894</u>	<u>60</u>	<u>2,506,332</u>	<u>56</u>
5900	Gross Profit from Operations	<u>1,918,539</u>	<u>40</u>	<u>1,938,824</u>	<u>44</u>
	Operating Expenses (Notes 27 and 34)				
6100	Selling and Marketing Expenses	252,046	5	341,018	8
6200	General and Administrative Expenses	511,205	11	463,280	10
6300	Research and Development Expenses	341,319	7	344,489	8
6450	Expected credit loss	<u>5,480</u>	<u>-</u>	<u>(224)</u>	<u>-</u>
6000	Total Operating Expenses	<u>1,110,050</u>	<u>23</u>	<u>1,148,563</u>	<u>26</u>
6900	Net Operating Income	<u>808,489</u>	<u>17</u>	<u>790,261</u>	<u>18</u>
	Non-operating Income and Expenses				
7100	Interest income (Notes 27 and 34)	16,096	-	18,240	-
7010	Other Income (Note 27 and 34)	126,012	3	78,786	2
7020	Other Gains and Losses (Note 27)	77,571	2	68,665	1
7050	Finance Costs (Note 27 and 34)	(139,787)	(3)	(88,364)	(2)
7070	Share of Profit of Subsidiaries, Associates and Joint Ventures Accounted for Using Equity Method	<u>164,331</u>	<u>3</u>	<u>444,087</u>	<u>10</u>
7000	Total Non-operating Income and Expenses	<u>244,223</u>	<u>5</u>	<u>521,414</u>	<u>11</u>
7900	Profit Before Income Tax	1,052,712	22	1,311,675	29
7950	Income Tax Expense (Notes 4 and 28)	<u>(147,425)</u>	<u>(3)</u>	<u>(143,897)</u>	<u>(3)</u>
8200	Net Profit For The Period	<u>905,287</u>	<u>19</u>	<u>1,167,778</u>	<u>26</u>
	Other Comprehensive Income				
8310	Items That Will Not Be Reclassified Subsequently to Profit or Loss				
8311	Remeasurement of Defined Benefit Plans (Note 24)	1,718	-	(7,655)	-
8330	Share of Other Comprehensive Income of Subsidiaries Accounted for Using Equity Method	52,002	1	189,103	4
8316	Unrealized Gain/(Loss) On Investments In Equity Instruments At Fair Value Through Other Comprehensive Income	<u>(574,380)</u>	<u>(12)</u>	<u>411,883</u>	<u>9</u>
8360	Items That May Be Reclassified Subsequently to Profit or Loss				
8361	Exchange Differences on Translating the Financial Statements of Foreign Operations	<u>(9,883)</u>	<u>-</u>	<u>20,543</u>	<u>1</u>
8300	Other Comprehensive Income/(Loss) For The Period, Net Of Income Tax	<u>(530,543)</u>	<u>(11)</u>	<u>613,874</u>	<u>14</u>
8500	Total Comprehensive Income For The Period	<u>\$ 374,744</u>	<u>8</u>	<u>\$ 1,781,652</u>	<u>40</u>
	Earnings Per Share (Note 29)				
9710	Basic	<u>\$ 9.43</u>		<u>\$ 12.32</u>	
9810	Diluted	<u>\$ 9.39</u>		<u>\$ 12.11</u>	

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

Chairman: Chiu, Ming-Chien

Manager: Lin, Tien-Jui

Accounting Supervisor: Lai, Po-An

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENTS OF CHANGES IN EQUITY

For the year ended December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code		Share Capital			Retained Earnings		Other Equity Items		Total Equity	
		Number of Shares (in thousands)	Amount	Stock Subscriptions Received in Advance	Capital Surplus	Legal Reserve	Unappropriated 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
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
	Appropriation Of Earnings									
B1	Legal Reserve	-	-	-	-	91,703	(91,703)	-	-	-
B5	Cash Dividends distributed by the Company	-	-	-	-	-	(694,272)	-	-	(694,272)
	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
N1	Employee Share Options Issued By The Subsidiary	-	-	-	12,056	-	-	-	-	12,056
M7	Changes In Percentage Of Ownership Interests In Subsidiaries (Note 30)	-	-	-	326,870	-	(107,698)	-	-	219,172
I1	Convertible Bonds Converted to Ordinary Shares	1,666	16,661	(144)	556,978	-	-	-	-	573,495
D1	2024 Net Income	-	-	-	-	-	1,167,778	-	-	1,167,778
D3	2024 Other Comprehensive Income, Net of Income Tax	-	-	-	-	-	(7,599)	20,543	600,930	613,874
D5	2024 Total Comprehensive Income/(Loss)	-	-	-	-	-	1,160,179	20,543	600,930	1,781,652
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
	Appropriation Of Earnings									
B1	Legal Reserve	-	-	-	-	92,728	(92,728)	-	-	-
B5	Cash Dividends distributed by the Company	-	-	-	-	-	(672,279)	-	-	(672,279)
	Other Changes in Capital Surplus:									
M5	Actual Acquisition or Disposal of Partial Interest in Subsidiaries (Note 30)	-	-	-	(4,458)	-	-	-	-	(4,458)
C7	Changes In Capital Surplus From Investments In Associates/And Joint Ventures Accounted For Using The Equity Method	-	-	-	(2)	-	-	-	-	(2)
N1	Employee Share Options Issued By The Company	-	-	-	69	-	-	-	-	69
M7	Changes In Percentage Of Ownership Interests In Subsidiaries (Note 30)	-	-	-	(1,342)	-	(341)	-	-	(1,683)
I1	Convertible Bonds Converted to Ordinary Shares	191	1,910	(984)	31,219	-	-	-	-	32,145
D1	2024 Net Income	-	-	-	-	-	905,287	-	-	905,287
D3	2025 Other Comprehensive Income, Net of Income Tax	-	-	-	-	-	1,097	(9,883)	(521,757)	(530,543)
D5	2025 Total Comprehensive Income/(Loss)	-	-	-	-	-	906,384	(9,883)	(521,757)	374,744
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

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

Chairman: Chiu, Ming-Chien

Manager: Lin, Tien-Jui

Accounting Supervisor: Lai, Po-An

GUDENG PRECISION INDUSTRIAL CO., LTD.

STATEMENTS 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	\$ 1,052,712	\$ 1,311,675
A20010	Revenue and Expense Items		
A20100	Depreciation Expense	358,513	306,407
A20200	Amortization Expense	29,224	22,067
A20300	Expected credit loss	5,480	(224)
A20400	Net Loss (Gain) on Financial Assets and Liabilities at Fair Value through Profit or Loss	10,282	(3,523)
A20900	Finance Costs	139,787	88,364
A21200	Interest Income	(16,096)	(18,240)
A21300	Dividend Income	(45,519)	(18,493)
A22400	Share of Profit of Subsidiaries Accounted for Using Equity Method	(164,331)	(444,087)
A22500	Gain on Disposal of Property, Plant and Equipment	(126,731)	(7,588)
A22700	Gain on disposal of investment properties	(28,970)	-
A23700	Impairment Loss recognized on Non-Financial Assets	54,405	22,711
A29900	Income from Odd Shares of Convertible Bonds	-	(12)
A24200	Loss on Redemption of Bonds Payable	196	-
A30000	Net Changes in Operating Assets and Liabilities		
A31130	Notes Receivable	84	(158)
A31150	Accounts Receivable	(137,487)	(351,503)
A31180	Other Receivables	(6,731)	(15,296)
A31200	Inventories	265,906	114,292
A31230	Prepayments	15,557	83,624
A31240	Other Current Assets	(221)	(2,029)
A32125	Contract Liabilities	(3,330)	(83,392)
A32150	Accounts Payable	87,577	(28,325)
A32180	Other Payables	30,034	110,697
A32200	Provisions	(2)	(66)
A32230	Other Current Liabilities	717	1,612
A32240	Net Defined Benefit Liabilities	821	325
A33000	Net Cash Generated From Operations Activities	1,521,877	1,088,838
A33100	Interest Received	16,265	19,828
A33300	Interest Paid	(130,643)	(71,123)
A33500	Income Tax Paid	(158,058)	(92,213)
AAAA	Net Cash generated from Operating Activities	<u>1,249,441</u>	<u>945,330</u>
Cash Flows from Investing Activities			
B00010	Purchase of Financial Assets at Fair Value through Other Comprehensive Income	(760,139)	(258,400)
B00050	Disposal of Financial Assets at Amortized Cost	133,907	57,147
B00100	Purchase of Financial Assets at Fair Value Through Profit or Loss	(89,220)	(45,780)
B00200	Disposal of Financial liabilities at fair value through profit or loss	(4,112)	-
B01800	Acquisition of subsidiaries and associates	(1,068,809)	(1,434,035)
B01900	Disposal of Long-term Investments Accounted for Using Equity Method	-	345,968
B02700	Payments for Property, Plant and Equipment	(923,357)	(1,211,277)
B02800	Proceeds from Disposal of Property, Plant and Equipment	29,914	66,265
B03700	Increase in Refundable Deposits	-	(2,890)
B03800	Decrease in Refundable Deposits	46	-
B04500	Payment of Intangible Assets	(17,885)	(18,593)
B05900	Repayments from Related Parties	-	27,061
B02000	Increase in prepayments for long-term investments	(840,704)	-
B07100	Increase in Prepayments for Equipment	(231,430)	(342,788)
B07600	Dividends Received	250,149	105,222
B05500	Proceeds from disposal of investment property	56,259	-
BBBB	Net Cash (used in) Investing Activities	<u>(3,465,381)</u>	<u>(2,712,100)</u>
Cash Flows from Financing Activities			
C00100	Increase in Short-term Borrowings	3,800,005	1,610,000
C00200	Decrease in Short-term Borrowings	(4,400,005)	(1,110,000)
C01300	Repayment of bonds payable	(9,600)	-
C01600	Proceeds from Long-term Borrowings	5,796,597	2,493,670
C01700	Repayment of Long-term Borrowings	(3,024,854)	(776,166)
C03000	Increase in Refundable Deposits	-	1,091
C03100	Decrease in Refundable Deposits	(5,424)	-
C04020	Repayment of the Principal Portion of Lease Liabilities	(6,872)	(7,068)
C04500	Cash Dividends paid to owners of the Company	(854,032)	(707,923)
CCCC	Net Cash generated from Financing Activities	<u>1,295,815</u>	<u>1,503,604</u>
EEEE	Net Decrease in Cash and Cash Equivalents	(920,125)	(263,166)
E00100	Cash and Cash Equivalents Balance at Beginning of the Period	<u>1,579,316</u>	<u>1,842,482</u>
E00200	Cash and Cash Equivalents Balance at End of the Period	<u>\$ 659,191</u>	<u>\$ 1,579,316</u>

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

Chairman: Chiu, Ming-Chien

Manager: Lin, Tien-Jui

Accounting Supervisor: Lai, Po-An

GUDENG PRECISION INDUSTRIAL CO., LTD.
NOTES TO THE PARENT COMPANY ONLY 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.

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

2. Date and Procedures of Approval of Financial Statements

The parent company only 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 the amended IFRS Accounting Standards endorsed and issued into effect by the FSC will not cause significant changes to the Company's accounting policies.

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

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

As of the approval date of these parent company only financial statements, the company has assessed that the aforementioned amendments to standards and interpretations will not have a significant impact on its financial position and financial performance.

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

Newly Released/ Revised Standards/ IFRIC Interpretations (IFRIC)	Effective Date Issued by the IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Undetermined
IFRS 18 "Presentation and Disclosure in Financial Statements	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including 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 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 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 company shall label such items as "other" only when it cannot identify a more informative label.

- Management-defined performance measures disclosure is enhanced: When the Company makes public communications outside the financial statements and communicates management's view on aspects of the Company's overall financial performance to financial statement users, it should disclose management-defined performance measures in a single note to the financial statements, including a description of the measure, how it is calculated, its reconciliation to subtotals or totals specified in IFRS Accounting Standards, and the income tax and non-controlling interest effects of reconciling items.

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

- When the 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 Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the 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 parent company only financial statements, the 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

The parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of Preparation

Except for financial instruments measured at fair value and the net defined benefit liability recognized as the present value of defined benefit obligation less the fair value of plan assets, the parent company only 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.

When preparing the parent company only financial statements, the Company accounts for its investments in subsidiaries, associates or joint ventures using the equity method. To align the current period profit or loss, other comprehensive income, and equity in the parent company only financial statements with those attributable to the owners of the Company in the consolidated financial statements, certain differences in accounting treatments between the individual and consolidated bases are adjusted through "Investments accounted for using equity method," "Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method," and related equity items.

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

Current assets include:

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

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

(4) Foreign Currencies

When preparing financial statements, the Company translates transactions denominated in currencies other than its functional currency (foreign currencies) into the functional currency at the exchange rates prevailing on the transaction dates.

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 at the exchange rates prevailing on the date when the fair value is determined. The resulting exchange differences are recognized in profit or loss for the period, except for those where fair value changes are recognized in other comprehensive income, in which case the exchange differences are recognized in other comprehensive income.

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

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

If the Company disposes of all its interests in a foreign operation, or disposes of part of its interests in a foreign operation but loses control, or the retained interest in a foreign operation after the disposal of joint arrangement or associate is a financial asset and is accounted for in accordance with the accounting policy for financial instruments, all cumulative exchange differences 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 a loss of control, the cumulative exchange differences are proportionately included in the calculation of equity transactions, but 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.

(5) Inventories

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.

(6) Investments in Subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

Subsidiaries are entities controlled by the Company.

Under the equity method, investments are initially recognized at cost, and the carrying amount is subsequently increased or decreased based on the Company's share of the subsidiaries' profit or loss and other comprehensive income, as well as profit distributions. In addition, changes in other equity of subsidiaries that the Company can benefit from are recognized according to the shareholding ratio.

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 difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses from a subsidiary equals or exceeds its interest in that subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues to recognize losses based on its shareholding ratio.

The excess of acquisition cost over the Company's share of the net fair value of identifiable assets and liabilities of a subsidiary that constitutes a business at the acquisition date is recognized as goodwill, which is included in the carrying amount of the investment and is not amortized; the excess of the Company's share of the net fair value of identifiable assets and liabilities of a subsidiary that constitutes a business at the acquisition date over the acquisition cost is recognized as current income.

When assessing impairment, the Company considers cash-generating units as a whole in the financial report and compares their recoverable amount with their carrying amount. Subsequently, if the recoverable amount of an asset increases, the reversal of the impairment loss is recognized as a gain. However, the carrying amount of the asset after the reversal of the impairment loss must not exceed what the carrying amount would have been, net of amortization, had no impairment loss been recognized. Impairment losses attributable to goodwill cannot be reversed in subsequent periods.

When control over a subsidiary is lost, the Company measures any retained investment in the former subsidiary at its fair value as of the date of loss of control. The difference between the fair value of the retained investment, any disposal proceeds, and the carrying amount of the investment on the date of loss of control is recognized in profit or loss for the current period. Furthermore, all amounts recognized in other comprehensive income

related to that subsidiary are accounted for on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Unrealized gains and losses from downstream transactions between the Company and its subsidiaries are eliminated in the parent company only financial statements. Gains and losses arising from upstream and lateral transactions between the Company and its subsidiaries are recognized in the parent company only financial statements only to the extent that they do not relate to the Company's interests in the subsidiaries.

(7) Investment in Associates

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

The Company accounts for its investments in associates using the equity method.

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 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 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 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 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 recognition of changes in the net equity value of associates and joint ventures 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 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 company's net

investment in the associate), the consolidated company discontinues recognizing its share of further losses. The company recognizes additional losses and liabilities only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate.

When assessing impairment, the Company treats the entire carrying amount of the investment (including goodwill) as a single asset, comparing the recoverable amount with the carrying amount to perform impairment testing. Any recognized impairment loss is not allocated to any asset constituting part of the carrying amount of the investment, including goodwill. Any reversal of an impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The company ceases to use the equity method from the date when its investment no longer qualifies as an associate. The retained interest in the former associate is measured at fair value, and the difference between this fair value, the 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 company continues to apply the equity method and does not remeasure the retained interest.

Gains and losses arising from upstream, downstream, and lateral transactions between the Company and its associates are recognized in the parent company only financial statements only to the extent that they do not relate to the Company's interests in the associates.

(8) 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 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.

(9) 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.

(10) 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 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. Intangible assets with indefinite useful lives are reported at cost less accumulated impairment losses.

2. 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.

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

The company assesses at each balance sheet date whether there 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 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.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset or cash-generating unit in prior years. The reversal of an impairment loss is recognized in profit or loss.

(12) Financial Instruments

Financial assets and financial liabilities are recognized on the Company's balance sheet when the 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 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 include financial assets mandatorily measured at fair value through profit or loss and financial assets designated as at fair value through profit or loss. Financial assets mandatorily classified as at fair value through profit or loss include equity instrument investments not designated by the company 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. For the determination of fair value, please refer to Note 33.

B. Financial Assets at Amortized Cost

When the 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 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 company's right to receive payment is established, unless the dividends clearly represent a recovery of part of the investment cost.

(2) Impairment of Financial Assets

The company assesses 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 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.

(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 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).

(13) 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 company's obligation.

(14) Revenue Recognition

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

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 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 company recognizes revenue and accounts receivable at that point in time.

(15) Leases

The Company assesses whether a contract is (or contains) a lease at the inception date of the contract.

1. The 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 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 Company as 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 parent company only 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 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 parent company only balance sheet.

(16) 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.

(17) 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.

(18) Income Tax

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

1. Current Income Tax

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 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 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.

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 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 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 company, there are no significant accounting judgments, estimates, or assumption uncertainties.

6. Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on Hand and Petty Cash	\$ 338	\$ 546
Checking accounts and Demand Deposits	658,853	1,428,770
Cash Equivalents (Investments with Original Maturities of 3 Months or Less)		
Time Deposits	-	150,000
	<u>\$ 659,191</u>	<u>\$ 1,579,316</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Demand Deposits	0.01% ~ 1.05%	0.002% ~ 0.9%
Time Deposits	-	1.56%

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 20)	\$ 107	\$ 958
<u>Financial Assets - Non-current</u>		
Mandatory Fair Value through Profit or Loss		
Non-derivative Financial Assets		
- Domestic Limited Partnerships	\$ 128,295	\$ 44,212
<u>Financial Liabilities - Current</u>		
Held for trading		
Derivative Financial Assets (not under hedge accounting)		
- Forward exchange contracts (1)	\$ 374	\$ -
- Convertible options (Note 20)	-	120
	<u>\$ 374</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 7 to March 18, 2026	USD 1,945 /NTD 60,670

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		
Symtek	\$ 1,052,090	\$ 861,470
MicroProgram Information Co., Ltd.	107,710	-
Emerging stock		
MicroProgram Information Co., Ltd.	-	224,147
Foreign investment		
Non-publicly traded shares		
Graphen Drugomics, Inc.	<u>111,576</u>	<u>-</u>
	<u>\$ 1,271,376</u>	<u>\$ 1,085,617</u>

The 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 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 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	\$ 50,000	\$ 234,907
Time deposits with original maturities of more than 3 months	<u>121,000</u>	<u>70,000</u>
	<u>\$ 171,000</u>	<u>\$ 304,907</u>

The interest rate ranges for pledged certificates of deposit and time deposits with original maturities exceeding three months as of the balance sheet date are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Pledged certificates of deposit	0.67%	1.29%~3.60%
Time Deposits	1.47%~1.70%	0.54~1.70%

Information on the pledge of financial assets at amortized cost is provided in Note 35.

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	\$ 277	\$ 361
Less: Loss allowance	-	-
	<u>\$ 277</u>	<u>\$ 361</u>
Arising from business operations	<u>\$ 277</u>	<u>\$ 361</u>
<u>Accounts Receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 1,077,383	\$ 960,933
Less: Loss allowance	(4,868)	(1,450)
	<u>\$ 1,072,515</u>	<u>\$ 959,483</u>
Accounts receivable - related parties (Note 34)		
Measured at amortized cost		
Total carrying amount	\$ 133,147	\$ 114,172
Less: Loss allowance	-	-
	<u>\$ 133,147</u>	<u>\$ 114,172</u>
<u>Other Receivables</u>		
Other receivables - Non-related parties		
Receivable for business tax refund	\$ -	\$ 13,000
Dividends receivable	22,955	8,088
Interest receivable	441	610
Others	3,422	2,744
	<u>\$ 26,818</u>	<u>\$ 24,442</u>
Other receivables - Related parties (Note 34)		
	<u>\$ 427,546</u>	<u>\$ 3,493</u>
<u>Non-performing receivables</u>		
Measured at amortized cost		
Total carrying amount	\$ 3,449	\$ 1,387
Less: Loss allowance	(3,449)	(1,387)
	<u>\$ -</u>	<u>\$ -</u>

Accounts Receivable

The average credit period granted by the Company for product sales ranges from 60 to 120 days. When determining the recoverability of accounts receivable, the 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 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 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 Company's credit risk has been significantly reduced.

The 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 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 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 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 Company measures the allowance for losses on notes receivable and accounts receivable using a provision matrix as follows:

Notes Receivable

December 31, 2025

	Not past due
Expected credit loss rate	0%
Total carrying amount	\$ 277
Allowance for losses (lifetime expected credit losses)	<u>-</u>
Amortized cost	<u>\$ 277</u>

December 31, 2024

	Not past due
Expected credit loss rate	0%
Total carrying amount	\$ 361
Allowance for losses (lifetime expected credit losses)	<u>-</u>
Amortized cost	<u>\$ 361</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	0.29%	1.04%	11.67%	-	
Total carrying amount	\$1,132,176	\$ 70,634	\$ 7,720	\$ -	\$1,210,530
Allowance for losses (lifetime expected credit losses)	(<u>3,230</u>)	(<u>737</u>)	(<u>901</u>)	-	(<u>4,868</u>)
Amortized cost	<u>\$1,128,946</u>	<u>\$ 69,897</u>	<u>\$ 6,819</u>	<u>\$ -</u>	<u>\$1,205,662</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	0.03%	0.5%	1.83%	1.77%	
Total carrying amount	\$ 899,357	\$ 152,739	\$ 17,751	\$ 5,258	\$1,075,105
Allowance for losses (lifetime expected credit losses)	(<u>261</u>)	(<u>771</u>)	(<u>325</u>)	(<u>93</u>)	(<u>1,450</u>)
Amortized cost	<u>\$ 899,096</u>	<u>\$ 151,968</u>	<u>\$ 17,426</u>	<u>\$ 5,165</u>	<u>\$1,073,655</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	\$ 1,450	\$ 3,061
Add: Provision for impairment loss for the year	6,867	-
Less: Reversal of impairment loss for the year	-	(224)
Less: Reclassification for the year	(<u>3,449</u>)	(<u>1,387</u>)
Ending balance	<u>\$ 4,868</u>	<u>\$ 1,450</u>

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

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 1,387	\$ -
Add: Reclassification transfer in during the year	3,449	1,387
Less: Reversal of impairment loss for the year	(<u>1,387</u>)	-
Ending balance	<u>\$ 3,449</u>	<u>\$ 1,387</u>

11. Inventories

	December 31, 2025	December 31, 2024
Raw materials	\$ 209,577	\$ 278,300
Semi-finished products	224,761	333,221
Work in progress	102,308	131,574
Finished products	<u>139,672</u>	<u>234,598</u>
	<u>\$ 676,318</u>	<u>\$ 977,693</u>

The nature of cost of goods sold is as follows:

	2025	2024
Cost of inventory sold	\$ 2,783,443	\$ 2,456,296
Inventory valuation and obsolescence loss	35,469	22,711
Inventory obsolescence loss	10,971	25,333
Inventory shortage	513	2,892
Others	(<u>502</u>)	(<u>900</u>)
	<u>\$ 2,829,894</u>	<u>\$ 2,506,332</u>

12. Investments Accounted for Using the Equity Method

	December 31, 2025	December 31, 2024
Investment in subsidiaries	\$ 5,447,379	\$ 4,434,361
Investment in associates	<u>43,977</u>	<u>26,243</u>
	<u>\$ 5,491,356</u>	<u>\$ 4,460,604</u>

(1) Investment in subsidiaries

Name of subsidiary	December 31, 2025	December 31, 2024
Rich Point Global Corp.	\$ 636,453	\$ 639,027
Gudeng Venture Capital Co., Ltd.	1,637,394	1,596,290
Guchii Technology Co., Ltd.	247,116	252,778
Gudeng Equipment Co., Ltd.	728,351	708,318
Gudeng Inc. (USA)	94,389	105,281
Gudeng Aerospace Technologies Corporation	221,090	286,970
Gudeng Japan Co., LTD (Note 1)	166,362	188,080
Jia Shuo Construction, Inc.	389,129	209,517
Gu Chance Venture Capital CO., LTD.	955,733	280,607
Jia Rui Verture Capital Co.,Ltd. (Note 2)	207,949	167,493
GUDENG KOREA CO., LTD.	<u>163,413</u>	<u>-</u>
	<u>\$ 5,447,379</u>	<u>\$ 4,434,361</u>

Name of subsidiary	Ownership interest and voting rights percentage	
	December 31, 2025	December 31, 2024
Rich Point Global Corp.	100%	100%
Gudeng Venture Capital Co., Ltd.	100%	100%
Guchii Technology Co., Ltd.	51.43%	54.38%
Gudeng Equipment Co., Ltd.	45.48%	45.44%
Gudeng Inc. (USA)	51%	51%
Gudeng Aerospace Technologies Corporation	100%	100%
Gudeng Japan Co., LTD	100%	100%
Jia Shuo Construction, Inc.	100%	100%
Gu Chance Venture Capital CO., LTD.	100%	100%
Jia Rui Verture Capital Co.,Ltd.	100%	100%
GUDENG KOREA CO., LTD.	100%	-

Note 1: In August 2025, the Company invested JPY 4,095,000 thousand. As of December 31, 2025, the change of registration has not yet been completed, and the amount is classified as prepayments for investments of NT\$840,704 thousand (please refer to Note 18).

Note 2: This refers to the former "Fu Rui Sheng Industrial Co., Ltd.", which was renamed Jia Rui Venture Capital Co., Ltd. in April 2025.

For the disclosure regarding the establishment and disposal of the Company's subsidiaries, please refer to Note 33 and Note 34 of the Company's 2025 consolidated financial statements, respectively.

For details of indirectly held subsidiaries of the Company, please refer to Note 40.

The share of profit or loss and other comprehensive income from subsidiaries accounted for using the equity method in 2025 and 2024 was recognized based on the financial statements of each subsidiary for the same period audited by certified public accountants.

(2) Investment in Associates

	December 31, 2025	December 31, 2024
Individually Immaterial Associates	\$ 43,977	\$ 26,243

For information regarding the business nature, main operating locations, and countries of registration of the aforementioned associates, please refer to Table 6 "Information of Investee Companies, Locations... and Other Related Information" in the appendix.

13. Property, Plant and Equipment

For Own Use

	Owned Land	Buildings and structures	Machinery Equipment	Leasehold Improvements	Other Equipment	Property Under Construction	Total
<u>Cost</u>							
Balance as of January 1, 2025	\$ 2,898,960	\$ 671,410	\$ 1,150,252	\$ 36,497	\$ 1,403,746	\$ 1,611,239	\$ 7,772,104
Additions	100,064	36,288	66,095	135	410,843	343,177	956,602
Disposals	(90,800)	(214,568)	(330)	-	(14,283)	-	(319,981)
Reclassification	(162,640)	1,005,429	124,415	-	135,155	(897,992)	204,367
Transferred to Investment Properties	-	-	-	-	-	(497,528)	(497,528)
Transferred from Investment Properties	113,195	313,433	-	-	-	-	426,628
Balance as of December 31, 2025	<u>\$ 2,858,779</u>	<u>\$ 1,811,992</u>	<u>\$ 1,340,432</u>	<u>\$ 36,632</u>	<u>\$ 1,935,461</u>	<u>\$ 558,896</u>	<u>\$ 8,542,192</u>
<u>Accumulated Depreciation and Impairment</u>							
Balance as of January 1, 2025	\$ -	\$ 98,143	\$ 442,918	\$ 13,489	\$ 795,774	\$ -	\$ 1,350,324
Disposals	-	(1,573)	(214)	-	(10,011)	-	(11,798)
Depreciation Expense	-	23,930	123,399	3,878	191,740	-	342,947
Transferred to Investment Properties	-	53,768	-	-	-	-	53,768
Transferred from Investment Properties	-	-	-	-	-	-	-
Balance as of December 31, 2025	<u>\$ -</u>	<u>\$ 174,268</u>	<u>\$ 566,103</u>	<u>\$ 17,367</u>	<u>\$ 977,503</u>	<u>\$ -</u>	<u>\$ 1,735,241</u>
Net Amount as of December 31, 2025	<u>\$ 2,858,779</u>	<u>\$ 1,637,724</u>	<u>\$ 774,329</u>	<u>\$ 19,265</u>	<u>\$ 957,958</u>	<u>\$ 558,896</u>	<u>\$ 6,806,951</u>
<u>Cost</u>							
Balance as of January 1, 2024	\$ 2,679,129	\$ 637,321	\$ 950,969	\$ 36,497	\$ 1,243,096	\$ 868,767	\$ 6,415,779
Additions	221,723	17,839	108,944	-	138,375	742,472	1,229,353
Disposals	(24,630)	-	(954)	-	(4,291)	-	(29,875)
Reclassification	32,079	20,000	91,293	-	26,566	-	169,938
Transferred to Investment Properties	(9,341)	(3,750)	-	-	-	-	(13,091)
Balance as of December 31, 2024	<u>\$ 2,898,960</u>	<u>\$ 671,410</u>	<u>\$ 1,150,252</u>	<u>\$ 36,497</u>	<u>\$ 1,403,746</u>	<u>\$ 1,611,239</u>	<u>\$ 7,772,104</u>
<u>Accumulated Depreciation and Impairment</u>							
Balance as of January 1, 2024	\$ -	\$ 85,710	\$ 343,451	\$ 9,603	\$ 624,279	\$ -	\$ 1,063,043
Disposals	-	-	(940)	-	(2,980)	-	(3,920)
Depreciation Expense	-	13,038	100,407	3,886	174,475	-	291,806
Transferred to Investment Properties	-	(605)	-	-	-	-	(605)
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ 98,143</u>	<u>\$ 442,918</u>	<u>\$ 13,489</u>	<u>\$ 795,774</u>	<u>\$ -</u>	<u>\$ 1,350,324</u>
Net Amount as of December 31, 2024	<u>\$ 2,898,960</u>	<u>\$ 573,267</u>	<u>\$ 707,334</u>	<u>\$ 23,008</u>	<u>\$ 607,972</u>	<u>\$ 1,611,239</u>	<u>\$ 6,421,780</u>

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

Buildings and structures	6 to 51 years
Machinery Equipment	4 to 11 years
Leasehold Improvements	5 to 9 years
Other Equipment	3 to 21 years

The 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, NT\$398,157 thousand and NT\$297,506 thousand of the Company's land is temporarily registered under third-party names, and the trustees have issued letters of undertaking.

For information on the amount of property, plant and equipment pledged as collateral for loans, please refer to Note 35.

The properties under construction mainly consist of the construction of the factory building and employee dormitories.

The Guchii Building construction project was completed in the third quarter of 2025, and the asset was transferred from properties under construction to buildings and structures. Subsequently, a portion of the building was reclassified as investment property based on its intended use. Please refer to Note 15.

14. Lease Agreements

(1) Right-of-use assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Right-of-use assets carrying amount		
Buildings	\$ 1,495	\$ 5,770
Transportation equipment	<u>3,427</u>	<u>4,904</u>
	<u>\$ 4,922</u>	<u>\$ 10,674</u>
	<u>2025</u>	<u>2024</u>
Additions to right-of-use assets	<u>\$ 875</u>	<u>\$ 3,608</u>
Depreciation expense of right-of-use assets		
Buildings	\$ 4,275	\$ 4,275
Transportation equipment	<u>2,352</u>	<u>2,511</u>
	<u>\$ 6,627</u>	<u>\$ 6,786</u>

(2) Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of lease liabilities		
Current	<u>\$ 2,957</u>	<u>\$ 6,584</u>
Non-current	<u>\$ 2,289</u>	<u>\$ 4,511</u>

The discount rate range for lease liabilities is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Buildings	1.50%	1.50%
Transportation equipment	1.46% ~ 2.03%	1.46% ~ 1.93%

(3) Significant leasing activities and terms

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

(4) Other lease information

	<u>2025</u>	<u>2024</u>
Short-term lease expenses	<u>\$ 12,962</u>	<u>\$ 13,071</u>
Total cash (outflow) for leases	<u>(\$ 19,982)</u>	<u>(\$ 20,339)</u>

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

15. Investment Property

	<u>Completed investment property</u>
<u>Cost</u>	
Balance as of January 1, 2025	\$788,429
Reclassification to property, plant and equipment	(426,628)
Transfer from property, plant and equipment	497,528
Disposals	(31,222)
Balance as of December 31, 2025	<u>\$828,107</u>
<u>Accumulated Depreciation and Impairment</u>	
Balance as of January 1, 2025	\$ 62,371
Reclassification to property, plant and equipment	(53,768)
Disposals	(3,933)
Depreciation Expense	<u>8,939</u>
Balance as of December 31, 2025	<u>\$ 13,609</u>
Net Amount as of December 31, 2025	<u>\$814,498</u>
<u>Cost</u>	
Balance as of January 1, 2024	\$775,338
Transfer from property, plant and equipment	<u>13,091</u>
Balance as of December 31, 2024	<u>\$788,429</u>
<u>Accumulated Depreciation and Impairment</u>	
Balance as of January 1, 2024	\$ 53,951
Transfer from property, plant and equipment	605
Depreciation Expense	<u>7,815</u>
Balance as of December 31, 2024	<u>\$ 62,371</u>
Net Amount as of December 31, 2024	<u>\$726,058</u>

The total amount of lease payments to be received from investment properties leased out through operating leases in 2025 and 2024 are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
1st year	\$ 21,166	\$ 10,771
2nd year	10,973	4,762
3rd year	<u>-</u>	<u>3,962</u>
	<u>\$ 32,139</u>	<u>\$ 19,495</u>

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

Main building

51 years

The fair values of investment properties are measured using Level 3 inputs by an independent valuation company as of December 31, 2025 and 2024. 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>\$ 966,215</u>	<u>\$ 1,237,331</u>

All of the Company's investment properties are owned by its own equity. For the amount of investment property set as loan collateral, please refer to Note 35.

The Company has no lease commitments beginning after the balance sheet date.

16. Other Intangible Assets

	<u>Patent rights</u>	<u>Computer software</u>	<u>Golf membership certificate</u>	<u>Total</u>
<u>Cost</u>				
Balance as of January 1, 2025	\$ 99,925	\$ 130,579	\$ 8,763	\$ 239,267
Acquired separately	-	17,885	-	17,885
Reclassification	-	24,300	-	24,300
Balance as of December 31, 2025	<u>\$ 99,925</u>	<u>\$ 172,764</u>	<u>\$ 8,763</u>	<u>\$ 281,452</u>
<u>Accumulated amortization and impairment</u>				
Balance as of January 1, 2025	\$ 48,214	\$ 65,351	\$ -	\$ 113,565
Amortization Expense	8,763	20,461	-	29,224
Balance as of December 31, 2025	<u>\$ 56,977</u>	<u>\$ 85,812</u>	<u>\$ -</u>	<u>\$ 142,789</u>
Net Amount as of December 31, 2025	<u>\$ 42,948</u>	<u>\$ 86,952</u>	<u>\$ 8,763</u>	<u>\$ 138,663</u>
<u>Cost</u>				
Balance as of January 1, 2024	\$ 99,925	\$ 111,986	\$ 8,763	\$ 220,674
Acquired separately	-	18,593	-	18,593
Balance as of December 31, 2024	<u>\$ 99,925</u>	<u>\$ 130,579</u>	<u>\$ 8,763</u>	<u>\$ 239,267</u>
<u>Accumulated amortization and impairment</u>				
Balance as of January 1, 2024	\$ 39,450	\$ 52,048	\$ -	\$ 91,498
Amortization Expense	8,764	13,303	-	22,067
Balance as of December 31, 2024	<u>\$ 48,214</u>	<u>\$ 65,351</u>	<u>\$ -</u>	<u>\$ 113,565</u>
Net Amount as of December 31, 2024	<u>\$ 51,711</u>	<u>\$ 65,228</u>	<u>\$ 8,763</u>	<u>\$ 125,702</u>

The Company's golf certificates are usage rights. The Company's management believes that the Company has the intention and ability to continuously extend the useful life, therefore, they are classified as intangible assets with indefinite useful lives. Regardless of whether there are any impairment indicators, regular impairment tests are conducted annually. 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

Amortization expenses summarized by function:

	<u>2025</u>	<u>2024</u>
Operating costs	\$ 4,656	\$ 3,381
General and Administrative Expenses	15,361	9,466
Research and development expenses	<u>9,207</u>	<u>9,220</u>
	<u>\$ 29,224</u>	<u>\$ 22,067</u>

17. Prepayments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Prepaid inventory	\$ 9,255	\$ 7,662
Tax offset	-	12,106
Other prepaid expenses	<u>11,533</u>	<u>16,577</u>
	<u>\$ 20,788</u>	<u>\$ 36,345</u>

18. Other Assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Other Current Assets		
Temporary payment	<u>\$ 5,035</u>	<u>\$ 4,814</u>
<u>Non-current</u>		
Other non-current assets		
Prepayments for investments	<u>\$ 840,704</u>	<u>\$ -</u>

19. Borrowings

(1) Short-term borrowings

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
<u>Unsecured borrowings</u>		
- Bank borrowings	<u>\$ _____</u> -	<u>\$ 600,000</u>

The interest rates on bank revolving loans as of December 31, 2024 ranged from 1.83%~2.35%, respectively.

(2) Long-term borrowings

The Company's borrowings include:

	<u>Maturity</u> <u>date</u>	<u>Material Terms</u>	<u>Effective</u> <u>Interest</u> <u>Rate</u>	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
<u>Secured loans</u>					
Chang Hwa Bank's Secured Bank Loans in New Taiwan Dollars	129.3.31	The loan period is from March 31, 2020 to March 31, 2040, with a grace period of 36 installments, divided into 204 installments starting from March 31, 2023, with principal and interest amortized monthly.	2.13	\$ 347,700	\$ 639,479
Chang Hwa Bank's Secured Bank Loans in New Taiwan Dollars	129.3.31	The loan period is from August 22, 2025 to March 31, 2040, with a grace period of 36 installments, divided into 144 installments starting from August 22, 2028, with principal and interest amortized monthly.	1.95	251,274	-
Chang Hwa Bank's Secured Bank Loans in New Taiwan Dollars	120.9.30	The loan period is from September 30, 2024 to September 30, 2031, with a grace period of 12 installments, with principal and interest amortized monthly starting from October 25, 2025.	2.13	95,833	100,000
Chang Hwa Bank's Secured Bank Loans in New Taiwan Dollars	120.9.30	The loan period is from November 22, 2024 to September 30, 2031, with a grace period of 12 installments, with principal and interest amortized monthly starting from November 22, 2025.	2.13	197,183	200,000
Chang Hwa Bank's Secured Bank Loans in New Taiwan Dollars	120.9.30	The loan period is from October 25, 2024 to September 30, 2031, with a grace period of 12 installments, divided into 72 installments starting from September 30, 2025, with principal and interest amortized monthly.	2.13	194,444	200,000
Chang Hwa Bank's Secured Bank Loans in New Taiwan Dollars	120.9.30	The loan period is from April 18, 2025 to September 30, 2031, with a grace period of 12 installments, with principal and interest amortized monthly starting from April 18, 2026.	2.03	300,000	-
Chang Hwa Bank's Secured Bank Loans in New Taiwan Dollars	120.9.30	The loan period is from May 23, 2025 to September 30, 2031, with a grace period of 12 installments, with principal and interest amortized monthly starting from May 23, 2026.	2.03	200,000	-
Chang Hwa Bank's Secured Bank Loans in New Taiwan Dollars	129.1.24	The loan period is from January 24, 2025 to January 24, 2040, with principal and interest amortized monthly, and interest charged monthly.	1.95	75,590	-
Chang Hwa Bank's Secured Bank Loans in New Taiwan Dollars	129.1.24	The loan period is from August 22, 2025 to January 24, 2040, with principal and interest amortized monthly, and interest charged monthly.	2.03	42,919	-
Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars	130.3.2	From March 2, 2021 to March 2, 2024 is the grace period, during which monthly interest is paid based on the loan amount, and starting from March 2, 2024, it is divided into 204 installments, with principal and interest amortized monthly.	1.95	-	374,479
Taiwan Business Bank's Secured Bank Loans in New Taiwan Dollars	130.6.25	From June 25, 2021 to June 25, 2026 is the grace period, during which monthly interest is paid based on the loan amount, and starting from July 25, 2026, it is divided into 180 installments, with principal and interest amortized monthly.	2.13	728,000	728,000
Taiwan Business Bank's Secured Bank Loans in New Taiwan Dollars	131.1.4	The loan period is from January 4, 2022 to January 4, 2027, is the grace period, during which monthly interest is paid based on the loan amount, and starting from January 4, 2027, it is divided into 180 installments, with principal amortized equally, and interest calculated monthly.	2.13	338,000	338,000

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	Maturity date	Material Terms	Effective Interest Rate	December 31, 2025	December 31, 2024
Taiwan Business Bank's Secured Bank Loans in New Taiwan Dollars	118.7.4	The loan period is from July 4, 2024 to July 4, 2029, with principal and interest repaid in equal monthly installments, and interest calculated monthly.	2.00	120,400	154,000
Taiwan Business Bank's Secured Bank Loans in New Taiwan Dollars	118.7.4	The loan period is from July 4, 2024 to July 4, 2029, with principal and interest repaid in equal monthly installments, and interest calculated monthly.	2.00	86,000	110,000
Taiwan Business Bank's Secured Bank Loans in New Taiwan Dollars	119.12.26	The loan period is from December 26, 2025 to December 26, 2030, with a grace period of 12 installments, with principal and interest amortized monthly starting from December 26, 2026.	2.10	400,000	-
Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars	115.10.25	The loan period is from October 25, 2024 to August 2, 2026, with interest calculated monthly and principal repayment due at maturity.	1.95	-	59,500
Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars	115.10.25	The loan period is from October 25, 2024 to October 25, 2026, with interest calculated monthly and principal repayment due at maturity.	1.95	-	83,000
Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars	116.5.23	The loan period is from May 23, 2025 to May 23, 2027, with interest calculated monthly and principal repayment due at maturity.	1.95	59,500	-
Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars	116.5.23	The loan period is from May 23, 2025 to May 23, 2027, with interest calculated monthly and principal repayment due at maturity.	1.95	83,000	-
First Bank's Secured Bank Loans in New Taiwan Dollars	115.8.2	The loan period is from August 2, 2024 to August 2, 2026, with interest calculated monthly and principal repaid at maturity.	1.90	\$ -	\$ 35,000
<u>Unsecured loan</u>					
Chang Hwa Bank's Unsecured Bank Loans in New Taiwan Dollars	114.3.31	The loan period is from April 1, 2020 to March 31, 2025, divided into 60 installments, with principal and interest amortized monthly, and interest calculated monthly.	2.03	-	5,206
Chang Hwa Bank's Unsecured Bank Loans in New Taiwan Dollars	114.3.31	The loan period is from May 15, 2020 to March 31, 2025, divided into 59 installments, with principal and interest amortized monthly, and interest calculated monthly.	2.03	-	2,646
Chang Hwa Bank's Unsecured Bank Loans in New Taiwan Dollars	116.8.22	The loan period is from August 22, 2025 to August 2, 2027, with interest calculated monthly and principal repayment due at maturity.	1.95	500,000	-
Unsecured New Taiwan Dollar bank loan from CTBC Bank	115.9.1	The loan period is from September 1, 2023 to September 1, 2026, with principal repaid in monthly installments of 5 million, and interest calculated monthly.	2.29	160,000	220,000
Credit loan in New Taiwan Dollars from Taiwan Business Bank	118.7.4	The loan period is from July 4, 2024 to July 4, 2029, with principal and interest repaid in equal monthly installments, and interest calculated monthly.	2.00	107,500	137,500
Bank of Taiwan's Unsecured Bank Loans in New Taiwan Dollars	115.3.20	The loan period is from April 2, 2024 to March 20, 2026, with principal repayable at maturity, and interest calculated monthly.	2.00	-	100,000
Bank of Taiwan's Unsecured Bank Loans in New Taiwan Dollars	115.3.20	The loan period is from May 2, 2024 to March 20, 2026, with principal repayable at maturity, and interest calculated monthly.	2.00	-	200,000
Bank of Taiwan's Unsecured Bank Loans in New Taiwan Dollars	116.5.23	The loan period is from May 23, 2025 to May 23, 2027, with interest calculated monthly and principal repayment due at maturity.	1.95	500,000	-
First Bank's Unsecured Bank Loans in New Taiwan Dollars	115.8.2	The loan period is from August 2, 2024 to August 2, 2026, with interest calculated monthly and principal repaid at maturity.	1.90	-	100,000
First Bank's Unsecured Bank Loans in New Taiwan Dollars	115.7.4	The loan period is from July 4, 2024 to July 4, 2026, with interest calculated monthly, and principal repayable at maturity.	1.90	-	200,000
First Bank's Unsecured Bank Loans in New Taiwan Dollars	116.8.22	The loan period is from August 22, 2025 to August 2, 2027, with interest calculated monthly and principal repayment due at maturity.	1.90	200,000	-
First Bank's Unsecured Bank Loans in New Taiwan Dollars	116.5.23	The loan period is from May 23, 2025 to May 23, 2027, with interest calculated monthly and principal repayment due at maturity.	1.90	100,000	-
First Bank's Unsecured Bank Loans in New Taiwan Dollars	116.5.23	The loan period is from May 23, 2025 to May 23, 2027, with interest calculated monthly and principal repayment due at maturity.	1.90	200,000	-
Taiwan Cooperative Bank's Unsecured Bank Loans in New Taiwan Dollars	116.6.30	The loan period is from May 2, 2024 to June 30, 2027, with principal repayable at maturity, and interest calculated monthly.	1.95	67,730	31,860

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	<u>Maturity date</u>	<u>Material Terms</u>	<u>Effective Interest Rate</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Taiwan Cooperative Bank's Unsecured Bank Loans in New Taiwan Dollars	115.5.2	The loan period is from May 2, 2024 to May 2, 2026, with principal repayable at maturity, and interest calculated monthly.	1.95	-	180,000
Taiwan Cooperative Bank's Unsecured Bank Loans in New Taiwan Dollars	115.7.4	The loan period is from July 4, 2024 to July 4, 2026, with principal repayable at maturity, and interest calculated monthly.	1.95	-	200,000
Taiwan Cooperative Bank's Unsecured Bank Loans in New Taiwan Dollars	116.6.30	The loan period is from October 25, 2024 to June 30, 2027, with principal repayable at maturity, and interest calculated monthly.	1.95	81,460	46,120
Taiwan Cooperative Bank's Unsecured Bank Loans in New Taiwan Dollars	116.5.23	The loan period is from May 23, 2025 to May 23, 2027, with interest calculated monthly and principal repayment due at maturity.	1.95	180,000	-
Taiwan Cooperative Bank's Unsecured Bank Loans in New Taiwan Dollars	116.5.23	The loan period is from May 23, 2025 to May 23, 2027, with interest calculated monthly and principal repayment due at maturity.	1.95	200,000	-
Credit NTD bank loan from Taipei Fubon Bank	115.2.17	The loan period is from December 27, 2024 to December 17, 2026, with principal repayable at maturity, and interest calculated monthly.	2.05	-	400,000
Credit NTD bank loan from Taipei Fubon Bank	116.3.16	The loan period is from March 26, 2025 to March 16, 2027, with interest calculated monthly and principal repayment due at maturity.	2.06	500,000	-
Unsecured New Taiwan Dollar bank loan from Land Bank	116.4.1	The loan period is from April 1, 2025 to April 1, 2027, with interest calculated monthly and principal repayment due at maturity.	2.09	300,000	-
Unsecured New Taiwan Dollar bank loan from Bank SinoPac	116.6.25	The loan period is from December 26, 2025 to December 25, 2027, with interest calculated monthly and principal repayment due at maturity.	2.10	400,000	-
Unsecured New Taiwan Dollar bank loan from EnTie Bank	116.3.21	The loan period is from March 21, 2025 to March 21, 2027, with interest calculated monthly and principal repayment due at maturity.	2.12	300,000	-
Unsecured New Taiwan Dollar bank loan from Hua Nan Bank	116.7.30	The loan period is from July 30, 2025 to July 30, 2027, with interest calculated monthly and principal repayment due at maturity.	1.95	300,000	-
				7,616,533	4,844,790
Less: Portion due within 1 year				(464,020)	(229,706)
Long-term borrowings				<u>\$ 7,152,513</u>	<u>\$ 4,615,084</u>

For the collateral arrangements of the above bank loans, please refer to Notes 35.

20. 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 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 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 company's common shares exceeds 30% of the conversion price for 30 consecutive business days, the 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 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 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 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 March 31, 2025	<u>\$ 350,139</u>

As of December 31, 2024, the Company has executed full conversion 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>
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	(<u>575,460</u>)
Liability component as of December 31, 2024	<u>\$ 384,182</u>

21. Notes Payable and Accounts Payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Accounts Payable</u>		
Arising from operations - Non-related parties	<u>\$ 336,591</u>	<u>\$ 306,660</u>
<u>Accounts Payable</u>		
Arising from operations - Related parties (Note 34)	<u>\$ 95,528</u>	<u>\$ 37,882</u>

The 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 company has established financial risk management policies to ensure that all payables are paid within pre-agreed credit terms.

22. Other Liabilities

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
<u>Current</u>		
Other Payables		
Payables for equipment	\$ 159,362	\$ 138,355
Payables for salaries and bonuses	181,402	170,492
Payables for employee compensation	40,106	41,827
Payables for directors' compensation	33,798	40,713
Payables for interest	4,474	3,056
Payables for vacation benefits	15,128	13,892
Payables for dividends	182,479	364,232
Payables for business tax	19,452	-
Others	<u>190,538</u>	<u>172,395</u>
	<u>\$ 826,739</u>	<u>\$ 944,962</u>
 Other liabilities		
Temporary receipts	\$ 1,182	\$ 216
Collections for others	<u>3,756</u>	<u>4,005</u>
	<u>\$ 4,938</u>	<u>\$ 4,221</u>

23. Provisions

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
<u>Current</u>		
Warranties	<u>\$ -</u>	<u>\$ 2</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 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.

24. Post-Employment Benefit Plans

(1) Defined Contribution Plans

The retirement system applicable to the Company under the "Labor Pension Act" is a defined contribution retirement plan managed by the government, whereby 6% of employees' monthly salaries are contributed as retirement funds to individual accounts at the Bureau of Labor Insurance.

(2) Defined Benefit Plans

The retirement system implemented by the Company in accordance with Taiwan's "Labor Standards Act" is a defined benefit retirement plan managed by the government. 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 company does not have the right to influence investment management strategies.

The amounts of defined benefit plans included in the separate balance sheets are shown as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	\$ 38,648	\$ 39,491
Fair value of plan assets	(<u>390</u>)	(<u>336</u>)
Net Defined Benefit Liabilities	<u>\$ 38,258</u>	<u>\$ 39,155</u>

The changes in net defined benefit liability are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net Defined Benefit Liabilities
January 1, 2025	<u>\$ 39,491</u>	(<u>\$ 336</u>)	<u>\$ 39,155</u>
Service cost	253	-	253
Interest expense (income)	<u>601</u>	(<u>5</u>)	<u>596</u>
Recognized in profit or loss	<u>854</u>	(<u>5</u>)	<u>849</u>
Remeasurements			
Actuarial loss - changes in financial assumptions	348	-	348
Actuarial loss - experience adjustments	(<u>2,045</u>)	(<u>21</u>)	(<u>2,066</u>)
Recognized in other comprehensive income	(<u>1,697</u>)	(<u>21</u>)	(<u>1,718</u>)
Employer contributions	-	(<u>28</u>)	(<u>28</u>)
Benefit payments	-	-	-
December 31, 2025	<u>\$ 38,648</u>	(<u>\$ 390</u>)	<u>\$ 38,258</u>

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	Present value of defined benefit obligations	Fair value of plan assets	Net Defined Benefit Liabilities
January 1, 2024	<u>\$ 32,692</u>	<u>(\$ 1,517)</u>	<u>\$ 31,175</u>
Interest expense (income)	<u>379</u>	<u>(19)</u>	<u>360</u>
Recognized in profit or loss	<u>379</u>	<u>(19)</u>	<u>360</u>
Remeasurements			
Actuarial loss - changes in financial assumptions	592	-	592
Actuarial loss - experience adjustments	<u>7,197</u>	<u>(134)</u>	<u>7,063</u>
Recognized in other comprehensive income	<u>7,789</u>	<u>(134)</u>	<u>7,655</u>
Employer contributions	-	<u>(35)</u>	<u>(35)</u>
Benefit payments	<u>(1,369)</u>	<u>1,369</u>	<u>-</u>
December 31, 2024	<u>\$ 39,491</u>	<u>(\$ 336)</u>	<u>\$ 39,155</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>\$ 849</u>	<u>\$ 360</u>

The Company is exposed to the following risks due to the retirement 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 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	1.3860%	1.5205%
Expected salary increase rate	4.5000%	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 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%	(\$ 1,548)	(\$ 1,708)
Decrease of 0.5%	<u>\$ 1,643</u>	<u>\$ 1,814</u>
Expected salary increase rate		
Increase of 0.5%	<u>\$ 1,572</u>	<u>\$ 1,738</u>
Decrease of 0.5%	(\$ 1,497)	(\$ 1,655)

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>\$ 29</u>	<u>\$ 38</u>
Average maturity period of defined benefit obligation	8.42 years	9.1 years

25. Equity Attributable to Shareholders of the Parent

(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 in Advance	\$ <u> -</u>	\$ <u> 984</u>
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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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Can be used to offset losses, distribute cash or transfer to capital (1)</u>		
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	-
<u>Can only be used to offset losses (2)</u>		
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:

	For the three months ended December 31, 2023	For the nine months ended June 30, 2023
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:

	For the six months ended December 31, 2024	For the six months ended June 30, 2024
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:

	July 1 to December 31, 2025	January 1 to June 30, 2025
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.

26. Revenue

	2025	2024
Revenue from contracts with customers		
Sales revenue of commodities	\$ 4,264,065	\$ 3,990,716
Other operating revenue	<u>484,368</u>	<u>454,440</u>
	<u>\$ 4,748,433</u>	<u>\$ 4,445,156</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 possess the right to determine product pricing and usage at the time of shipment, and bear the primary responsibility for resale while assuming the risks of obsolescence, control of the products is deemed to have transferred to the customer. Accordingly, the Company recognizes revenue and accounts receivable at that 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)	\$ 1,205,662	\$ 1,073,655	\$ 721,928
Contract liabilities - advance receipts			
Sales of commodities	\$ 3	\$ 2,164	\$ 87,059
Others	347	1,516	13
	<u>\$ 350</u>	<u>\$ 3,680</u>	<u>\$ 87,072</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	\$ 2,164	\$ 87,059
Others	1,516	13
	<u>\$ 3,680</u>	<u>\$ 87,072</u>

(3) Disaggregation of revenue from contracts with customers

For revenue breakdown information, please refer to Statement 9.

27. Profit Before Income Tax

(1) Interest income

	<u>2025</u>	<u>2024</u>
Bank deposits	\$ 16,044	\$ 17,930
Imputed interest on deposits	52	49
Loans to Related Parties	-	261
	<u>\$ 16,096</u>	<u>\$ 18,240</u>

(2) Other income

	<u>2025</u>	<u>2024</u>
Rental income		
Investment property	\$ 40,429	\$ 34,899
Other rental	<u>4,211</u>	<u>7,820</u>
	<u>44,640</u>	<u>42,719</u>
Dividend Income		
Investments in equity instruments at fair value through other comprehensive income	<u>45,519</u>	<u>18,493</u>
Others	<u>35,853</u>	<u>17,574</u>
	<u>\$ 126,012</u>	<u>\$ 78,786</u>

(3) Other gains and (losses)

	<u>2025</u>	<u>2024</u>
Gains on Financial Assets and Financial Liabilities		
Financial assets and liabilities mandatorily measured at fair value through profit or loss	(\$ 10,282)	\$ 3,523
Gain on disposal of property, plant and equipment and investment property	155,701	7,588
Net gain (loss) on foreign currency exchange	(48,237)	59,523
Loss on Redemption of Bonds Payable	(196)	-
Goodwill impairment loss	(18,936)	-
Others	<u>(479)</u>	<u>(1,969)</u>
	<u>\$ 77,571</u>	<u>\$ 68,665</u>

(4) Finance costs

	<u>2025</u>	<u>2024</u>
Bank borrowing interest	\$ 138,872	\$ 80,146
Convertible corporate bond interest	7,578	17,227
Interest on lease liabilities	148	200
Imputed interest on deposits	104	74
Less: Amount included in cost of qualifying assets	<u>(6,915)</u>	<u>(9,283)</u>
	<u>\$ 139,787</u>	<u>\$ 88,364</u>

Information related to interest capitalization is as follows:

	<u>2025</u>	<u>2024</u>
Capitalized interest amount	\$ 6,915	\$ 9,283
Interest capitalization rate	1.95%	1.89%~2.63%

(5) Depreciation and amortization

	<u>2025</u>	<u>2024</u>
Depreciation expense by function		
Operating costs	\$ 244,028	\$ 209,482
Operating expenses	<u>114,485</u>	<u>96,925</u>
	<u>\$ 358,513</u>	<u>\$ 306,407</u>
Amortization expense by function		
Operating costs	\$ 4,656	\$ 3,381
Operating expenses	<u>24,568</u>	<u>18,686</u>
	<u>\$ 29,224</u>	<u>\$ 22,067</u>

(6) Employee benefit expenses

	<u>2025</u>	<u>2024</u>
Post-employment benefits		
Defined contribution plans	\$ 27,219	\$ 24,071
Defined Benefit Plans (Note 24)	<u>849</u>	<u>360</u>
	28,068	24,431
Other employee benefits	<u>879,129</u>	<u>803,842</u>
Total employee benefit expenses	<u>\$ 907,197</u>	<u>\$ 828,273</u>
Summarized by function		
Operating costs	\$ 380,446	\$ 355,245
Operating expenses	<u>526,751</u>	<u>473,028</u>
	<u>\$ 907,197</u>	<u>\$ 828,273</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 period. 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 parent company only 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 parent company only 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.

28. 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	\$ 178,510	\$ 170,071
Adjustments from previous years	35	1,311
Investment tax credit	(23,670)	(30,824)
	<u>154,875</u>	<u>140,558</u>
Deferred income tax		
Generated from the current year	(7,450)	<u>3,339</u>
Income tax expense recognized in profit or loss	<u>\$ 147,425</u>	<u>\$ 143,897</u>

Reconciliation between accounting income and current income tax expense is as follows:

	<u>2025</u>	<u>2024</u>
Profit Before Income Tax	<u>\$ 1,052,712</u>	<u>\$ 1,311,675</u>
Income tax expense calculated at the statutory tax rate on profit before income tax	\$ 210,542	\$ 262,335
Non-deductible expenses for tax purposes	5,389	3,500
Tax-exempt income	(44,871)	(93,534)
Adjustment of current income tax expense for previous years in the current year	35	1,311
Investment tax credit	(23,670)	(30,824)
Integrated house and land tax	<u>-</u>	<u>1,109</u>
Income tax expense recognized in profit or loss	<u>\$ 147,425</u>	<u>\$ 143,897</u>

(2) Current Income Tax Liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current income tax liabilities		
Income tax payable	<u>\$ 68,197</u>	<u>\$ 71,380</u>

(3) 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 inventory valuation loss	\$ 27,356	\$ 2,121	\$ 29,477
Unrealized loss from transactions with subsidiaries	346	-	346
Defined benefit retirement plan	-	63	63
Payables for vacation benefits	2,778	248	3,026
Excess allowance for doubtful accounts	<u>207</u>	<u>-</u>	<u>207</u>
	<u>\$ 30,687</u>	<u>\$ 2,432</u>	<u>\$ 33,119</u>

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	Beginning balance	Recognized in profit or loss	Ending balance
<u>Deferred income tax liabilities</u>			
Temporary differences			
Unrealized loss from transactions with subsidiaries	(\$ 346)	\$ -	(\$ 346)
Defined benefit retirement plan	(102)	102	-
Unrealized exchange gains	(5,124)	4,916	(208)
	<u>(\$ 5,572)</u>	<u>\$ 5,018</u>	<u>(\$ 554)</u>

2024

	Beginning balance	Recognized in profit or loss	Ending balance
<u>Deferred tax assets</u>			
Temporary differences			
Unrealized inventory valuation loss	\$ 22,813	\$ 4,543	\$ 27,356
Unrealized loss from transactions with subsidiaries	346	-	346
Payables for vacation benefits	3,584	(806)	2,778
Excess allowance for doubtful accounts	207	-	207
Unrealized Foreign Exchange Loss	2,016	(2,016)	-
	<u>\$ 28,966</u>	<u>\$ 1,721</u>	<u>\$ 30,687</u>
 <u>Deferred income tax liabilities</u>			
Temporary differences			
Unrealized loss from transactions with subsidiaries	(\$ 346)	\$ -	(\$ 346)
Defined benefit retirement plan	(166)	64	(102)
Unrealized exchange gains	-	(5,124)	(5,124)
	<u>(\$ 512)</u>	<u>(\$ 5,060)</u>	<u>(\$ 5,572)</u>

(4) Status of Income Tax Assessment

The Company's income tax returns have been assessed by the tax authorities for up to 2023, except for the 2024 tax year.

29. 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:		
After-tax interest on convertible corporate bonds and valuation gains/losses on conversion options	<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 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.

30. Partial Acquisition or Disposal of Investment in Subsidiaries - Without Affecting Control

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

	(April 2025) Gudeng Equipment
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	<u>478</u>
Difference in equity transactions	(<u>\$ 1,109</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>\$ 1,109</u>)

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

	(January 2025) Guchii Technology
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>)

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

	(September 2, 2024) Guchii Technology
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 company acquired shares of Gudeng Equipment not in proportion to its shareholding ratio, resulting in an increase in ownership percentage to 45.44%.

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

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

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

	(May 9, 2024) Gudeng Equipment	(April and October 2025) Guchii Technology
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	(<u>425,820</u>)	(<u>53,780</u>)
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>

31. Cash Flow Information

Non-cash transactions

The Company conducted the following non-cash financing activities in 2025 and 2024:

- (1) Gudeng's Board of Directors resolved to distribute cash dividends for the first half of the respective years, which remained undistributed as of December 31, 2024 and 2023 (see Notes 22 and 25).
- (2) The 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.

32. Capital Risk Management

The 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 Company adopts a prudent risk management strategy with regular reviews, making comprehensive plans based on business development strategies and operational needs to determine the appropriate capital structure for the Company.

33. Financial Instruments

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

The management of the 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 Limited Partnerships	-	-	<u>128,295</u>	<u>128,295</u>
Total	<u>\$ -</u>	<u>\$ 107</u>	<u>\$ 128,295</u>	<u>\$ 128,402</u>
<u>Financial Assets at Fair Value</u>				
<u>through Other</u>				
<u>Comprehensive Income</u>				
Equity Instrument				
Investments				
- Domestic publicly traded shares	\$1,052,090	\$ 107,710	\$ -	\$1,159,800
- Non-publicly traded shares	-	-	<u>111,576</u>	<u>111,576</u>
Total	<u>\$1,052,090</u>	<u>\$ 107,710</u>	<u>\$ 111,576</u>	<u>\$1,271,376</u>

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives	\$ <u> -</u>	\$ <u> 374</u>	\$ <u> -</u>	\$ <u> 374</u>

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 958	\$ -	\$ 958
Domestic Limited Partnerships	<u> -</u>	<u> -</u>	<u> 44,212</u>	<u> 44,212</u>
Total	<u>\$ <u> -</u></u>	<u>\$ <u> 958</u></u>	<u>\$ <u> 44,212</u></u>	<u>\$ <u> 45,170</u></u>

Financial Assets at Fair Value through Other Comprehensive Income

Equity Instrument Investments				
- Domestic publicly traded shares	\$ 861,470	\$ -	\$ -	\$ 861,470
- Domestic Emerging Stocks	<u> -</u>	<u> 224,147</u>	<u> -</u>	<u> 224,147</u>
Total	<u>\$ <u>861,470</u></u>	<u>\$ <u>224,147</u></u>	<u>\$ <u> -</u></u>	<u>\$ <u>1,085,617</u></u>

Financial liabilities at fair value through profit or loss

Derivatives	\$ <u> -</u>	\$ <u> 120</u>	\$ <u> -</u>	\$ <u> 120</u>
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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	\$ -	\$ 44,212
Recognized in profit or loss	(5,137)	-	(5,137)
Recognized in other comprehensive income	-	(39,274)	(39,274)
Purchase	<u>89,220</u>	<u>150,850</u>	<u>240,070</u>
Ending Balance	<u>\$ <u>128,295</u></u>	<u>\$ <u>111,576</u></u>	<u>\$ <u>239,871</u></u>

2024

Financial Assets	Financial Assets at Fair Value through Other Comprehensive Income		Total
	Fair Value through Profit or Loss	Fair Value through Profit or Loss	
	Equity Instruments	Equity Instruments	
Beginning Balance	\$ -	\$ -	\$ -
Recognized in profit or loss	(1,568)	-	(1,568)
Recognized in other comprehensive income	-	-	-
Purchase	45,780	-	45,780
Ending Balance	<u>\$ 44,212</u>	<u>\$ -</u>	<u>\$ 44,212</u>

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

Financial Instrument Categories	Valuation Techniques and Inputs
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.
Domestic publicly traded securities	The 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.
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.
Emerging stock market securities	The Company's investments in ordinary shares have limited trading volume and do not exhibit characteristics of an active market. The Company determines the fair value of these financial instruments based on relevant market prices, taking into account a liquidity discount.

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, 2025</u>	<u>December 31, 2024</u>
<u>Financial Assets</u>		
Fair Value through Profit or Loss		
Mandatory Fair Value through Profit or Loss	\$ 128,402	\$ 45,170
Financial assets measured at amortized cost (Note 1)	2,511,699	3,007,425
Financial Assets at Fair Value through Other Comprehensive Income		
Equity Instrument Investments	1,271,376	1,085,617
<u>Financial liabilities</u>		
Fair Value through Profit or Loss		
Held for trading	374	120
Measured at amortized cost (Note 2)	9,251,550	7,148,753

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

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

(4) Financial Risk Management Objectives and Policies

The Company's main financial instruments include equity instrument investments, accounts receivable, accounts payable, corporate bonds payable, and borrowings. The above financial instruments are associated with operational financial risks. These risks include market risk (including exchange rate risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

1. Market Risk

The Company's operating activities expose the Company to the main financial risks of foreign currency exchange rate fluctuation risk (see(1) below) and interest rate fluctuation risk (see(2) below).

The 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

The Company's sales and purchase transactions denominated in foreign currencies expose the Company to exchange rate fluctuation risk. The Company manages its exchange rate exposure by using forward foreign exchange contracts and policy-approved limits.

The carrying amounts of the Company's monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date are disclosed in Note 39.

Sensitivity Analysis

The Company is mainly affected by fluctuations in the US dollar and Japanese yen exchange rates.

The table below details the 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 by the Company when reporting exchange rate risk to key management personnel, and also represents management's assessment of the reasonably possible range of changes in foreign exchange rates.

	Impact of US Dollar Currency		Impact of Japanese Yen Currency		Impact of Chinese Yuan Currency	
	2025	2024	2025	2024	2025	2024
Profit and Loss	\$ 4,334	\$ 6,955	(\$ 3)	\$ 183	(\$ 315)	(\$ 199)

- (i) This mainly arises from the 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 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 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

Because the Company borrows funds at both fixed and floating interest rates, it is exposed to interest rate risk.

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:

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
- Financial assets	\$ 50,000	\$ 234,907
- Financial liabilities	355,385	395,277
Cash flow interest rate risk		
- Financial assets	779,853	1,648,770
- Financial liabilities	7,621,007	5,447,846

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 Company 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 Company's profit before income tax for 2024 and 2023 would decrease/increase by NT\$9,498 thousand and NT\$2,566 thousand, respectively.

(3) Other price risks

The Company is exposed to equity price risk due to investments in equity securities. The Company's management manages risk by holding investment portfolios with different risk profiles.

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 or loss for 2025 and 2024 would increase/decrease by NT\$12,830 thousand and NT\$4,421 thousand, respectively, due to the increase/decrease in fair value of financial assets measured at fair value through profit or loss. The pre-tax other comprehensive income for 2025 and 2024 would increase/decrease by NT\$127,138 thousand and NT\$108,562 thousand, respectively, due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive income.

2. Credit risk

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

- (1) The carrying amount of financial assets recognized in the individual balance sheet.
- (2) The maximum amount that the Company may have to pay as a financial guarantee, regardless of the possibility of occurrence.

The policy adopted by the 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 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 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 Company's credit risk has been significantly reduced. Therefore, the credit risk is limited.

The Company's credit risk is primarily concentrated on its top five customers. As of December 31, 2025 and 2024, accounts receivable from the top five customers accounted for 58% and 59% of the Company's total accounts receivable, respectively. The credit concentration risk for the remaining accounts receivable is relatively insignificant.

3. Liquidity Risk

The Company manages and maintains sufficient positions of cash and cash equivalents to support operations and mitigate the effects of cash flow fluctuations. The management of the 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 Company. As of the years ended 2025 and 2024, the 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 company may be required to pay, using undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, bank loans that the company may be required to repay immediately are 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>More than 3 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities</u>					
Accounts Payable	\$ 432,119	\$ -	\$ -	\$ -	\$ 432,119
Other Payables	843,547	-	-	-	843,547
Lease liabilities	2,906	941	941	593	5,381
Guarantee deposits received	-	4,738	-	-	4,738
Other Current Liabilities	4,938	-	-	-	4,938
Borrowings	468,494	4,298,243	426,553	2,427,717	7,621,007
Convertible bonds	356,100	-	-	-	356,100
	<u>\$ 2,108,104</u>	<u>\$ 4,303,922</u>	<u>\$ 427,494</u>	<u>\$ 2,428,310</u>	<u>\$ 9,267,830</u>

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

	<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>
Lease liabilities	<u>\$ 2,906</u>	<u>\$ 941</u>	<u>\$ 941</u>	<u>\$ 593</u>	<u>\$ -</u>

December 31, 2024

	<u>Less than 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>More than 3 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities</u>					
Accounts Payable	\$ 344,542	\$ -	\$ -	\$ -	\$ 344,542
Other Payables	962,021	-	-	-	962,021
Lease liabilities	6,718	2,722	757	1,135	11,332
Guarantee deposits received	-	10,162	-	-	10,162
Other Current Liabilities	4,221	-	-	-	4,221
Borrowings	832,762	617,420	217,818	3,779,846	5,447,846
Convertible bonds	-	399,100	-	-	399,100
	<u>\$ 2,150,264</u>	<u>\$ 1,029,404</u>	<u>\$ 218,575</u>	<u>\$ 3,780,981</u>	<u>\$ 7,179,224</u>

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

	<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>
Lease liabilities	<u>\$ 6,718</u>	<u>\$ 2,722</u>	<u>\$ 757</u>	<u>\$ 1,135</u>	<u>\$ -</u>

(2) Financing Facilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured bank loan facilities (renewable upon mutual agreement)		
Amount utilized	\$ 4,396,690	\$ 2,423,333
Unused amount	<u>670,290</u>	<u>650,000</u>
	<u>\$ 5,066,980</u>	<u>\$ 3,073,333</u>
Secured bank loan facilities (renewable upon mutual agreement)		
Amount utilized	\$ 3,519,843	\$ 3,021,457
Unused amount	<u>60,000</u>	<u>825,960</u>
	<u>\$ 3,579,843</u>	<u>\$ 3,847,417</u>

34. Related Party Transactions

In addition to those disclosed in other notes, the transactions between the Company and related parties are as follows.

(1) Names of Related Parties and Their Relationships

<u>Names of Related Parties</u>	<u>Relationship with the 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
Symtek Automation Asia Co., Ltd. (hereinafter referred to as Symtek)	Substantial related party
Giga Computing Technology Co., Ltd. (hereinafter referred to as Giga Computing)	Substantial related party
Global Magic Electronic Co., Ltd. (hereinafter referred to as Global Magic)	Associates
Chongqing Huanmei Electronic Co., Ltd. (hereinafter referred to as Chongqing Huanmei)	Associates
Jin Hui Technology Co., Ltd. (hereinafter referred to as Jin Hui)	Associates
YAHOO System Technology Co., Ltd. (hereinafter referred to as YAHOO)	Associates

(Continued on the next page)

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<u>Names of Related Parties</u>	<u>Relationship with the Company</u>
i Analyzer Incorporation (hereinafter referred to as i Analyzer Company)	Associates
Gudeng Venture Capital Co., Ltd. (hereinafter referred to as Gudeng Venture)	Subsidiary of the Company
Guchii Technology Co., Ltd. (hereinafter referred to as Guchii Technology)	Subsidiary of the Company
Gudeng Equipment Co., Ltd. (hereinafter referred to as Gudeng Equipment)	Subsidiary of the Company
Jiaqian Tech (Shanghai) Co., Ltd. (hereinafter referred to as Shanghai Jiaqian) (formerly Shanghai Gudeng Trading Co., Ltd.)	Subsidiary of the Company
Jia Shuo Construction, Inc. (hereinafter referred to as Jia Shuo Construction)	Subsidiary of the Company
Gudeng Inc. (hereinafter referred to as Gudeng USA)	Subsidiary of the Company
Suting Precision Industry Co., Ltd. (hereinafter referred to as Suting)	Subsidiary of the Company
Hengyang Green Energy Co., Ltd. (hereinafter referred to as Hengyang)	Subsidiary of the Company
Gudeng Aerospace Technologies Corporation (hereinafter referred to as Gudeng Aerospace)	Subsidiary of the Company
Dachuan Plastic Industrial (Kunshan) Co., Ltd. (hereinafter referred to as Dachuan)	Subsidiary of the Company
JYR Aviation Components Co., Ltd. (hereinafter referred to as JYR Aviation)	Subsidiary of the Company
Gudeng Japan Co., LTD	Subsidiary of the Company
Cypress Precision Industrial CO., LTD. (hereinafter "Cypress Precision")	Subsidiary of the Company
GUDENG KOREA CO., LTD.	Subsidiary of the Company

(2) Operating Revenue

<u>Items Listed in Account</u>	<u>Names of Related Parties</u>	<u>2025</u>	<u>2024</u>
Sales Revenue	Jiaqian Shanghai	\$ 176,965	\$ 158,231
	Gudeng Equipment	12,219	6,494
	Guchii Technology	720	-
	Suting	25,285	10,785
	Dachuan Company	44,065	-
	JYR Aviation	-	37
	Gudeng USA	18,279	117
	Chongqing Huanmei	19,336	13,233
	Gudeng Japan Co., LTD	487	-
		<u>\$ 297,356</u>	<u>\$ 188,897</u>

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

(3) Purchases

<u>Names of Related Parties</u>	<u>2025</u>	<u>2024</u>
Guchii Technology	\$ 139,056	\$ 149,832
Suting	15,855	17,084
Gudeng Equipment	926	746
Jin Hui	24,455	18,360
Chongqing Huanmei	29,451	74
JYR Aviation	1,623	1,759
i Analyzer Company	670	-
GUDENG KOREA CO., LTD.	806	-
	<u>\$ 212,842</u>	<u>\$ 187,855</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)

<u>Items Listed in Account</u>	<u>Names of Related Parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts Receivable - Related Parties	Jiaqian Shanghai	\$ 68,599	\$ 59,098
	Gudeng Equipment	6,286	1,908
	Suting	12,163	8,030
	Dachuan Company	40,208	33,647
	Gudeng USA	209	42
	Global Magic	62	-
	Chongqing Huanmei	<u>5,620</u>	<u>11,447</u>
		<u>\$ 133,147</u>	<u>\$ 114,172</u>
Other Receivables - Related Parties	Gudeng Equipment	\$ 427	\$ 385
	Jin Hui	12	1
	Jiaqian Shanghai	10,610	577
	Symtek	159	206
	Hengyang	16	16
	Suting	232	198
	Gudeng Japan Co., LTD	516	75
	GUDENG KOREA CO., LTD.	5,020	-
	Gudeng USA	2,686	515
	Dachuan Company	2,176	1,500
	Cypress Precision	10	10
	Guchii Technology	670	-
	Giga Computing	405,000	-
	Laien Parts	<u>12</u>	<u>10</u>
	<u>\$ 427,546</u>	<u>\$ 3,493</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)

Items Listed in Account	Names of Related Parties	December 31, 2025	December 31, 2024
Accounts Payable - Related Parties	Guchii Technology	\$ 51,479	\$ 24,644
	Suting	2,586	3,504
	Jin Hui	10,218	3,271
	Dachuan Company	30,890	6,158
	Gudeng Equipment	-	18
	JYR Aviation	197	213
	Chongqing Huanmei i Analyzer Company	53	74
		<u>105</u>	<u>-</u>
		<u>\$ 95,528</u>	<u>\$ 37,882</u>
Other Payables - Related Parties	Jiaqian Shanghai	\$ 2,232	\$ 13,715
	Gudeng USA	6,688	6,289
	Gudeng Equipment	15	69
	Cypress Precision	13	22
	Suting	26	20
	JYR Aviation	70	-
	YAH0	<u>12,238</u>	<u>-</u>
	<u>\$ 21,282</u>	<u>\$ 20,115</u>	

Outstanding payables to related parties are not secured by collateral.

(6) Prepayments

Names of Related Parties	December 31, 2025	December 31, 2024
YAH0	\$ 6,746	\$ 6,746
Suting	<u>1,360</u>	<u>-</u>
	<u>\$ 8,106</u>	<u>\$ 6,746</u>

(7) Contract Liabilities

Names of Related Parties	December 31, 2025	December 31, 2024
Dachuan Company	<u>\$ 163</u>	<u>\$ -</u>

(8) Property, Plant and Equipment Acquired

Names of Related Parties	Acquisition Cost	
	2025	2024
Gudeng Equipment	\$ 20,000	\$ 15,000
YAH0	42,780	21,390
Suting	<u>-</u>	<u>139,647</u>
	<u>\$ 62,780</u>	<u>\$176,037</u>

(9) Disposal of Property, Plant and Equipment

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

(10) Lease Agreements

Lease Expenses

Lessor	Subject Matter	Leasing Method and Rental Payment Terms	Lease Expenses	
			2025	2024
Sheng Jie	Employee Dormitory	Monthly rent of NT\$235 thousand, paid monthly.	<u>\$ 2,604</u>	<u>\$ 2,832</u>
Yun Sheng	Warehouse	Monthly rent of NT\$150 thousand, paid monthly.	<u>\$ 1,800</u>	<u>\$ 1,800</u>

(11) Lease Agreements

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

Names of Related Parties	December 31, 2025	December 31, 2024
Jia Shuo Construction	\$ 6	\$ 6
Gudeng Aerospace Technologies Corporation	17	17
Yun Sheng	8	8
Sheng Jie	8	8
Jin Peng	8	8
	<u>\$ 47</u>	<u>\$ 47</u>

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

Names of Related Parties	December 31, 2025	December 31, 2024
Gudeng Venture	\$ 480	\$ 480
Gudeng Equipment	7,136	10,698
Jia Shuo Construction	9	6
Onore King	12	12
Hengyang	366	192
Gudeng Aerospace Technologies Corporation	17	18
Cypress Precision	30	310
Suting	-	90
Sheng Jie	8	-
Jin Peng	8	-
Yun Sheng	8	-
Guchii Technology	21,515	-
	<u>\$ 29,589</u>	<u>\$ 11,806</u>

3. Lease income is summarized as follows:

Names of Related Parties	Subject Matter	Leasing Method and Rental Payment Terms	2025	2024
Gudeng Venture	Office	Monthly rent of 40 thousand dollars, paid monthly.	\$ 480	\$ 480
Gudeng Equipment	Factory building and clean room	Monthly rent of 297 thousand dollars, paid monthly.	3,562	3,574
Gudeng Equipment	Employee Dormitory	Monthly rent of 6.7 thousand dollars, paid monthly.	63	-
Gudeng Equipment	Office	Monthly rent of 1 thousand dollars, paid monthly.	12	12
Jia Shuo Construction	Office	Monthly rent of 1 thousand dollars, paid monthly.	12	12
Sheng Jie	Office	Monthly rent of 1 thousand dollars, paid monthly.	12	12
Yun Sheng	Office	Monthly rent of 1 thousand dollars, paid monthly.	12	12
Jin Peng	Office	Monthly rent of 1 thousand dollars, paid monthly.	12	12
Onore King	Office	Monthly rent of 1 thousand dollars, paid monthly.	12	12
Hengyang	Office	Monthly rent of 15 thousand dollars, paid monthly.	183	183
Gudeng Aerospace Technologies Corporation	Office	Monthly rent of 2.4 thousand dollars, paid monthly.	29	29
Cypress Precision	Company Vehicle	Monthly rent of 10 thousand dollars, paid monthly.	119	48
Guchii Technology	Warehouse	Monthly rent of 1,195 thousand dollars, paid monthly.	7,172	-
Suting	Office	Monthly rent of 10 thousand dollars, paid monthly.	-	143
			<u>\$ 11,680</u>	<u>\$ 4,529</u>

4. Guarantee deposits are summarized as follows:

<u>Names of Related Parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Gudeng Equipment	\$ 596	\$ 596
Jia Shuo Construction	2	2
Sheng Jie	2	2
Yun Sheng	2	2
Jin Peng	2	2
Onore King	2	2
Guchii Technology	2,500	-
	<u>\$ 3,106</u>	<u>\$ 606</u>

5. The summary of imputed interest on deposits is as follows:

<u>Names of Related Parties</u>	<u>2025</u>	<u>2024</u>
Gudeng Equipment	<u>\$ 10</u>	<u>\$ 9</u>

(12) Loans to Related Parties

Interest Income

<u>Names of Related Parties</u>	<u>2025</u>	<u>2024</u>
Suting	<u>\$ -</u>	<u>\$ 261</u>

(13) Transactions with Other Related Parties

1. Service Fees

<u>Items Listed in Account</u>	<u>Names of Related Parties</u>	<u>2025</u>	<u>2024</u>
Operating expenses	Jiaqian Shanghai	\$ 49,770	\$ 147,220
	Gudeng USA	33,396	47,944
		<u>\$ 83,166</u>	<u>\$ 195,164</u>

2. Other Income

<u>Items Listed in Account</u>	<u>Names of Related Parties</u>	<u>2025</u>	<u>2024</u>
Other Income	Gudeng Equipment	\$ 734	\$ 945
	Guchii Technology	77	49
	Jin Hui	85	67
	Laien Parts	110	148
	Gudeng USA	2,100	-
	GUDENG KOREA CO., LTD.	5,020	-
	Gudeng Japan Co., LTD	500	-
	Jiaqian Shanghai	10,610	-
	Symtek	62	247
			<u>\$ 19,298</u>

3. Other Expenses

Items Listed in Account	Names of Related Parties	2025	2024
Manufacturing Expenses	Gudeng USA	\$ 2,994	\$ 2,238
	Dachuan Company	40,081	41,598
	Cypress Precision	<u>32</u>	<u>-</u>
		<u>\$ 43,107</u>	<u>\$ 43,836</u>
Selling expenses	Cypress Precision	\$ -	\$ 129
	Gudeng USA	<u>5,265</u>	<u>-</u>
		<u>\$ 5,265</u>	<u>\$ 129</u>
General and Administrative Expenses	Gudeng USA	<u>\$ -</u>	<u>\$ 3,556</u>
Research expenses	Chongqing Huanmei	\$ -	\$ 41
	Suting	2,089	-
	Dachuan Company	81	-
	Guchii Technology	<u>13,540</u>	<u>-</u>
		<u>\$ 15,710</u>	<u>\$ 41</u>

4. Other Assets and Liabilities

Items Listed in Account	Names of Related Parties	December 31, 2025	December 31, 2024
Refundable Deposits	Sheng Jie	\$ 103	\$ 103
	Yun Sheng	<u>300</u>	<u>300</u>
		<u>\$ 403</u>	<u>\$ 403</u>

(14) Compensation of Key Management Personnel

Short-term Employee Benefits	<u>2025</u> \$ 85,748	<u>2024</u> \$ 80,723
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Compensation for directors and other key management personnel is determined by the Compensation Committee based on individual performance and market trends.

35. Pledged Assets

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Pledged deposits (recognized under financial assets measured at amortized cost)	\$ 50,000	\$ 234,907
Owned Land	2,195,040	2,336,762
Buildings - net	750,589	504,178
Investment property	<u>482,928</u>	<u>726,058</u>
	<u>\$ 3,478,557</u>	<u>\$ 3,801,905</u>

36. Significant Contingent Liabilities and Unrecognized Contractual Commitments

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

(1) Significant Commitments

The Company has contractual commitments with various vendors for the purchase of land and equipment with a total contract price of NT\$498,422 thousand. As of December 31, 2025, NT\$368,969 thousand has been paid, with the remaining NT\$129,453 thousand not yet paid.

(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. filed a damages lawsuit with the Intellectual Property and Commercial Court alleging that the Company infringed its Republic of China Invention Patent No. I830642, seeking NT\$30 million in compensation 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.

37. Other Matters: None.

38. Significant Subsequent Events: None.

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

The Company's information on foreign currency financial assets and liabilities with significant impact is as follows:

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign Currency Assets			
<u>Monetary Items</u>			
USD	\$ 14,380	31.43 (US Dollar: NTD)	\$ 451,963
EUR	4	36.90 (EUR: NTD)	148
JPY	2,974	0.201 (JPY: NTD)	598
			<u>\$ 452,709</u>
<u>Non-Monetary Items</u>			
subsidiaries accounted for using equity method			
USD	3,003	31.43 (US Dollar: NTD)	\$ 94,389
RMB	141,967	4.496 (RMB: NTD)	636,453
JPY	828,495	0.201 (JPY: NTD)	166,362
KRW	7,424,475	0.022 (KRW: NTD)	163,413
			<u>\$ 1,060,517</u>
Foreign Currency Liabilities			
<u>Monetary Items</u>			
USD	591	31.43 (US Dollar: NTD)	\$ 18,575
RMB	7,005	4.496 (RMB: NTD)	31,494
EUR	65	36.90 (EUR: NTD)	2,399
JPY	4,241	0.201 (JPY: NTD)	852
			<u>\$ 53,320</u>

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign Currency Assets			
<u>Monetary Items</u>			
USD	\$ 23,012	32.785 (US Dollar: NTD)	\$ 754,448
JPY	90,653	0.210 (JPY: NTD)	19,037
RMB	4	4.478 (RMB: NTD)	18
			<u>\$ 773,503</u>

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	Foreign Currency	Exchange Rate	Carrying Amount
<u>Non-Monetary</u>			
<u>Items</u>			
subsidiaries accounted for using equity method			
USD	3,211	32.785 (US Dollar: NTD)	\$ 105,289
RMB	142,640	4.478 (RMB: NTD)	<u>639,027</u>
			<u>\$ 744,316</u>
<u>Foreign Currency Liabilities</u>			
<u>Monetary Items</u>			
USD	\$ 1,799	32.785 (US Dollar: NTD) 0.210 (JPY: New Taiwan Dollar)	\$ 58,980
JPY	3,393	4.478 (RMB: NTD)	713
RMB	4,455		<u>19,949</u>
			<u>\$ 79,642</u>

The unrealized foreign exchange gains and losses with significant impact are as follows:

Foreign Currency	2025		2024	
	Exchange Rate	Net Exchange (Loss) Gain	Exchange Rate	Net Exchange (Loss) Gain
USD	31.430 (US Dollar: NTD)	\$ 1,655	32.785 (US Dollar: NTD)	\$ 25,238
JPY	0.201 (JPY: New Taiwan Dollar)	(4)	0.210 (JPY: New Taiwan Dollar)	1,618
RMB	4.496 (RMB: NTD)	(<u>854</u>) <u>\$ 797</u>	4.478 (RMB: NTD)	(<u>1,180</u>) <u>\$ 25,676</u>

40. Supplementary Disclosures

(1) Information on Significant Transactions

Number	Item	Description
1	Loans to Others.	Table 1
2	Endorsements/Guarantees for Others.	Table 2
3	Significant securities held at period end. (Excluding Investments in Subsidiaries, Associates and Joint Ventures)	Table 3
4	Purchases or Sales with Related Parties Reaching NT\$100 Million or 20% of Paid-in Capital or More.	Table 4
5	Receivables from Related Parties Reaching NT\$100 Million or 20% of Paid-in Capital or More.	Table 5

(2) Information on Investee Companies (Table 6)

(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 7
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 8
	(2) Sales amount and percentage, and the ending balance and percentage of related accounts receivable.	Table 8
	(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 8	

GUDENG PRECISION INDUSTRIAL CO., LTD.
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)	Total fund 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.
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	-	7.2%	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.
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	—
					401,519	<u>30,889</u>	0.96	<u>30,889</u>
	GMT GLOBAL INC.	—	"		<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>		<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>		<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 6 and Schedule 7.

GUDENG PRECISION INDUSTRIAL CO., LTD.

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.

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	Balance of Related Party 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.
INVESTEE COMPANY INFORMATION, LOCATION...AND OTHER RELEVANT INFORMATION

For the year ended December 31, 2025

Table 6

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.	8F-5, 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.	8F-5, 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

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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.	2F, No. 50, Yongkehuan Rd., Wangxing Vil., Yongkang Dist., Tainan City	Piping engineering and electrical installation	171,000	157,500	17,100,000	45	155,314	(8,217)	(3,698)	Note 1
	Yao Hong 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 Verture 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
	Efount 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
Efount 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 7.

GUDENG PRECISION INDUSTRIAL CO., LTD.
MAINLAND CHINA INVESTMENT INFORMATION

For the year ended December 31, 2025

Table 7

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	Investee Company Profit (Loss) for the Period	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.

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 8

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 Global Magic Electronic 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)	-	-	

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GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS

December 31, 2025

Statement 1

Unit: NT\$1,000 unless otherwise specified

Item	Summary	Amount
Cash		
Cash on Hand		\$ 220
Petty Cash		118
Bank deposits		
Checks and		635,495
Demand Deposits		
Foreign Currency	Including USD 722 thousand @ 31.43,	23,358
Demand Deposits	JPY 2,897 thousand @0.201, and EUR 2 thousand @36.9	<u>658,853</u>
		<u>\$ 659,191</u>

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE

December 31, 2025

Statement 2

Unit: In Thousands of New Taiwan Dollars

Customer Name	Amount
Related Party	
Jiaqian Technology (Shanghai) Co., Ltd.	\$ 68,599
Dachuan Plastic Industrial (Kunshan) Co., Ltd.	40,208
Chongqing Huanmei Electronic Co., Ltd.	5,620
Suting Precision Industry Co., Ltd.	12,163
Gudeng Equipment Co., Ltd.	6,286
Gudeng Inc.	209
Global Magic Electronic Co., Ltd.	<u>62</u>
	<u>\$ 133,147</u>
Non-related party	
Customer A	\$ 624,359
Customer B	170,382
Customer C	68,599
Others (Note)	<u>214,043</u>
	1,077,383
Less: Loss allowance	(<u>4,868</u>)
	<u>\$ 1,072,515</u>

Note: The balance of each account does not exceed five percent of the total balance of this account.

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF INVENTORIES

December 31, 2025

Statement 3

Unit: In Thousands of New Taiwan Dollars

Item	Amount	
	Cost	Market price (Note)
Raw materials	\$ 226,414	\$ 214,594
Semi-finished products	308,958	1,074,233
Work in progress	111,853	376,632
Finished products	176,388	490,225
Goods	87	-
	823,700	
Less: Allowance for inventory valuation and obsolescence loss	(147,382)	
	\$ 676,318	

Note: Market price is determined based on net realizable value.

GUDENG PRECISION INDUSTRIAL CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

For the year ended December 31, 2025

Statement 4

Unit: In Thousands of New Taiwan Dollars unless otherwise specified

Name of financial instrument	Beginning balance		Increase in Current Year		Gain on valuation of financial assets (Note 1)	Ending balance		Provision of Guarantee or Pledge
	Number of Shares	Fair value	Number of Shares	Amount		Number of Shares	Fair value	
Domestic publicly traded shares								
Symtek	4,161,692	\$ 861,470	3,489,872	\$ 609,289	(\$ 418,669)	7,651,564	\$ 1,052,090	None
MicroProgram Information Co., Ltd.	4,000,000	224,147	-	-	(116,437)	4,000,000	107,710	None
Non-publicly traded shares								
Graphen Drugomics, Inc.	-	-	5,000,000	150,850	(39,274)	5,000,000	111,576	None
Total		<u>\$ 1,085,617</u>		<u>\$ 760,139</u>	<u>(\$ 574,380)</u>		<u>\$ 1,271,376</u>	

Note 1: Gain on valuation of financial assets is recorded under other equity items.

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF CHANGES IN LONG-TERM INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

For the year ended December 31, 2025

Statement 5

Unit: In Thousands of New Taiwan Dollars unless otherwise specified

	Beginning balance		Increase in Current Year		Decrease during the year		Earnings distribution	Recognition of changes in ownership interests and other comprehensive (loss) income of subsidiaries	Investment (loss) gain (Note 1)	Cumulative translation adjustments	Goodwill impairment loss	Ending balance			Market price or net equity value (Note 2)		Valuation basis	Provision of Guarantee or Pledge	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount						Number of Shares	Shareholding Ratio	Amount	Unit price (NT\$)	Total price			
OTC company																			
Gudeng Equipment Co., Ltd.	13,639,268	\$ 708,318	10,000	\$ 1,587	-	\$ -	(\$ 81,836)	(\$ 9,193)	\$ 109,637	(\$ 162)	\$ -	13,649,268	45.48	\$ 728,351	53.36	\$ 728,351	Equity Method	None	
Non-publicly traded company																			
Rich Point Global Corp.	-	639,027	-	-	-	-	-	-	(6,198)	3,624	-	-	100	636,453	-	636,453	Equity Method	None	
Gudeng Venture Capital Co., Ltd.	58,700,000	1,596,290	3,000,000	300,000	-	-	(117,400)	23,429	(164,509)	(416)	-	61,700,000	100	1,637,394	26.54	1,637,394	Equity Method	None	
Guchii Technology Co., Ltd.	18,000,000	252,778	-	-	-	-	(18,000)	(1,273)	13,611	-	-	18,000,000	51.43	247,116	13.73	247,116	Equity Method	None	
Gudeng Inc. (USA)	2,652,000	105,281	-	-	-	-	-	-	(6,321)	(4,571)	-	2,652,000	51	94,389	35.59	94,389	Equity Method	None	
Gudeng Aerospace Technologies Corporation	16,000,000	286,970	-	-	-	-	-	-	(65,263)	(617)	-	16,000,000	100	221,090	13.82	221,090	Equity Method	None	
TSS Holdings Limited	2,132,483	26,243	2,000,000	20,000	-	-	(220)	(1,333)	(204)	(509)	-	4,132,483	12.5	43,977	10.64	43,977	Equity Method	None	
Gudeng Japan Co., LTD	47,040	188,080	-	-	37,040	-	-	-	(13,968)	(7,750)	-	10,000	100	166,362	16,636	166,362	Equity Method	None	
Jia Shuo Construction, Inc.	22,110,000	209,517	2,890,000	179,180	-	-	-	-	432	-	-	25,000,000	100	389,129	15.57	389,129	Equity Method	None	
Gu Chance Venture Capital CO., LTD.	28,000,000	280,607	17,000,000	318,200	-	-	(2,041)	37,647	321,320	-	-	45,000,000	100	955,733	21.24	955,733	Equity Method	None	
Jia Rui Verture Capital Co.,Ltd.	5,858,000	167,493	1,842,000	69,996	-	-	-	(3,349)	(7,451)	196	(18,936)	7,700,000	100	207,949	27.01	207,949	Equity Method	None	
GUDENG KOREA CO., LTD.	-	-	2,000,000	179,846	-	-	-	-	(16,755)	322	-	2,000,000	100	163,413	81.71	163,413	Equity Method	None	
		<u>3,752,286</u>		<u>1,067,222</u>			<u>(137,661)</u>	<u>55,121</u>	<u>54,694</u>	<u>(9,721)</u>	<u>(18,936)</u>			<u>4,763,005</u>		<u>4,763,005</u>			
		<u>\$ 4,460,604</u>		<u>\$ 1,068,809</u>			<u>(\$ 219,497)</u>	<u>\$ 45,928</u>	<u>\$ 164,331</u>	<u>(\$ 9,883)</u>	<u>(\$ 18,936)</u>			<u>\$ 5,491,356</u>		<u>\$ 5,491,356</u>			

Note 1: Except for TSS Holdings Limited, all calculations are based on the 2025 financial statements audited by accountants.

Note 2: The equity net value is primarily calculated based on the financial statements of the investee companies and the Company's shareholding ratio.

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS

For the year ended December 31, 2025

Statement 6

Unit: In Thousands of New Taiwan Dollars

<u>Item</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost			
Beginning balance	\$ 20,923	\$ 9,282	\$ 30,205
Additions	-	875	875
Disposals	<u>-</u>	<u>(1,627)</u>	<u>(1,627)</u>
Ending balance	<u>\$ 20,923</u>	<u>\$ 8,530</u>	<u>\$ 29,453</u>
Accumulated depreciation			
Beginning balance	\$ 15,153	\$ 4,378	\$ 19,531
Depreciation Expense	4,275	2,352	6,627
Disposals	<u>-</u>	<u>(1,627)</u>	<u>(1,627)</u>
Ending balance	<u>\$ 19,428</u>	<u>\$ 5,103</u>	<u>\$ 24,531</u>
Ending balance, net	<u>\$ 1,495</u>	<u>\$ 3,427</u>	<u>\$ 4,922</u>

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF ACCOUNTS PAYABLE

December 31, 2025

Statement 7

Unit: In Thousands of New Taiwan Dollars

Customer Name	Amount
Related Party	
Guchii Technology Co., Ltd.	\$ 51,479
Dachuan Plastic Industrial (Kunshan) Co., Ltd.	30,890
Suting Precision Industry Co., Ltd.	2,586
Jin Hui Technology Co., Ltd.	10,218
JYR Aviation Components Co., Ltd.	197
i Analyzer Incorporation	105
Chongqing Huanmei Electronic Co., Ltd.	<u>53</u>
	<u>\$ 95,528</u>
Non-related party	
Company A	\$ 56,892
Company B	55,461
Company C	38,374
Company D	29,201
Company E	23,835
Others (Note)	<u>132,828</u>
	<u>\$ 336,591</u>

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

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF LEASE LIABILITIES

December 31, 2025

Statement 8

Unit: In Thousands of New Taiwan Dollars

<u>Item</u>	<u>Summary</u>	<u>Lease term</u>	<u>Discount rate</u>	<u>Ending Balance</u>	<u>Notes</u>
Transportation equipment	Company Vehicle	2020/6/5~2030/3/24	1.46%~2.03%	\$ 3,402	—
Buildings	Factory Building	2021/6/1~2026/5/31	1.5%	<u>1,844</u>	—
				<u>\$ 5,246</u>	

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF OPERATING REVENUE

For the year ended December 31, 2025

Statement 9

Unit: In Thousands of New Taiwan Dollars

Item	Amount
Net sales revenue	
Photomask transmission solutions - carrier type	\$ 2,888,180
Wafer transmission solutions - carrier type	1,375,885
Semiconductor manufacturing materials and consumables	188,804
Others	<u>295,564</u>
	<u>\$ 4,748,433</u>

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF OPERATING COSTS

For the year ended December 31, 2025

Statement 10

Unit: In Thousands of New Taiwan Dollars

Item	Amount
Beginning of year materials (including semi-finished products)	\$ 694,083
Add: Materials purchased in current year	1,004,231
Inventory gain	1,640
Less: End of year materials (including semi-finished products)	(535,372)
Transfer to Various Expenses	(25,858)
Scrapped	(<u>7,426</u>)
Materials consumed during the period	1,131,298
Direct labor	190,304
Processing fee	162,238
Manufacturing Expenses	<u>758,454</u>
Manufacturing costs	2,242,294
Add: Work in process at beginning of year	139,323
Less: Work in process at end of year	(111,853)
Transfer to Various Expenses	(<u>11,815</u>)
Cost of finished goods	<u>2,257,949</u>
Finished goods at beginning of year	269,829
Add: Materials purchased in current year	564,705
Less: Finished goods at end of year	(176,388)
Transfer to Various Expenses	(138,427)
Inventory shortage	(2,153)
Scrapped	(<u>3,545</u>)
Cost of goods manufactured and sold	<u>2,771,970</u>
Merchandise inventory at beginning of year	11,236
Less: Merchandise at end of year	(<u>87</u>)
Cost of goods purchased and sold	<u>11,149</u>
Cost of Goods Sold	<u>2,783,119</u>
Repair costs	<u>867</u>
Other operating costs	
Add: Loss from inventory write-offs	10,971
Loss from inventory price decline	35,469
Inventory shortage	513
Less: Income from sale of scrap materials	(500)
Others	(<u>545</u>)
	<u>45,908</u>
Operating costs	<u>\$ 2,829,894</u>

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF OPERATING EXPENSES

For the year ended December 31, 2025

Statement 11

Unit: In Thousands of New Taiwan Dollars

<u>Item</u>	<u>Selling and Marketing Expenses</u>	<u>General and Administrative Expenses</u>	<u>Research and Development Expenses</u>	<u>Total</u>
Salary expenses (including pension)	\$ 80,511	\$ 262,145	\$ 135,973	\$ 478,629
Depreciation	2,015	44,432	68,038	114,485
Service fees	89,788	-	-	89,788
Labor fees	6,711	29,528	112	36,351
Marketing fee	26,993	-	-	26,993
Patent fee	-	-	25,743	25,743
Other expenses (note)	<u>46,028</u>	<u>175,100</u>	<u>111,453</u>	<u>332,581</u>
	<u>\$ 252,046</u>	<u>\$ 511,205</u>	<u>\$ 341,319</u>	<u>\$1,104,570</u>

Note: The amount of each item does not exceed five percent of the total amount of the respective account.

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

2025 and 2024

Statement 12

Unit: NT\$1,000 unless otherwise specified

	2025			2024		
	Attributable to Operating Costs	Attributable to Operating Expenses	Total	Attributable to Operating Costs	Attributable to Operating Expenses	Total
Employee benefit expenses (note)						
Salary expenses	\$ 327,616	\$ 429,066	\$ 756,682	\$ 306,976	\$ 387,963	\$ 694,939
Labor and health insurance expenses	27,039	31,205	58,244	25,265	25,127	50,392
Pension expenses	13,032	15,036	28,068	12,261	12,170	24,431
Directors' remuneration	-	34,527	34,527	-	42,354	42,354
Other employee benefit expenses	12,759	16,917	29,676	10,743	5,414	16,157
	<u>\$ 380,446</u>	<u>\$ 526,751</u>	<u>\$ 907,197</u>	<u>\$ 355,245</u>	<u>\$ 473,028</u>	<u>\$ 828,273</u>
Depreciation Expense	<u>\$ 244,028</u>	<u>\$ 114,485</u>	<u>\$ 358,513</u>	<u>\$ 209,482</u>	<u>\$ 96,925</u>	<u>\$ 306,407</u>
Amortization Expense	<u>\$ 4,656</u>	<u>\$ 24,568</u>	<u>\$ 29,224</u>	<u>\$ 3,381</u>	<u>\$ 18,686</u>	<u>\$ 22,067</u>

- As of December 31, 2025 and 2024, the number of employees of the Company was 657 and 710, respectively, including 4 directors who are not concurrently employees.
- Companies whose stocks are listed on the Taiwan Stock Exchange or traded on the Taipei Exchange should provide additional disclosure of the following information:
 - The average employee benefit expense for the current year is NT\$1,336 thousand (["Total employee benefit expenses for the current year - Total directors' remuneration"] / ["Number of employees for the current year - Number of directors who are not concurrently employees"]).
The average employee benefit expense for the previous year is NT\$1,113 thousand (["Total employee benefit expenses for the previous year - Total directors' remuneration"] / ["Number of employees for the previous year - Number of directors who are not concurrently employees"]).
 - The average employee salary expense for the current year is NT\$1,159 thousand (Total salary expenses for the current year / ["Number of employees for the current year - Number of directors who are not concurrently employees"]).
The average employee salary expense for the previous year is NT\$984 thousand (Total salary expenses for the previous year / ["Number of employees for the previous year - Number of directors who are not concurrently employees"]).
 - The percentage change in average employee salary expense is 17.78% (["Average employee salary expense for the current year - Average employee salary expense for the previous year"] / Average employee salary expense for the previous year).
 - The Company's remuneration policy is as follows:
 - The remuneration of directors of the Company is determined in accordance with the Articles of Incorporation, based on their level of participation in the Company's operations, their contribution value, the industry standards, and future risks, and is authorized to be resolved by the Board of Directors.
 - The standards for distributing directors' compensation in the Company comply with the Articles of Incorporation, and are submitted to the Board of Directors for resolution and reported to the shareholders' meeting.
 - The Company has established a Remuneration Committee to regularly review the reasonableness of remuneration policies, systems, standards, and structures, and to integrate business performance with employee performance. The compensation for Managers of the Company is determined by the Remuneration Committee based on the operating performance and goal achievement of the management team, taking into consideration the scope of responsibility of the position and its contribution to the Company's operational objectives, and is resolved by the Board of Directors and reported to the shareholders' meeting.