

I-CHIUN PRECISION INDUSTRY CO., LTD. AND
SUBSIDIARIES Consolidated Financial Statements and
Independent Auditors' Report
For the years ended December 31, 2025 and 2024
(Stock Code: 2486)

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I-Chiun Precision Industry Co., Ltd. And Its Subsidiaries
Consolidated Financial Statements And Independent Auditors' Report For The Years
Ended December 31, 2025 And 2024

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I-CHIUN PRECISION INDUSTRY CO., LTD.
Representation Letter of Consolidated Financial Statements of Affiliated Enterprises

The companies to be included by the Company in the consolidated financial statement of affiliated enterprises in 2025 (January 1 to December 31, 2025), pursuant to the Criteria Governing Preparation of Affiliation Report, Consolidated Business Report and Consolidated Financial Statement of Affiliated Enterprises, are the same as those to be included into the consolidated financial report of the parent company and subsidiaries pursuant to the Statement of International Financial Reporting Standards (IFRS) No. 10. Further, the related information to be disclosed in the consolidated financial report of affiliated enterprises has been disclosed in the said consolidated financial statement of parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial statement of affiliated enterprises separately.

Hereby declared by

Company name: I-CHIUN PRECISION INDUSTRY CO., LTD.

Responsible person: CHOU, WAN-SHUN

March 10, 2026

To the Board of Directors and Shareholders of I-CHIUN PRECISION INDUSTRY CO., LTD.

Audit Opinion

We have reviewed the accompanying consolidated balance sheets of I-CHIUN PRECISION INDUSTRY CO., LTD. and its subsidiaries (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, based on our audit results and other accountants' audit reports (see "other matters"), present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the years then ended, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) as endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Basis for Opinion

The certified public accountant (CPA) engaged to audit and attest financial statements shall do so in accordance with the Standards on Auditing (TWSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audit results and other accountants' audit reports, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Group's consolidated financial statements for 2025 are stated as follows:

Assessment of allowance for impairment losses

Description

For accounting policies for inventory, please refer to Note 4(13) of the consolidated financial statements; for the uncertainty of accounting estimates and assumptions in evaluation of inventory, please refer to Note 5(2) of the consolidated financial statements; for the description of allowance for impairment losses, please refer to Note 6(5) of the consolidated financial statements. The Group's inventory and allowance for impairment losses on December 31, 2025 were NTD 1,629,670 thousand and NTD 161,262 thousand, respectively.

The Group's evaluation of inventory is based on the cost or net realizable value, whichever is lower. Considering the rapid changes in the technological environment, its measurement is based on the judgment and estimation that there is a higher risk in inventory due to obsolete products or no market value. The Group's inventory are measured at cost or net realizable value, whichever is lower; for inventory exceeding a certain period of age and individually identified obsolete and outdated inventory, the net realizable value is calculated based on historical information on the selling rate of inventory and the extent of the discount.

Because the Group's inventory and its allowance for impairment losses has a significant impact on the consolidated financial statements, and the net realizable value adopted in the evaluation of outdated and obsolete inventory often involves subjective judgments of whether there is still market sales value in the future, there is a high degree of estimation uncertainty. Therefore, we have listed the assessment of allowance for impairment losses as a key audit matter.

Corresponding audit procedures

Our audit procedures performed in respect of the key audit matter above included the following:

1. Assess the reasonableness of the policies and procedures used in the allowance for impairment losses based on our understanding of the Group and the nature of the industry, including the inventory classification used to determine the net realizable value and the judgment of obsolete inventory items.
2. Understand the Group's inventory management process, review its annual inventory plan, and participate in the annual inventory taking to evaluate the effectiveness of differentiating and controlling obsolete and outdated inventory by the management.
3. The methods for verifying the accounting estimates are appropriate and adopted consistently, including the Group's procedures, methods, and assumptions regarding the identification of net realizable value, obsolete inventory, and outdated or damaged items, which are consistent with the previous period.
4. Randomly check the source information on selling prices used for the serial number of individual inventory items, compare the allowance for impairment losses in the previous period, and taking into account subsequent events, to assess the reasonableness of the allowance for impairment losses provided by the Group.

Other matters – reference to the audit or review of other accountants

Some subsidiaries and investees accounted for under the equity method included in the consolidated financial statements of I-CHIUN Group were not audited by us but were audited by other auditors. Therefore, our opinion expressed on these consolidated financial statements, with respect to the amounts included for these companies, is based solely on the audit reports of other auditors. The total assets (including investments accounted for using the equity method) of the aforementioned companies as of December 31, 2025 and 2024 amounted to NTD 37,315 thousand and NTD 46,589 thousand, representing 0.3% and 0.4% of consolidated total assets, respectively. Revenue for the years ended December 31, 2025 and 2024 amounted to NTD 0 thousand and NTD 41 thousand, respectively, each representing 0.0% of consolidated net operating revenues. The total comprehensive loss recognized for the years ended December 31, 2025 and 2024 in respect of the aforementioned investees accounted for using the equity method amounted to NTD 19,904 thousand and NTD 6,282 thousand, representing (24.6%) and (6.2%) of consolidated total comprehensive income (loss), respectively.

Other matter – Parent company only financial reports

I-Chiun Precision Industry Co., Ltd. has prepared separate financial statements for the years ended December 31, 2025 and 2024, which have been audited by the undersigned with unmodified opinions with an Other Matters paragraph, and are available for reference.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” and the regulations of IFRS and IAS, as well as IFRIC and SIC Interpretations, as endorsed and issued into effect by the FSC, to maintain necessary internal control associated with the preparation in order to ensure that the financial statements are free from material misstatement arising from fraud or error.

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

Those charged with governance (including audit committee) are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit of consolidated financial statements conducted in accordance with TWSA will always detect a material misstatement when it exists. Material misstatements may result from fraud or error. A misrepresentation, individually or in the aggregate, is considered material if it could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with TWSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the Group. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence (including relevant protective measures).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's consolidated financial statements of 2025 and are therefore the key audit matters. 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 of such communication.

PRICEWATERHOUSECOOPERS TAIWAN

LIN, YA-HUI
Certified Public Accountant
JUAN LU, MAN-YU

FSC Approval Document No.: Jin-Guan-Zheng-Shen
No. 1070323061
FSC Approval Document No.: Jin-Guan-Zheng-Shen
No. 0990058257

March 10, 2026

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES

Consolidated Balance Sheet
December 31, 2025 and 2024

Asset		Notes	December 31, 2025		Unit: NTD thousand December 31, 2024	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,170,331	9	\$ 1,354,616	12
1110	Financial assets at fair value through profit and loss – current	6(2)	44,097	-	136,594	1
1136	Financial assets at amortized cost – current	6(3) & 8	101,333	1	87,439	1
1150	Notes receivable, net	6(4) & 12(2)	64,126	1	48,446	-
1170	Accounts receivable, net	6(4) & 12(2)	2,625,764	21	2,418,179	22
1200	Other receivables		40,926	-	81,195	1
1220	Current income tax assets		9,080	-	8,858	-
130X	Inventories	6(5)	1,468,408	12	1,377,923	13
1479	Other current assets – others		106,917	1	142,586	1
11XX	Total current assets		5,630,982	45	5,655,836	51
Non-current assets						
1510	Financial assets at fair value through profit and loss – non-current	6(2)	55,855	1	22,198	-
1535	Financial assets at amortized cost – non-current	6(3) & 8	2,929	-	2,929	-
1550	Investments accounted for under equity method	6(6) and 7	37,315	-	46,589	-
1600	Property, plant and equipment	6(7), 7, and 8	5,689,616	46	4,551,196	41
1755	Right-of-use assets	6(8) & 8	121,198	1	100,514	1
1760	Investment property, net	6(10) & 8	145,700	1	160,960	2
1780	Intangible assets		24,413	-	23,205	-
1840	Deferred income tax assets	6(24)	116,190	1	73,274	1
1900	Other non-current assets	9	563,995	5	378,626	4
15XX	Total non-current assets		6,757,211	55	5,359,491	49
1XXX	Total assets		\$ 12,388,193	100	\$ 11,015,327	100

(Continued)

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: NTD thousand

	Liabilities and Equity	Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
	Liability					
	Current liabilities					
2100	Short-term borrowings	6(11) & 8	\$ 1,299,990	11	\$ 734,340	7
2130	Contract liabilities – current	6(20)	80,259	1	14,242	-
2150	Notes payable		4,669	-	14,804	-
2170	Accounts payable	7	595,997	5	700,457	6
2200	Other payables	6(13)	497,315	4	495,652	5
2230	Current income tax liabilities		28,666	-	2,971	-
2280	Lease liabilities – current		16,436	-	21,694	-
2320	Long-term borrowings (including due within one year or one operating cycle)	6(14) & 8			15,623	-
2399	Other current liabilities – others		16,062	-	5,435	-
21XX	Total current liabilities		<u>2,588,176</u>	<u>21</u>	<u>2,005,218</u>	<u>18</u>
	Non-current liabilities					
2500	Financial liabilities at fair value through profit and loss – non-current	6(2)	2,160	-	2,220	-
2530	Corporate Bonds Payable	6(12)	581,914	5	570,149	5
2540	Long-term borrowings	6(14) & 8	3,247,711	26	2,616,126	24
2570	Deferred income tax liabilities	6(24)	358,761	3	330,834	3
2580	Lease liabilities – non-current		34,813	-	7,372	-
2600	Other non-current liabilities	6(15)	92,382	1	97,725	1
25XX	Total non-current liabilities		<u>4,317,741</u>	<u>35</u>	<u>3,624,426</u>	<u>33</u>
2XXX	Total liabilities		<u>6,905,917</u>	<u>56</u>	<u>5,629,644</u>	<u>51</u>
	Equity					
	Equity attributable to owners of the parent					
	Share capital	6(17)				
3110	Share capital – common stock		2,339,586	19	2,339,586	21
	Capital surplus	6(18)				
3200	Capital surplus		2,883,445	23	2,776,019	24
	Retained earnings	6(19)				
3310	Legal reserve		54,656	-	52,415	1
3320	Special reserve		144,666	1	155,885	2
3350	Retained earnings		56,025	1	29,122	-
	Other equity					
3400	Other equity		(136,567)	(1)	(144,666)	(1)
3500	Treasury stock	6(17)	(154,397)	(1)	-	-
31XX	Total equity attributable to owners of the parent		<u>5,187,414</u>	<u>42</u>	<u>5,208,361</u>	<u>47</u>
36XX	Non-controlling equity	6(26)	<u>294,862</u>	<u>2</u>	<u>177,322</u>	<u>2</u>
3XXX	Total equity		<u>5,482,276</u>	<u>44</u>	<u>5,385,683</u>	<u>49</u>
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9				
	Significant Events after the Balance Sheet Date	11				
3X2X	Total liabilities and equity		<u>\$ 12,388,193</u>	<u>100</u>	<u>\$ 11,015,327</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements, and shall be read together.

Chairman: CHOU, WAN-SHUN

Manager: CHOU, MENG-HSIEN

Accounting Officer: HUANG, CHIH-CHUN

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2025 and 2024

Unit: NTD thousand

(except for earnings per share which is in NTD)

Items	Notes	2025		2024	
		Amount	%	Amount	%
4000 Operating revenue	6(20)	\$ 6,046,419	100	\$ 5,492,378	100
5000 Operating costs	6(5)(10)(23) & 7	(5,186,854)	(86)	(4,721,507)	(86)
5900 Operating gross profit		<u>859,565</u>	<u>14</u>	<u>770,871</u>	<u>14</u>
Operating expense	6(23) & 7				
6100 Selling expenses		(201,640)	(3)	(202,896)	(4)
6200 Administrative expenses		(354,426)	(6)	(396,373)	(7)
6300 Research and development expenses		(165,474)	(3)	(159,592)	(3)
6450 Expected credit impairment loss	12(2)	(19,453)	-	(34,779)	(1)
6000 Total operating expenses		<u>(740,993)</u>	<u>(12)</u>	<u>(793,640)</u>	<u>(15)</u>
6900 Operating profit (loss)		<u>118,572</u>	<u>2</u>	<u>(22,769)</u>	<u>(1)</u>
Non-operating revenues and expenses					
7100 Interest revenue		19,989	-	27,839	-
7010 Other revenue		70,366	1	28,693	1
7020 Other gains and losses	6(21)	(3,305)	-	90,201	2
7050 Finance costs	6(22)	(98,121)	(2)	(51,494)	(1)
7060 Share of Profit (Loss) of Associates and Joint Ventures Accounted for Using Equity Method	6(6)	(19,904)	-	(6,282)	-
7000 Total non-operating revenues and expenses		<u>(30,975)</u>	<u>(1)</u>	<u>88,957</u>	<u>2</u>
7900 Net profit before tax		<u>87,597</u>	<u>1</u>	<u>66,188</u>	<u>1</u>
7950 Income tax expense	6(24)	(17,327)	-	(36,484)	-
8200 Current net profit		<u>\$ 70,270</u>	<u>1</u>	<u>\$ 29,704</u>	<u>1</u>
Items that will not be reclassified to profit or loss					
8311 Remeasurements of defined benefit plans	6(15)	\$ 3,055	-	\$ 4,469	-
8349 Income tax related to items that will not be reclassified to profit or loss	6(24)	(611)	-	(894)	-
8310 Total of items that will not be reclassified to profit or loss		<u>2,444</u>	<u>-</u>	<u>3,575</u>	<u>-</u>
Items that may be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		10,124	-	85,012	1
8399 Income tax relating to the items that may be reclassified to profit or loss	6(24)	(2,025)	-	(17,002)	-
8360 Sum of items that may be reclassified to profit or loss		<u>8,099</u>	<u>-</u>	<u>68,010</u>	<u>1</u>
8300 Other comprehensive income (net)		<u>\$ 10,543</u>	<u>-</u>	<u>\$ 71,585</u>	<u>1</u>
8500 Total comprehensive income for current period		<u>\$ 80,813</u>	<u>1</u>	<u>\$ 101,289</u>	<u>2</u>
Net income attributable to:					
8610 Owners of the parent		\$ 50,618	1	\$ 18,807	1
8620 Non-controlling equity		19,652	-	10,897	-
		<u>\$ 70,270</u>	<u>1</u>	<u>\$ 29,704</u>	<u>1</u>
Total comprehensive income attributable to:					
8710 Owners of the parent		\$ 61,118	1	\$ 90,420	2
8720 Non-controlling equity		19,695	-	10,869	-
		<u>\$ 80,813</u>	<u>1</u>	<u>\$ 101,289</u>	<u>2</u>
Earnings per share (EPS)	6(25)				
9750 Basic earnings per share		<u>\$ 0.22</u>	<u>\$ 0.08</u>		
9850 Diluted earnings per share		<u>\$ 0.22</u>	<u>\$ 0.08</u>		

The accompanying notes are an integral part of the consolidated financial statements, and shall be read together.

Chairman: CHOU, WAN-SHUN

Manager: CHOU, MENG-HSIEN

Accounting Officer: HUANG, CHIH-CHUN

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2025 and 2024

Unit: NTD thousand

	Notes	Equity attributable to owners of the parent					Other equity Financial statements translation differences of foreign operations	Treasury stock	Total	Non-controlling equity	Total equity
		Share capital – common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings					
2024											
Balance at January 1, 2024		\$ 2,219,586	\$ 1,864,432	\$ 32,697	\$ 122,718	\$ 203,870	(\$ 212,676)	(\$ 39,538)	\$ 4,191,089	\$ 192,123	\$ 4,383,212
Current net profit		-	-	-	-	18,807	-	-	18,807	10,897	29,704
Other comprehensive income for current period		-	-	-	-	3,603	68,010	-	71,613	(28)	71,585
Total comprehensive income for current period		-	-	-	-	22,410	68,010	-	90,420	10,869	101,289
Capital increase in cash		120,000	744,000	-	-	-	-	-	864,000	-	864,000
Earnings appropriation and distribution for 2023:	6(19)	-	-	-	-	-	-	-	-	-	-
Allocation for Legal reserve		-	-	19,718	-	(19,718)	-	-	-	-	-
Allocation for Special reserve		-	-	-	33,167	(33,167)	-	-	-	-	-
Cash dividend paid out		-	-	-	-	(144,273)	-	(144,273)	-	(144,273)	(144,273)
Cash dividend paid out by subsidiary	6(26)	-	-	-	-	-	-	-	-	(11,965)	(11,965)
Issuance of Convertible Corporate Bonds		-	37,026	-	-	-	-	-	37,026	-	37,026
Cost of share-based payment		-	130,126	-	-	-	-	-	130,126	-	130,126
Treasury shares subscribed for by employees	6(17)(18)	-	(106)	-	-	-	-	39,538	39,432	-	39,432
Disposal of equity in a subsidiary (loss of control)	6(18)(26)	-	387	-	-	-	-	-	387	(13,705)	(13,318)
Changes in Ownership Interests in Investments Accounted for Under Equity Method	6(18)	-	90	-	-	-	-	-	90	-	90
Exercise of Disgorgement Rights	6(18)	-	64	-	-	-	-	-	64	-	64
Balance at December 31, 2024		\$ 2,339,586	\$ 2,776,019	\$ 52,415	\$ 155,885	\$ 29,122	(\$ 144,666)	\$ -	\$ 5,208,361	\$ 177,322	\$ 5,385,683
2025											
Balance at January 1, 2025		\$ 2,339,586	\$ 2,776,019	\$ 52,415	\$ 155,885	\$ 29,122	(\$ 144,666)	\$ -	\$ 5,208,361	\$ 177,322	\$ 5,385,683
Current net profit		-	-	-	-	50,618	-	-	50,618	19,652	70,270
Other comprehensive income for current period		-	-	-	-	2,401	8,099	-	10,500	43	10,543
Total comprehensive income for current period		-	-	-	-	53,019	8,099	-	61,118	19,695	80,813
Earnings appropriation and distribution for 2024:	6(19)	-	-	-	-	-	-	-	-	-	-
Allocation for Legal reserve		-	-	2,241	-	(2,241)	-	-	-	-	-
Cash dividend paid out		-	-	-	-	(35,094)	-	(35,094)	-	(35,094)	(35,094)
Reversal of special reserve		-	-	-	(11,219)	11,219	-	-	-	-	-
Changes in ownership interests in subsidiaries	6(18)	-	108,685	-	-	-	-	-	108,685	(108,685)	-
Changes in Ownership Interests in Investments Accounted for Under Equity Method	6(6)(18)	-	10,630	-	-	-	-	-	10,630	-	10,630
Cash dividend paid out from capital surplus	6(18)(19)	-	(81,885)	-	-	-	-	(81,885)	-	(81,885)	(81,885)
Cost of share-based payment	6(16)(18)	-	69,957	-	-	-	-	-	69,957	3,852	73,809
Exercise of Disgorgement Rights	6(18)	-	39	-	-	-	-	-	39	-	39
Treasury shares repurchased	6(17)	-	-	-	-	-	(154,397)	(154,397)	-	(154,397)	(154,397)
Acquisition of subsidiary's equity	6(26)	-	-	-	-	-	-	-	-	(21,104)	(21,104)
Capital increase in cash by subsidiary	6(26)	-	-	-	-	-	-	-	-	320,320	320,320
Cash dividend paid out by subsidiary	6(26)	-	-	-	-	-	-	-	-	(30,084)	(30,084)
Treasury Share Buybacks by Subsidiaries	6(26)	-	-	-	-	-	-	-	-	(67,780)	(67,780)
Disposal of equity in a subsidiary (loss of control)	6(27)	-	-	-	-	-	-	-	-	1,326	1,326
Balance at December 31, 2025		\$ 2,339,586	\$ 2,883,445	\$ 54,656	\$ 144,666	\$ 56,025	(\$ 136,567)	(\$ 154,397)	\$ 5,187,414	\$ 294,862	\$ 5,482,276

The accompanying notes are an integral part of the consolidated financial statements, and shall be read together.

Chairman: CHOU, WAN-SHUN

Manager: CHOU, MENG-HSIEN

Accounting Officer: HUANG, CHIH-CHUN

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

Unit: NTD thousand

	Notes	January 1 to December 31, 2025		January 1 to December 31, 2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Current net profit before tax		\$ 87,597	\$	66,188
Adjustments				
Adjustments to reconcile profit (loss)				
Depreciation expenses	6(7)(8)(10)(23)	405,272		412,710
Amortization expenses	6(23)	7,537		7,549
Expected credit impairment loss	12(2)	19,453		34,779
Net gains on financial assets and liabilities at fair value through profit and loss	6(21)			
Interest expenses	6(22)	(41,098 )	(	32,501)
Interest revenue		98,121		51,494
Dividend revenue		(19,989 )	(	27,839)
Cost of share-based payment		(489 )	(	1,080)
Share of Loss of Associates Accounted for Using Equity Method	6(16)(23)	73,809		130,126
Share of Loss of Associates Accounted for Using Equity Method	6(6)	19,904		6,282
Losses (gains) on disposal of property, plant and equipment	6(21)	(4,236 )	(	46,972)
Gains from disposal of investments	6(21)	(1,657)	(-
Impairment Loss on Property, Plant, and Equipment	6(21)	-		15,115
Property, Plant and Equipment Transferred to Expenses		-		87
Gains arising from lease changes	6(8)(21)	-	(	24,766)
Changes in operating assets and liabilities				
Net changes in operating assets				
Financial Assets and Liabilities at Fair Value through Profit or Loss		99,878		31,525
Notes receivable		(15,680 )	(	77,831)
Accounts receivable		(209,391 )	(	445,445)
Other receivables		21,232		9,684
Inventories		(90,485 )	(	204,862)
Other current assets		34,813	(	102,253)
Other non-current assets		(3,630 )	(	24,449)
Net changes in operating liabilities				
Contract liabilities – current		66,017		14,000
Notes payable		(10,135 )	(	57,436)
Accounts payable		(104,460)		131,609
Other payables		(24,864 )	(	90,567)
Other current liabilities		10,627		404
Other non-current liabilities		(1,387 )	(	5,188)
Cash inflow generated from operations		416,759		250,001
Interest received		20,075		27,886
Dividends received		489		1,080
Interest paid	6(27)	(85,668 )	(	45,471)
Income tax paid		(1,090 )	(	13,484)
Net cash inflow from operating activities		350,565		220,012

(Continued)

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

Unit: NTD thousand
January 1 to
December 31, 2024

	Notes	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in financial assets at amortized cost		(\$ 13,894)	\$ 75,920
Acquisition of Investments Accounted for Under Equity Method	6(6)	-	(34,767)
Net Cash Outflow from Disposal of Subsidiaries	6(27)	(1,050)	(20,147)
Increase in other non-current assets		-	(35,921)
Price of purchase of property, plant and equipment	6(27)	(1,679,533)	(3,443,388)
Increase in refundable deposits		(23,146)	-
Proceeds from disposal of property, plant and equipment		56,534	17,986
Price of purchase of intangible assets		(8,745)	(6,405)
Cash outflow from investing activities		(1,669,834)	(3,446,722)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(28)	565,650	88,033
Issuance of Convertible Corporate Bonds	6(28)	-	603,167
New long-term borrowings	6(28)	756,493	2,629,560
Repayment of long-term borrowings	6(28)	(91,749)	(971,145)
Repayment of lease principal	6(28)	(26,152)	(57,747)
Increase in other non-current liabilities		220	-
Cash dividend paid out	6(19)	(116,979)	(144,273)
Capital increase in cash	6(17)	-	864,000
Treasury shares transferred to employees		-	39,432
Repurchased treasury shares	6(17)	(154,397)	-
Exercise of Disgorgement Rights	6(18)	39	64
Cash capital increase by subsidiary – non-controlling interests	6(26)	320,320	-
Cash Dividends Distributed by Subsidiaries to Non-controlling Interests	6(26)	(30,084)	(11,965)
Treasury Share Buybacks by Subsidiaries	6(26)	(67,780)	-
Acquisition of subsidiaries' equity interests - non-controlling interests	6(26)	(21,104)	-
Net cash inflow from financing activities		1,134,477	3,039,126
Effect of exchange rate changes on cash and cash equivalents		507	49,732
Net decrease in cash and cash equivalents for the period		(184,285)	(137,852)
Balance of cash and cash equivalents, beginning of period		1,354,616	1,492,468
Balance of cash and cash equivalents, end of period		\$ 1,170,331	\$ 1,354,616

The accompanying notes are an integral part of the consolidated financial statements, and shall be read together.

Chairman: CHOU, WAN-SHUN

Manager: CHOU, MENG-HSIEN

Accounting Officer: HUANG, CHIH-CHUN

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2025 and 2024

Unit: NTD thousand
(except as otherwise indicated)

1. Company Profile

I-CHIUN PRECISION INDUSTRY CO., LTD. (hereinafter referred to as the “Company”) was incorporated in August 1977. The Company merged with Yi-Chiun Industrial Co., Ltd., I-Zhan Industrial Co., Ltd., and I-Che Technology Co., Ltd. in July, 1990, November 1993, September 2001, and September 2004, respectively, with the Company as the surviving company. The Company and its subsidiaries (hereinafter referred to as the “Group”) are primarily engaged in the manufacturing, processing, and trading of machinery and parts, electronic components, electrical components, semiconductor LED lead frames, precision molds, and ceramic circuit boards, as well as related import and export trade and real estate leasing operations.

The Company’s shares have been listed on the Taipei Exchange since March 21, 2000, and listed on the Taiwan Stock Exchange since September 19, 2001.

2. Date and Procedures for Approval of the Financial Report

The consolidated financial statements were authorized for issuance by the Board of Directors on March 10, 2026.

3. Application of Newly Issued and Amended Standards and Interpretations

- (1) Effect of adopting the newly issued or amended International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) as endorsed and issued into effect by the FSC

New standards, interpretations, and amendments in the IFRS Accounting Standards as endorsed and issued into effect by the FSC effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by International Accounting Standards Board</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The standards and interpretations above have no significant impact on the Group’s financial position and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted

New standards, interpretations and amendments in the IFRS Accounting Standards as endorsed by the FSC effective from 2026 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by International Accounting Standards Board</u>
Amendments to IFRS 9 and IFRS 7 “Amendments to Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	January 1, 2026
IFRS 17, “Insurance contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
Annual Improvements to IFRS Standards – Volume 11	January 1, 2026

The standards and interpretations above have no significant impact on the Group’s financial position and financial performance based on the Group’s assessment.

(3) Effects of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, “Sale of contribution of assets between an investor and its associate or joint venture”	To be determined by International Accounting Standards Board
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendment to IAS 21 - Lack of Exchangeability	January 1, 2027

Note: In a press release dated September 25, 2025, the FSC announced that public companies will be required to adopt IFRS 18 beginning in fiscal year 2028. Companies that wish to adopt IFRS 18 early may elect to do so following the FSC’s endorsement of the standard.

Except for the following, the Group has assessed that the above standards and interpretations have no significant impact on the Group’s financial position and financial performance:

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure of Financial Statements” replaces IAS 1 and updates the structure of the statement of comprehensive income, adds disclosures for management performance measures, and enhances the principles of aggregation and disaggregation applied to the primary financial statements and notes.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance Statement

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRSs as endorsed and issued into effect by the FSC.

(2) Basis of preparation

1. Except for the following important items, the consolidated financial statements have been prepared at historical cost:
 - (1) Financial assets and liabilities at fair value through profit and loss (including derivatives).
 - (2) Defined benefit liabilities recognized at the net amount of pension fund assets less the present value of defined benefit obligations.
2. The preparation of the financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

(3) Basis of consolidation

1. Basis for preparation of consolidated financial statements:
 - (1) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or entitled, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of financial reports of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (2) Inter-company transactions, balances, and unrealized gains or losses on transactions within the Group are eliminated. The accounting policies of subsidiaries have been adjusted as necessary and are consistent with the ones adopted by the Group.
 - (3) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

- (4) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transaction with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (5) When the Group loses control over a subsidiary, any remaining investment in the former subsidiary is remeasured at fair value, which becomes the fair value for initial recognition as a financial asset or the cost for initial recognition as an investment in an associate or joint venture. The difference between the fair value and carrying amount is recognized in current profit or loss. For all amounts previously recognized in other comprehensive income related to that subsidiary, the accounting treatment is the same as if the Group had directly disposed of the related assets or liabilities. That is, if gains or losses previously recognized in other comprehensive income are reclassified to profit or loss upon disposal of the related assets or liabilities, then when control over the subsidiary is lost, those gains or losses are reclassified from equity to profit or loss.

2. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Nature of Business	Percentage of equity interest held (%)		Description
			December 31, 2025	December 31, 2024	
The Company	MORE FORTUNE PROFITS LIMITED ("MORE FORTUNE")	General investment	100.000	100.000	
The Company	ECOCERA OPTRONICS CO., LTD. (Ecocera Optronics)	Manufacturing and trading of LED ceramic bases	63.713	69.720	Note 1
The Company	Advance Venture Corporation (Advance Venture)	Electronics Components Manufacturing and Trading	-	55.556	Note 3
The Company	CMTEK Co., Ltd. (CMTEK)	Other Metal Products Manufacturing	-	-	Note 2
MORE FORTUNE	I-CHIUN (CAYMAN) PRECISION INDUSTRY CO., LTD. ("I-CHIUN (CAYMAN)")	General investment	100.000	100.000	
MORE FORTUNE	I-CHIUN TECHNOLOGY CO., LTD.	General investment	100.000	100.000	

Name of Investor	Name of Subsidiary	Nature of Business	Percentage of equity interest held (%)		Description
			December 31, 2025	December 31, 2024	
I-CHIUN (CAYMAN)	I-Chiun Precision Electric Industry (China) Co., Ltd.	Manufacturing and trading of direct-lit backlight module components and intelligent service robots; investment property leasing	100.000	100.000	
I-CHIUN (CAYMAN)	I-Chiun Precision Electric (Nanjing) Co., Ltd.	Investment property leases	100.000	100.000	
I-CHIUN TECHNOLOGY CO., LTD.	I-Chiun Technology (China) Co., Ltd.	Trading and manufacturing of LED and semiconductor frames and investment property leasing	65.230	65.230	
I-Chiun Precision Electric Industry (China) Co., Ltd.	I-Zou Hi-Tech (SZN) Co., Ltd.	Trading and manufacturing of LED lead frames	100.000	100.000	
I-Chiun Precision Electric Industry (China) Co., Ltd.	I-Chiun Technology (China) Co., Ltd.	Trading and manufacturing of LED and semiconductor frames and investment property leasing	34.770	34.770	

Note 1: In May 2025, ECOCERA Optronics carried out a cash capital increase; as the Group did not subscribe in proportion to its existing shareholding, its ownership interest decreased to 61.932%. Between June and August 2025, ECOCERA Optronics repurchased treasury shares, resulting in an increase in the Group's ownership interest to 63.713%.

Note 2: In November and December, 2023, the Group invested and established CMTEK Co., Ltd., contributing NTD 20,000 to acquire 2,000 thousand shares and obtaining a 56.259% ownership interest, thereby gaining control over CMTEK Co., Ltd., which became a consolidated subsidiary of the Group. In April 2024, CMTEK carried out a capital increase; as the Group did not subscribe in proportion to its existing shareholding, its ownership interest decreased to 47.076%. Following assessment, the Group determined that it had lost control over CMTEK, and accordingly CMTEK ceased to be a consolidated subsidiary of the Group effective April 1, 2024 and, subsequently, was no longer included in the consolidated financial statements. Refer to Note 6(6) for further details.

Note 3: On November 3, 2025, the dissolution of ADVANCE VENTURE was approved by the competent authority. Following derecognition of the carrying amount of the original investment balance of \$1,657, a gain on disposal of \$1,657 was recognized. Refer to Note 6(27) for further details.

3. Subsidiaries not included in the consolidated financial statements: None.
4. Adjustments for subsidiaries with different balance sheet dates: None.
5. Significant restrictions: None.
6. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Translation of foreign currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

1. Foreign currency transactions and balances

- (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (2) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (3) For the balance of non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss, their valuations are adjusted by using the spot exchange rate on the balance sheet date, and the exchange differences arising from the adjustment are recognized in current profit or loss; those that are not measured at fair value are measured at the historical exchange rate on the date of the initial transaction.
- (4) All other foreign exchange gains and losses are recognized in "other gains and losses" in the statement of comprehensive income.

2. Translation of foreign operations

- (1) The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- A. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the balance sheet date;
 - B. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - C. All resulting exchange differences are recognized in other comprehensive income.
- (2) When a foreign operation that is partially disposed of or sold is a subsidiary, the accumulated exchange differences recognized in other comprehensive income is re-attributed to the foreign operation's non-controlling interests on a pro rata basis. However, if the Group still retains partial interests in the former foreign subsidiary after losing control of the former foreign subsidiary, such a transaction shall be treated as a disposal of all interests in the foreign operation.
- (5) Classification of current and non-current items of assets and liabilities

1. Assets that meet one of the following criteria are classified as current assets:
- (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.
 - (2) Liabilities arising mainly from trading activities;
 - (3) Expected to be realized within twelve months after the reporting period.
 - (4) Cash and cash equivalents, except those restricted from exchange or settlement of liabilities for at least twelve months after the reporting period.

The Group has classified all assets that do not meet the above criteria as non-current.

2. Liabilities that meet one of the following criteria are classified as current liabilities:
- (1) Liabilities that are expected to be settled within the normal operating cycle.
 - (2) Liabilities arising mainly from trading activities;
 - (3) Due for settlement within twelve months after the reporting period.
 - (4) Those that do not have the right to defer settlement of the liability for at least twelve months after the reporting period.

The Group has classified all liabilities that do not meet the criteria above as non-current.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit and loss

- 1. Financial assets that are not measured at amortized cost or at fair value through other comprehensive income.
- 2. For financial assets at fair value through profit or loss that meet the criteria for regular way transactions, the Group adopts settlement date accounting.
- 3. The Group's initial recognition is on a fair value basis, with relevant transaction costs recognized in profit or loss, and subsequently at fair value, and gains or losses thereof are recognized in profit or loss.
- 4. When the right to receive dividends is established, the future economic benefits related to dividends may flow to the Group, and when the amount of dividends can be reliably measured, the Group recognizes dividend income in profit or loss.

(8) Financial assets at amortized cost

1. Those that meet all of the following criteria:
 - (1) The financial asset is held under a business model for the purpose of collecting contractual cash flows.
 - (2) The contract terms of the financial asset generate cash flow on a specific date, which is entirely to pay for the interest on the principal and the amount of principal outstanding.
2. The Group's financial assets measured at amortized cost in accordance with trading conventions are accounted for on the trade date.
3. At initial recognition, the Group measures the financial assets at fair value plus transaction costs, and subsequently adopts the effective interest method to recognize said assets in interest revenue and in impairment loss during the outstanding period according to the amortization procedure. During derecognition, the gains or losses thereof are recognized in profit or loss.
4. The Group has time deposits that do not qualify as cash equivalents. Due to the short holding period, the effect of discounting is not significant and measured at the investment amount.

(9) Accounts and notes receivable

1. Accounts and notes receivable entitle the Group to a legal right to receive consideration in exchange for transferred goods or rendered services.
2. For the Group, short-term accounts and notes receivable not yet bearing interest are subsequently measured at the initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

At each balance sheet date, for financial assets measured at amortized cost and accounts receivable with significant financing components, the Group considers all reasonable and supportable information (including forward-looking information). For those whose credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses; for those whose credit risk has increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses; for accounts receivable that do not contain a significant financing component, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

(11) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Leasing arrangements (lessor) – operating lease

The rental income under operating lease, after any incentives given to the lessee are deducted, is amortized and recognized in current profit and loss using the straight-line method during the lease term.

(13) Inventories

Inventories are measured at the lower of cost and net realizable value, and cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. When cost and the net realizable value are compared to see which is lower, the item-by-item comparison method is adopted. The net realizable value refers to the balance of the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale.

(14) Investments Accounted for Under Equity Method – Associates

1. Associates are entities over which the Group has significant influence but not control, generally represented by a direct or indirect shareholding of 20% or more of the voting rights. The Group's investments in associates are accounted for using the equity method and are recognized initially at cost.
2. The Group's share of its associates' post-acquisition profits or losses is recognized in current profit or loss, and its share of post-acquisition other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in any associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
3. When an associate has changes in equity that are not recognized in profit or loss or other comprehensive income and do not affect the Group's ownership percentage in the associate, the Group recognizes its share of all such equity changes proportionately as "Capital Surplus."
4. Unrealized gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
5. When an associate issues new shares and the Group does not subscribe or acquire shares proportionately, resulting in a change in the Group's ownership percentage but maintaining significant influence, the increase or decrease in the net value of equity is adjusted through "Capital Surplus" and "Investments Accounted for Under Equity Method." If this results in a decrease in the investment ratio, in addition to the above adjustments, gains or losses previously recognized in other comprehensive income related to that ownership interest that would be reclassified to profit or loss upon disposal of the related assets or liabilities are reclassified to profit or loss according to the proportion decreased.

6. When the Group disposes of an associate and loses significant influence over that associate, all amounts previously recognized in other comprehensive income related to that associate are accounted for on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. That is, if gains or losses previously recognized in other comprehensive income would be reclassified to profit or loss upon disposal of the related assets or liabilities, then when significant influence over the associate is lost, those gains or losses are reclassified from equity to profit or loss. If the Group retains significant influence over the associate, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified according to the method described above.
7. At each balance sheet date, the Group conducts impairment testing on associates for which indicators of impairment exist by treating the entire carrying amount of the investment as a single asset and comparing its recoverable amount to its carrying amount. Any impairment loss recognized is included in the carrying amount of the investment. Reversals of impairment losses are recognized to the extent that the recoverable amount of the investment subsequently increases.

(15) Property, plant and equipment

1. Property, plant and equipment are accounted for on the basis of acquisition cost.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are recognized in profit or loss during the financial period in which they are incurred.
3. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If the components of property, plant and equipment are significant, they shall be separately depreciated.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date of the Group. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8 "Accounting Policies, Changes in Accounting Estimates, and Errors," from the date of the change. The estimated useful lives of assets are as follows:

Buildings and structures	5–52 years
Machinery and equipment	1–20 years
Mold equipment	1–5 years
Other equipment	1–15 years

(16) Leasing arrangements (lessee) – right-of-use assets/lease liabilities

1. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
2. Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments not yet made, discounted using the Group's incremental borrowing rate. Lease payments include fixed payments, less any lease incentives receivable.

The subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

3. Right-of-use assets are recognized at cost at the commencement date of the lease; the cost includes the original measurement amount of the lease liability.

Right-of-use assets are measured subsequently using the cost model and are depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

4. For lease modifications that reduce the scope of a lease, the lessee reduces the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognizes the difference between the reduced carrying amount and the remeasured lease liability in profit or loss. For all other lease modifications, the right-of-use asset is adjusted correspondingly to the remeasured lease liability.

(17) Investment property

Investment property is recognized at cost, and a cost model is adopted for subsequent measurement. It is depreciated on the straight-line method according to the estimated useful lives of 8–21 years.

(18) Intangible assets

Intangible assets refer to computer software recognized at cost and amortized on a straight-line basis over its estimated useful life of 1 to 10 years.

(19) Impairment of non-financial assets

At the balance sheet date, the Group estimates the recoverable amount of assets with indications of impairment. When the recoverable amount is lower than the carrying amount, an impairment loss is recognized. The recoverable amount is the higher of an asset's fair value less cost of disposal or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(20) Borrowings

Borrowings comprise long-term and short-term borrowings from banks. For the Group, borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(21) Accounts and notes payable

1. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
2. For the Group, short-term notes and accounts payable that have yet to bear interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit and loss:

1. Refers to financial liabilities that are incurred principally for the purpose of repurchasing it in the near term, and financial liabilities held for trading other than derivative instruments that are designated as hedging instruments under hedge accounting requirements.
2. The Group's initial recognition is on a fair value basis, with relevant transaction costs recognized in profit or loss, and subsequently at fair value, and gains or losses thereof are recognized in profit or loss.

(23) Convertible Corporate Bonds Payable

The convertible corporate bonds issued by the Group are embedded with conversion rights (i.e., the holder's right to convert the bonds into the Group's common shares at a fixed amount for a fixed number of shares), put options, and call options. At initial issuance, the issuance price is classified as financial assets, financial liabilities, or equity according to the issuance conditions, and treated as follows:

1. Embedded put and call options: At initial recognition, these are recorded at their net fair value as "Financial assets or liabilities at fair value through profit or loss"; subsequently, at the balance sheet date, they are measured at their current fair value, with the difference recognized as "Gain or loss on financial assets (liabilities) at fair value through profit or loss."
2. Corporate bond principal contract: At initial recognition, this is measured at fair value, with the difference between this and the redemption value recognized as a premium or discount on corporate bonds payable; subsequently, the effective interest method is used to amortize this difference over the circulation period and recognize it in profit or loss as an adjustment to "Finance costs."
3. Embedded conversion rights (meeting the definition of equity): At initial recognition, the residual value after deducting the aforementioned "Financial assets or liabilities at fair value through profit or loss" and "Corporate bonds payable" from the issuance amount is recorded as "Capital surplus – stock options," with no subsequent remeasurement.
4. Any directly attributable transaction costs of issuance are allocated to the liability and equity components in proportion to their original carrying amounts.

5. When the holder converts the bond, the liability components (including “Corporate bonds payable” and “Financial assets or liabilities at fair value through profit or loss”) are treated according to their subsequent measurement methods based on their classification. Then, the carrying amount of the liability components plus the carrying amount of “Capital surplus – stock options” is treated as the issuance cost of the common shares being issued.

(24) Derecognition of financial liabilities

The Group’s financial liability should be removed from the balance sheet when the obligation specified in the contract is either canceled or expires.

(25) Offsetting of financial assets and financial liabilities

A financial asset and a financial liability should be offset and the net amount reported when the Group has a legally enforceable right to set off the amounts, and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(26) Non-hedging derivatives and embedded derivatives

1. Non-hedge derivatives are initially recognized at fair value at the contract signing date and accounted as financial assets or liabilities at fair value through profit or loss, and subsequently measured at fair value, with resulting gains or losses recognized in profit or loss.
2. For hybrid contracts with non-financial asset embedded derivatives, at initial recognition, the terms of the contract are used to determine whether the economic characteristics and risks of the embedded derivative are closely related to those of the host contract, to decide whether separate treatment is required. When closely related, the entire hybrid instrument is treated according to appropriate standards based on its nature. When not closely related, the derivative is separated from the host contract and treated as a derivative, while the host contract is treated according to appropriate standards based on its nature; alternatively, the entire contract may be designated at initial recognition as a financial liability at fair value through profit or loss.

(27) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of the services rendered by employees in a period and should be recognized as an expense in that period when the employees render the relevant services.

2. Pension

(1) Defined contribution plans

For defined contribution plans, the contributions are recognized as a pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(2) Defined benefit plans

- A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive upon retirement for their services in the current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The discount rate is determined by reference to the market yield on government bonds (at the balance sheet date) with currencies and durations consistent with those of the defined benefit plan.
 - B. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are presented in retained earnings.
3. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequent actual distributed amounts is accounted for as changes in accounting estimates.

(28) Employee share-based payments

For equity-settled share-based payment arrangements, the fair value of equity instruments granted is used to measure employee services received on the grant date, recognized as compensation costs over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the effect of market vesting conditions and non-market vesting conditions. Remuneration cost recognized is subject to adjustment based on the service conditions that are expected to be satisfied and the amount of rewards under non-market vesting conditions. The amount of remuneration cost ultimately recognized is based on the number of equity instruments that are eventually vested at the vesting date.

(29) Income Taxes

1. The income tax expense for the period comprises current and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases, income tax is recognized in other comprehensive income or directly in equity.
2. The Group calculates its current income tax at the rates enacted or substantively enacted at the balance sheet date in countries where the Group operates and taxable income are generated. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes income tax liabilities where appropriate based on the amounts expected to be paid to the tax authorities. A surtax is imposed on the undistributed earnings in accordance with the Income Tax Act. In the year following the year in which the earnings are generated, after the shareholders' meeting has passed the earnings distribution proposal, the income tax expense on the undistributed earnings will be recognized based on the earnings actually distributed.

3. Deferred income tax is recognized using the balance sheet liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. If the deferred income tax is derived from the initial recognition of assets or liabilities in a transaction (excluding business merger), and the deferred income tax is derived at the time of the transaction, if it does not affect the accounting profit or taxable income (tax loss) and does not generate equivalent taxable and deductible temporary differences, it is not recognized. For temporary differences arising from investments in subsidiaries and associates, the Group does not recognize deferred tax liabilities when it can control the timing of the reversal of temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the relevant deferred income tax asset is realized or the deferred income tax liability is settled.

4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
5. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset in the balance sheet when the entity has the legally enforceable right to offset current income tax assets against current income tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(30) Share capital

1. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options, after deducting tax, are listed as a deduction from equity.
2. Where the Company repurchases the Company's issued shares, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity attributable to the Company's shareholders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, after deduction of any directly attributable incremental costs and the relevant income tax effects, is recognized as adjustment to equity attributable to the shareholders.

(31) Dividend distribution

Dividends distributable to shareholders of the Company are recognized as liabilities in the financial statements when the Board of Directors resolves to distribute cash dividends.

(32) Revenue recognition

1. Sales revenue

Sales revenue is recognized when the control of products is transferred to the customer. When goods are shipped to a designated location, the risk of obsolescence and loss has been transferred to the customer, and the customer is required to accept the goods in accordance with the sales contract, or when there is objective evidence that all acceptance criteria have been met, the goods are delivered. The amount of sales revenue recognized is limited to the portion that is highly unlikely to undergo a major reversal in the future. Since the time interval between the transfer of the promised goods or services to the customer and the customer's payment does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

Accounts receivable is recognized when goods are delivered to customers because it is from this point onward that the Group's right to the consideration for contracts from customers is unconditional.

Although the increase in costs incurred by the Group to obtain customer contracts is expected to be recoverable, the relevant contract periods are shorter than one year, so such costs are recognized in expenses when incurred.

2. Rental income

The purpose of the Group's holding of investment property is to earn rental income. The straight-line method is used to recognize the rental income during the lease term.

(33) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(34) Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. Critical Accounting Judgments, Assumptions, and Key Sources of Estimation Uncertainty

In the preparation of these consolidated financial statements, the management has exercised its judgment in deciding the Group's accounting policies to be applied. The management makes critical assumptions and accounting estimates concerning future events based on the information as of the balance sheet date. Assumptions and accounting estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Please refer to the description of the uncertainties of critical accounting judgments, assumptions, and estimation uncertainty below:

(1) Important judgments for accounting policies applied

None.

(2) Important accounting estimates and assumptions

1. Impairment Assessment of Trade Receivables

The amount of impairment loss represents the expected credit loss assessed after taking into account forward-looking information and other indicators. Should forward-looking information and other indicators deteriorate or decline, material impairment losses may result.

The carrying amount of the Group's trade receivables as of December 31, 2025 is set forth in Note 6(4).

2. Evaluation of inventory

Since inventory must be calculated at the lower of cost or net realizable value, the Group must exercise judgment and make estimates to determine the net realizable value of inventory at the balance sheet date. Due to the rapid changes in technology, the Group assesses the value of inventory based on normal wear and tear, obsolescence, or market sales value at the balance sheet date, and adopts demand as the basis for estimation, which may result in major changes.

The carrying amount of the Group's inventory as of December 31, 2025 is set forth in Note 6(5).

6. Description of Significant Accounting Titles

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and working capital	\$ 3,568	\$ 3,459
Checking account deposits and demand deposits	1,119,618	1,263,197
Time deposit	<u>47,145</u>	<u>87,960</u>
	<u>\$ 1,170,331</u>	<u>\$ 1,354,616</u>

1. The Group transacts with a variety of financial institutions all with high credit quality to diversify credit risk, so it expects that the probability of counterparty default is very low.
2. The Group's restricted cash due to syndicated loan contract regulations, bank acceptance bill guarantees, customs fee deposits, performance bond deposits, and plant lease requirements is listed under "Financial assets at amortized cost – current" and "Financial assets at amortized cost – non-current." Please refer to the explanations in Note 6(3) and Note 8.

(2) Financial Assets and Liabilities at Fair Value through Profit or Loss

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets mandatorily at fair value through profit and loss		

Listed stocks	\$	48,594	\$	138,726
Emerging stock company shares		4,505		4,505
Unlisted stocks		-		-
Derivatives – futures trading		464		78
Valuation adjustment	(	9,466)	(	6,715)
	\$	<u>44,097</u>	\$	<u>136,594</u>

Items	December 31, 2025	December 31, 2024
Non-current items:		
Financial assets mandatorily at fair value through profit and loss		
Emerging stock company shares	\$ 20,000	
Investments in stocks and private funds of venture capital companies		\$ 20,000
Unlisted stocks	50,000	79,992
Valuation adjustment	(14,145)	(77,794)
	\$ <u>55,855</u>	\$ <u>22,198</u>
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivatives – convertible corporate bonds		
Call options and put options	\$ 1,800	\$ 1,800
Valuation adjustment	360	420
	\$ <u>2,160</u>	\$ <u>2,220</u>

1. For financial assets and liabilities measured at fair value through profit or loss held by the Group, net gains on financial assets and liabilities recognized for the years ended December 31, 2025 and 2024 amounted to \$41,098 and \$32,501, respectively.
2. The Group did not pledge financial assets at fair value through profit and loss as collateral.
3. Derivative financial asset transactions that hedging accounting is applicable contracted by the Group and the contract information are as follows:

	December 31, 2025		December 31, 2024	
	Contract amount (Notional Principal)	Contract period	Contract amount (Notional Principal)	Contract period
Current items:				
Futures	\$ <u>9,428</u>	December 31, 2025 – January 15, 2026	\$ <u>21,053</u>	November 28, 2024 – March 15, 2025

The futures transactions entered into by the Group are for the pre-purchase of precious metal materials to reduce costs for long-term demand for supplies. Margin balances retained in futures accounts as of December 31, 2025 and 2024 amounted to \$1,682 and \$2,837, respectively.

- For the Group's sixth domestic unsecured convertible corporate bonds, please refer to the explanation in Note 6(12).

(3) Financial assets at amortized cost

Items	December 31, 2025	December 31, 2024
Current items:		
Time deposits (three months or more)	\$ 81,718	\$ 85,241
Pledged deposit	16,289	2,198
Others	<u>3,326</u>	<u>-</u>
	<u>\$ 101,333</u>	<u>\$ 87,439</u>
Non-current items:		
Pledged deposit	<u>\$ 2,929</u>	<u>\$ 2,929</u>

- Interest income from financial assets measured at amortized cost for the years ended December 31, 2025 and 2024 amounted to \$3,685 and \$5,070, respectively.
- Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the Group's financial assets measured at amortized cost as of December 31, 2025 and 2024 is best represented by their carrying amounts.
- The situation in which the Group pledges financial assets measured at amortized cost as collateral, please refer to Note 8 for details.
- The Group's transaction counterparties are financial institutions with good credit quality, and the probability of their default is expected to be very low. Therefore, the twelve months expected credit loss is adopted to measure the loss allowance. The Group did not provide allowance for losses in 2025 and 2024.

(4) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	<u>\$ 64,126</u>	<u>\$ 48,446</u>
Accounts receivable	\$ 2,708,193	\$ 2,682,281
Less: Loss allowance	<u>(82,429)</u>	<u>(264,102)</u>
	<u>\$ 2,625,764</u>	<u>\$ 2,418,179</u>

- The aging analysis of notes and accounts receivable is as follows:

December 31, 2025	December 31, 2024
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	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 2,626,058	\$ 64,126	\$ 2,349,260	\$ 48,446
Less than 60 days	39,242	-	50,140	-
61 to 180 days	15,174	-	87,641	-
Over 181 days	27,719	-	195,240	-
	<u>\$ 2,708,193</u>	<u>\$ 64,126</u>	<u>\$ 2,682,281</u>	<u>\$ 48,446</u>

The above aging analysis was based on the number of overdue days.

2. The balances of notes and accounts receivable as of December 31, 2025 and 2024 arose entirely from customer contracts. The balance of notes and accounts receivable arising from customer contracts as of January 1, 2024 totaled \$2,367,344.
 3. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the Group's notes and accounts receivable as of December 31, 2025 and 2024 is best represented by their carrying amounts.
 4. Information on credit risk of notes and accounts receivable is provided in Note 12(2).
- (5) Inventories

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 696,682	(\$ 56,127)	\$ 640,555
Supplies	63,524	(3,419)	60,105
Semi-finished goods	259,581	(18,506)	241,075
Finished good	609,883	(83,210)	526,673
	<u>\$ 1,629,670</u>	<u>(\$ 161,262)</u>	<u>\$ 1,468,408</u>

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 662,897	(\$ 56,198)	\$ 606,699
Supplies	67,767	-	67,767
Semi-finished goods	240,863	(11,088)	229,775
Finished good	527,793	(54,111)	473,682
	<u>\$ 1,499,320</u>	<u>(\$ 121,397)</u>	<u>\$ 1,377,923</u>

The cost of inventory recognized in expenses of the current period for the Group:

	2025	2024
Cost of inventory sold	\$ 5,013,979	\$ 4,518,791

Unamortized fixed production overheads	249,382	281,988
Inventory write-down losses (reversal of write-down)	39,472	(31,074)
Inventory scrap loss	24,504	58,570
Sale of scraps income	(155,814)	(122,229)
	<u>\$ 5,171,523</u>	<u>\$ 4,706,046</u>

In 2024, the Group recognized a decrease in cost of sales due to a recovery in the net realizable value of inventory arising from destocking.

(6) Investments accounted for under equity method

	2025	2024
January 1	\$ 46,589	\$ -
Investment before loss of control	-	17,627
Increase in investments accounted for using equity method	-	34,767
Share of profit (loss) of investments accounted for using equity method	(19,904)	(6,282)
Changes in capital surplus	10,630	477
December 31	<u>\$ 37,315</u>	<u>\$ 46,589</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associate:		
CMTEK Co., Ltd.	<u>\$ 37,315</u>	<u>\$ 46,589</u>

1. The carrying amount and summarized share of operating results of the Group's individually insignificant associates are as follows:

The carrying amounts of the Group's individually immaterial associates as of December 31, 2025 and 2024 amounted to \$37,315 and \$46,589, respectively.

	2025	2024
Net loss for the period from continuing operations	(\$ 68,713)	(\$ 16,900)
Other comprehensive income (net of tax)	-	-
Total comprehensive income for current period	<u>(\$ 68,713)</u>	<u>(\$ 16,900)</u>

2. CMTEK Co., Ltd. (Hereinafter referred to as CMTEK) conducted a cash capital increase in April 2024, and the Group subscribed for NTD 11,400. As the Group did not subscribe in proportion to its shareholding, its ownership percentage decreased to 47.076%. The Group is the single largest shareholder of the company, but did not obtain a majority of board seats and lacks the practical ability to direct relevant activities. After assessment, it is deemed that the Group has lost control over CMTEK and retains only significant influence. Therefore, from April 1, 2024, CMTEK has been reclassified as an associate.
3. In December 2024, another cash capital increase was conducted, and the Group subscribed for NTD 23,367. As the Group did not subscribe in proportion to its shareholding, its ownership percentage decreased from 47.076% to 46.801%.
4. In May 2025, CMTEK carried out a cash capital increase in which the Group did not participate. As a result of not subscribing in proportion to its existing shareholding, the Group's ownership interest decreased from 46.801% to 28.253%.

(7) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Mold equipment	Others	Total
<u>January 1, 2025</u>						
Cost	\$ 2,033,788	\$ 1,892,877	\$ 1,906,089	\$ 397,526	\$ 881,600	\$ 7,111,880
Revaluation surplus	98,221	-	-	-	-	98,221
Accumulated depreciation	-	(549,339)	(1,111,102)	(333,142)	(647,437)	(2,641,020)
Accumulated impairment	-	-	(16,643)	-	(1,242)	(17,885)
	<u>\$ 2,132,009</u>	<u>\$ 1,343,538</u>	<u>\$ 778,344</u>	<u>\$ 64,384</u>	<u>\$ 232,921</u>	<u>\$ 4,551,196</u>
<u>2025</u>						
Opening balance	\$ 2,132,009	\$ 1,343,538	\$ 778,344	\$ 64,384	\$ 232,921	\$ 4,551,196
Additions	855,133	27,748	213,409	29,778	441,590	1,567,658
Disposals	-	-	(24,197)	(22,750)	(4,340)	(51,287)
Reclassification	-	1,495	28,937	60,336	(90,768)	-
Effect of changes in consolidation scope	-	-	(16,328)	-	(783)	(17,111)
Depreciation expenses	-	(51,692)	(173,256)	(49,540)	(87,587)	(362,075)
Net exchange differences	-	(54)	(636)	809	1,116	1,235
Closing balance	<u>\$ 2,987,142</u>	<u>\$ 1,321,035</u>	<u>\$ 806,273</u>	<u>\$ 83,017</u>	<u>\$ 492,149</u>	<u>\$ 5,689,616</u>
<u>December 31, 2025</u>						
Cost	\$ 2,888,921	\$ 1,922,200	\$ 1,977,221	\$ 431,720	\$ 1,161,844	\$ 8,381,906
Revaluation surplus	98,221	-	-	-	-	98,221
Accumulated depreciation	-	(601,165)	(1,170,449)	(348,703)	(669,658)	(2,789,975)
Accumulated impairment	-	-	(499)	-	(37)	(536)
	<u>\$ 2,987,142</u>	<u>\$ 1,321,035</u>	<u>\$ 806,273</u>	<u>\$ 83,017</u>	<u>\$ 492,149</u>	<u>\$ 5,689,616</u>

	Land	Buildings and structures	Machinery and equipment	Mold equipment	Others	Total
<u>January 1, 2024</u>						
Cost	\$ 15,538	\$ 915,937	\$ 1,818,966	\$ 346,547	\$ 943,524	\$ 4,040,512
Revaluation surplus	98,221	-	-	-	-	98,221
Accumulated depreciation	-(	494,922)	1,011,086)	272,569)	639,194)	2,417,771)
Accumulated impairment	-	-(	3,727)	-(	434)	4,161)
	<u>\$ 113,759</u>	<u>\$ 421,015</u>	<u>\$ 804,153</u>	<u>\$ 73,978</u>	<u>\$ 303,896</u>	<u>\$ 1,716,801</u>
<u>2024</u>						
Opening balance	\$ 113,759	\$ 421,015	\$ 804,153	\$ 73,978	\$ 303,896	\$ 1,716,801
Additions	2,018,250	925,659	112,293	13,107	139,514	3,208,823
Disposals	-	-(	6,974)	1,458)	56,235)	64,667)
Disposal of subsidiary (loss of control)	-	-(	1,191)	-(	534)	1,725)
Reclassification	-	21,641	39,044	28,876	(69,048)	20,513
Depreciation expenses	-(	31,360)	163,851)	51,714)	87,033)	333,958)
Impairment loss	-	-(	14,322)	-(	793)	15,115)
Net exchange differences	-	6,583	9,192	1,595	3,154	20,524
Closing balance	<u>\$ 2,132,009</u>	<u>\$ 1,343,538</u>	<u>\$ 778,344</u>	<u>\$ 64,384</u>	<u>\$ 232,921</u>	<u>\$ 4,551,196</u>
<u>December 31, 2024</u>						
Cost	\$ 2,033,788	\$ 1,892,877	\$ 1,906,089	\$ 397,526	\$ 881,600	\$ 7,111,880
Revaluation surplus	98,221	-	-	-	-	98,221
Accumulated depreciation	-	(549,339)	(1,111,102)	(333,142)	(647,437)	(2,641,020)
Accumulated impairment	-	-	(16,643)	-	(1,242)	(17,885)
	<u>\$ 2,132,009</u>	<u>\$ 1,343,538</u>	<u>\$ 778,344</u>	<u>\$ 64,384</u>	<u>\$ 232,921</u>	<u>\$ 4,551,196</u>

1. The Group's total land revaluation surplus is NTD 98,221, and a provision for land value increment tax of NTD 41,193 has been made.
2. As of December 31, 2025 and 2024, the amount of the Group's provision for land value increment tax (recognized in "deferred income tax liabilities") was both NTD 41,193.
3. For information on collateral provided by the Group for property, plant and equipment, please refer to Note 8 for details.
- 4.(1) The Group recognized impairment losses of NTD 15,115 for the year 2024, detailed as follows:

	2024	
	Recognized in profit or loss for the period	Recognized in other comprehensive income
Impairment loss – Machinery and equipment	\$ 14,322	\$ -
Impairment loss – Others	793	-
	<u>\$ 15,115</u>	<u>\$ -</u>

(2) The breakdown of the above impairment losses by department is disclosed as follows:

	2024	
	Recognized in Current Profit and Loss	Recognized in other comprehensive income
Other segments	\$ 15,115	\$ -

(3) Year ended December 31, 2025: Not applicable.

(8) Leasing arrangements – lessee

1. The assets leased by the Group include land use rights, factory buildings, warehouses, and company vehicles. The lease contract terms range from 2 to 50 years. Lease contracts are negotiated separately and contain various terms and conditions without other major restrictions imposed.
2. The Group's leased plants, offices, and machinery have lease terms not exceeding 12 months, and its only leased low-value assets are photocopiers.
3. The carrying amount of right-of-use assets and recognized depreciation expenses are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Carrying amount	Carrying amount
Land use rights (Note)	\$ 70,519	\$ 72,354
Buildings and structures	49,122	26,869
Transportation equipment (company vehicles)	<u>1,557</u>	<u>1,291</u>
	<u>\$ 121,198</u>	<u>\$ 100,514</u>
	<u>2025</u>	<u>2024</u>
	Depreciation expenses	Depreciation expenses
Land use rights (Note)	\$ 2,049	\$ 2,107
Buildings and structures	25,081	60,658
Transportation equipment (company vehicles)	<u>736</u>	<u>526</u>
	<u>\$ 27,866</u>	<u>\$ 63,291</u>

Note: The Group has leased land from the government of the People's Republic of China, and the lease term of the land use right obtained is 50 years, which has been paid in full when the lease contract was signed. For information on the collateral provided, please refer to Note 8 for details.

4. Additions to right-of-use assets for the years ended December 31, 2025 and 2024 amounted to \$48,336 and \$2,200, respectively.
5. The information on profit and loss accounts relating to lease contracts is as follows:

	2025	2024
<u>Items affecting current profit or loss</u>		
Interest expense of lease liabilities	\$ 705	\$ 10,721
Expense on short-term lease contracts	479	7,447
Expense on leases of low-value assets	572	598
Gains arising from lease changes	-	24,766

6. Total cash outflows from leases for the years ended December 31, 2025 and 2024 amounted to \$27,909 and \$76,513, respectively.

(9) Leasing arrangements – lessor

1. The assets leased out by the Group are investment property (factory buildings and parking spaces). The lease contract terms are 7-15 years. The lease contracts are negotiated separately and contain different terms and conditions.
2. Rental income recognized under operating lease agreements for the years ended December 31, 2025 and 2024 amounted to \$75,155 and \$35,606, respectively (presented under "Operating Revenues"), with no variable lease payments included therein.
3. The analysis of the maturity dates of the lease payments to the Group under operating leases is as follows:

	December 31, 2025	December 31, 2024
Not more than 1 year	\$ 67,773	\$ 73,674
More than 1 year but not more than 5 years	296,599	297,428
More than 5 years	156,600	245,491
	\$ 520,972	\$ 616,593

(10) Investment property

January 1	Buildings and structures	
	2025	2024
Cost	\$ 360,926	\$ 382,695
Accumulated depreciation	(199,966)	(191,907)
	<u>\$ 160,960</u>	<u>\$ 190,788</u>
January 1 to December 31	2025	2024
Opening balance	\$ 160,960	\$ 190,788
Reclassification	- (20,832)	
Depreciation expenses	(15,331)	(15,461)
Net exchange differences	71	6,465
Closing balance	<u>\$ 145,700</u>	<u>\$ 160,960</u>
December 31	2025	2024
Cost	\$ 362,376	\$ 360,926
Accumulated depreciation	(216,676)	(199,966)
	<u>\$ 145,700</u>	<u>\$ 160,960</u>

1. Rental income and direct operating expenses of investment property:

	2025	2024
Rental income from investment property	<u>\$ 75,155</u>	<u>\$ 35,606</u>
Direct operating expenses incurred from investment property that generated rental income during the period – depreciation expenses	<u>\$ 15,331</u>	<u>\$ 15,461</u>

2. The fair values of investment properties held by the Group as of December 31, 2025 and 2024 amounted to \$362,002 and \$362,626, respectively. The valuations were determined using the sales comparison approach and cost approach, classified as Level 3 fair value measurements, based on reports prepared by independent, unrelated licensed real estate appraisers.
3. For information on collateral provided by the Group for investment property, please refer to Note 8 for details.

(11) Short-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Borrowings from banks		
Secured loan	\$ -	\$ 67,170
Credit loan	<u>1,299,990</u>	<u>667,170</u>
	<u>\$ 1,299,990</u>	<u>\$ 734,340</u>
Interest rate range	<u>1.900%-2.700%</u>	<u>0.500%-3.300%</u>

Please refer to Note 8 for details of collateral for short-term borrowings.

(12) Corporate Bonds Payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Corporate Bonds Payable	\$ 600,000	\$ 600,000
Less: Discount on corporate bonds payable	<u>(18,086)</u>	<u>(29,851)</u>
	<u>\$ 581,914</u>	<u>\$ 570,149</u>

The Company issued its 6th Domestic Unsecured Convertible Corporate Bonds, approved for fundraising and issuance by the competent authority.

1. The terms of issuance are as follows:

- (1) Total issuance amount of \$600,000, coupon rate of 0%, term of three years, with a circulation period from July 1, 2024 to July 1, 2027. At maturity, these convertible bonds will be redeemed in cash at their face value in a lump sum. These convertible bonds were listed for trading on the Taipei Exchange on July 1, 2024.
- (2) Bondholders may request conversion into the Group's common shares at any time from the day following three months after the issuance date until the maturity date, except during periods when transfer is suspended in accordance with regulations or laws. The rights and obligations of the common shares after conversion are the same as those of the previously issued common shares.
- (3) The conversion price of these convertible bonds is determined in accordance with the pricing model specified in the conversion regulations. Subsequent conversion prices, in the event of anti-dilution provisions affecting the Company, will be adjusted according to the pricing model specified in the conversion regulations. Subsequently, on the base dates set forth in the regulations, the conversion price will be reset according to the pricing model specified in the conversion regulations. The conversion price of the convertible bonds is NTD 126 per share. Effective from the ex-dividend date for the cash dividend distributed by the Company for fiscal year 2025 (July 4, 2025), the conversion price was adjusted to NTD 125.2 per share.

- (4) When, from the day following three months after the issuance of these convertible bonds until forty days before the expiration of the issuance period, the closing price of our company's common shares exceeds 30% (inclusive) of the conversion price then in effect for thirty consecutive trading days, or when, from the day following three months after the issuance until forty days before the expiration of the issuance period, the outstanding balance of these convertible bonds falls below 10% of the original total issuance amount, our company may redeem all of the bonds at face value at any time thereafter.
- (5) According to the conversion regulations, all convertible bonds redeemed by the Company (including those bought back from the Taipei Exchange), repaid, or converted will be canceled, and all rights and obligations still attached to the corporate bonds will also be extinguished simultaneously and will not be reissued.
2. When issuing convertible corporate bonds, the Group, in accordance with International Accounting Standard No. 32 “Financial Instruments: Presentation,” separates the equity component of the conversion right from the liability components and records it as “Capital surplus – stock options” in the amount of NTD 37,026. Furthermore, regarding the embedded call and put options, in accordance with International Financial Reporting Standard No. 9 “Financial Instruments,” as their economic characteristics and risks are not closely related to the host debt instrument contract, they are separated for accounting treatment and recorded at their net amount as “Financial assets or liabilities at fair value through profit or loss.” After separation, the effective interest rate of the host debt contract is 2.0441%.
3. As of December 31, 2025, the Company has not bought back any of these convertible bonds from the Taipei Exchange.
- (13) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Salary and bonus payable	\$ 164,776	\$ 141,768
Payable on equipment	116,714	68,876
Utilities payable	88,040	63,449
Payable on labor and health insurance premiums	18,207	15,856
Employees’ compensation and directors’ remuneration payable	12,942	38,721
Others	<u>96,636</u>	<u>166,982</u>
	<u>\$ 497,315</u>	<u>\$ 495,652</u>

(14) Long-term borrowings

<u>Lender</u>	<u>Type of borrowings</u>	<u>Borrowing period</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Taiwan Cooperative Bank	Secured loan	November 25, 2024 – November 25, 2044	\$ 2,540,000	\$ 2,540,000
CTBC Bank	Secured loan	February 12, 2025 – February 12, 2030	636,000	-
Syndicated loan led by First Commercial Bank Shanghai	Secured loan	November 19, 2021 – November 19, 2024	-	-
Commercial & Savings Bank, Ltd.	Credit loan	October 17, 2022 – October 17, 2025	-	6,667
Bank of Communications	Secured loan	March 11, 2024 – June 13, 2027	80,029	85,082
Agricultural Bank of China	Credit loan	January 10, 2025 – April 12, 2026	40,464	-
Less: Current portion of long-term borrowings			(48,782)	(15,623)
			<u>\$ 3,247,711</u>	<u>\$ 2,616,126</u>
Borrowing facility			<u>\$ 4,344,960</u>	<u>\$ 3,634,720</u>
Interest rate range			<u>1.9500%-2.7000%</u>	<u>1.9500%-3.0000%</u>

1. Please refer to Note 8 for details of collateral for long-term borrowings above.

2. Syndicated loan led by First Commercial Bank:

(1) To increase the medium-term working capital and repay the loans that are about to be due, the Company took out the loan as the borrower.

The Company signed a syndicated loan contract with the First Commercial Bank for a total amount of NTD 1,200,000 in August 2021. The contract period is 3 years from the first drawdown date (November 19, 2021), and the first installment of the principal shall be repaid within 2 years after the drawdown date. The Company shall make an installment payment every six months thereafter, and there are three installments in total without revolving credit. Any drawdowns thereunder shall be applied in priority to the repayment of credit facilities extended in 2018.

(2) The Company promises to maintain the following financial ratios in the second quarter and annual consolidated financial statements during the duration of the contract period:

- A. The current ratio shall not be less than 100%.
- B. The debt ratio shall not be higher than 150%.
- C. The interest coverage ratio must not be less than 500%.
- D. The net worth of tangible assets (total shareholder equity less intangible assets) shall be maintained at NTD 2,500,000 (inclusive) or more, and starting from 2023, it shall be maintained at NTD 3,000,000 (inclusive) or more.

The financial ratios above are reviewed once every six months as agreed in the contract.

- (3) The First Commercial Bank syndicated loan was repaid on July 19, 2024.
3. In January 2025, the Company entered into a medium-term loan agreement with CTBC Bank for \$636,000, with a contract period through January 2030. The Company undertakes that, within one year following each drawdown, inward remittances for the preceding twelve months shall reach \$240,000, and that such inward remittances shall be maintained at no less than \$240,000 in each subsequent year thereafter.

(15) Pension

1.(1) The Company and its Taiwan subsidiary, ECOCERA Optronics Co., Ltd. have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employee service years prior to the enforcement of the Labor Pension Act on July 1, 2005, and the service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. For employees who are qualified for retirement, under the defined benefit pension plan, pension benefits are based on the number of units accrued and the average monthly salaries and wages of the 6 months prior to retirement. Two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. The Group contributes 2% of the total salaries every month as a pension fund and deposits it in the designated account in the name of the Labor Pension Funds Supervisory Committee at the Bank of Taiwan. Also, the Group and its domestic subsidiaries assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group and its domestic subsidiaries will make contributions for the deficit by March 31 of the following year.

(2) The amounts recognized in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 92,146	\$ 90,916
Fair value of plan assets	(55,828)	(51,355)
Net defined benefit liabilities (recognized as "Other non-current liabilities")	<u>\$ 36,318</u>	<u>\$ 39,561</u>

(3) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
2025			
Balance at January 1	\$ 90,916	(\$ 51,355)	\$ 39,561
Current service cost	432	-	432
Interest expense (income)	<u>1,409</u>	<u>(796)</u>	<u>613</u>
	<u>92,757</u>	<u>(52,151)</u>	<u>40,606</u>
Remeasurements:			
Demographic assumptions			
Effect of changes	12	-	12
Financial assumptions			
Effect of changes	585	-	585
Experience adjustments	<u>(200)</u>	<u>(3,452)</u>	<u>(3,652)</u>
	<u>397</u>	<u>(3,452)</u>	<u>(3,055)</u>
Pension fund contribution	-	(1,233)	(1,233)
Benefits paid	<u>(1,008)</u>	<u>1,008</u>	<u>-</u>
Balance at December 31	<u>\$ 92,146</u>	<u>(\$ 55,828)</u>	<u>\$ 36,318</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
2024			
Balance at January 1	\$ 90,676	(\$ 42,657)	\$ 48,019
Current service cost	8	-	8
Interest expense (income)	<u>1,043</u>	<u>(491)</u>	<u>552</u>
	<u>91,727</u>	<u>(43,148)</u>	<u>48,579</u>
Remeasurements:			
Demographic assumptions			
Effect of changes	355	-	355
Financial assumptions			

Effect of changes	(	371)	-	(	371)	
Experience adjustments	(	795)	(	3,658)	(	4,453)
	(	811)	(	3,658)	(	4,469)
Pension fund contribution		-	(	4,549)	(	4,549)
Balance at December 31	\$	90,916	(\$	51,355)	\$	39,561

The details of the abovementioned expenses recognized in various costs and expenses in the statement of comprehensive income are as follows:

		2025		2024
Administrative expenses	\$	1,045	\$	560

- (4) The Bank of Taiwan was commissioned to manage the fund of the Group's and domestic subsidiaries' defined benefit pension plan in accordance with the fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the fund includes deposits in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.) With regard to the utilization of the fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall compensate the deficit after being authorized by the competent authorities. The Group and its domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and its domestic subsidiaries are unable to disclose the classification of the fair value of plan assets in accordance with paragraph 142, IAS 19. The composition of the fair value of plan assets as of December 31, 2025 and 2024 is available in the Annual Labor Retirement Fund Utilization Report announced by the government.
- (5) The actuarial assumptions related to pension were as follows:

	2025	2024
Discount rate	<u>1.31%-1.61%</u>	<u>1.55%-1.82%</u>
Future salary increases rate	<u>1.00%-1.50%</u>	<u>1.50%-3.00%</u>

The assumptions for the future mortality rate are based on the Taiwan Life Insurance Life Table No. 6.

The analysis of the present value of defined benefit obligations affected by changes in the main actuarial assumptions adopted is as follows:

	Discount rate		Future salary increases rate	
	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%
December 31, 2025				
Effect on present value of defined benefit obligation	<u>(\$ 1,491)</u>	<u>\$ 3,528</u>	<u>\$ 3,498</u>	<u>(\$ 1,495)</u>
December 31, 2024				
Effect on present value of defined benefit obligation	<u>(\$ 1,667)</u>	<u>\$ 2,411</u>	<u>\$ 2,391</u>	<u>(\$ 1,675)</u>

The sensitivity analysis above is based on a change in only one assumption with all other conditions remaining unchanged. In practice, more than one assumption may change simultaneously. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (6) The Group's expected contributions to the defined benefit pension plans for 2026 amount to NTD 1,236.
- (7) As of December 31, 2025, the weighted average duration of the pension plan is 5 years. An analysis of the maturity of pension payments is as follows:

Less than 2 years	\$	83,325
3–5 years		6,480
6–10 years		934
Over 10 year		<u>10,928</u>
	\$	<u>101,667</u>

2. (1) Effective on July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan under the Labor Pension Act, covering all regular employees with R.O.C. Nationality. Under the Labor Pension Act, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Group for 2025 and 2024 were NTD 28,618 and NTD 27,583, respectively.
- (2) The subsidiaries in mainland China make monthly contributions according to a certain percentage of the local employees' total salaries in accordance with the pension system stipulated by the government of the People's Republic of China. In 2025 and 2024, the Group's pension costs recognized as required were NTD 26,895 and NTD 23,785, respectively. The pension of each employee is managed and arranged by the government. Other than the monthly contributions, the Group has no further obligations.

3. For employees who concurrently serve as directors or managers, the Company has set aside retirement reserves during their concurrent service period in accordance with the Labor Standards Act and other applicable regulations. The accrued retirement benefit liabilities (presented under "Other Non-current Liabilities") as of the years ended December 31, 2025 and 2024 amounted to \$32,437 and \$33,637, respectively.

(16) Share-based payment

1. The Company's 2025 share-based payment arrangement is as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Number of shares granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Employee stock option plan	May 20, 2024	5,000 thousand shares	6 years	2-4 years of service (Note)

Note: 50% of an employee's stock options will be vested upon 2 years of service; 75% will be vested upon 3 years; 100% will be vested upon 4 years. The above-mentioned share-based payment arrangement was settled in equity.

- (1) The detailed information of the employee stock option plan is as follows:

	<u>2025</u>	
	<u>Quantity (thousand shares)</u>	<u>Strike price (NTD)</u>
Outstanding stock options, beginning of period	4,774	\$ 80.70
Stock options granted for the current period	-	-
Stock options forfeited in the current period	(45)	80.20
Outstanding stock options, end of period	<u>4,729</u>	<u>\$ 80.20</u>
Stock options executed, end of period	<u>-</u>	<u>-</u>

Note: Effective from the ex-dividend date for the cash dividend distributed by the Company for fiscal year 2025 (July 4, 2025), the exercise price was adjusted from NTD 80.70 to NTD 80.20 per share.

- (2) As of December 31, 2025, the outstanding warrants of the Company carry an exercise price of NTD 80.20 per share, with a weighted average remaining contractual life of 4.38 years.

- (3) The Company uses the Black-Scholes options model to estimate the fair value of the stock options for its share-based payment transactions on the grant date. The relevant information is as follows:

Type of arrangement	Grant date	Stock price (NTD)	Strike price (NTD)	Expected volatility	Expected duration	Expected dividend	Risk-free interest rate	Fair value per unit (NTD)
Employee stock option plan	May 20, 2024	\$ 82.80	\$ 82.80	Note 1	6 years	-	Note 2	Note 3

Note 1: 52.13% after two years; 53.93% after three years; 51.47% after four years.

Note 2: 1.4444% after two years; 1.4659% after three years; 1.4867% after four years.

Note 3: NTD 34.39 after two years; NTD 37.38 after three years; NTD 37.76 after four years.

- (4) The cost incurred in share-based payment transactions and equity delivery in 2025 was NTD 69,957.
2. For fiscal year 2025, the base payment agreement of the Company's subsidiary Ecocera Optronics Co., Ltd. (hereinafter referred to as "Ecocera Optronics") is as follows:

Type of arrangement	Grant date	Number of shares granted	Contract period	Vesting conditions
Cash capital increase reserved for employee subscription	April 28, 2025	555 thousand shares	April 29, 2025 – May 2, 2025	Vested immediately

The above-mentioned share-based payment arrangement was settled in equity.

- (1) The details of the cash capital increase reserved for employee subscription are as follows:

	2024	
	Quantity thousand(shares)	Strike price (NTD)
Outstanding stock options, beginning of period	-	-
Stock options granted for the current period	555	\$ 86.57
Stock options executed for the current period (	232)	\$ 86.57
(	323)	86.57
Outstanding stock options, end of period	-	-
Stock options executed, end of period	-	-

- (2) As of December 31, 2025, Ecocera Optronics had no outstanding warrants. The weighted average share price on the exercise dates of warrants exercised was NTD 86.57 per share.
- (3) ECOCERA OPTRONICS uses the Black-Scholes options model to estimate the fair value of the stock options for its share-based payment transactions on the grant date. The relevant information is as follows:

Type of arrangement	Grant date	Stock price (NTD)	Strike price (NTD)	Expected volatility	Expected duration	Expected dividend	Risk-free interest rate	Fair value per unit (NTD)
Cash capital increase reserved for employee subscription	April 28, 2025	\$ 94.44	\$ 86.57	37.23%	0.01 years	-	1.3381%	\$ 6.94

- (4) The cost incurred in the share-based payment transaction and equity delivery in 2025 was NTD 3,852.

3. The Company's 2024 share-based payment arrangement is as follows:

Type of arrangement	Grant date	Number of shares granted	Contract period	Vesting conditions
Treasury shares transferred to employees	March 6, 2024	1,757 thousand shares	March 11, 2024 – March 15, 2024	Vested immediately
Employee stock option plan	May 20, 2024	5,000 thousand shares	6 years	2–4 years of service (Note)
Cash capital increase reserved for employee subscription	May 24, 2024	1,800 thousand shares	June 17, 2024 – June 21, 2024	Vested immediately

Note: 50% of an employee's stock options will be vested upon 2 years of service; 75% will be vested upon 3 years; 100% will be vested upon 4 years. The above-mentioned share-based payment arrangement was settled in equity.

(1) Details of the transfer of treasury stocks to employees are as follows:

	<u>2024</u>	
	<u>Quantity (thousand shares)</u>	<u>Strike price (NTD)</u>
Outstanding stock options, beginning of period	-	-
Stock options granted for the current period	1,757	\$ 22.51
Stock options executed for the current period	<u>(1,757)</u>	<u>\$ 22.51</u>
Outstanding stock options, end of period	<u>-</u>	-
Stock options executed, end of period	<u>-</u>	-

(2) The detailed information of the employee stock option plan is as follows:

	<u>2024</u>	
	<u>Quantity (thousand shares)</u>	<u>Strike price (NTD)</u>
Outstanding stock options, beginning of period	-	-
Stock options granted for the current period	5,000	\$ 82.80
Stock options forfeited in the current period	<u>(226)</u>	<u>\$ 80.70</u>
Outstanding stock options, end of period	<u>4,774</u>	<u>\$ 80.70</u>
Stock options executed, end of period	<u>-</u>	-

Note: Effective from the ex-dividend date for the cash dividend distributed by the Company for fiscal year 2024 (June 8, 2024), the exercise price was adjusted from NTD 82.80 to NTD 80.70 per share.

- (3) The details of the cash capital increase reserved for employee subscription are as follows:

	<u>2024</u>	
	<u>Quantity (thousand shares)</u>	<u>Strike price (NTD)</u>
Outstanding stock options, beginning of period	-	-
Stock options granted for the current period	1,800 \$	72.00
Stock options executed for the current period	<u>(1,800) \$</u>	72.00
Outstanding stock options, end of period	<u>-</u>	-
Stock options executed, end of period	<u>-</u>	-

- (4) As of December 31, 2024, the weighted average share prices on the exercise dates of warrants exercised by the Company were NTD 22.51 and NTD 72.00 per share.
- (5) As of December 31, 2024, the outstanding warrants of the Company carry an exercise price of NTD 80.70 per share, with a weighted average remaining contractual life of 5.38 years.
- (6) The Company uses the Black-Scholes options model to estimate the fair value of the stock options for its share-based payment transactions on the grant date. The relevant information is as follows:

Type of arrangement	Grant date	Stock price (NTD)	Strike price (NTD)	Expected volatility	Expected duration	Expected dividend	Risk-free interest rate	Fair value per unit (NTD)
Treasury shares transferred to employees	March 6, 2024	\$ 54.10	\$ 22.51	57.51%	0.0137 years	-	1.0885%	\$ 31.59
Employee stock option plan	May 20, 2024	\$ 82.80	\$ 82.80	Note 1	6 years	-	Note 2	Note 3
Cash capital increase reserved for employee subscription	May 24, 2024	\$ 90.03	\$ 72.00	55.94%	0.0137 years	0.72%	1.2806%	\$ 18.03

Note 1: 52.13% after two years; 53.93% after three years; 51.47% after four years.

Note 2: 1.4444% after two years; 1.4659% after three years; 1.4867% after four years.

Note 3: NTD 34.39 after two years of service; NTD 37.38 after three years of service; NTD 37.76 after four years of service.

- (7) The cost incurred in share-based payment transactions and equity delivery in 2024 was NTD 130,126.

(17) Share capital

1. As of December 31, 2025, the Company's registered capital was NTD 3,000,000 thousand, and the paid-in capital was NTD 2,339,586 thousand, with a par value of NTD 10 per share.

On April 9, 2024, the Board of Directors resolved to issue 12,000 thousand ordinary shares through a cash capital increase. The capital increase record date was June 26, 2024, with a subscription price of NTD 72 per share. Total paid-in capital amounted to NTD 864,000 thousand, which has been collected in full, and the amendment registration has been completed.

The number of Company's outstanding ordinary shares (thousand shares) at the beginning and end of period is reconciled as follows:

	<u>2025</u>	<u>2024</u>
January 1	233,959	220,202
Treasury shares repurchased	(2,000)	-
Capital increase in cash	-	12,000
Treasury shares transferred to employees	-	1,757
December 31	<u>231,959</u>	<u>233,959</u>

2. Treasury shares

- (1) Reasons for share repurchase and changes in the number (thousand shares):

<u>Reason for repurchase</u>	<u>2025</u>			
	<u>January 1</u>	<u>Increase in the current period</u>	<u>Decrease in the current period</u>	<u>December 31</u>
Shares transferable to employees	-	2,000	-	2,000
Shares Carrying amount	\$ -	\$ 154,397	\$ -	\$ 154,397
	<u>2024</u>			
<u>Reason for repurchase</u>	<u>January 1</u>	<u>Increase in the current period</u>	<u>Decrease in the current period</u>	<u>December 31</u>
Shares transferable to employees	1,757	-	(1,757)	-
Shares Carrying amount	\$ 39,538	\$ -	(\$ 39,538)	\$ -

- (2) According to the Securities and Exchange Act, the Company's proportion of the number of outstanding shares repurchased shall not exceed 10% of the total issued shares, and the total amount of shares repurchased shall not exceed the amount retained earnings plus the share premium and the realized capital surplus.
- (3) Treasury shares held by the Company shall not be pledged in accordance with the provisions of the Securities and Exchange Act, and shall be entitled to shareholder rights before being transferred.
- (4) In accordance with the provisions of the Securities and Exchange Act, the shares repurchased for shares transferable to employees shall be transferred within five years from the date of the repurchase. If the transfer is not made within the time limit, the Company shall be deemed to have not issued the shares, and the shares shall be canceled through change registration. For the shares repurchased to maintain the Company's credit and shareholders' rights, the change registration and share cancellation shall be conducted within six months after the repurchase.

(18) Capital surplus

1. Pursuant to the Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus shall not be used to compensate accumulated deficits unless the legal reserve is insufficient.

2. Changes in capital surplus are as follows:

	2025						
	Opening balance	Changes in ownership interests in subsidiaries recognized	Changes in Ownership Interests in Investments Accounted for Under Equity Method	Cost of share-based payment	Exercise of Disgorgement Rights	Distribution of cash dividends	Closing balance
Share premium	\$ 2,570,033	\$ -	\$ -	\$ -	\$ -	(\$ 81,885)	\$ 2,488,148
Treasury stock transaction	124,054	-	-	-	-	-	124,054
Employee stock option	42,168	-	-	69,957	-	-	112,125
Difference between the actual acquisition or disposal of the equity of subsidiary and the book value	2,584	-	-	-	-	-	2,584
Changes in ownership interests in subsidiaries recognized	-	108,685	-	-	-	-	108,685

Changes in Net Equity of Affiliated Companies Recognized under the Equity Method	90	-	10,630	-	-	-	10,720
Stock options	37,026	-	-	-	-	-	37,026
Donated assets	64	-	-	-	39	-	103
	<u>\$ 2,776,019</u>	<u>\$ 108,685</u>	<u>\$ 10,630</u>	<u>\$ 69,957</u>	<u>\$ 39</u>	<u>(\$ 81,885)</u>	<u>\$ 2,883,445</u>

2024									
	Opening balance	Disposal of equity in a subsidiary (loss of control)	Changes in Ownership Interests in Investments Accounted for Under Equity Method	Cost of share-based payment	Cash Capital Increase (including Employee Stock Options)	Treasury shares subscribed for by employees	Issuance of Convertible Corporate Bonds	Exercise of Disgorgement Rights	Closing balance
Share premium	\$ 1,793,579	\$ -	\$ -	\$ -	\$ 776,454	\$ -	\$ -	\$ -	\$ 2,570,033
Treasury stock transaction	68,656	-	-	-	-	55,398	-	-	124,054
Employee stock option	-	-	-	130,126	(32,454)	(55,504)	-	-	42,168
Difference between the actual acquisition or disposal of the equity of subsidiary and the book value	2,197	387	-	-	-	-	-	-	2,584
Changes in Net Equity of Affiliated Companies Recognized under the Equity Method	-	-	90	-	-	-	-	-	90
Stock options	-	-	-	-	-	-	37,026	-	37,026
Donated assets	-	-	-	-	-	-	-	64	64
	<u>\$ 1,864,432</u>	<u>\$ 387</u>	<u>\$ 90</u>	<u>\$ 130,126</u>	<u>\$ 744,000</u>	<u>(\$ 106)</u>	<u>\$ 37,026</u>	<u>\$ 64</u>	<u>\$ 2,776,019</u>

(19) Retained earnings

1. According to the Company's Articles of Incorporation, if there are earnings in the annual final accounts, the Company shall pay income taxes first and then compensate any accumulated deficits, before appropriating 10% of the balance for the legal reserve. For the remaining amount, a special reserve shall be set aside or reversed according to the laws or regulations of the competent authorities. Subsequently, if there is still a remaining amount, it is to be combined with the undistributed earnings from the beginning of the same period to form the accumulated distributable earnings to shareholders. The Board of Directors shall draft an earnings distribution proposal, and when it is distributed through the issuance of new shares, it shall be submitted to the shareholders' meeting for resolution before distribution.

The Company, in accordance with Paragraph 5 of Article 240 of the Company Act, authorizes the Board of Directors to pay, in whole or in part, distributable dividends and bonuses or the legal reserve and the capital reserve, as described in Paragraph 1 of Article 241 of the Company, in cash, after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors and, in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting.

The Company is in the technology industry and the industry environment changes rapidly. With consideration of the future capital demand and sound financial planning for the sustainable development of the Company, it is preferable to adopt a stable dividend policy. The dividend rate is expected to be above 20%, with cash dividends accounting for more than 20% of the total dividends distributed to shareholders. Nevertheless, when the price per share for the cash dividend is lower than NTD 0.1 (inclusive), no cash dividends are to be issued, but stock dividends are issued instead.

2. Except for covering accumulated deficits or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
3. (1) In accordance with the regulations, the Company shall set aside a special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
 (2) Upon first-time adoption of IFRSs, the special reserve was set aside per Letter Jin-Guan-Zheng-Fa No. 1010012865 dated April 6, 2012. When the Company subsequently uses, disposes of, or reclassifies relevant assets, the original proportion of the special reserve shall be reversed.
4. On March 10, 2026, the Board of Directors resolved on the appropriation and distribution of earnings for fiscal year 2025 as follows:

	<u>2025</u>	<u>Dividends per share (NTD)</u>
	<u>Amount</u>	
Legal reserve	\$ 5,302	
Cash dividend	<u>57,990</u>	0.25
	<u>\$ 63,292</u>	

- (1) On March 4, 2025, the Board of Directors resolved to distribute cash in the amount of \$57,990 from the capital surplus arising from the issuance of shares at a premium above par value, at a rate of NTD 0.25 per share to shareholders of record as of the distribution record date.
- (2) On March 10, 2026, the Company's Board of Directors proposed to reverse a special reserve of NTD 8,099 in accordance with the reversal of other equity deduction items.

5. On March 4, 2025 and May 26, 2025, the Board of Directors and shareholders' meetings, respectively, resolved on the appropriation and distribution of earnings for fiscal year 2024 as follows:

	<u>2024</u>		<u>Dividends per share (NTD)</u>
	<u>Amount</u>		
Legal reserve	\$ 2,241		
Cash dividend	<u>35,094</u>	\$	0.15
	<u>\$ 37,335</u>		

- (1) On March 4, 2025, the Board of Directors resolved to distribute cash in the amount of \$81,885 from the capital surplus arising from the issuance of shares at a premium above par value, at a rate of NTD 0.35 per share to shareholders of record as of the distribution record date.
- (2) On May 26, 2025, the shareholders' meeting resolved to reverse a special reserve of \$11,219 in accordance with the reversal of other equity deductions.
6. The 2023 earnings distribution proposal resolved by the Company's shareholders' meeting on May 30, 2024 was as follows:

	<u>2023</u>		<u>Dividends per share (NTD)</u>
	<u>Amount</u>		
Legal reserve	\$ 19,718		
Special reserve	33,167		
Cash dividend	<u>144,273</u>	\$	0.65
	<u>\$ 197,158</u>		

7. For information regarding earnings distribution and related matters, please refer to the Market Observation Post System (MOPS).

(20) Operating revenue

	<u>2025</u>		<u>2024</u>
Revenue from customer contracts	\$ 5,971,264	\$	5,456,772
Others - rental income	<u>75,155</u>		<u>35,606</u>
	<u>\$ 6,046,419</u>	\$	<u>5,492,378</u>

1. The Group's revenue from customer contracts is generated from goods transferred at a certain point in time. Please refer to Note 14 for the breakdown of its revenue.
2. The contract liabilities related to revenue from customer contracts recognized by the Group are as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities – advance sales receipts	\$ 80,259	\$ 14,242	\$ 242

3. The opening balance of contract liabilities is recognized in income in the current period:

	2025	2024
The opening balance of contract liabilities was recognized as income in the current period	\$ 14,242	\$ 242

(21) Other gains and losses

	2025	2024
Net foreign currency exchange (losses) gains	(\$ 42,267)	\$ 109,684
Net gains on financial assets and liabilities at fair value through profit and loss	41,098	32,501
Gains (losses) on disposal of property, plant and equipment	4,236 (	46,972)
Gains from disposal of investments	1,657	-
Impairment Loss on Property, Plant, and Equipment	-	(15,115)
Other expenditures	(8,029)	(14,663)
Gains arising from lease changes	-	24,766
	(\$ 3,305)	\$ 90,201

(22) Finance costs

	2025	2024
Interest expenses		
Borrowings from banks	\$ 85,651	\$ 34,965
Amortization of discount on corporate bonds payable	11,765	5,808
Lease liabilities	705	10,721
	\$ 98,121	\$ 51,494

(23) Expenses by nature

	2025		2024
Employee benefit expenses			
Wages and salaries	\$ 1,037,779	\$	968,951
Labor and health insurance expenses	89,064		80,342
Employee stock option	73,809		130,126
Pension expenses	56,558		51,928
Other personnel expenses	60,116		51,983
Depreciation expenses	405,272		412,710
Amortization expenses on intangible assets	7,537		7,549
	<u>\$ 1,730,135</u>	<u>\$</u>	<u>1,703,589</u>

1. Pursuant to the Company's amended Articles of Incorporation, after offsetting any accumulated deficit against the pre-tax profit for the year before deducting employee compensation and directors' remuneration, any remaining balance shall be appropriated at a rate of no less than ten percent for employee compensation, of which no less than 4.5 percent shall be allocated as compensation distributed to entry-level employees, and no more than three percent shall be appropriated as directors' remuneration. Where the distribution of the employee remuneration is executed in stock or cash, it shall be implemented with the consent of a majority of the attending Directors at a Board of Directors' meeting attended by more than two-thirds of all directors. In addition, a report to the shareholders' meeting shall also be made. Where the distribution of the employee remuneration is executed in stock, the employees of the Company's subsidiaries who meet certain specific requirements may be included.
2. The estimated amounts of employee compensation for the years ended December 31, 2025 and 2024 were \$3,739 and \$2,245, respectively, and the estimated amounts of directors' and supervisors' remuneration were \$1,122 and \$674, respectively. These amounts are recorded under salaries and wages expense.
The amounts for fiscal year 2025 were estimated based on profitability through the end of the year, applying the rates prescribed in the Articles of Incorporation. The amounts of employee compensation and directors' remuneration resolved by the Board of Directors for fiscal year 2025 are \$3,739 and \$1,122, respectively, both of which will be distributed in cash.
The estimated amounts of employee compensation and directors' remuneration for fiscal years 2024 and 2023 were \$2,245 and \$674, and \$26,874 and \$8,062, respectively, consistent with the amounts recognized in the financial statements for those respective years. As of December 31, 2025, all amounts have been distributed in cash.
3. The relevant information on employee remuneration and remuneration of directors approved by the board of directors of the Company is available on MOPS.

(24) Income Taxes

1. Income tax expense

(1) Income tax expense components:

	2025	2024
Current income tax:		
Current income tax on income	\$ 37,416	\$ 2,451
Prior years' income tax over(under)estimation	(2,464)	2,802
Deferred income tax:		
Initial recognition and reversal of temporary differences	(17,625)	31,231
Income tax expense	<u>\$ 17,327</u>	<u>\$ 36,484</u>

(2) Income tax relating to components of other comprehensive income is as follows:

	2025	2024
Differences on translation of foreign operations	\$ 2,025	\$ 17,002
Remeasurement of defined benefit obligations	611	894
	<u>\$ 2,636</u>	<u>\$ 17,896</u>

2. Reconciliation between income tax expense and accounting profit:

	2025	2024
Income tax calculated based on profit before tax and statutory tax rate (Note)	\$ 39,328	\$ 24,391
Effect of income tax adjusted according to tax law	12,807	(5,646)
Unrecognized deferred income tax as a result of temporary differences	(36,722)	4,015
Tax losses unrecognized as deferred income tax assets	-	8,471
Prior years' income tax over(under)estimation	(2,464)	2,802
Impact of income tax under the Minimum Tax System	-	2,451
Changes in the assessment of realizability of deferred income tax	4,378	-
Income tax expense	<u>\$ 17,327</u>	<u>\$ 36,484</u>

Note: The tax rate applicable is based on the tax rates applicable to income in relevant countries.

3. Amounts of deferred income tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	<u>2025</u>			
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>December 31</u>
Deferred income tax assets:				
Temporary differences:				
Remeasurement of pension	\$ 9,359	\$ -	(\$ 606)	\$ 8,753
Differences on translation of foreign operations	9,402	-	(2,025)	7,377
Inventory valuation losses	22,671	5,970	-	28,641
Others	9,371	(378)	-	8,993
Tax losses	<u>22,471</u>	<u>39,955</u>	<u>-</u>	<u>62,426</u>
	<u>73,274</u>	<u>45,547</u>	<u>(2,631)</u>	<u>116,190</u>
Deferred income tax liabilities:				
Remeasurement of pension				-
Unrealized exchange gains	(5,040)	(1,948)	-	(6,988)
Gains on investment in foreign long-term equity	(284,601)	(25,841)	-	(310,442)
Provision for land value increment tax	(41,193)	-	-	(41,193)
Others	<u>-</u>	<u>(133)</u>	<u>(5)</u>	<u>(138)</u>
	<u>(330,834)</u>	<u>(27,922)</u>	<u>(5)</u>	<u>(358,761)</u>
	<u>(\$ 257,560)</u>	<u>\$ 17,625</u>	<u>(\$ 2,636)</u>	<u>(\$ 242,571)</u>

	<u>2024</u>			
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>December 31</u>
Deferred income tax assets:				
Temporary differences:				
Remeasurement of pension	\$ 10,253	\$ -	(\$ 894)	\$ 9,359
Differences on translation of foreign operations	26,404	-	(17,002)	9,402
Inventory valuation losses	28,294	(5,623)	-	22,671
Unrealized exchange loss	8,150	(8,150)	-	-
Others	11,648	(2,277)	-	9,371
Tax losses	<u>28,233</u>	<u>(5,762)</u>	<u>-</u>	<u>22,471</u>
	<u>112,982</u>	<u>(21,812)</u>	<u>(17,896)</u>	<u>73,274</u>
Deferred income tax liabilities:				
Unrealized exchange gains	-	(5,040)	-	(5,040)
Gains on investment in foreign long-term equity	(280,222)	(4,379)	-	(284,601)
Provision for land value increment tax	<u>(41,193)</u>	<u>-</u>	<u>-</u>	<u>(41,193)</u>
	<u>(321,415)</u>	<u>(9,419)</u>	<u>-</u>	<u>(330,834)</u>
	<u>(\$ 208,433)</u>	<u>(\$ 31,231)</u>	<u>(\$ 17,896)</u>	<u>(\$ 257,560)</u>

4. Maturity of unused tax loss carryforwards and amounts of unrecognized deferred income tax assets of the Group are as follows:

<u>December 31, 2025</u>				
<u>Year incurred</u>	<u>Declared/Approved amount</u>	<u>Unused amount</u>	<u>Unrecognized deferred income tax assets amount</u>	<u>Maturity year</u>
2024	\$ 81,224	\$ 81,224	\$ -	2034
2025	230,906	230,906	-	2035
	<u>\$ 312,130</u>	<u>\$ 312,130</u>	<u>\$ -</u>	

December 31, 2024

Year incurred	Declared/Approved amount	Unused amount	Unrecognized deferred income tax assets amount	Maturity year
2015	\$ 150,042	\$ 99,630	\$ 99,630	2025
2019	587	587	587	2029
2020	34,818	4,169	-	2030
2021	20,715	20,715	20,715	2031
2022	51,165	51,165	51,165	2032
2023	41,007	41,007	41,007	2033
2024	150,540	150,540	42,356	2034
	<u>\$ 448,874</u>	<u>\$ 367,813</u>	<u>\$ 255,460</u>	

5. The profit-seeking enterprise income tax returns filed by the Company and its domestic subsidiaries up to 2023 have been assessed and approved by the tax authority.
6. The Group's investments in China are subject to the income tax rate of 25% according to China's income tax law. However, I-Chiun Technology (China) Co., Ltd. has applied for a preferential corporate income tax rate of 15% for high-tech enterprises.

(25) Earnings per share (EPS)

	2025		
	After-tax amount	Weighted average number of ordinary shares outstanding (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent for current period	<u>\$ 50,618</u>	<u>232,680</u>	<u>\$ 0.22</u>
<u>Diluted earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent for current period	\$ 50,618	232,680	
Effect of dilutive potential ordinary shares (Note)			
Employee stock option	-	32	
Employees' compensation	-	51	
Net profit attributable to ordinary shareholders of the parent for current period	<u>\$ 50,618</u>	<u>232,763</u>	<u>\$ 0.22</u>

	<u>2024</u>		
	After-tax amount	Weighted average number of ordinary shares outstanding (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent for current period	<u>\$ 18,807</u>	<u>227,742</u>	<u>\$ 0.08</u>
<u>Diluted earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent for current period	\$ 18,807	227,742	
Effect of dilutive potential ordinary shares (Note)			
Employee stock option	-	17	
Employees' compensation	-	114	
Net profit attributable to ordinary shareholders of the parent for current period	<u>\$ 18,807</u>	<u>227,873</u>	<u>\$ 0.08</u>

Note: When calculating diluted earnings per share, the convertible corporate bonds have an anti-dilutive effect; therefore, they are not included in the calculation of the effect of potentially dilutive common shares.

(26) Non-controlling equity

1. Changes in non-controlling interests are as follows:

	<u>2025</u>	<u>2024</u>
Opening balance	\$ 177,322	\$ 192,123
Attributable to non-controlling interests:		
Current net profit	19,652	10,897
Other comprehensive income for current period	43 (	28)
Non-controlling interests:		
Capital increase in cash by subsidiary	320,320	-
Employee share-based payments of subsidiaries	3,852	-
Treasury Share Buybacks by Subsidiaries	(67,780)	-
Acquisition of subsidiary's equity	(21,104)	-

Cash dividend paid out by subsidiary	(	30,084)	(	11,965)
Changes in capital surplus	(	108,685)		-
Loss of control over subsidiaries		1,326	(	13,705)
Closing balance	\$	294,862	\$	177,322

2. The subsidiary's cash capital increase, where the Group did not subscribe according to its shareholding percentage (resulting in loss of control)

The Group's subsidiary CMTEK issued new shares through a cash capital increase in April 2024. As the Group did not subscribe in proportion to its existing shareholding, its ownership interest decreased by 9.183% to 47.076%, resulting in a loss of control over CMTEK. Refer to Notes 4(3) and 6(6) for further details. This transaction reduced non-controlling interests by \$13,705.

3. The dissolution of the Group's subsidiary Advance Venture was approved by the competent authority on November 3, 2025, resulting in a loss of control and a corresponding increase in non-controlling interests of \$1,326.

(27) Additional information on cash flow

1. Operating activities only with partial cash payments:

	2025	2024
Interest expenses	\$ 86,356	\$ 45,686
Add: Interest payable, beginning of period	1,740	1,525
Less: Interest payable, end of period	(2,428)	(1,740)
Cash paid during the current period	\$ 85,668	\$ 45,471

2. Investing activities only with partial cash payments:

	2025	2024
Purchase of property, plant and equipment	\$ 1,567,658	\$ 3,208,823
Add: Equipment payables at beginning of period (including long-term equipment payables)	73,410	22,268
Add: Prepayments for real estate and equipment at end of period (Note)	463,949	305,357
Less: Prepayments for land and equipment at beginning of period (Note)	(305,357)	(19,650)

Less: Equipment payables at end of period (including long-term equipment payables)	(120,127)	(73,410)
Cash paid during the current period	<u>\$ 1,679,533</u>	<u>\$ 3,443,388</u>

(Note: Recognized as “other non-current assets”)

3. On November 3, 2025, the Group lost control over its subsidiary Advance Venture following the approval of its dissolution by the competent authority. Information regarding the consideration received in connection with this transaction (including the portion comprising cash and cash equivalents) and the assets and liabilities of the subsidiary is as follows:

- (1) Analysis of assets and liabilities with loss of control

	<u>November 3, 2025</u>
Carrying amounts of assets and liabilities of Advance Venture	
Current assets	
Cash	\$ 1,050
Other current assets – others	856
Non-current assets	
Property, plant and equipment	17,111
Current liabilities	
Other payables	(22,000)
Net liabilities disposed of	<u>(\$ 2,983)</u>

- (2) Gain or loss on disposal of subsidiary

	<u>November 3, 2025</u>
Increase in non-controlling equity	\$ 1,326
Net liabilities disposed of	(2,983)
Gain on disposal	<u>(\$ 1,657)</u>

- (3) Net cash outflow from disposal of subsidiary

	<u>November 3, 2025</u>
Consideration received	\$ -
Less: Cash balances disposed of	(1,050)
Net Cash Outflow from Disposal of Subsidiaries	<u>(\$ 1,050)</u>

4. From April 2024, the Group lost control over CMTEK Co., Ltd., and now only has significant influence. Information regarding the consideration received from this transaction (including the cash portion) and the relevant assets and liabilities of the subsidiary is as follows:

(1) Analysis of assets and liabilities with loss of control

	<u>March 31, 2024</u>
Carrying amount of assets and liabilities of CMTEK Co., Ltd.	
Current assets	
Cash	\$ 20,147
Other receivables	2
Other current assets – others	925
Non-current assets	
Property, plant and equipment	1,725
Other non-current assets	10,517
Current liabilities	
Accounts payable	(1,536)
Other payables	(385)
Other current liabilities – others	(63)
Net Assets Disposed	<u>\$ 31,332</u>

(2) Gain or loss on disposal of subsidiary

	<u>March 31, 2024</u>
Reclassification to investments accounted for using equity method	\$ 17,627
Decrease in non-controlling interests	13,705
Net Assets Disposed	<u>(31,332)</u>
Gain on disposal	<u>\$ -</u>

(3) Net cash outflow from disposal of subsidiary

	<u>March 31, 2024</u>
Consideration received	\$ -
Less: Cash balances disposed of	<u>(20,147)</u>
Net Cash Outflow from Disposal of Subsidiaries	<u>(\$ 20,147)</u>

(28) Changes in liabilities from financing activities

	Short-term borrowings	Corporate Bonds Payable	Long-term borrowings (including current portion)	Lease liabilities	Total liabilities from financing activities
January 1, 2025	\$ 734,340	\$ 570,149	\$ 2,631,749	\$ 29,066	\$ 3,965,304
Changes in cash flow from financing activities	565,650	-	664,744	(26,153)	1,204,241
Non-cash changes	-	11,765	-	48,336	60,101
December 31, 2025	<u>\$ 1,299,990</u>	<u>\$ 581,914</u>	<u>\$ 3,296,493</u>	<u>\$ 51,249</u>	<u>\$ 5,229,646</u>

	Short-term borrowings	Corporate Bonds Payable	Long-term borrowings (including current portion)	Lease liabilities	Total liabilities from financing activities
January 1, 2024	\$ 646,307		\$ 973,334	\$ 353,348	\$ 1,972,989
Changes in cash flow from financing activities	88,033	603,167	1,658,415	(57,747)	2,291,868
Non-cash changes		(33,018)	-	(266,535)	(299,553)
December 31, 2024	<u>\$ 734,340</u>	<u>\$ 570,149</u>	<u>\$ 2,631,749</u>	<u>\$ 29,066</u>	<u>\$ 3,965,304</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Mylight Technology Co., Ltd.	Second-degree Relative of the Company's Director Serving as Its Responsible Person
Zhuo Chuan Enterprise Co., Ltd.	Second-degree Relative of the Company's Director Serving as Its Responsible Person
LEATEC Fine Ceramics Co., Ltd.	The company is another related party of the subsidiary
CMTEK Co., Ltd. (CMTEK)	The Company's associates (Note)

Note: Effective April 1, 2024, CMTEK's relationship with the Group has been adjusted from a subsidiary to an associate. Please refer to Note 6(6) for detail

(2) Significant related party transactions are as follows

1. Purchases

	<u>2025</u>	<u>2024</u>
Purchases of goods:		
Associates	\$ 13	\$ -
Other related parties	<u>8,173</u>	<u>12,753</u>
	<u>\$ 8,186</u>	<u>\$ 12,753</u>

There is no significant difference in the transaction price and payment terms in purchases of goods from general companies.

2. Payables to related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable:		
Other related parties	<u>\$ 1,542</u>	<u>\$ 1,932</u>

The amounts payable to related parties mainly come from purchase transactions and are paid in 90–120 days every month from an account opened after the purchase date. The payable does not bear interest.

3. Asset transactions

(1) Acquisition of property, plant and equipment

	<u>2025</u>	<u>2024</u>
Associates	<u>\$ -</u>	<u>\$ 120</u>

(2) Disposal of property, plant and equipment

	<u>2025</u>		<u>2024</u>	
	Disposal Proceeds	Gain (Loss) on Disposal	Disposal Proceeds	Gain (Loss) on Disposal
Associates	<u>\$ 120</u>	<u>\$ 43</u>	<u>\$ -</u>	<u>\$ -</u>

(3) Financial assets acquired

<u>Account</u>	<u>Number of shares traded</u>	<u>Asset traded</u>	<u>2024</u> <u>Consideration received - Cash capital increase</u>

The Company	Investments accounted for under equity method (Note)	3,087,288	CMTEK Co., Ltd.	<u>\$ 34,767</u>
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Note: Effective April 1, 2024, CMTEK's relationship with the Group has been adjusted from a subsidiary to an associate. Please refer to Note 6(6) for detail

(3) Information on key management compensation

	2025	2024
Short-term employee benefits	\$ 27,879	\$ 29,934
Share-based payment	689	14,625
Post-employment benefits	2,919	563
	<u>\$ 31,487</u>	<u>\$ 45,122</u>

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Asset Items	Book value		Purpose of collateral
	December 31, 2025	December 31, 2024	
Land	\$ 2,987,142	\$ 2,132,009	Collateral for long-term borrowings
Buildings and structures	1,146,580	1,146,766	Collateral for long-term borrowings
Right-of-use assets	56,665	58,051	Loan and Credit Line Guarantee
Buildings and structures	147,297	160,500	Loan and Credit Line Guarantee
Investment property	137,578	149,407	Loan and Credit Line Guarantee
Financial assets at amortized cost – current	8,545	-	Collateral for bank acceptance bills
Financial assets at amortized cost – current	3,597	1,344	Customs Payment Guarantee
Financial assets at amortized cost – current	-	854	Plant Lease Guarantee
Financial assets at amortized cost – current	4,147	-	Performance Bond Deposit
Financial assets at amortized cost – non-current	2,929	2,929	Performance Bond Deposit
	<u>\$ 4,494,480</u>	<u>\$ 3,651,860</u>	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None.

(2) Commitments

1. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment	<u>\$ 1,247,563</u>	<u>\$ 811,417</u>

On June 13, 2025, the Board of Directors of the Company's subsidiary Ecocera Optronics resolved to acquire land and a building located at Lot No. 848, Shanbizi Section, Luzhu District, Taoyuan City, together with a newly constructed building, for a total consideration of \$1,198,000. As of December 31, 2025, a signing deposit (exclusive of tax) of \$228,571 has been paid (presented under "Other Non-current Assets"), with the remaining contractual balance of \$958,000 yet to be paid.

2. In order to obtain borrowing facilities from banks, the amount of the endorsements/guarantees provided by the Group is detailed in Note 13 to Table 2.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

- (1) On March 10, 2026, the Board of Directors resolved on the earnings distribution plan and cash distribution from capital surplus for fiscal year 2025. Refer to Note 6(19) for further details.
- (2) On June 13, 2025, the Board of Directors of the Company's subsidiary Ecocera Optronics resolved to acquire land and a building located at Lot No. 848, Shanbizi Section, Luzhu District, Taoyuan City, together with a newly constructed building, for a total consideration of \$1,198,000. The ownership transfer registration was completed on January 16, 2026, and the properties were pledged as collateral to secure a long-term secured loan of \$898,100 obtained on January 21, 2026.

12. Others

(1) Capital risk management

The Group's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns to shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(2) Financial Instruments

1. Categories of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial asset</u>		
Financial assets at fair value through profit and loss	<u>\$ 99,952</u>	<u>\$ 158,792</u>
Financial assets at amortized cost		
Cash and cash equivalents	\$ 1,170,331	\$ 1,354,616
Financial assets at amortized cost	104,262	90,368
Notes receivable	64,126	48,446
Accounts receivable	2,625,764	2,418,179
Other receivables	40,926	81,195
Refundable deposit (recognized as “other non-current assets”)	<u>76,472</u>	<u>53,326</u>
	<u>\$ 4,081,881</u>	<u>\$ 4,046,130</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit and loss:	<u>\$ 2,160</u>	<u>\$ 2,220</u>
Financial liabilities at amortized cost		
Short-term borrowings	\$ 1,299,990	\$ 734,340
Notes payable	4,669	14,804
Accounts payable	595,997	700,457
Other payables	497,315	495,652
Corporate Bonds Payable	581,914	570,149
Long-term borrowings (including current portion)	3,296,493	2,631,749
Guarantee deposits received (recognized in other non-current liabilities)	20,213	19,993
Long-term payable on equipment (recognized in other non-current liabilities)	<u>3,413</u>	<u>4,534</u>
	<u>\$ 6,300,004</u>	<u>\$ 5,171,678</u>
Lease liabilities	<u>\$ 51,249</u>	<u>\$ 29,066</u>

2. Risk management policy

- (1) The Group's activities have exposed it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk, and liquidity risk.
 - (2) Risk management is carried out by the Group's finance department in line with the policies approved by the Board of Directors. The finance department identifies, evaluates, and hedges financial risks in close cooperation with the Group's operating units. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and the remaining circulating capital investment.
 - (3) Usage of derivatives to avoid financial risks, please refer to Note 6(2).
- ## 3. Significant financial risks and degrees of financial risks

(1) Market risk

Exchange rate risk

- A. The Group operates its business transnationally, so it is subject to the exchange rate risk arising from transactions in currencies different from the functional currencies (mainly USD, Japanese yen, and RMB) used by the Company and its subsidiaries. The exchange rate risk arises from future business transactions and assets and liabilities recognized.
- B. The management of the Group has established policies to regulate the exchange rate risk of each company within the Group in relation to its functional currency. The companies shall hedge against the overall exchange rate risk through the Group's finance department. The exchange rate risk is measured by expected transactions with USD, JPY, and RMB expenditures that are highly likely to occur. The Group achieves natural hedging through the positions of foreign currency assets and liabilities held and the arrangement of the recovery period.
- C. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD ; other certain subsidiaries' functional currency: RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2025			
(Foreign currency: functional currency)	Foreign currency amount (in thousand)	Exchange rate	Carrying amount (NTD)
<u>Financial asset</u>			
<u>Monetary items</u>			
USD : NTD	\$ 38,098	31.430	\$ 1,197,420
USD : RMB	14,527	6.991	456,606
RMB : NTD	49,600	4.496	223,002
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 6,159	31.430	\$ 193,577
JPY : NTD	71,031	0.201	14,277
USD : RMB	279	6.991	8,769
December 31, 2024			
(Foreign currency: functional currency)	Foreign currency amount (in thousand)	Exchange rate	Carrying amount (NTD)
<u>Financial asset</u>			
<u>Monetary items</u>			
USD : NTD	\$ 41,560	32.785	\$ 1,362,545
USD : RMB	7,317	7.321	239,876
RMB : NTD	8,570	4.478	38,376
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 3,582	32.785	\$ 117,436
JPY : NTD	124,938	0.210	26,237
USD : RMB	771	7.321	25,276

- D. The aggregate foreign currency exchange (losses) gains recognized for the years ended December 31, 2025 and 2024, including both realized and unrealized amounts, attributable to exchange rate fluctuations on monetary items that have a material impact on the Group, amounted to (\$42,267) and \$109,684, respectively.

Analysis of foreign currency market risk arising from significant foreign exchange fluctuations for the Group:

		<u>2025</u>		
		<u>Sensitivity analysis</u>		
		<u>Exchange</u>	<u>Effect on profit or</u>	<u>Effect on other</u>
		<u>rate band</u>	<u>loss</u>	<u>comprehensive income</u>
(Foreign currency: functional currency)				
<u>Financial asset</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	11,974	\$ -
USD : RMB	1%		4,566	-
RMB : NTD	1%		2,230	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	1,936	\$ -
JPY : NTD	1%		143	-
USD : RMB	1%		88	-
<u>2024</u>				
<u>Sensitivity analysis</u>				
		<u>Exchange</u>	<u>Effect on profit or</u>	<u>Effect on other</u>
		<u>rate band</u>	<u>loss</u>	<u>comprehensive income</u>
(Foreign currency: functional currency)				
<u>Financial asset</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	13,625	\$ -
USD : RMB	1%		2,399	-
RMB : NTD	1%		384	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	1,174	\$ -
JPY : NTD	1%		262	-
USD : RMB	1%		253	-

Price risk

- A. The Group is exposed to price risk from equity instruments and wealth management products, which are listed as a financial assets at fair value through profit or loss. To manage the price risk of investments in equity instruments and wealth management products, the Group diversifies its investment portfolio. The diversification is done in accordance with the limits set by the Group.
- B. The Group primarily invests in equity instruments issued by domestic companies and wealth management products issued by foreign banks. The prices of these equity instruments and wealth management products are affected by uncertainties in the future value of the investment targets. If the prices of equity instruments and wealth management products were to increase or decrease by 1%, with all other factors held constant, the after-tax net profit for the years ended December 31, 2025 and 2024 would increase or decrease by \$995 and \$1,587, respectively, due to gains or losses on equity instruments and wealth management products measured at fair value through profit or loss.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risk mainly comes from short- and long-term borrowings issued at floating interest rates, exposing the Group to the interest rate risk of cash flow. In 2025 and 2024, the Group's loans taken out at floating interest rates were mainly denominated in NTD and RMB.
- B. The Group's loans are measured at amortized cost and the annual interest rate will be repriced every year according to the contracts. Therefore, the Group is exposed to the risk of future market interest rate changes.
- C. If borrowing interest rates were to increase or decrease by 1%, with all other factors held constant, after-tax net profit for the years ended December 31, 2025 and 2024 would decrease or increase by \$36,772 and \$26,929, respectively, primarily due to corresponding changes in interest expense on floating-rate borrowings.

(2) Credit risk

- A. The credit risk of the Group is the risk of financial loss suffered by the Group arising from the failure of customers or counterparties of financial instruments to fulfill contractual obligations. It mainly comes from counterparties' inability to settle the accounts receivable paid in accordance with the payment terms and the contractual cash flow of financial assets at amortized cost.
- B. The Group has established credit risk management from the Group's perspective. In accordance with the internal credit policy, each operating entity within the Group must conduct management and credit risk analysis of each new customer before deciding payment and delivery terms and conditions. The internal risk control system evaluates the credit quality of customers by considering their financial positions, past experience, and other factors. Individual risk limits are set by the Board of Directors based on internal or external ratings, and the drawdown of credit limits is regularly monitored.
- C. When a contract payment is overdue for more than 90 days according to the agreed payment terms, it is deemed to have been in default by the Group.

- D. The Group adopts the following conditions and assumptions as the basis for judging whether the credit risk of financial instruments has increased significantly since initial recognition:
- (A) When a contract payment is overdue for more than 30 days in accordance with the agreed payment terms, it is deemed that the credit risk of a financial asset has increased significantly since the initial recognition.
 - (B) Actual or expected significant changes in the external credit ratings of financial instruments occur.
- E. The indicators adopted by the Group to judge whether there are signs of credit impairment for debt instrument investment are as follows:
- (A) The issuer has encountered major financial difficulties, or has the increasing possibility of going into bankruptcy or undergoing other financial restructuring;
 - (B) The active market for the financial asset disappears due to the issuer's financial difficulties;
 - (C) The issuer's delay or non-payment of interest or principal;
 - (D) Unfavorable changes in national or regional economic conditions related to the issuer's breach of contract.
- F. After the recourse procedures, the Group writes off the amount of financial assets that cannot be reasonably expected to be recovered. However, the Group will continue to carry out the legal recourse procedures to preserve the creditor's rights. Written-off receivables for which collection activities are still ongoing amounted to \$183,479 and \$4,231 as of December 31, 2025 and 2024, respectively.
- G. The Group conducts individual assessments on notes and accounts receivable that have been in default. For the rest, the notes and accounts receivable according to the Group's credit conditions and historical loss rate, and adopts a simplified approach to estimate expected credit losses based on loss rates. The Group includes the forward-looking information of the Taiwan Institute of Economic Research's business observation report and adjusts the loss rates established based on historical and current information for a specific period to estimate the loss allowance for notes and accounts receivable. According to the individual and loss rate methods as of December 31, 2025 and 2024, the estimated loss allowance for notes and accounts receivable is as follows:

	Individuals	Group A	Group B	Total
<u>December 31, 2025</u>				
Expected loss rate	100%	0.28%-0.60%	0.28%-83.59%	
Total book value	\$ 37,787	\$ 1,412,453	\$ 1,322,079	\$ 2,772,319
Loss allowance	\$ 37,787	\$ 7,782	\$ 36,860	\$ 82,429
<u>December 31, 2024</u>				
Expected loss rate	44.82%-100.00%	0.29%-0.68%	0.29%-95.87%	
Total book value	\$ 263,704	\$ 1,391,461	\$ 1,075,562	\$ 2,730,727
Loss allowance	\$ 225,928	\$ 8,524	\$ 29,650	\$ 264,102

Group A: High-quality customers rated by the Group.

Group B: Other customers.

H. The Group's table of changes in simplified loss allowance for notes and account receivable are as follows:

	2025	2024
January 1	\$ 264,102	\$ 234,421
Impairment loss recognized	19,453	34,779
Amounts written off due to being uncollectible	(183,479)	(4,231)
Others	(18,153)	(2,279)
Effect of exchange rate changes	506	1,412
December 31	<u>\$ 82,429</u>	<u>\$ 264,102</u>

(3) Liquidity risk

- A. Cash flow forecasting is performed by the operating entities of the Group and compiled by finance department. The finance department monitors forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities.
- B. The remaining cash held by each operating entity will be transferred back to the Group's finance department when it exceeds the working capital required. The Group's finance department invests the remaining funds in time deposits, money market deposits, and securities. The instruments selected are with an appropriate maturity date or sufficient liquidity to respond to the forecast above and provide adequate liquidity.
- C. The Group's non-derivative financial liabilities and derivative financial liabilities settled by gross settlement are grouped based on relevant maturity dates; the non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the date of contractual maturity. The contractual cash flow amounts disclosed in the table below are undiscounted.

	December 31, 2025		December 31, 2024	
	Less than 1 year	Over 1 year	Less than 1 year	Over 1 year
Non-derivative financial liabilities:				
Short-term borrowings	\$1,304,220	\$ -	\$ 738,246	\$ -
Notes payable	4,669	-	14,804	-
Accounts payable	595,997	-	700,457	-
Other payables	497,315	-	495,652	-
Corporate Bonds Payable	-	600,000	-	600,000
Long-term borrowings (including current portion)	115,272	3,811,725	67,614	3,186,466
Lease liabilities	17,222	35,985	21,960	7,400

Guarantee deposits received (recognized in other non-current liabilities)	-	20,213	-	19,993
Long-term payable on equipment (recognized in other non-current liabilities)	-	3,413	-	4,534

(3) Fair value information

- The different levels of the valuation techniques used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date. A market is regarded as active when transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair values of the Group's investments in listed, OTC-listed, and emerging market stocks, wealth management products with quoted prices in active markets, and derivative instruments are all classified within this category.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The convertible bonds issued by the Group fall into this category.

Level 3: Unobservable inputs for the asset or liability. The fair values of the Group's investments in non-listed stocks, venture capital company stocks, private equity fund investments, and certain derivative instruments all fall into this category.

- For information on the fair value of investment property measured at cost, please refer to Note 6(10).

- Financial instruments not measured at fair value

- Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes and accounts receivable, other receivables, financial assets measured at amortized cost, short-term borrowings, notes and accounts payable, other payables, and long-term borrowings (including the portion due within one year) are reasonable approximations of their fair values.

	December 31, 2025			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Corporate Bonds Payable	<u>\$ 581,914</u>	<u>\$ -</u>	<u>\$ 585,300</u>	<u>\$ -</u>

December 31, 2024

	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Corporate Bonds Payable	\$ 570,149	\$ -	\$ 572,340	\$ -

(2) The methods and assumptions used to estimate fair value are as follows:

Corporate bonds payable: Measured at the present value of expected cash flows discounted using market interest rates as of the balance sheet date.

4. The Group's financial and non-financial instruments at fair value are classified according to the nature, characteristics, and risks of assets and the basis of fair value levels. The relevant information is as follows:

(1) The Group has classified assets and liabilities according to their nature, and the relevant information is as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
Asset				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through profit and loss				
Equity securities	\$ 99,488	\$ -	\$ -	\$ 99,488
Derivatives	464	-	-	464
	<u>\$ 99,952</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,952</u>
Liability				
<u>Fair value on a recurring basis</u>				
Financial liabilities at fair value through profit and loss:				
Derivatives	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,160</u>	<u>\$ 2,160</u>
December 31, 2024	Level 1	Level 2	Level 3	Total
Asset				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through profit and loss				
Equity securities	\$ 136,516	\$ -	\$ 22,198	\$ 158,714
Derivatives	78	-	-	78
	<u>\$ 136,594</u>	<u>\$ -</u>	<u>\$ 22,198</u>	<u>\$ 158,792</u>
Liability				
<u>Fair value on a recurring basis</u>				
Financial liabilities at fair value through profit and loss:				
Derivatives	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,220</u>	<u>\$ 2,220</u>

(2) The methods and assumptions used by the Group to measure fair value are explained as follows:

- A. For the Group's shares of listed companies, OTC-listed companies, and emerging market companies, closing prices and the last weighted average transaction prices are used as fair value inputs, respectively; futures contracts use settlement prices as fair value inputs (i.e., Level 1).
 - B. Except for the abovementioned financial instruments with active markets, the fair value of other financial instruments is obtained through valuation techniques or by referring to the quoted prices offered by counterparties.
 - C. For the evaluation of non-standard and less complex financial instruments, such as swap contracts in a market that is not active, the Group uses valuation techniques widely used by market participants. The inputs used in the valuation models of such financial instruments are usually observable market data.
5. The Group did not have any transfers between the Level 1 and Level 2 fair value in 2025 and 2024.
 6. The changes in Level 3 fair value measurements for the years ended December 31, 2025 and 2024 are as follows:

	2025		2024	
	Derivatives (liabilities)	Equity instruments (assets)	Derivatives (liabilities)	Equity instruments (assets)
January 1	(\$ 2,220)	\$ 22,198	\$ -	\$ 20,000
Issuance during the period	-	-	(1,800)	-
Gains (losses) recognized in profit or loss	60	1,553	(420)	2,198
Transfers out of Level 3	-	(23,751)	-	-
December 31	<u>(\$ 2,160)</u>	<u>\$ -</u>	<u>(\$ 2,220)</u>	<u>\$ 22,198</u>
Changes in unrealized losses included in profit or loss for assets and liabilities held at the end of the period (Note 1)	<u>\$ 60</u>	<u>\$ 1,553</u>	<u>(\$ 420)</u>	<u>\$ 2,198</u>

Note 1: Recorded under other gains and losses.

7. As certain investees began trading publicly in active markets during 2025, sufficient observable market information became available. Accordingly, the Group transferred the applicable fair value measurements from Level 3 to Level 1 at the end of the month in which such events occurred.

8. The Group conducts independent fair value verification for financial instruments with their fair value classified as Level 3, through which data from independent sources is used to make the evaluation results close to the market level, so as to confirm that the data sources are independent, reliable, consistent with other resources, and representative of executable prices. The Group also regularly calibrates the valuation model, conducts back-testing, updates inputs, data, and any other necessary fair value adjustments to ensure that the valuation results are reasonable.
9. The quantitative information about the significant unobservable inputs of the valuation model used in the Level 3 fair value measurement items and the sensitivity analysis of the significant unobservable input changes are described below:

	December 31, 2025 Fair value	Valuation technique	Significant unobservab le input	Range (Weighted Average)	Relationship between input and fair value
Derivatives:					
Convertible corporate bonds, put and call options	<u>\$ 2,160</u>	Binomial tree convertible bond valuation model	Stock price volatility	49.84%	The higher the stock price volatility, the greater the range of fair value changes
	December 31, 2024 Fair value	Valuation technique	Significant unobservab le input	Range (Weighted Average)	Relationship between input and fair value
Non-derivative equity instruments:					
Investments in stocks and private funds of venture capital companies	<u>\$ 22,198</u>	Net asset value method	Not applicable	Not applicable	Not applicable
Derivatives:					
Convertible corporate bonds, put and call options	<u>(\$ 2,220)</u>	Binomial tree convertible bond valuation model	Stock price volatility	62.22%	The higher the stock price volatility, the greater the range of fair value changes

10. The valuation model and valuation parameters are selected by the Group after prudent evaluation, but the use of different valuation models or valuation parameters may result in different valuation results. For financial assets classified as Level 3 fair value, in the case of a change in valuation parameters, the effect on the current profit and loss will be as follows:

			<u>December 31, 2025</u>	
			<u>Recognized in profit or loss</u>	
	<u>Input</u>	<u>Change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
Financial asset				
Financial liabilities				
Derivatives	Volatility	± 1%	<u>\$ 90</u>	<u>(\$ 90)</u>
			<u>December 31, 2024</u>	
			<u>Recognized in profit or loss</u>	
	<u>Input</u>	<u>Change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
Financial asset				
Equity instrument	Discount for lack of market liquidity	± 1%	<u>\$ 222</u>	<u>(\$ 222)</u>
Financial liabilities				
Derivatives	Volatility	± 1%	<u>\$ 120</u>	<u>(\$ 360)</u>

13. Supplementary Disclosures

The following information on the investees was written off when the consolidated financial statements were prepared. The disclosure below is for reference only.

(1) Information on significant transactions

1. Loans to others: Please refer to Table 1.
2. Provision of endorsements and guarantees to others: Please refer to Table 2.
3. Significant securities held at period-end (excluding investments in subsidiaries and associates): Not applicable. (Holdings with a period-end balance below NTD 100 million are not required to be disclosed.)
4. Purchases or sales of goods from or to related parties reaching at least NTD 100 million or 20% of the paid-in capital: Please refer to Table 3.
5. Receivables from related parties reaching at least NTD 100 million or 20% of the paid-in capital: Please refer to Table 4.
6. Business relationships and material transactions between the parent company and subsidiaries: Please refer to Table 5.

(2) Information related to reinvested enterprises

Information on investees (name, location, etc.) (not including investees in mainland China): Please refer to Table 6.

(3) Information on Investments in Mainland China

1. Basic information: Please refer to Table 7.
2. Significant transactions with investees in mainland China, either directly or indirectly, through third-region businesses: Please refer to Note 13(1).

14. Segment Information

(1) General information

The Group operates its business and makes decisions by region, so the management also uses this model to identify the segments that shall be reported.

The Group has 3 segments that shall be reported: Segment A, Segment B, and Segment C. Segment A is engaged in the manufacture of LED and heat dissipation component parts in the Taipei area. Segment B is engaged in the manufacture of TV sets, intelligent service robots, LED-related component parts, and investment property leasing operations in Kunshan and Jiangmen, China. Segment C is engaged in the manufacture of ceramic circuit board component parts in the Taoyuan area.

The Group's segments that shall be reported are strategic business units that provide different products and services. Since each strategic business unit requires different technologies and marketing strategies, they are managed separately.

(2) Segment Information

The information on segments that shall be reported provided to the chief operating decision maker is as follows:

	2025			Other segments	Adjustment and elimination	Total
	Segment A	Segment B	Segment C			
Revenue						
Revenue from external customers	\$ 2,965,035	\$ 2,241,532	\$ 764,697	\$ -	\$ -	\$ 5,971,264
Inter-segment revenue	179,858	443,602	488	(623,948)	-	-
Revenue from customer contracts	<u>\$ 3,144,893</u>	<u>\$ 2,685,134</u>	<u>\$ 765,185</u>	<u>(\$ 623,948)</u>	<u>\$ -</u>	<u>\$ 5,971,264</u>
Others – rental income	\$ -	\$ 75,155	\$ -	\$ -	\$ -	\$ 75,155
Total revenue	<u>\$ 3,144,893</u>	<u>\$ 2,760,289</u>	<u>\$ 765,185</u>	<u>(\$ 623,948)</u>	<u>\$ -</u>	<u>\$ 6,046,419</u>
Segment profit (loss)	<u>\$ 32,535</u>	<u>\$ 146,055</u>	<u>\$ 89,780</u>	<u>(\$ 13,968)</u>	<u>(\$ 166,805)</u>	<u>\$ 87,597</u>
Segment profit (loss) includes:						
Depreciation and amortization	<u>\$ 199,172</u>	<u>\$ 130,524</u>	<u>\$ 72,399</u>	<u>\$ 12,960</u>	<u>(\$ 2,246)</u>	<u>\$ 412,809</u>
Interest revenue	<u>\$ 5,947</u>	<u>\$ 10,294</u>	<u>\$ 3,732</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 19,989</u>
Interest expenses	<u>\$ 87,420</u>	<u>\$ 6,586</u>	<u>\$ 4,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,121</u>
Income tax expense	<u>(\$ 18,083)</u>	<u>\$ 16,959</u>	<u>\$ 18,447</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 17,327</u>
Share of profit (loss) of investments accounted for using the equity method	<u>\$ 146,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 166,805)</u>	<u>(\$ 19,904)</u>
Total segment assets	<u>\$ 11,066,105</u>	<u>\$ 3,323,928</u>	<u>\$ 1,270,241</u>	<u>\$ 27,864</u>	<u>(\$ 3,299,945)</u>	<u>\$ 12,388,193</u>
Total segment liabilities	<u>\$ 5,878,690</u>	<u>\$ 834,011</u>	<u>\$ 457,658</u>	<u>\$ 35</u>	<u>(\$ 264,477)</u>	<u>\$ 6,905,917</u>

	2024					
	Segment A	Segment B	Segment C	Other segments	Adjustment and elimination	Total
Revenue						
Revenue from external customers	\$ 2,549,709	\$ 2,032,836	\$ 867,255	\$ 6,972	\$ -	\$ 5,456,772
Inter-segment revenue	44,224	497,591	178	1,236	(543,229)	-
Revenue from customer contracts	<u>\$ 2,593,933</u>	<u>\$ 2,530,427</u>	<u>\$ 867,433</u>	<u>\$ 8,208</u>	<u>(\$ 543,229)</u>	<u>\$ 5,456,772</u>
Others – rental income	<u>\$ -</u>	<u>\$ 35,606</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,606</u>
Total revenue	<u>\$ 2,593,933</u>	<u>\$ 2,566,033</u>	<u>\$ 867,433</u>	<u>\$ 8,208</u>	<u>(\$ 543,229)</u>	<u>\$ 5,492,378</u>
Segment profit (loss)	<u>\$ 19,534</u>	<u>\$ 21,336</u>	<u>\$ 156,769</u>	<u>(\$ 61,517)</u>	<u>(\$ 69,934)</u>	<u>\$ 66,188</u>
Segment profit (loss) includes:						
Depreciation and amortization	<u>\$ 189,727</u>	<u>\$ 147,312</u>	<u>\$ 65,993</u>	<u>\$ 17,227</u>	<u>\$ -</u>	<u>\$ 420,259</u>
Interest revenue	<u>\$ 14,353</u>	<u>\$ 9,540</u>	<u>\$ 4,440</u>	<u>\$ 33</u>	<u>(\$ 527)</u>	<u>\$ 27,839</u>
Interest expenses	<u>\$ 40,366</u>	<u>\$ 6,886</u>	<u>\$ 4,242</u>	<u>\$ 527</u>	<u>(\$ 527)</u>	<u>\$ 51,494</u>
Income tax expense	<u>\$ 727</u>	<u>\$ -</u>	<u>\$ 35,132</u>	<u>\$ 625</u>	<u>\$ -</u>	<u>\$ 36,484</u>
Share of profit (loss) of investments accounted for using the equity method	<u>\$ 63,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 69,934)</u>	<u>(\$ 6,282)</u>
Total segment assets	<u>\$ 9,639,105</u>	<u>\$ 3,179,047</u>	<u>\$ 985,439</u>	<u>\$ 71,019</u>	<u>(\$ 2,859,283)</u>	<u>\$ 11,015,327</u>
Total segment liabilities	<u>\$ 4,430,745</u>	<u>\$ 832,504</u>	<u>\$ 421,671</u>	<u>\$ 32,194</u>	<u>(\$ 87,470)</u>	<u>\$ 5,629,644</u>

(3) Segment information reconciliation

Inter-segment sales are carried out in accordance with the fair trade principle. The external revenue reported to the chief operating decision maker is measured in the same way as the revenue recognized in the income statement.

(4) Information on types of products

The revenue from external customers is from the sales revenue of electronic component products and the rental income of investment property. The breakdown of net income is as follows:

	2025	2024
Lead frame (LED/SMD)	\$ 1,943,875	\$ 2,150,426
Thermal components	1,745,805	990,313
Ceramic circuit boards	763,920	867,256
TV backlight module	616,499	697,072
Intelligent service robots	491,735	200,523
IC lead frame	269,666	441,289
Rental income	75,155	35,606
Others	139,764	109,893
	<u>\$ 6,046,419</u>	<u>\$ 5,492,378</u>

(5) Geographical information

The Group's geographical information is as follows:

	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
China	\$ 3,557,333	\$ 764,873	\$ 3,424,306	\$ 792,419
Taiwan	1,216,283	5,680,003	836,865	4,363,927
Others	<u>1,272,803</u>	<u>-</u>	<u>1,231,207</u>	<u>-</u>
	<u>\$ 6,046,419</u>	<u>\$ 6,444,876</u>	<u>\$ 5,492,378</u>	<u>\$ 5,156,346</u>

(6) Major customer information

The Group's major customer information is as follows:

	2025		2024	
	Revenue	Segment	Revenue	Segment
B	\$ 539,140	Segment A, B and C	\$ 509,274	Segment A, B and C
C	<u>926,286</u>	Segment A, B and C	<u>1,087,950</u>	Segment A, B and C
	<u>\$ 1,465,426</u>		<u>\$ 1,597,224</u>	

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I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES

Loans to Others

For the Year Ended December 31, 2025

Table 1

Unit: NTD thousand
(except as otherwise indicated)

No.	Lender	Borrower	General ledger account	Related party status	Maximum amount of the current period	Closing balance (Note 3)	Actual amount drawn down	Interest rate range	Nature of loan	Amount of transactions with borrower (Note 2)	Reason for necessity of short-term financing	Allowance for bad debt	Collateral		Limit on loan granted to a single party (Note 1)	Total limit on loans granted (Note 1)	Remarks
													Name	Value			
0	I-CHIUN PRECISION INDUSTRY CO., LTD.	Advance Venture Corporation	Other receivables - related parties	Y	\$ 30,000	\$ 30,000	\$ 22,000	2.5-2.7%	Short-term financing	-	Working capital	\$ 22,000	-	-	\$ 259,370	\$ 2,074,965	Note 4
1	I-Chiun Precision Electric Industry (China) Co., Ltd.	I-Chiun Technology (China) Co., Ltd.	Other receivables - related parties	Y	61,298	-	-	-	Short-term financing	-	Working capital	-	-	-	315,979	631,959	-

Note 1: The Operating Procedures for Loaning of Funds to Others of the Company and I-CHIUN CAYMAN PRECISION INDUSTRY CO. LTD. stipulates that the total amount of funds loaned to others is limited to 40% of the net worth of the Company as stated in the most recent financial statements. Meanwhile, the cumulative amount of loans lent due to business transactions shall not exceed 30% of the net worth of the Company as stated in the most recent financial statements, and the amount of a loan lent due to a business transactions shall not exceed the amount of the business transactions(Note 2). The cumulative amount of loans lent for short-term financing shall not exceed 10% of the net worth of the Company as stated in the most recent financial statements; the amount of loans to individual companies shall not exceed 5% of the net worth of the Company. I-Chiun Precision Electric Industry (China) Co., Ltd.'s Operating Procedures for Loaning of Funds to Others stipulates that the cumulative amount of short-term financing shall not exceed 20% of the net worth of the company as stated in the most recent financial statements; the amount of loans to individual companies shall not exceed 10% of the company's net worth; the total amount of loans to foreign subsidiaries, in which the parent company holds 100% of the voting shares directly or indirectly, shall not exceed 40% of the company's net worth, and the amount of loans to any of said companies shall not exceed 20% of the company's net worth.

I-Zou Hi-Tech (SZN) Co., Ltd.'s Operating Procedures for Loaning of Funds to Others stipulates that the cumulative amount of short-term financing and loans shall not exceed 10% of the net worth of the company as stated in the most recent financial statements; the amount of loans to individual companies shall not exceed 8% of the net worth of the company. The amount of a loan lent because of business transactions shall not exceed the amount of the business transactions (Note 2). For loans to foreign subsidiaries whose parent company directly or indirectly holds 100% of their voting shares, the total amount of loans to them shall not exceed 40% of the Company's net worth, and the amount of loans to any of said subsidiaries shall not exceed 20% of the Company's net worth.

I-Chiun Technology (China) Co., Ltd.'s Operating Procedures for Loaning of Funds to Others stipulates that the cumulative amount of short-term financing shall not exceed 20% of the net worth of the company as stated in the most recent financial statements; the amount of loans to individual companies shall not exceed 10% of the company's net worth; the total amount of loans to foreign subsidiaries, in which the parent company holds 100% of the voting shares, directly or indirectly, shall not exceed 40% of the company's net worth, and the amount of loans to any of said companies shall not exceed 20% of the company's net worth.

"Most recent financial statements" refers to the most recent financial statements that have been audited (attested) by CPAs.

Note 2: "Amount of business transactions" refers to the amount of purchases, sales, or trades of fixed assets between both parties; if there are purchases, sales, or trades of fixed assets at the same time, the higher of the statistical amount of the purchases, sales, or trades of the assets in the previous year shall prevail.

Note 3: "Closing balance" refers to the amount of loans approved by the board of directors.

Note 4: Advance Venture Corporation was approved for dissolution by the competent authority on November 3, 2025.

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
Provision of endorsements and guarantees to others
For the Year Ended December 31, 2025

Table 2

Unit: NTD thousand
(except as otherwise indicated)

No. (Note 1)	Endorser/guarantor or Company name	Party endorsed/guaranteed		Limit on endorsements/guarantees provided to a single party (Note 3)	Maximum outstanding endorsement/guarantee amount for the current period (Note 4)	Outstanding endorsement/guarantee amount at the end of period (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/guarantees secured with assets as collateral	Ratio of cumulative endorsement/guarantee amount to net asset value of the endorser/guarantor	Upper limit on endorsements/guarantees provided	Parent company to subsidiary	Subsidiary to parent company (Note 7)	To party in Mainland China (Note 7)	Remarks
		Relationship (Note 2)	Company name											
0	I-CHIUN PRECISION INDUSTRY CO., LTD.	I-Chiun Technology (China) Co., Ltd.	2	\$ 1,037,482	\$ 198,969	\$ 97,433	\$ -	\$ -	2%	\$ 2,593,707	Y	N	Y	-
1	I-Chiun Precision Electric industry (China) Co., Ltd.	I-Chiun Technology (China) Co., Ltd.	4	315,979	137,190	134,880	22,480	-	9%	789,949	N	N	Y	-

Note 1: The information shall be indicated in the No. column as follows:

- (1) The Issuer is coded "0".
- (2) The investees are coded sequentially beginning from "1", according to their company type.

Note 2: The relationship between the endorser/guarantor and the party endorsed/guaranteed is classified into the following 7 categories; just enter the code:

- (1) A company with which it does business.
- (2) A company in which the Company directly or indirectly holds more than 50% of the voting shares.
- (3) A company that directly or indirectly holds more than 50% of the voting shares in the Company.
- (4) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.
- (5) Companies that provide mutual guarantees between contractors or joint applicants as required by contractual terms.
- (6) Companies that are endorsed and guaranteed by all shareholders based on their shareholding ratios because of a joint investment relationship.
- (7) The joint guarantee for the performance of a pre-sale property sales contract between entities in the same industry in accordance with the Consumer Protection Act.

Note 3: For the Company, I-Chiun Technology (China) Co., Ltd., I-Chiun Precision Electric Industry (China) Co., Ltd., the guarantee provided to other companies shall not exceed 50% of the net worth as per the most recent financial statement;

the guarantee provided to a single enterprise shall not exceed 20% of the net worth of the Company as per the most recent financial statements.

"Most recent financial statements" refers to the most recent financial statements that have been audited (attested) by CPAs.

Note 4: The highest balance of the endorsements/guarantees provided to others in the current year.

Note 5: The amount approved by the board of directors shall be entered. However, where the Board of Directors authorizes the Chairman to make a decision in accordance with Subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, it refers to the amount as determined by the Chairman.

Note 6: The actual amount drawn by the company endorsed within the limit of the balance of endorsement/guarantee shall be entered.

Note 7: "Y" shall be entered only for the endorsement/guarantee provided by the publicly listed parent company to subsidiary, by subsidiary to the publicly listed parent company, and to entities in mainland China.

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
Purchases or Sales of Goods from or to Related Parties Reaching at Least NTD 100 million or 20% of the Paid-in Capital
For the Year Ended December 31, 2025

Table 3

Unit: NTD thousand
(except as otherwise indicated)

Purchase (sale) Company	Transaction counterparty	Relationship	Transaction				Situation and reason that transaction conditions are different from general ones		Notes/Accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	Proportion to total purchases (sales)	Credit period	Unit price	Credit period	Balance	Proportion to notes/accounts receivable (payable)	
I-CHIUN PRECISION INDUSTRY CO., LTD.	I-Chiun Technology (China) Co., Ltd.	Third-tier subsidiary of the Company	Sales	\$ 179,858	6%	O/A with net 120 days	Not applicable	-	\$ 130,952	11%	
I-Chiun Technology (China) Co., Ltd.	I-CHIUN PRECISION INDUSTRY CO., LTD.	Ultimate parent company	Sales	443,603	27%	O/A with net 30 days	Not applicable	-	110,042	19%	

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
Receivables from Related Parties Reaching at Least NTD 100 million or 20% of the Paid-in Capital
December 31, 2025

Table 4

Company under accounts receivable	Transaction counterparty	Relationship	Balance of trade receivable from related parties	Turnover rate	Overdue receivables from related parties		Unit: NTD thousand (except as otherwise indicated)	
					Amount	Response method	Recovered amount from related party after balance sheet date	Allowance for bad debt
I-CHIUN PRECISION INDUSTRY CO., LTD.	I-Chiun Technology (China) Co., Ltd.	Third-tier subsidiary of the Company	\$ 130,952	2.49	\$ -	-	\$ 39,603	\$ -
I-Chiun Technology (China) Co., Ltd.	I-CHIUN PRECISION INDUSTRY CO., LTD.	Ultimate parent company	110,042	5.57	-	-	92,798	-

Note 1: Please itemize separately for related-party accounts receivable, notes receivable, other receivables, etc.

Note 2: "Paid-in capital" refers to the paid-in capital of the parent company. For issuers with no par value shares or shares with a par value other than NTD 10 per share, the transaction amount provision of 20% of paid-in capital shall be calculated as 10% of equity attributable to owners of the parent company on the balance sheet.

Note 3: Represents amounts collected subsequent to the reporting period through February 28, 2026.

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
Business Relations and Important Transactions Between Parent Company and Subsidiaries and Among Subsidiaries and Amounts
For the Year Ended December 31, 2025

Table 5

Unit: NTD thousand
(except as otherwise indicated)

No. (Note 1)	Company name	Transaction counterparty	Relationship (Note 2)	General ledger account	Transactions		Proportion to consolidated total operating revenues or total assets (%) (Note 3)
					Amount	Transaction terms	
0	I-CHIUN PRECISION INDUSTRY CO., LTD.	I-Chiun Technology (China) Co., Ltd.	1	Sales revenue	\$ 179,858	O/A with net 120 days	3%
0	I-CHIUN PRECISION INDUSTRY CO., LTD.	I-Chiun Technology (China) Co., Ltd.	1	Accounts receivable	130,952	O/A with net 120 days	1%
1	I-Chiun Technology (China) Co., Ltd.	I-CHIUN PRECISION INDUSTRY CO., LTD.	2	Sales revenue	443,603	O/A with net 30 days	7%
1	I-Chiun Technology (China) Co., Ltd.	I-CHIUN PRECISION INDUSTRY CO., LTD.	2	Accounts receivable	110,042	O/A with net 30 days	1%

Note 1: The information on such transactions between the parent company and its subsidiaries and inter-company transactions shall be indicated in the No. column as follows:

(1) Parent company is coded "0".

(2) The subsidiaries are coded sequentially beginning from "1", according to company type.

Note 2: There are three types of trading relationships. Simply enter the code:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding the proportion of transaction amount to consolidated total operating revenues or total assets, it is calculated based on the closing balance of transactions to consolidated total assets if it is recognized on the balance sheet; it is calculated based on the closing balance of the cumulative transaction amount to consolidated total operating revenues if it is recognized in the profit or loss account.

Note 4: The criteria for said disclosure is a transaction reaching at least NTD 100 million or 20% of the paid-in capital. However, the abovementioned related party transactions were eliminated when the consolidated statements were prepared.

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
Information on Investees (Name, Location, etc.) (excluding Investees in Mainland China)
For the Year Ended December 31, 2025

Table 6

Name of Investor	Name of investee	Location	Main business activities	Initial investment amount		Shares held at the end of period			Net profit (loss) on investee of the current period (Note 1)	Investment gains (loss) recognized for current period (Note 2)	Remarks
				End of current period	Balance as the end of last year	Shares	Ratio	Carrying amount			
I-CHIUN PRECISION INDUSTRY CO., LTD.	MORE FORTUNE PROFITS LIMITED	British Virgin Islands	General investment	\$ 1,155,595	\$ 1,155,595	36,179,299	100%	\$ 2,587,997	\$ 129,200	\$ 129,200	-
I-CHIUN PRECISION INDUSTRY CO., LTD.	ECOCERA OPTRONICS CO., LTD.	Taiwan	Manufacturing and trading of LED ceramic bases	281,602	260,497	18,605,773	63.713%	517,721	71,333	47,026	-
I-CHIUN PRECISION INDUSTRY CO., LTD.	Advance Venture Corporation	Taiwan	Electronics Components Manufacturing and Trading	-	125,000	-	-	-	(10,469)	(5,816)	Note 4
I-CHIUN PRECISION INDUSTRY CO., LTD.	CMTEK Co., Ltd.	Taiwan	Other Metal Products Manufacturing	54,767	54,767	5,087,288	28.253%	37,315	(68,713)	(19,904)	-
MORE FORTUNE PROFITS LIMITED	I-CHIUN(CAYMAN) PRECISION INDUSTRY CO., LTD.	Cayman Islands	General investment	453,632 (Note 3)	453,632 (Note 3)	14,433,075	100%	1,698,057	110,496	-	-
MORE FORTUNE PROFITS LIMITED	I-CHIUN TECHNOLOGY CO., LTD.	Republic of Seychelles	General investment	942,900 (Note 3)	942,900 (Note 3)	30,000,000	100%	914,430	18,666	-	-

Note 1: The abovementioned information on the investees is prepared based on the financial statements audited by the CPAs.

Note 2: Only the profit and loss on each investee directly invested by the Company and each investee measured under the equity method recognized by the Company shall be entered; the rest of the investees are exempt.

Note 3: It is based on the initial investment amount of each investee, at the exchange rate of USD 1 to NTD 31.43 and RMB 1 to NTD 4.496 at the end of period.

Note 4: Advance Venture Corporation was approved for dissolution by the competent authority on November 3, 2025.

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
Information on Investments in Mainland China – Basic Information
For the Year Ended December 31, 2025

Table 7

Unit: NTD thousand
(except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 2)	Investment method	Cumulative amount of remittance from Taiwan, beginning of current period (Note 2)	Amount remitted from Taiwan to mainland China/Amount remitted back to Taiwan for the current period		Cumulative amount of remittance from Taiwan, end of current period	Net profit (loss) on investee of the current period	Ownership held by the Company (direct or indirect)	Investment gains (loss) recognized for current period (Note 1)	Book value of investments at the end of period	Cumulative amount of investment income remitted back to Taiwan as of the current period	Remarks
					Remitted to Mainland China	Remitted back to Taiwan							
I-Zou Hi-Tech (SZN) Co., Ltd.	Trading and manufacturing of LED lead frames	\$ 33,720	Other methods: Investment by I-Chiun Precision Electric Industry (China) Co., Ltd.	\$ 80,147	\$ -	\$ -	\$ 80,147	(\$ 176)	100.00	(\$ 176)	\$ 4,416	\$ -	-
I-Chiun Precision Electric Industry (China) Co., Ltd.	Manufacturing and trading of direct back-lit module components, as well as investment property leasing	774,254	Investment in the companies in mainland China through investment in the existing company in the third region (I-CHIUN (CAYMAN))	518,595	-	-	518,595	110,255	100.00	110,255	1,579,898	-	-
I-Chiun Precision Electric (Nanjing) Co., Ltd.	Investment property leases	252,736	Investment in the companies in mainland China through investment in the existing company in the third region (I-CHIUN (CAYMAN))	157,150	-	-	157,150	(3,326)	100.00	(3,326)	23,414	-	-
I-Chiun Technology (China) Co., Ltd.	Trading and manufacturing of LED lead frames and investment property leasing	1,293,157	Investment in the companies in mainland China through investment in the existing company in the third region (I-CHIUN TECH and I-Chiun Precision Electric Industry (China) Co., Ltd.)	628,600	-	-	628,600	28,616	100.00	28,616	1,401,862	-	-
Yong-Xu-Sheng Technology (Shenzhen) Co., Ltd.	Manufacturing, processing, and trading of hardware products		-Investment in the companies in mainland China through investment in the existing company in the third region (MORE FORTUNE)	31,083	-	-	31,083	-	-	-	-	-	Note 3

Note 1: The abovementioned information on the investees is prepared based on the financial statements audited by the CPAs.

Note 2: It is based on the initial investment amount of each investee, at the exchange rate of USD 1 to NTD 31.43 and RMB 1 to NTD 4.496 at the end of period.

Note 3: Yong-Xu-Sheng Technology (Shenzhen) Co., Ltd. completed liquidation and deregistration in 2020, and there was no remaining property after liquidation. As of December 31, 2025, the Group has not applied for the deduction of the investment amount in mainland China to the Investment Commission.

Company name	Cumulative amount of remittance from Taiwan to mainland China, end of current period	Investment amount approved by the Investment Commission of MOEA	Limit on investments in mainland China imposed by the Investment Commission of MOEA
I-CHIUN PRECISION INDUSTRY CO., LTD.	\$ 1,415,575	\$ 1,415,575	\$ 3,289,366