

**MICROELECTRONICS TECHNOLOGY,  
INC. AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2025 AND 2024**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

MICROELECTRONICS TECHNOLOGY INC.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2025, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Additionally, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

Microelectronics Technology Inc.

Representative:

March 11, 2026

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of MICROELECTRONICS TECHNOLOGY, INC.

PWCR25000328

### ***Opinion***

We have audited the accompanying consolidated balance sheets of Microelectronics Technology Inc. and subsidiaries (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its 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, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these

requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Material uncertainties about the Group's ability to continue as a going concern***

As of December 31, 2025, the Group had an accumulated deficit of NT\$1,947,149 thousand, which exceeds half of its paid-in capital. Additionally, the debt ratio and current ratio were 96% and 72%, respectively.

The Group has presented an improvement plan for future operations in Note 12(4) of the consolidated financial statements, it indicates that a material uncertainty exists over the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2025 consolidated financial statements. 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. Except for the matter described in the section titled "Material Uncertainty Related to Going Concern", key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

**Intangible assets - assessment of goodwill impairment**

Description

As of December 31, 2025, goodwill amounted to NT\$280,033 thousand. The group estimates recoverable amount utilizing the future cash flows of goodwill's cash generating unit and appropriate discount rates in order to determine whether goodwill is impaired. Please refer to Notes 4(17), 5(2) and 6(10) for details. The estimation of future cash flows

involves various assumptions, which may have significant effects on the estimation of recoverable amount. Thus, it has been identified as a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Interviewed with management in order to obtain an understanding of the procedures in relation to identifying cash-generating units and estimating the future cash flows. Assessed the valuation model has been properly adopted.
2. Interviewed with management in order to obtain an understanding of development plans and schedules of the projects. Compared the financial forecast for the future cash flows are in agreement with the budget of the Group.
3. Assessed the key assumption that management used to estimate future cash flows, including operating revenue growth rate and gross margin, and compared with historical data, economic and industry forecast. Evaluated the parameters used in determining the discount rate, including the risk-free rate of return that was used to calculate cost of equity, industry's risk coefficient and long-term market return.

#### **Allowance for inventory valuation losses**

##### Description

As of December 31, 2025, the balances of inventories and allowance for inventory valuation losses amounted to NT\$1,305,595 thousand and NT\$285,741 thousand, respectively. Please refer to Notes 4(13), 5(2) and 6(6) for details. Since inventory is material to the financial statements and the determination of net realisable value of the obsolete inventory involves management's subjective judgment, therefore, we determined valuation of inventories that are over a certain age and individually identified as obsolete or slow-moving as a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of management policies on obsolete or slow-moving inventories, and verified the reasonableness of determining the obsolescence of inventory.
2. Tested the movements of inventories, and sampled individual inventory item numbers to check whether the classification of inventory aging is correct.
3. For obsolete or slow-moving inventories, sampled individual inventory item numbers to check progress of inventory clearance and evaluated the reasonableness of determining the allowance for inventory valuation losses.

***Other matter – Parent company only financial statements***

We have audited and expressed an unmodified opinion with material uncertainties about the Group’s ability to continue as a going concern and other matter section on the parent company only financial statements of Microelectronics Technology Inc. as at and for the years ended December 31, 2025 and 2024.

***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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for

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

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

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

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

1. Identify and assess the risks of material misstatement of the 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 auditors' 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 auditors' 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 group audit. 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, and where applicable, related safeguards.

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

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**MICROELECTRONICS TECHNOLOGY, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 100,142	3	\$ 587,755	15
1136	Financial assets at amortised cost - current	6(4) and 8	24,568	1	15,318	-
1140	Current contract assets		429	-	-	-
1150	Notes receivable	6(5)	8,227	-	9,914	-
1170	Accounts receivable, net	6(5)	552,246	17	186,507	5
1180	Accounts receivable - related parties	6(5) and 7	-	-	22,736	1
1200	Other receivables		7,331	-	6,966	-
1210	Other receivables - related parties	7	-	-	405	-
130X	Inventories	6(6)	1,019,854	31	1,303,502	33
1410	Prepayments		146,037	4	50,540	1
11XX	<b>Total current assets</b>		<u>1,858,834</u>	<u>56</u>	<u>2,183,643</u>	<u>55</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss-non-current	6(2)	-	-	105,173	3
1517	Financial assets at fair value through other comprehensive income-non- current	6(3) and 8	131,751	4	151,102	4
1600	Property, plant and equipment	6(7) and 8	385,561	12	474,723	12
1755	Right-of-use assets	6(8) and 7	204,894	6	325,694	8
1780	Intangible assets	6(9)(10)	305,020	9	314,405	8
1840	Deferred income tax assets	6(28)	394,326	12	394,784	10
1900	Other non-current assets	7	22,895	1	11,569	-
15XX	<b>Tatal non-current assets</b>		<u>1,444,447</u>	<u>44</u>	<u>1,777,450</u>	<u>45</u>
1XXX	<b>Total Assets</b>		<u>\$ 3,303,281</u>	<u>100</u>	<u>\$ 3,961,093</u>	<u>100</u>

(Continued)

**MICROELECTRONICS TECHNOLOGY, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
<b>Current Liabilities</b>						
2100	Short-term borrowings	6(11) and 8	\$ 835,998	25	\$ 1,204,033	30
2130	Current contract liabilities	6(21)	84,680	3	63,429	2
2150	Notes payable		2,081	-	1,200	-
2170	Accounts payable		895,872	27	474,727	12
2180	Accounts payable - related parties	7	-	-	21,406	-
2200	Other payables	6(12)	327,236	10	150,082	4
2220	Other payables to related parties	7	-	-	17,055	-
2230	Current income tax liabilities		1,921	-	1,439	-
2250	Provisions for liabilities - current	6(16)	13,262	-	25,720	1
2280	Current lease liabilities	7	61,763	2	148,854	4
2320	Long-term liabilities, current portion	6(14) and 8	356,681	11	273,134	7
2399	Other current liabilities		4,773	-	7,771	-
21XX	<b>Total current liabilities</b>		<u>2,584,267</u>	<u>78</u>	<u>2,388,850</u>	<u>60</u>
<b>Non-current liabilities</b>						
2530	Corporate bonds payable	6(13)	250,000	8	250,000	6
2540	Long-term loans	6(14) and 8	49,923	1	52,282	1
2550	Provisions for liabilities - non-current	6(16)	338	-	845	-
2570	Deferred income tax liabilities	6(28)	120,280	4	126,656	3
2580	Non-current lease liabilities	7	126,813	4	253,271	7
2600	Other non-current liabilities	6(15)	36,181	1	75,680	2
25XX	<b>Total non-current liabilities</b>		<u>583,535</u>	<u>18</u>	<u>758,734</u>	<u>19</u>
2XXX	<b>Total Liabilities</b>		<u>3,167,802</u>	<u>96</u>	<u>3,147,584</u>	<u>79</u>
<b>Equity attributable to owners of parent</b>						
Share capital						
3110	Share capital-common stock	6(17)	1,061,264	32	2,520,283	64
Equity, Security Token Offer						
Capital Reserves						
3200	Capital surplus	6(18)	1,092,095	33	1,091,896	27
Retained Earnings						
3310	Legal reserve	6(19)	24,972	1	24,972	1
3320	Special reserve		193,426	6	193,426	5
3350	Accumulated deficit		( 1,947,149)	( 59)	( 2,769,313)	( 70)
Other Equity Interest						
3400	Other equity interest	6(20)	( 289,129)	( 9)	( 247,755)	( 6)
31XX	<b>Equity attributable to owners of the parent</b>		<u>135,479</u>	<u>4</u>	<u>813,509</u>	<u>21</u>
3XXX	<b>Total equity</b>		<u>135,479</u>	<u>4</u>	<u>813,509</u>	<u>21</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 3,303,281</u>	<u>100</u>	<u>\$ 3,961,093</u>	<u>100</u>

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

**MICROELECTRONICS TECHNOLOGY, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

Items	Notes	Year ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(21) and 7	\$ 1,678,104	100	\$ 1,669,989	100
5000	Operating costs	6(6)(26) and 7	( 1,703,561)	( 102)	( 1,807,829)	( 108)
5900	Gross profit		( 25,457)	( 2)	( 137,840)	( 8)
	Operating expenses	6(26)(27) and 7				
6100	Selling expenses		( 68,412)	( 4)	( 70,665)	( 4)
6200	General and administrative expenses		( 125,290)	( 7)	( 119,361)	( 7)
6300	Research and development expenses		( 523,404)	( 31)	( 527,591)	( 32)
6450	Loss on expected credit impairment		4,747	-	( 226,768)	( 14)
6000	Total operating expenses		( 712,359)	( 42)	( 944,385)	( 57)
6900	Operating loss		( 737,816)	( 44)	( 1,082,225)	( 65)
	Non-operating income and expenses					
7100	Interest income	6(22)	2,244	-	9,697	1
7010	Other income	6(23)	145,306	9	16,383	1
7020	Other gains and losses	6(24)	18,093	1	3,528	-
7050	Finance costs	6(25) and 7	( 59,717)	( 3)	( 71,506)	( 4)
7000	Total non-operating income and expenses		105,926	7	( 41,898)	( 2)
7900	<b>Loss before income tax</b>		( 631,890)	( 37)	( 1,124,123)	( 67)
7950	Income tax expense	6(28)	( 17,054)	( 1)	( 22,049)	( 2)
8200	<b>Loss for the year</b>		( \$ 648,944)	( 38)	( \$ 1,146,172)	( 69)
	<b>Other comprehensive income (loss)</b>					
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311	(Gain) loss on remeasurements of defined benefit plans	6(15)	\$ 12,089	1	\$ 13,464	1
8316	Unrealised loss from financial assets measured at fair value through other comprehensive income	6(3)(20)	( 14,298)	( 1)	( 7,505)	-
	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>					
8361	Currency translation differences of foreign operations	6(20)	( 33,845)	( 2)	89,630	5
8399	Income tax relating to the components of other comprehensive income (loss) that will be reclassified to profit or loss	6(20)(28)	6,769	-	( 17,927)	( 1)
8300	<b>Total other comprehensive (loss) income for the year</b>		( \$ 29,285)	( 2)	\$ 77,662	5
8500	<b>Total comprehensive loss for the year</b>		( \$ 678,229)	( 40)	( \$ 1,068,510)	( 64)
	Loss attributable to:					
8610	Owners of the parent		( \$ 648,944)	( 38)	( \$ 1,146,172)	( 69)
	Comprehensive loss attributable to:					
8710	Owners of the parent		( \$ 678,229)	( 40)	( \$ 1,068,510)	( 64)
	Loss per share ( in dollars )	6(29)				
9750	Basic		( \$ 6.11)		( \$ 10.80)	
9850	Diluted		( \$ 6.11)		( \$ 10.80)	

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

MICROELECTRONICS TECHNOLOGY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent						Total equity	
		Share capital- common stock	Capital surplus, additional paid- in capital	Legal reserve	Special reserve	Accumulated deficit	Other equity interest		
						Exchange differences on translation of foreign financial statements	Unrealised losses from financial assets measured at fair value through other comprehensive income		
<u>2024</u>									
Balance at January 1, 2024		\$ 2,520,283	\$ 1,091,896	\$ 24,972	\$ 193,426	(\$ 1,636,605)	(\$ 86,128)	(\$ 225,825)	\$ 1,882,019
Loss for the year		-	-	-	-	( 1,146,172)	-	-	( 1,146,172)
Other comprehensive income (loss) for the year	6(3)(20)	-	-	-	-	13,464	71,703	( 7,505)	77,662
Total comprehensive (loss) income		-	-	-	-	( 1,132,708)	71,703	( 7,505)	( 1,068,510)
Balance at December 31, 2024		\$ 2,520,283	\$ 1,091,896	\$ 24,972	\$ 193,426	(\$ 2,769,313)	(\$ 14,425)	(\$ 233,330)	\$ 813,509
<u>2025</u>									
Balance at January 1, 2025		\$ 2,520,283	\$ 1,091,896	\$ 24,972	\$ 193,426	(\$ 2,769,313)	(\$ 14,425)	(\$ 233,330)	\$ 813,509
Loss for the year		-	-	-	-	( 648,944)	-	-	( 648,944)
Other comprehensive income (loss) for the year	6(3)(20)	-	-	-	-	12,089	( 27,076)	( 14,298)	( 29,285)
Total comprehensive loss		-	-	-	-	( 636,855)	( 27,076)	( 14,298)	( 678,229)
Capital reduction to cover accumulated deficits	6(17)	( 1,459,019)	-	-	-	1,459,019	-	-	-
Other		-	199	-	-	-	-	-	199
Balance at December 31, 2025		\$ 1,061,264	\$ 1,092,095	\$ 24,972	\$ 193,426	(\$ 1,947,149)	(\$ 41,501)	(\$ 247,628)	\$ 135,479

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

MICROELECTRONICS TECHNOLOGY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Loss before tax		(\$ 631,890 )	(\$ 1,124,123 )
Adjustments			
Adjustments to reconcile profit (loss)			
(Gain) loss on expected credit impairment		( 4,747 )	226,768
Depreciation	6(7)(8)(26)	155,076	187,503
Amortization	6(9)(26)	33,849	33,588
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(24)	17,707	( 7,239 )
Interest income	6(22)	( 2,244 )	( 9,697 )
Dividend income	6(23)	( 2,766 )	( 3,247 )
Interest expense	6(25)	59,717	71,506
Gain on disposal of property, plant and equipment	6(24)	( 3,986 )	( 14,666 )
Loss on disposal of intangible assets	6(24)	-	142
Gains arising from lease modifications	6(8)(24)	( 15,470 )	-
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		( 429 )	-
Notes receivable		1,687	( 9,536 )
Accounts receivable		( 285,914 )	237,421
Accounts receivable-related parties		-	25,217
Other receivables		( 416 )	5,231
Other receivables-related parties		-	( 6 )
Inventories		272,561	492,255
Prepayments		( 96,076 )	3,185
Changes in operating liabilities			
Contract liabilities-current		21,251	51,873
Notes payable		881	1,200
Accounts payable		417,090	81,402
Accounts payable-related parties		-	18,220
Other payables		54,617	( 76,664 )
Other payables - related parties		-	15,044
Provisions for liabilities		( 12,873 )	( 12,754 )
Other current liabilities		( 3,519 )	( 32,635 )
Other non-current liabilities		7,739	( 7,329 )
Cash (outflow) inflow generated from operations		( 18,155 )	152,659
Interest received		2,413	10,003
Dividend received		2,765	3,247
Interest paid		( 63,090 )	( 69,482 )
Income taxes paid		( 8,799 )	( 8,145 )
Net cash flows (used in) from operating activities		( 84,866 )	88,282

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MICROELECTRONICS TECHNOLOGY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from capital reduction of financial assets at fair value through income		\$ 3,550	\$ 3,004
Proceeds from disposal of financial assets at fair value through profit or loss		74,266	17,915
Increase (decrease) in financial assets at amortized cost		( 9,909 )	18,615
Acquisition of property, plant and equipment	6(30)	( 7,845 )	( 12,217 )
Proceeds from disposal of property, plant and equipment		6,370	38,876
Acquisition of intangible assets	6(9)	( 26,161 )	( 30,109 )
Increase in guarantee deposits paid		( 10,952 )	( 580 )
Net cash flows from investing activities		<u>29,319</u>	<u>35,504</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(31)	530,453	1,267,168
Decrease in short-term borrowings	6(31)	( 896,927 )	( 1,629,115 )
Increase in long-term borrowings	6(31)	350,000	173,300
Decrease in long-term borrowings	6(31)	( 288,590 )	( 556,124 )
Repayment of principal portion of lease liabilities	6(31)	( 106,200 )	( 24,398 )
Issuance of corporate bonds		-	250,000
Net cash flows used in financing activities		( 411,264 )	( 519,169 )
Effects due to changes in exchange rate		( 20,802 )	4,784
Net decrease in cash and cash equivalents		( 487,613 )	( 390,599 )
Cash and cash equivalents at beginning of year	6(1)	<u>587,755</u>	<u>978,354</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 100,142</u>	<u>\$ 587,755</u>

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

MICROELECTRONICS TECHNOLOGY, INC. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Microelectronics Technology Inc. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the design, manufacture and sales of terrestrial microwave, satellite communication system products, and related customized products.

On January 1, 2011, the Company merged with the subsidiary, Global PCS Inc.. Under the merger, the Company was the surviving company while Global PCS Inc. was the dissolved company.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 11, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS<sup>®</sup>”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became 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 above standards and interpretations have no significant impact to the Group’s financial condition 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 by the Group

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

(3) 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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by 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
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these 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 of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

##### (2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets and liabilities at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

##### (3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, 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 subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) 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 noncontrolling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)	
			December 31, 2025	December 31, 2024
Microelectronics Technology, Inc.	Sasson International Holding, Inc.	Note 1	100.00	100.00
Sasson International Holding, Inc.	Welltop Technology Co., Ltd.	Note 1	100.00	100.00
Sasson International Holding, Inc.	Jupiter Network Corp. (Jupiter)	Note 1	100.00	100.00
Welltop Technology Co., Ltd.	MTI Laboratory, Inc.	Note 2	100.00	100.00
Welltop Technology Co., Ltd.	RadioComp ApS	Note 2	100.00	100.00
Jupiter Network Corp. (Jupiter)	Jupiter Technology (Wuxi) Inc.	Note 3	100.00	100.00

Note 1: Main operating activity is investments in the manufacturing and trading business.

Note 2: Research, development, design, manufacture and sales of personal wireless communication device, components of subsystem and system and wireless microwave communication system and equipment of electronic system.

Note 3: Main operating activities are design of satellite and microwave communication system equipment and its components, sales of self-made products and providing related technical services.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

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.

A. Foreign currency transactions and balances

- (a) 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 recognised in profit or loss in the period in which they arise.
- (b) 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 recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-

monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

**B. Translation of foreign operations**

- (a) 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:
  - i. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

**(5) Classification of current and non-current items**

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
  - (b) Assets that are held primarily for the purpose of trading;
  - (c) Assets that are expected to be realised within twelve months after the reporting period;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
  - (a) Liabilities that are expected to be settled in the normal operating cycle;
  - (b) Liabilities that are held primarily for the purpose of trading;
  - (c) Liabilities that are due to be settled within twelve months after the reporting period;
  - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

**(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 or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.
- D. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value, the changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
  - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

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

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised 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 derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. 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 property, plant and equipment are as follows:

Buildings and structures	3 ~ 40 years
Machinery and equipment	1 ~ 6 years
Office equipment	2 ~ 6 years
Transportation equipment	5 years
Leasehold improvements	1 ~ 3 years

(15) Leasing arrangements (lessor) – lease receivables/ operating leases

- A. Leases are recognised 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 recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease. Lease payments are comprised of fixed payments.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised 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.

- C. At the commencement date, the right-of-use asset is stated at cost comprising including the amount of the initial measurement of lease liability and any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is 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 recognised as an adjustment to the right-of-use asset.

(16) Intangible assets

- A. Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.
- B. Goodwill arises in a business combination accounted for by applying the acquisition method and subsequently measured at the amount of cost less accumulated impairment loss.
- C. Acquired special technologies are amortised on a straight-line basis over their estimated useful lives of 5 years.

(17) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, 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 amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amount of goodwill will be assessed periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(18) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(19) Accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services.
- B. The short-term notes without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(21) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance

costs’.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(23) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(24) Provisions

A. Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

B. Under the Climate Change Response Act and its regulations in the ROC, carbon fees levied are not applicable under IFRIC 21, ‘Levies’ but are recognised and measured in accordance with IAS 37, ‘Provisions, Contingent Liabilities and Contingent Assets’. If the estimated annual emissions are probable to exceed the threshold for levying, liabilities in relation to emission fees are estimated and accrued based on the proportion of emissions already incurred to the estimated annual emissions in the interim financial statements.

(25) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services in current period or prior periods. The liability recognised 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 defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

- ii. Remeasurements arising on the defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as other equity.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised 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 subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(26) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(27) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, 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. However, the deferred tax is not accounted for if it arises from initial

recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. 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 recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current 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 realise the asset and settle the liability simultaneously.
- F. Deferred tax assets are recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilized.

(28) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(29) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities.

(30) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells terrestrial microwave, satellite, and related customized products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

- (b) Revenue from these sales is recognised based on the price specified in the contract. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. The sales usually are made with a credit term of 30 to 90 days, which is consistent with market practice. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- (c) The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (d) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### B. Technical services on product development

- (a) The Group provides technical services on product development. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual costs spent relative to the total expected cost. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.
- (b) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

#### C. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognises the incremental costs of obtaining a contract as an expense (mainly arisen from sales commissions) when incurred although the Group expects to recover those costs.

#### (31) Government grants

Government grants are recognised 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 recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

#### (32) 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 is responsible for

allocating resources and assessing performance of the operating segments.

## 5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and 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. The related information is addressed below:

### (1) Critical judgements in applying the Group's accounting policies

None.

### (2) Critical accounting estimates and assumptions

#### A. Impairment assessment of tangible and intangible assets (including goodwill)

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

The Group estimates recoverable amount utilizing the future cash flows of goodwill's cash generating unit and appropriate discount rates in order to determine whether goodwill is impaired. Please refer to Note 6(9) (10) for the information on goodwill impairment. As of December 31, 2025, the Group's property, plant and equipment, right-of-use assets and intangible assets (including goodwill) amounted to \$385,561, \$204,894 and \$305,020, respectively.

#### B. Realisability of deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Assessment of the realisability of deferred tax assets involves critical accounting judgements and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, available tax credits, tax planning, etc. Any variations in global economic environment, industrial environment, and laws and regulations might cause material adjustments to deferred tax assets.

As of December 31, 2025, the Group recognised deferred tax assets amounting to \$394,326.

#### C. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value.

As of December 31, 2025, the carrying amount of inventories was \$1,019,854.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 177	\$ 324
Checking accounts and demand deposits	96,835	562,346
Time deposits	<u>3,130</u>	<u>25,085</u>
	<u>\$ 100,142</u>	<u>\$ 587,755</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Information on restricted cash reclassified as 'Financial assets at amortized cost' is provided in Note 6(4).

### (2) Financial assets at fair value through profit or loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ -	\$ -
Unlisted stocks	34,671	37,336
Valuation adjustments	<u>(34,671)</u>	<u>(37,336)</u>
	<u>\$ -</u>	<u>\$ -</u>
Non-current items :		
Financial assets mandatorily measured at fair value through profit or loss		
Limited partnership	\$ -	\$ 76,080
Valuation adjustments	8,201	17,445
Net exchange differences	<u>(8,201)</u>	<u>11,648</u>
	<u>\$ -</u>	<u>\$ 105,173</u>

Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Years ended December 31	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Limited partnership	(\$ 17,707)	\$ 4,031
Listed stocks	-	3,208
	<u>(\$ 17,707)</u>	<u>\$ 7,239</u>

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2025	December 31, 2024
Non-current items :		
Equity instruments		
Unlisted stocks	\$ 379,404	\$ 394,683
Valuation adjustments	( 247,629)	( 233,331)
Net exchange differences	( 24)	( 10,250)
	<u>\$ 131,751</u>	<u>\$ 151,102</u>

A. The Group has elected to classify equity instrument investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$131,751 and \$151,102 as at December 31, 2025 and 2024, respectively.

B. Please refer to Note 8 for details of the Group's financial assets measured at fair value through other comprehensive income that have been pledged as collateral.

C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive loss	(\$ 14,298)	(\$ 7,505)

(4) Financial assets at amortized cost

Items	December 31, 2025	December 31, 2024
Current items:		
Demand deposits	\$ 18,352	\$ -
Time deposits	6,216	15,318
	<u>\$ 24,568</u>	<u>\$ 15,318</u>

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	Years ended December 31	
	2025	2024
Interest income	\$ 326	\$ 1,802

B. As of December 31, 2025 and 2024, without taking into account other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group were \$24,568 and \$15,318, respectively.

C. Details of the Group's financial assets at amortized cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2).

(5) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	\$ 8,227	\$ 9,914
Accounts receivable	\$ 799,605	\$ 448,826
Accounts receivable - related party	-	22,736
Less: Allowance for uncollectible accounts	(247,359)	(262,319)
	<u>\$ 552,246</u>	<u>\$ 209,243</u>

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 266,522	\$ 8,227	\$ 154,194	\$ 9,914
Up to 90 days	207,384	-	47,726	-
91 to 180 days	33,668	-	580	-
181-365 days	44,681	-	6,745	-
Over 365 days	247,350	-	262,317	-
	<u>\$ 799,605</u>	<u>\$ 8,227</u>	<u>\$ 471,562</u>	<u>\$ 9,914</u>

The above ageing analysis was based on past due date. As of December 31, 2025, the subsequent collection of past-due accounts receivable amounted to \$16,625.

B. As of December 31, 2025 and 2024, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to \$707,868.

C. As of December 31, 2025 and 2024, without taking into account other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$8,227 and \$9,914, respectively. As of December 31, 2025 and 2024, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$552,246 and \$209,243, respectively.

D. Information relating to credit risk of accounts and notes receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2025		
	Cost	Allowance for inventory valuation losses and loss for obsolete and slow-moving inventories	Book value
Raw materials	\$ 602,907	(\$ 93,271)	\$ 509,636
Work in progress	399,670	( 151,131)	248,539
Finished goods	303,018	( 41,339)	261,679
	<u>\$ 1,305,595</u>	<u>(\$ 285,741)</u>	<u>\$ 1,019,854</u>

  

	December 31, 2024		
	Cost	Allowance for inventory valuation losses and loss for obsolete and slow-moving inventories	Book value
Raw materials	\$ 697,899	(\$ 86,329)	\$ 611,570
Work in progress	379,972	( 132,620)	247,352
Finished goods	502,887	( 58,307)	444,580
	<u>\$ 1,580,758</u>	<u>(\$ 277,256)</u>	<u>\$ 1,303,502</u>

The cost of inventories recognized as expense for the period:

	Years ended December 31	
	2025	2024
Cost of goods sold	\$ 1,602,299	\$ 1,518,066
Idle capacity	65,155	69,196
Loss on decline in market value	36,107	220,567
Recognised as selling and R&D expenses	19,909	10,946
	<u>\$ 1,723,470</u>	<u>\$ 1,818,775</u>

The Group recognised inventories in cost of goods sold because these inventories were written down from cost to net realisable value for the years ended December 31, 2025 and 2024 and provisioned loss on decline in market value.

(7) Property, plant and equipment

Details of property, plant and equipment for its own use are as follows:

	2025						
	Buildings and structures	Machinery and equipment	Office equipment	Transportation equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1							
Cost	\$ 455,648	\$ 1,047,983	\$ 119,197	\$ 2,435	\$ 28,815	\$ 3,952	\$ 1,658,030
Accumulated depreciation	( 177,385)	( 869,716)	( 107,976)	( 2,435)	( 25,795)	-	( 1,183,307)
	<u>\$ 278,263</u>	<u>\$ 178,267</u>	<u>\$ 11,221</u>	<u>\$ -</u>	<u>\$ 3,020</u>	<u>\$ 3,952</u>	<u>\$ 474,723</u>
At January 1	\$ 278,263	\$ 178,267	\$ 11,221	\$ -	\$ 3,020	\$ 3,952	\$ 474,723
Additions	-	4,401	256	-	2,613	-	7,270
Disposals	-	( 2,248)	-	-	-	( 136)	( 2,384)
Reclassifications	-	-	-	-	-	( 3,810)	( 3,810)
Depreciation expense	( 13,127)	( 64,197)	( 5,006)	-	( 2,338)	-	( 84,668)
Net exchange differences	( 5,729)	418	( 224)	-	( 29)	( 6)	( 5,570)
At December 31	<u>\$ 259,407</u>	<u>\$ 116,641</u>	<u>\$ 6,247</u>	<u>\$ -</u>	<u>\$ 3,266</u>	<u>\$ -</u>	<u>\$ 385,561</u>
At December 31							
Cost	\$ 446,735	\$ 969,573	\$ 117,784	\$ 2,079	\$ 31,140	\$ -	\$ 1,567,311
Accumulated depreciation	( 187,328)	( 852,932)	( 111,537)	( 2,079)	( 27,874)	-	( 1,181,750)
	<u>\$ 259,407</u>	<u>\$ 116,641</u>	<u>\$ 6,247</u>	<u>\$ -</u>	<u>\$ 3,266</u>	<u>\$ -</u>	<u>\$ 385,561</u>

	Buildings and structures	Machinery and equipment	Office equipment	Transportation equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1							
Cost	\$ 433,108	\$ 1,182,313	\$ 113,955	\$ 2,298	\$ 26,871	\$ 5,692	\$ 1,764,237
Accumulated depreciation	( 154,888)	( 905,981)	( 101,970)	( 2,298)	( 22,251)	-	( 1,187,388)
	<u>\$ 278,220</u>	<u>\$ 276,332</u>	<u>\$ 11,985</u>	<u>\$ -</u>	<u>\$ 4,620</u>	<u>\$ 5,692</u>	<u>\$ 576,849</u>
At January 1	\$ 278,220	\$ 276,332	\$ 11,985	\$ -	\$ 4,620	\$ 5,692	\$ 576,849
Additions	-	3,329	5,090	-	1,503	( 1,851)	8,071
Reclassifications	-	8,565	-	-	-	-	8,565
Disposals	-	( 24,159)	( 51)	-	-	-	( 24,210)
Depreciation expense	( 14,241)	( 88,377)	( 6,244)	-	( 3,153)	-	( 112,015)
Net exchange differences	14,284	2,577	441	-	50	111	17,463
At December 31	<u>\$ 278,263</u>	<u>\$ 178,267</u>	<u>\$ 11,221</u>	<u>\$ -</u>	<u>\$ 3,020</u>	<u>\$ 3,952</u>	<u>\$ 474,723</u>
At December 31							
Cost	\$ 455,648	\$ 1,047,983	\$ 119,197	\$ 2,435	\$ 28,815	\$ 3,952	\$ 1,658,030
Accumulated depreciation	( 177,385)	( 869,716)	( 107,976)	( 2,435)	( 25,795)	-	( 1,183,307)
	<u>\$ 278,263</u>	<u>\$ 178,267</u>	<u>\$ 11,221</u>	<u>\$ -</u>	<u>\$ 3,020</u>	<u>\$ 3,952</u>	<u>\$ 474,723</u>

Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(8) Leasing arrangements – lessee

A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods for 3~10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Carrying amount	
	December 31, 2025	December 31, 2024
Land	\$ 24,056	\$ 25,283
Buildings	180,838	300,411
	<u>\$ 204,894</u>	<u>\$ 325,694</u>

  

	Depreciation charge	
	2025	2024
Land	\$ 717	\$ 737
Buildings	69,691	74,751
	<u>\$ 70,408</u>	<u>\$ 75,488</u>

C. For the years ended December 31, 2025 and 2024, there were no additions to right-of-use assets.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 6,576	\$ 9,111
Expense on short-term lease contracts	18,075	21,555
Expense on leases of low-value assets	123	231
Gains arising from lease modifications	15,470	-

E. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$130,974 and \$55,295, respectively.

(9) Intangible assets

	2025			
	Goodwill	Acquired special technology	Computer software	Total
At January 1				
Cost	\$ 399,971	\$ 404,895	\$ 641,466	\$ 1,446,332
Accumulated depreciation	( 114,057)	( 404,895)	( 612,975)	( 1,131,927)
	<u>\$ 285,914</u>	<u>\$ -</u>	<u>\$ 28,491</u>	<u>\$ 314,405</u>
At January 1	\$ 285,914	\$ -	\$ 28,491	\$ 314,405
Additions	-	-	26,161	26,161
Reclassifications	-	-	3,810	3,810
Amortisation charge	-	-	( 33,849)	( 33,849)
Net exchange differences	( 5,881)	-	374	( 5,507)
At December 31	<u>\$ 280,033</u>	<u>\$ -</u>	<u>\$ 24,987</u>	<u>\$ 305,020</u>
At December 31				
Cost	\$ 383,503	\$ 404,895	\$ 656,925	\$ 1,445,323
Accumulated amortisation	( 103,470)	( 404,895)	( 631,938)	( 1,140,303)
	<u>\$ 280,033</u>	<u>\$ -</u>	<u>\$ 24,987</u>	<u>\$ 305,020</u>
	2024			
	Goodwill	Acquired special technology	Computer software	Total
At January 1				
Cost	\$ 383,503	\$ 404,895	\$ 599,278	\$ 1,387,676
Accumulated depreciation	( 106,616)	( 404,895)	( 567,710)	( 1,079,221)
	<u>\$ 276,887</u>	<u>\$ -</u>	<u>\$ 31,568</u>	<u>\$ 308,455</u>
At January 1	\$ 276,887	\$ -	\$ 31,568	\$ 308,455
Additions	-	-	30,109	30,109
Disposals	-	-	( 142)	( 142)
Amortisation charge	-	-	( 33,588)	( 33,588)
Net exchange differences	9,027	-	544	9,571
At December 31	<u>\$ 285,914</u>	<u>\$ -</u>	<u>\$ 28,491</u>	<u>\$ 314,405</u>
At December 31				
Cost	\$ 383,503	\$ 404,895	\$ 641,466	\$ 1,429,864
Accumulated depreciation	( 97,589)	( 404,895)	( 612,975)	( 1,115,459)
	<u>\$ 285,914</u>	<u>\$ -</u>	<u>\$ 28,491</u>	<u>\$ 314,405</u>

A. Details of amortization on intangible assets are as follows:

	Years ended December 31	
	2025	2024
Operating costs	\$ 5,977	\$ 4,839
General and administrative expenses	461	662
Research and development expenses	27,411	28,087
	<u>\$ 33,849</u>	<u>\$ 33,588</u>

B. Impairment information about the intangible assets is provided in Note 6(10).

(10) Impairment of non-financial assets

The recoverable amount of goodwill was determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. The key assumptions used for value-in-use calculations are as follows:

	2025			2024		
	Between 2		Over 6 years	Between 2		Over 6 years
	Year 1	and 5 years		Year 1	and 5 years	
Revenue growth rate	53%	20%	0%	(24%)	33%	0%
Gross profit margin	12%	25%	22%	27%	37%	35%
Discount rate	13.59%	13.59%	13.59%	9.30%	9.30%	9.30%

(a) Operating revenue growth rate: took into consideration the related market information and the estimated operation and sales plans.

(b) Gross margin: calculated based on the historical data and took into consideration the estimated operation and sales plans.

(c) Discount rate: the discount rates used were pre-tax and reflected specific risks relating to the relevant operating segments.

(11) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Borrowings for material purchase	\$ 178,463	3.84%~4.72%	None
Export financing	110,006	2.90%~4.44%	None
Unsecured borrowings	544,541	2.23%~2.65%	None
Non-financial institution			
Guaranteed borrowing	2,988	5.23%	Note
	<u>\$ 835,998</u>		

<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Borrowings for material purchase	\$ 133,787	5.23%~6.04%	None
Export financing	195,246	3%~6.01%	None
Unsecured borrowings	875,000	2.14%~3.23%	None
	<u>\$ 1,204,033</u>		

Note: Details of the inventory sale and repurchase arrangement pledged as collateral for short-term borrowings are provided in Note 8.

A. For key performance indicators of bank borrowings, according to the credit contract, the Company is required to maintain the agreed deposit amount in the quarterly consolidated financial statements during the credit term. If the agreed deposit amount is not met, the borrowing interest rate will be raised. The Group's consolidated financial statements for the years ended December 31, 2025 and 2024 all comply with the relevant restrictions. The Company had cancelled the contract for maintaining the deposit amount based on the agreements with the banks for the years ended December 31, 2025. The Company negotiated with the bank to postpone the repayment of principal in the third quarter of 2025.

B. For the years ended December 31, 2025 and 2024, the Group recognized interest expense in profit or loss amounting to \$31,901 and \$52,327 respectively, due to the short-term borrowings.

(12) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Employee bonus payable	\$ 66,449	\$ 64,064
Payables for miscellaneous purchases	48,643	21,522
Payables for machinery and equipment	7,353	8,104
Accrued export expenses	7,678	2,503
Payable for utilities expenses	6,432	12,365
Payables for consulting service fees	5,959	7,047
Payables for insurance	4,750	5,055
Payable for rental	32,857	-
Payables for technical assistance	572	4,971
Others	146,543	24,451
	<u>\$ 327,236</u>	<u>\$ 150,082</u>

(13) Bonds payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bonds payable	<u>\$ 250,000</u>	<u>\$ 250,000</u>

- A. The terms of issuance are as follows: The unsecured ordinary corporate bonds were issued at face value for \$250,000 with a coupon rate of 3% per annum over ten years. The circulation period is from November 15, 2024 to November 15, 2034. The Company's Board of Directors resolved that the Group changed the issuance terms of the unsecured corporate bonds to secured corporate bonds on May 7, 2025.
- B. Details of the collateral for bonds payable are provided in Note 8.

## (14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2025
Long-term bank borrowings				
Land Bank of Taiwan	Borrowing period is from February 5, 2021 to February 5, 2026; interest is repayable monthly; principal is repayable in equal monthly installments from March 15, 2022.	1.675%	None	\$ 38,818
The Shanghai Commercial & Savings Bank	Borrowings period is from September 23, 2023 to September 23, 2027; interest is repayable monthly; principal is repaid and borrowed every 180 days.	1.775%	None	100,000
Mega Bank	Borrowing period is from December 23, 2019 to September 15, 2026; interest is repayable monthly; principal is repayable monthly from December 15, 2022.	1.820%	Note 7	111,043
Non-financial institution secured borrowings				
JihSun International Commercial Bank Co., Ltd.	Borrowing period is from January 17, 2025 to January 17, 2027; principal is repayable in equal monthly installments.	5.902% ~ 6.534%	Note 1	22,298
Non-financial institution unsecured borrowings				
Robina Finance & Leasing Corp.	Borrowing period is from December 31, 2024 to December 31, 2026; principal is repayable in equal monthly installments.	3.794%	Note 2	15,284
Chailease Finance Co., Ltd.	Borrowing period is from January 22, 2025 to January 22, 2027; principal is repayable in equal monthly installments.	2.790%	Note 3	50,910
Hotai Finance Development Co., Ltd.	Borrowing period is from February 25, 2025 to February 25, 2027; principal is repayable in equal monthly installments.	2.287% ~ 2.379%	Note 4	17,666
IBF Financial Holdings Co., Ltd.	Borrowing period is from March 19, 2025 to September 19, 2026; principal is repayable in equal monthly installments.	3.125%	Note 5	
				50,585
				406,604
Less: Current portion				( 356,681)
				<u>\$ 49,923</u>

Note 1: The Group issued promissory notes amounting to \$42,720 as security for the inventory sale and repurchase arrangement. The coupon rate is 4%.

Note 1: The Group issued promissory notes amounting to \$31,200 as security for the inventory sale and repurchase arrangement. The coupon rate is 4%.

Note 3: The Group issued promissory notes amounting to \$82,560 as security for the inventory sale and repurchase arrangement. The coupon rate is 3.2%.

Note 4: The Group issued promissory notes amounting to \$30,720 as security for the inventory sale and repurchase arrangement. The coupon rate is 2.4%.

Note 5: The Group issued promissory notes amounting to \$102,492 as security for the inventory sale and repurchase arrangement. The coupon rate is 2.5%.

Note 6: For key performance indicators of bank borrowings, according to the medium and long-term credit contract, the Group is required to maintain the agreed current ratio, debt ratio and bank deposit amount in the annual and semi-annual consolidated financial statements during the credit period. If the agreed financial ratios are not met or the bank deposits are lower than the agreed amount, the borrowing interest rate will be raised. The Group's consolidated financial statements for the year ended December 31, 2024, all complied with the relevant restrictions. The Company had cancelled the contract for maintaining the deposit amount based on the agreements with the banks for the year ended December 31, 2025. In the third quarter of 2025, the Company negotiated with banks to postpone principal payments.

Note 7: Details of the collateral for long-term borrowings are provided in Note 8.

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
Long-term bank borrowings				
Land Bank of Taiwan	Borrowing period is from February 5, 2021 to February 5, 2026; interest is repayable monthly; principal is repayable in equal monthly installments from March 15, 2022.	1.675%	None	\$ 58,068
The Shanghai Commercial & Savings Bank	Borrowing period is from March 31, 2020 to March 15, 2025; interest is repayable monthly; principal is repayable in equal monthly installments from April 15, 2023.	1.625%	None	31,093
The Shanghai Commercial & Savings Bank	Borrowings period is from September 23, 2023 to September 23, 2027; interest is repayable monthly; principal is repaid and borrowed every 180 days.	1.775%	None	43,300
Mega Bank	Borrowing period is from December 23, 2019 to September 15, 2026; interest is repayable monthly; principal is repayable monthly from December 15, 2022.	1.820%	Note 3	162,955
Other borrowings				
Robina Finance & Leasing Corp.	Borrowing period is from December 31, 2024 to December 31, 2026; interest is repayable monthly.	3.794%	Note 1	
				30,000
				325,416
Less: Current portion				( 273,134)
				<u>\$ 52,282</u>

Note 1: The Group issued promissory notes amounting to \$31,200 as security for the inventory sale and repurchase arrangement. The coupon rate is 4%.

Note 2: For key performance indicators of bank borrowings, according to the medium and long-term credit contract, the Group is required to maintain the agreed current ratio, debt ratio and bank deposit amount in the annual and semi-annual consolidated financial statements during the credit period. If the agreed financial ratios are not met or the bank deposits are lower than the agreed amount, the borrowing interest rate will be raised. The Group's consolidated financial statements for the year ended December 31, 2024 complied with the relevant restrictions.

Note 3: Details of the collateral for long-term borrowings are provided in Note 8. The coupon rate is 4%.

- A. For the years ended December 31, 2025 and 2024, the Group recognized interest expense in profit or loss amounting to \$11,919 and \$9,102, respectively, due to the long-term borrowings.
- B. On January 1, 2019, Ministry of Economic Affairs, R.O.C. ("MOEA") implemented the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" and companies are subsidized with preferential interest loans, 0.5% of loan interest is subsidized by the National Development Fund, Executive Yuan, for qualified investment projects. The Group has obtained the approval from the MOEA to extend the loan qualification to December 31, 2023 and signed loan agreements with financial institutions during December 2019 to August 2022 with the line of credit amounting to \$1.09 billion and terms from five to six years. As of

December 31, 2025 and 2024, there was no undrawn facility. Funding from these borrowings were used to invest in machineries, equipment and broaden the Company's working capital.

C. Details of the collateral for long-term borrowings are provided in Note 8.

(15) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, 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. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would 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 be qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 147,305	\$ 156,753
Fair value of plan assets	( 111,266)	( 100,886)
Net defined benefit liability	36,039	55,867
Accumulated unadjusted amount	<u>-</u>	<u>-</u>
Net liabilities recognised in the balance sheet	<u>\$ 36,039</u>	<u>\$ 55,867</u>

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

	2025		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	\$ 156,753	(\$ 100,886)	\$ 55,867
Current service cost	154	-	154
Interest (expense) income	2,508	( 1,614)	894
	<u>159,415</u>	<u>( 102,500)</u>	<u>56,915</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	( 7,120)	( 7,120)
Change in financial assumptions	2,489	-	2,489
Experience adjustments	( 7,458)	-	( 7,458)
	<u>( 4,969)</u>	<u>( 7,120)</u>	<u>( 12,089)</u>
Pension fund contribution	-	( 4,790)	( 4,790)
Paid pension	( 7,141)	3,144	( 3,997)
At December 31	<u>\$ 147,305</u>	<u>( \$ 111,266)</u>	<u>\$ 36,039</u>
	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	\$ 169,727	(\$ 93,067)	\$ 76,660
Current service cost	125	-	125
Interest (expense) income	2,037	( 1,117)	920
	<u>171,889</u>	<u>( 94,184)</u>	<u>77,705</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	( 11,718)	( 11,718)
Change in financial assumptions	( 4,169)	-	( 4,169)
Experience adjustments	2,423	-	2,423
	<u>( 1,746)</u>	<u>( 11,718)</u>	<u>( 13,464)</u>
Pension fund contribution	-	( 8,374)	( 8,374)
Paid pension	( 13,390)	13,390	-
At December 31	<u>\$ 156,753</u>	<u>( \$ 100,886)</u>	<u>\$ 55,867</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit 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 utilisation 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 make payment for the deficit after being authorised by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.
- (e) The principal actuarial assumptions used were as follows:

	Years ended December 31	
	2025	2024
Discount rate	1.30%	1.60%
Future salary increases	2.00%	2.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Sensitivity analysis of the effect on present value of defined benefit obligation due from the changes of main actuarial assumptions was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2025				
Effect on present value of defined benefit	(\$ 2,079)	\$ 2,131	\$ 1,745	(\$ 1,713)
December 31, 2024				
Effect on present value of defined benefit	(\$ 2,519)	\$ 2,585	\$ 2,179	(\$ 2,136)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing 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 were consistent with previous period.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$2,413.
- (g) As of December 31, 2025, the weighted average duration of the retirement plan is 6 years.
- B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes 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.
- (b) The Company’s mainland China subsidiary, Jupiter Technology (Wuxi) Inc., has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China are based on certain percentage of employees’ monthly salaries and wages. The contribution percentage was 16%. Other than the monthly contributions, the Company has no further obligations.
- (c) The Subsidiary, RadioComp ApS, accrued pension costs based on a certain appropriate rate of total salaries.
- (d) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024 were \$29,174 and \$33,688, respectively.

(16) Provisions

A. Warranties on sales-related products

	2025	2024
Balance at January 1	\$ 26,565	\$ 39,078
Additional provisions	-	2,758
Used during the period	( 63)	( 512)
Unused amounts reversed	( 12,809)	( 15,000)
Exchange difference	( 93)	241
Balance at December 31	\$ 13,600	\$ 26,565

The Group gives warranties on sales-related products. Provision for warranty is estimated based on historical warranty data of sales-related products.

B. Analysis of total provisions:

	December 31, 2025	December 31, 2024
Current	\$ 13,262	\$ 25,720
Non-current	\$ 338	\$ 845

(17) Share capital

As of December 31, 2025, the Company's authorized capital was \$7,000,000, consisting of 0.7 billion shares of ordinary stock (including 50 million shares reserved for employee stock options and convertible bonds issued by the Company), and the paid-in capital was \$1,061,364 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	(Unit: In thousand shares)	
	2025	2024
At January 1	252,028	252,028
Capital reduction to offset accumulated deficits	( 145,902)	-
At December 31	106,126	252,028

A. For the future development plan by capital needs, on May 2, 2024, the Company's Board of Directors resolved the private placement of ordinary shares under a limit of 38,000 thousand shares. The private placement of ordinary shares is approved by the shareholders on June 13, 2024 and was revoked upon its expiration in June 2025.

B. On June 18, 2025, the Company's shareholders during their meeting approved to carry out a capital reduction to offset its accumulated deficit. The amount of capital reduction was \$1,459,019 with a total of 145,901,898 issued shares that were cancelled. After the capital reduction, the paid-in capital was \$1,061,264 with a par value of NT\$10 (in dollars) per share, and the number of issued shares was 106,126,422 shares. On August 27, 2025, the capital reduction was approved by the Financial Supervisory Commission. The record date for capital reduction was set on August 29, 2025, and the registration was completed.

C. On June 18, 2025, the Company's shareholders during their meeting resolved to increase its capital by issuing ordinary shares and (or) domestic unsecured convertible bonds through private placement. The total amount of private placement was limited to \$700,000, and the maximum number of bonds issued through the private placement was 7,000 bonds at a face value of \$100.

(18) Capital surplus

Pursuant to the R.O.C. 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 R.O.C. 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 should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses, then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital stock balance. After setting aside or reversal of a special reserve in accordance with related laws, the Company shall appropriate dividends to preferred stock. The Board of Directors should present the distribution of the remaining earnings along with accumulated unappropriated earnings for the approval of the shareholders to distribute dividends to shareholders.
- B. As the Company is in the growth stage, considered the entire environment and nature of the industry as well as its future capital needs and long-term financial plans in order to ensure continued operation and stable development. Based on the Company's future capital expenditure budget and capital demand, the Company appropriated no less than 30% of distributable earnings to shareholders' dividends, but if the distributable earnings is lower than 5% of paid-in capital, no dividends will be distributed. Cash dividend has a first priority when distributing shareholders' dividends, and the ratio is 30~100% of current total dividends. Remaining dividends can be distributed in the form of stocks. The appropriation of retained earnings will be proposed by the Board of Directors every year, and will be approved by the shareholders.
- C. Except for covering accumulated deficit 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.
- D. In accordance with the regulations, the Company shall set aside 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.
- E. The Company incurred operating losses for the years ended December 31, 2024 and 2023, and thus had no earnings for distribution.
- F. On June 18, 2025, the Company's shareholders during their meeting resolved to carry out a capital reduction to offset accumulated deficit.

(20) Other equity items

	2025		
	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Total
At January 1	(\$ 233,330)	(\$ 14,425)	(\$ 247,755)
The Company's effect Effects of associate accounted for under equity method	( 984)	-	( 984)
Tax effects of associate accounted for under equity method	( 13,314)	( 33,845)	( 47,159)
	-	6,769	6,769
At December 31	(\$ 247,628)	(\$ 41,501)	(\$ 289,129)

	2024		
	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Total
At January 1	(\$ 225,825)	(\$ 86,128)	(\$ 311,953)
The Company's effect Effects of associate accounted for under equity method	3,739	-	3,739
Tax effects of associate accounted for under equity method	( 11,244)	89,630	78,386
	-	( 17,927)	( 17,927)
At December 31	(\$ 233,330)	(\$ 14,425)	(\$ 247,755)

(21) Operating revenue

	Years ended December 31	
	2025	2024
Revenue from contracts with customers	\$ 1,678,104	\$ 1,669,989

A. Disaggregation of revenue from contracts with customers

The Group derives revenue in the following major geographical regions:

	Year ended December 31, 2025			
	USA	Mainland China	Other areas	Total
Revenue from external customer contracts	\$ 884,436	\$ 69,210	\$ 724,458	\$ 1,678,104
Revenue from internal customer contracts	\$ -	\$ 85,610	\$ 363,143	\$ 448,753
	Year ended December 31, 2024			
	USA	Mainland China	Other areas	Total
Revenue from external customer contracts	\$ 876,224	\$ 76,610	\$ 717,155	\$ 1,669,989
Revenue from internal customer contracts	\$ -	\$ 247,667	\$ 347,592	\$ 595,259

B. Contract liabilities from customers

(a) The Group has recognised the following revenue-related contract liabilities:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities-			
Product sales contracts	\$ 84,680	\$ 63,429	\$ 11,555

(b) Revenue recognised that was included in the contract liability balance at the beginning of the period:

	Years ended December 31	
	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ 57,091	\$ 8,401

Changes in contract liabilities are mainly from the timing difference between performance obligations satisfied and customers' payment.

(22) Interest income

	Years ended December 31	
	2025	2024
Interest income from bank deposits	\$ 2,244	\$ 9,697

(23) Other income

	Years ended December 31	
	2025	2024
Dividend income	\$ 2,766	\$ 3,247
Government grant income	139,589	-
Other income, others	2,951	13,136
	\$ 145,306	\$ 16,383

The Group was awarded government grants through the U.S. NOFO2 (Notice of Funding Opportunity) program in 2024. For the year ended December 31, 2025, the Group obtained government grant income amounting to \$139,589.

(24) Other gains and losses

	Years ended December 31	
	2025	2024
Gains on disposals of property, plant and equipment	\$ 3,986	\$ 14,666
Loss on disposals of intangible asset	-	( 142)
Currency exchange gains (losses)	17,524	( 6,173)
(Losses) gains on financial assets (liabilities) at fair value through profit or loss	( 17,707)	7,239
Gains arising from lease modifications	15,470	-
Compensation losses	-	( 8,173)
Miscellaneous disbursements	( 1,180)	( 3,889)
	<u>\$ 18,093</u>	<u>\$ 3,528</u>

(25) Finance costs

	Years ended December 31	
	2025	2024
Interest expense on bond	\$ 7,500	\$ 966
Interest expense	43,820	61,429
Interest expense of lease liability	6,576	9,111
Other finance expense	1,821	-
	<u>\$ 59,717</u>	<u>\$ 71,506</u>

(26) Expenses by nature

	Years ended December 31	
	2025	2024
Employee benefit expense	\$ 645,156	\$ 634,556
Depreciation charges on property, plant and equipment and right-of-use assets	155,076	187,503
Amortisation	33,849	33,588
	<u>\$ 834,081</u>	<u>\$ 855,647</u>

(27) Employee benefit expense

	Years ended December 31	
	2025	2024
Salary expenses	\$ 557,613	\$ 541,117
Labour and health insurance fees	47,407	47,523
Pension costs	30,222	34,733
Other personnel expenses	9,914	11,183
	<u>\$ 645,156</u>	<u>\$ 634,556</u>

A. According to the Articles of Incorporation of the Company, the ratio of distributable profit of the current year shall not be lower than 7% for employees' compensation in the form of stocks/cash, and employees must be working for the Company. The current year's earnings, if any, shall not

be higher than 1% for directors' remuneration. Appropriation of employees' compensation and directors' remuneration shall be submitted to the shareholders' meeting. If the Company has accumulated deficit, earnings should be reserved to cover losses and then be appropriated to employees' compensation and directors' remuneration based on the abovementioned ratios.

The employee compensation mentioned above should include an allocation of no less than 0.01% of the company's annual profits to distribute employee compensation to the rank-and-file employees.

- B. For the years ended December 31, 2025 and 2024, there were no employees' compensation accrued due to accumulated deficit.

For 2024, there were no employees' compensation and directors' remuneration resolved by the Board of Directors.

- C. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 10,468	\$ 647
Tax of foreign source income withheld at source	7,234	6,527
Prior year income tax overestimation	-	(424)
Total current tax	<u>17,702</u>	<u>6,750</u>
Deferred tax:		
Origination and reversal of deferred tax assets	1,043	4,296
Impact of tax losses	(1,691)	11,003
Total deferred tax	<u>(648)</u>	<u>15,299</u>
Income tax expense	<u>\$ 17,054</u>	<u>\$ 22,049</u>

(b) The income tax (charge)/credit relating to components of other comprehensive (loss) income is as follows:

	Years ended December 31	
	2025	2024
Currency translation differences	<u>(\$ 6,769)</u>	<u>\$ 17,927</u>

(c) The income tax charged/(credited) to equity during the period: None.

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate	(\$ 153,249)	(\$ 229,804)
Tax exempt income by tax regulation	-	(23)
Expenses disallowed by tax regulation	187,546	130,755
Origination of temporary differences tax assets/Change in assessment of realisation of deferred tax assets	(24,477)	114,594
Tax of foreign source income withheld at source	<u>7,234</u>	<u>6,527</u>
Income tax expense	<u>\$ 17,054</u>	<u>\$ 22,049</u>

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

	2025				
	At January 1	Recognised in profit or loss	Recognised in other comprehensive income	Net exchange differences	At December 31
Deferred tax assets:					
-Temporary differences:					
Allowance for inventory valuation losses	\$ 16,762	(\$ 110)	\$ -	(\$ 27)	\$ 16,625
Unrealised warranty cost of after-sale service	8,091	20	-	( 23)	8,088
Unrealised loss from doubtful accounts	2,995	-	-	-	2,995
Unrealised pension	15,333	-	-	-	15,333
Exchange differences on foreign financial statements	-	-	-	-	-
Others	8,210	( 561)	-	( 202)	7,447
-Tax losses	343,393	1,691	-	( 1,246)	343,838
Subtotal	<u>\$ 394,784</u>	<u>\$ 1,040</u>	<u>\$ -</u>	<u>(\$ 1,498)</u>	<u>\$ 394,326</u>
Deferred income tax liabilities:					
Unrealised gain on long-term investments	(\$ 91,428)	\$ -	\$ -	\$ -	(\$ 91,428)
Unrealised exchange gain	( 18,628)	-	-	-	( 18,628)
Exchange differences on foreign financial statements	( 16,993)	-	6,769	-	( 10,224)
Others	393	( 393)	-	-	-
Subtotal	<u>(\$ 126,656)</u>	<u>(\$ 393)</u>	<u>\$ 6,769</u>	<u>\$ -</u>	<u>(\$ 120,280)</u>
Total	<u>\$ 268,128</u>	<u>\$ 647</u>	<u>\$ 6,769</u>	<u>(\$ 1,498)</u>	<u>\$ 274,046</u>
	2024				
	At January 1	Recognised in profit or loss	Recognised in other comprehensive income	Net exchange differences	At December 31
Deferred tax assets:					
-Temporary differences:					
Allowance for inventory valuation losses	\$ 17,617	(\$ 954)	\$ -	\$ 99	\$ 16,762
Unrealised warranty cost of after-sale service	8,048	( 17)	-	60	8,091
Unrealised loss from doubtful accounts	2,995	-	-	-	2,995
Unrealised pension	15,333	-	-	-	15,333
Exchange differences on foreign financial statements	934	-	( 934)	-	-
Others	11,914	( 4,232)	-	528	8,210
-Tax losses	352,285	( 11,003)	-	2,111	343,393
Subtotal	<u>\$ 409,126</u>	<u>(\$ 16,206)</u>	<u>(\$ 934)</u>	<u>\$ 2,798</u>	<u>\$ 394,784</u>
Deferred income tax liabilities:					
Unrealised gain on long-term investments	(\$ 91,428)	\$ -	\$ -	\$ -	(\$ 91,428)
Unrealised exchange gain	( 18,628)	-	-	-	( 18,628)
Exchange differences on foreign financial statements	-	-	( 16,993)	-	( 16,993)
Others	( 514)	907	-	-	393
Subtotal	<u>(\$ 110,570)</u>	<u>\$ 907</u>	<u>(\$ 16,993)</u>	<u>\$ -</u>	<u>(\$ 126,656)</u>
Total	<u>\$ 298,556</u>	<u>(\$ 15,299)</u>	<u>(\$ 17,927)</u>	<u>\$ 2,798</u>	<u>\$ 268,128</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

(1)Microelectronics Technology, Inc.

December 31, 2025					
Year incurred	Amount filed/ Assessed	Unused amount	Unrecognised deferred tax assets		Expiry year
2019	\$ 103,552	\$ 103,552	\$ -		2029
2020	218,752	218,752	-		2030
2021	462,497	462,497	-		2031
2022	7,715	7,715	7,715		2032
2023	604,262	604,262	-		2033
2024	653,777	653,777	653,777		2034
2025	937,730	937,730	937,730		2035
		<u>\$ 2,988,285</u>	<u>\$ 1,599,222</u>		

December 31, 2024					
Year incurred	Amount filed/ Assessed	Unused amount	Unrecognised deferred tax assets		Expiry year
2015	240,322	\$ 210,609	\$ 210,609		2025
2019	103,552	103,552	-		2029
2020	218,752	218,752	-		2030
2021	462,497	462,497	-		2031
2022	7,715	7,715	7,715		2032
2023	604,262	604,262	-		2033
2024	653,777	653,777	653,777		2034
		<u>\$ 2,261,164</u>	<u>\$ 872,101</u>		

(2)Jupiter Technology (Wuxi) Inc.

December 31, 2025					
Year incurred	Amount filed/ Assessed	Unused amount	Unrecognised deferred tax assets		Expiry year
2021	\$ 120,688	\$ 120,688	\$ 120,688		2026
2023	2,648	2,648	-		2028
2024	138,983	138,983	-		2029
2025	122,464	122,464	-		2030
		<u>\$ 384,783</u>	<u>\$ 120,688</u>		

December 31, 2024

Year incurred	Amount filed/ Assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2021	120,688	\$ 120,688	\$ -	2026
2023	2,736	2,736	-	2028
2024	138,897	138,897	-	2029
		<u>\$ 262,321</u>	<u>\$ -</u>	

E. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(29) Losses per share

	Year ended December 31, 2025		
	Amount after tax	The number of ordinary shares outstanding at the end of the period (share in thousands)	Losses per share (in dollars)
<u>Basic/Diluted losses per share</u>			
Loss attributable to the parent	(\$ 648,944)	106,126	(\$ 6.11)
	Year ended December 31, 2024		
	Amount after tax	The number of ordinary shares outstanding at the end of the period (share in thousands)	Losses per share (in dollars)
<u>Basic/Diluted losses per share</u>			
Loss attributable to the parent	(\$ 1,146,172)	106,126	(\$ 10.80)

On June 18, 2025, the shareholders' meeting resolved that the Company implement a capital reduction of NT\$1,459,019 thousand to offset losses, cancelling 145,902 thousand issued shares, and setting August 29, 2025 as the record date for the capital reduction; loss per share for each period has been retrospectively adjusted accordingly.

(30) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31	
	2025	2024
Purchase of property, plant and equipment	\$ 7,270	\$ 8,071
Add: Opening balance of payable on equipment	8,104	12,127
Less: Ending balance of payable on equipment	( 7,353)	( 8,104)
Effect of exchange rate changes	( 176)	123
Cash paid during the period	<u>\$ 7,845</u>	<u>\$ 12,217</u>

(31) Changes in liabilities from financing activities

	<u>Lease liabilities</u>	<u>Short-term borrowings</u>	<u>Long-term borrowings</u>	<u>Bonds payable</u>	<u>Total</u>
January 1, 2025	\$ 402,125	\$ 1,204,033	\$ 325,416	\$250,000	\$ 2,181,574
Changes in cash flow from financing activities	( 106,200)	( 366,474)	61,410	-	( 411,264)
Impact of changes in foreign exchange rate	( 2,847)	( 1,561)	-	-	( 4,408)
Changes in other non-cash items	( 104,502)	-	19,778	-	( 84,724)
December 31, 2025	<u>\$ 188,576</u>	<u>\$ 835,998</u>	<u>\$ 406,604</u>	<u>\$250,000</u>	<u>\$ 1,681,178</u>

  

	<u>Lease liabilities</u>	<u>Short-term borrowings</u>	<u>Long-term borrowings</u>	<u>Bonds payable</u>	<u>Total</u>
January 1, 2024	\$ 422,252	\$ 1,558,107	\$ 708,658	\$ -	\$ 2,689,017
Changes in cash flow from financing activities	( 24,398)	( 361,947)	( 382,824)	250,000	( 519,169)
Impact of changes in foreign exchange rate	4,701	7,873	-	-	12,574
Changes in other non-cash items	( 430)	-	( 418)	-	( 848)
December 31, 2024	<u>\$ 402,125</u>	<u>\$ 1,204,033</u>	<u>\$ 325,416</u>	<u>\$250,000</u>	<u>\$ 2,181,574</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Cybertan Technology Inc.	Entities with significant influence to the Group (Note)

Note: As Cybertan Technology Inc. transferred the Group's certain shares, it was discharged from serving as a director in January 2025 in accordance with the laws. From the date of discharge, it lost its influence over the Group and was no longer a related party of the Group.

(2) Significant related party transactions

A. Operating revenue

	<u>Years ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Sales of goods:		
Cybertan Technology Inc.	<u>\$ -</u>	<u>\$ 50,817</u>

The sales prices are based on mutual agreement, and no similar transactions can be compared with. The credit terms are 30 days from invoice date for the related parties. For third parties, credit terms are 30~90 days from invoice date or after monthly billings.

B. Receivables from related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable:		
Entities with significant influence to the Group	\$ -	\$ 22,736
Other receivables:		
Entities with significant influence to the Group	-	405
	<u>\$ -</u>	<u>\$ 23,141</u>

C. Payables to related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable:		
Entities with significant influence to the Group	\$ -	\$ 21,406
Other payables:		
Cybertan Technology Inc.	-	17,055
	<u>\$ -</u>	<u>\$ 38,461</u>

Other payables mainly pertain to rents payable.

D. Lease transactions — lessee

(a) The Group leases buildings from Cybertan Technology Inc.. Rental contracts are typically made for periods of 3 years. Rents are paid at the end of month.

(b) Lease liabilities

(i) Outstanding balance:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cybertan Technology Inc.	\$ -	\$ 334,913

(ii) Interest expense

	<u>Years ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Cybertan Technology Inc.	\$ -	\$ 7,642

(c) As of December 31, 2025 and 2024, the guarantee deposits paid (shown as ‘Other non-current assets’) to entities with significant influence to the Group amounted to \$0 and \$5,765, respectively.

(3) Key management compensation

	<u>Years ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Salaries and other short-term employee benefits	\$ 35,614	\$ 36,309
Post-employment benefits	1,298	1,401
	<u>\$ 36,912</u>	<u>\$ 37,710</u>

## 8. PLEGDED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>	
Demand deposits - reserve account (shown as 'Financial assets at amortised cost-current')	\$ 18,352	\$ -	Reserve account for long-term and short-term borrowings
Time deposits (shown as 'Financial assets at amortised cost-current')	559	569	Guarantee for business card
Guarantee deposits paid	18,021	-	Guarantee for long-term and short-term borrowings and performance guarantee
Financial assets at fair value through other comprehensive income-non-current	131,751	-	Guarantee for bonds payable
Equipment	6,023	-	Guarantee for bonds payable
Equipment	79,452	115,409	Guarantee for long-term borrowings
	<u>\$ 254,158</u>	<u>\$ 115,978</u>	

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

None.

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

## 12. OTHERS

### (1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for 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, issue new shares or sell assets to reduce debt.

## (2) Financial instruments

### A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ -	\$ 105,173
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	131,751	151,102
Available-for-sale financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	100,142	587,755
Financial assets at amortised cost	24,568	15,318
Notes receivable	8,227	9,914
Accounts receivable (including related party)	552,246	209,243
Other receivables (including related party )	7,331	7,371
Guarantee deposits paid	20,559	9,569
	<u>\$ 844,824</u>	<u>\$ 1,095,445</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 835,998	\$ 1,204,033
Notes payable	2,081	1,200
Accounts payable (including related party transactions)	895,872	496,133
Bonds payable (including current portion)	250,000	250,000
Other payables (including related party)	250,000	167,137
Long-term borrowings (including current portion)	406,604	325,416
	<u>\$ 2,640,555</u>	<u>\$ 2,443,919</u>
Lease liability	<u>\$ 188,576</u>	<u>\$ 402,125</u>

### B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreignexchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance. The Company uses derivative financial instruments to hedge certain risk exposures (see Notes 6(2)).
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board 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

financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, EUR and RMB. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Company treasury. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, entities in the Group uses forward foreign exchange contracts or other derivative products, transacted with Company treasury.
- iii. The Group hedges foreign exchange rate by using forward exchange and cross currency swap contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Notes 6(2).
- iv. 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, USD, and EUR). 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 amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 14,417	31.43	\$ 453,126
RMB:NTD	8	4.47	36
USD:RMB	2,472	7.03	17,375
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 41,278	31.43	\$ 1,297,368
RMB:NTD	690	4.47	3,085
USD:RMB	3,424	7.03	24,067

				December 31, 2024				
				Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)		
(Foreign currency: functional currency)								
<u>Financial assets</u>								
<u>Monetary items</u>								
				\$	16,406	32.79	\$	537,953
					21	4.56		96
<u>Financial liabilities</u>								
<u>Monetary items</u>								
				\$	29,159	32.79	\$	956,124
					569	4.56		2,595
					1,440	7.19		47,218
v. The total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024 amounted to \$17,524 and (\$6,173), respectively.								
vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:								

				Year ended December 31, 2025				
				Sensitivity analysis				
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income		
(Foreign currency: functional currency)								
<u>Financial assets</u>								
<u>Monetary items</u>								
				1%	\$ 4,531	\$		-
				1%	-			-
				1%	174			-
<u>Financial liabilities</u>								
<u>Monetary items</u>								
				1%	(\$ 12,974)	\$		-
				1%	( 31)			-
				1%	( 241)			-

		Year ended December 31, 2024		
		Sensitivity analysis		
		Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	5,380	\$ -
USD:RMB	1%		702	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(\$	9,561)	\$ -
RMB:NTD	1%	(	26)	-
USD:RMB	1%	(	472)	-

#### Price risk

- i. The Group's equity securities and beneficiary certificates, which are exposed to price risk, are the held financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and available-for-sale financial assets. To manage its price risk arising from investments in equity securities and beneficiary certificates, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
  - ii. The Group's investments in equity securities and beneficiary certificates comprise shares issued by the overseas and domestic companies. The prices of equity securities and beneficiary certificates would change due to the change of the future value of investee companies. If the prices of these equity securities and beneficiary certificates had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$0 and \$1,052, respectively, as a result of gains/losses on equity and beneficiary certificates securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$1,318 and \$1,511 respectively, as a result of other comprehensive income classified as available-for-sale equity investment and equity investment at fair value through other comprehensive income.
- (b) Credit risk
- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost and at fair value through profit or loss.
  - ii. The Group manages their credit risk taking into consideration the entire group's concern.

For banks and financial institutions, only independently rated parties with optimized credit ratings are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The utilization of credit limits is regularly monitored.

- iii. Impairment assessment of credit risk on financial assets at amortized cost is as follows:
- (i) The Group adopts following assumptions under IFRS 9, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
  - (ii) In line with credit risk management procedure, when the counterparty is unable to pay the past-due payables, the default has occurred.
  - (iii) The Group used the forecast ability to adjust historical and timely information and considered credit rating of issue banks to assess the default possibility of accounts and notes receivable.
  - (iv) The Group's financial assets at amortized cost are including time deposits deposited in banks and restricted time deposits. Such banks all have optimized credit rating, no past due has occurred, and no significant changes in the entire economic environment, therefore no credit loss is expected and the impact to the financial statement is remote.
- iv. Impairment assessment of credit risk on accounts and notes receivable is as follows:
- (i) The Group classifies customers' accounts and notes receivable in accordance with credit rating of customer. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
  - (ii) The Group used the forecast ability to adjust historical and timely information to assess the default possibility of accounts and notes receivable. As of December 31, 2025 and 2024, the provision matrix is as follows:

	Group					Total
	Not past due	90 days past due	91-180 days past due	181-365 days past due	Over 365 days past due	
<u>December 31, 2025</u>						
Expected loss rate	0%-1%	0%-1%	0%-1%	0%-11%	100%	
Total book value	\$ 274,749	\$ 207,384	\$ 33,668	\$ 44,681	\$ 28,151	\$ 588,633
Loss allowance	\$ -	\$ 1	\$ 1	\$ 7	\$ 28,151	\$ 28,160

	Individual					Total
	Not past due	90 days	91-180 days	181-365 days	Over 365 days	
		past due	past due	past due	past due(B)	
<u>December 31, 2025</u>						
Expected loss rate	0%-1%	0%-1%	0%-1%	0%-11%	100%	
Total book value	\$ -	\$ -	\$ -	\$ -	\$ 219,199	\$ 219,199
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ 219,199	\$ 219,199

	Group					Total
	Not past due	90 days	91-180 days	181-365 days	Over 365 days	
		past due	past due	past due	past due(A)	
<u>December 31, 2024</u>						
Expected loss rate	0%-1%	0%-1%	0%-1%	0%-12%	100%	
Total book value	\$ 164,107	\$ 47,727	\$ 580	\$ 6,745	\$ 33,668	\$ 252,827
Loss allowance	\$ -	\$ -	\$ -	\$ 2	\$ 33,668	\$ 33,670

	Individual					Total
	Not past due	90 days	91-180 days	181-365 days	Over 365 days	
		past due	past due	past due	past due(B)	
<u>December 31, 2024</u>						
Expected loss rate	0%-1%	0%-1%	0%-1%	0%-12%	100%	
Total book value	\$ -	\$ -	\$ -	\$ -	\$ 228,649	\$ 228,649
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ 228,649	\$ 228,649

(iii) Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts and notes receivable are as follows:

	2025	2024
At January 1	\$ 262,319	\$ 32,278
(Reversal of) provision for impairment loss	( 4,747)	226,768
Effect of exchange rate changes	( 10,213)	3,273
At December 31	<u>\$ 247,359</u>	<u>\$ 262,319</u>

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
- (ii) The disappearance of an active market for that financial asset because of financial difficulties;
- (iii) Default or delinquency in interest or principal repayments;
- (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. Company treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.
- iii. The Company has the following undrawn borrowing facilities:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Floating rate:		
Expiring within one year	\$ 142,159	\$ 528,417
Expiring beyond one year	-	-
	<u>\$ 142,159</u>	<u>\$ 528,417</u>

- iv. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>December 31, 2025</u>	<u>Less than 3 months</u>	<u>Between 3 months and 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities</u>						
Short-term borrowings	\$ 66,196	\$ 777,524	\$ -	\$ -	\$ -	\$ 843,720
Notes payable	1,216	1,613	26	-	-	2,855
Accounts payable	799,734	34,993	61,505	-	-	896,232
Other payables	326,862	374	-	-	-	327,236
Bonds payable	2,500	5,000	7,500	22,500	280,000	317,500
Long-term borrowings	41,008	318,242	50,737	-	-	409,987
Lease liability	16,157	48,471	65,124	65,635	-	195,387
<u>December 31, 2024</u>	<u>Less than 3 months</u>	<u>Between 3 months and 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities</u>						
Short-term borrowings	\$ 1,043,173	\$ 168,818	\$ -	\$ -	\$ -	\$1,211,991
Accounts payable	485,568	10,565	-	-	-	496,133
Other payables	248,885	-	-	-	-	248,885
Bonds payable	2,500	5,000	7,500	22,500	287,500	325,000
Long-term borrowings	130,077	146,005	72,906	-	-	348,988
Lease liability	16,907	63,173	85,249	172,065	-	337,394

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are 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 the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's derivative instruments and emerging stocks are included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

**B. Financial instruments not measured at fair value**

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, financial assets at amortized cost, other financial assets, short-term borrowings, accounts payable, lease liability and other payables are approximate to their fair values.

**C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:**

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 131,751	\$ 131,751
December 31, 2024	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Limited partnership	\$ -	\$ -	\$ 105,173	\$ 105,173
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	151,102	151,102
	\$ -	\$ -	\$ 256,275	\$ 256,275

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

- i. When assessing non-standard and low-complexity financial instruments, for example, interest rate swap contracts and foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- ii. For the instruments the Group used market quoted prices as their fair values (that is, Level 1), listed shares use the closing price as its market quoted price.

iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

D. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	2025		
	Limited partnership	Equity securities	Total
At January 1	\$ 105,173	\$ 151,102	\$ 256,275
Loss recognised in profit or loss	( 17,707)	-	( 17,707)
Loss recognised in other comprehensive loss	-	( 14,298)	( 14,298)
Capital reduction and return	( 3,550)	-	( 3,550)
Disposal	( 74,266)	-	( 74,266)
Net exchange differences	( 9,650)	( 5,053)	( 14,703)
At December 31	<u>\$ -</u>	<u>\$ 131,751</u>	<u>\$ 131,751</u>

	2024		
	Limited partnership	Equity securities	Total
At January 1	\$ 97,540	\$ 150,151	\$ 247,691
Loss recognised in profit or loss	4,031	-	4,031
Loss recognised in other comprehensive loss	-	( 7,505)	( 7,505)
Capital reduction and return	( 3,004)	-	( 3,004)
Net exchange differences	6,606	8,456	15,062
At December 31	<u>\$ 105,173</u>	<u>\$ 151,102</u>	<u>\$ 256,275</u>

F. Treasury department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 17,443	Market comparable companies	Discount for lack of marketability P/B ratio	30%  100%	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares	114,308	Net asset value	Not applicable	Not applicable	The higher the net assets value, the higher the fair value
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 18,427	Market comparable companies	Discount for lack of marketability P/B ratio	30%  100%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	-	Discounted cash flow	Long-term pre-tax operating margin	Not applicable	The higher the long- term pre-tax operating margin, the higher the fair value
Venture capital shares	132,675	Net asset value	Not applicable	Not applicable	The higher the net assets value, the higher the fair value
Limited partnership investment:					
Venture capital limited partnership	105,173	Net asset value	Not applicable	Not applicable	The higher the net assets value, the higher the fair value

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

		December 31, 2025						
				Recognised in profit or loss		Recognised in other comprehensive income		
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets								
Equity instruments	Discount for lack of marketability		±10%	\$ -	\$ -	\$ 747	(\$ 747)	
	P/B ratio		±10%	-	-	1,744	(1,744)	
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,491</u>	<u>(\$ 2,491)</u>	
		December 31, 2024						
				Recognised in profit or loss		Recognised in other comprehensive income		
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets								
Equity instruments	Discount for lack of marketability		±10%	\$ -	\$ -	\$ 789	(\$ 789)	
	P/B ratio		±10%	-	-	1,843	(1,843)	
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,632</u>	<u>(\$ 2,632)</u>	

#### (4) Future business and operational plan

As of December 31, 2025, the Group had an accumulated deficit of NT\$1,947,149 thousand, which exceeds half of its paid-in capital. Additionally, the debt ratio and current ratio were 96% and 72%, respectively.

The Group continues to enhance its research and development technologies and competitive advantages in the fields of satellite communication and terrestrial microwave communication, and establishes long-term relationships with strategic partners to create win-win strategies. In the future, the Group will be committed to operational transformation, expenditure curtailment, new product development and external fund seeking. The Group plans to adopt the following measures to continuously improve its operational situation and address challenges:

##### A. Operational plan:

The Group obtained preliminary results in its operations of O-RAN 5G in 2024, cooperatively promoting the innovative development of Open Radio Access Network (Open RAN) with customers. In addition, the Group received a fund of approximately US\$35,000 from the National Telecommunications and Information Administration (NTIA) to promote open and interoperable wireless network. The development of customer premise equipment products for low-earth orbit satellite is also a key item that the Company devotes the resources in. As the global emphasis on space technology continues to increase, Taiwan's development in the field of satellite gradually gains the attention. The self-produced low-earth orbit communication satellite is a significant step toward building the space industry. In 2024, the Company obtained the bid for the "RF Chain and Phase Array Antenna Architecture and Implementation Development Project" from the Taiwan Space Agency (TASA) for its phased array antenna products used in Ka-band satellite

payload. Through the in-depth collaboration with TASA, the Company looks forward to further enhancing Taiwan's technological competitiveness in the space industry and providing more competitive solutions for the international market.

B. Operations management:

The Group continues to invest in research and development expenditures and maintains a trend of certain extent of growth according to project requirements. Administrative and selling expenses will be reduced by managing personnel costs to save on operating costs.

C. Fund raising:

For the future development and improve the Company's financial structure, the Group intends to issue domestic unsecured convertible bonds and ordinary shares through private placement to ensure sufficient working capital.

The Group assessed the abovementioned plans and identified that there is a material uncertainty relating to the Company's ability to continue as a going concern. However, the Group continues to prepare its financial statements on a going concern basis.

### 13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period: Please refer to table 1.

D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.

E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.

F. Significant inter-company transactions during the reporting periods: Please refer to table 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 3.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 4.

B. Significant transactions, either directly or indirectly through a third areas, with investee companies in the Mainland China: Please refer to table 5.

### 14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker, which is the General Manager, that are used to make strategic decisions and the Group was identified as a single reportable segment.

(2) Measurement of segment information

The Group's General Manager assesses the performance of the operating segments based on the pre-tax net income (loss).

(3) Information about segment profit or loss, assets and liabilities

	Years ended December 31	
	2025	2024
Revenue from external customers	\$ 1,678,104	\$ 1,669,989
Inter-segment revenue	\$ 448,752	\$ 595,259
Total segment revenue	\$ 2,126,856	\$ 2,265,248
Segment loss	(\$ 631,890)	(\$ 1,124,123)
Segment assets	\$ 3,303,281	\$ 3,961,093
Segment liabilities	\$ 3,167,802	\$ 3,147,584

(4) Reconciliation for segment income (loss)

Total measurement of segment income is consistent with the operating income shown in the Group's financial statements. Therefore, no reconciliation was needed.

(5) Information on products and services

Please refer to Note 6 (21) for the related information.

(6) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	Years ended December 31			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
USA	\$ 884,436	\$ 49,781	\$ 876,224	\$ 68,591
Mainland China	69,210	371,412	76,610	404,578
Others	724,458	269,076	717,155	355,739
	<u>\$ 1,678,104</u>	<u>\$ 690,269</u>	<u>\$ 1,669,989</u>	<u>\$ 828,908</u>

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31, 2025		Year ended December 31, 2024
	Revenue		Revenue
E customer	\$ 294,688	E customer	\$ 584,093
B customer	288,190		
C customer	281,896		

Microelectronics Technology, Inc. and Subsidiaries  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
Year ended December 31, 2025

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2025				Note
				Number of shares	Book value	Ownership (%)	Fair value	
Microelectronics Technology, Inc.	Stocks - Taiwan Aerospace Corporation	None	Financial assets at fair value through other comprehensive income	648,576	\$ 17,443	0.48%	\$ 17,443	
Sasson International Holding, Inc.	Stocks - Firetide, Inc.	None	Financial assets at fair value through profit or loss	1,333,360	-	2.24%	-	
Sasson International Holding, Inc.	Stocks - Taicom Capital Ltd.	None	Financial assets at fair value through other comprehensive income	20,000	114,308	Note	114,308	
Sasson International Holding, Inc.	Stocks - New Edge Signal Solutions LCC	None	Financial assets at fair value through other comprehensive income	1,355,663	-	12.45%	-	
Sasson International Holding, Inc.	Stocks - Kymeta Corporation	None	Financial assets at fair value through other comprehensive income	205,432	-	0.02%	-	

Note: Holding of 10,000 ordinary shares and 10,000 preference shares for 11.43% and 16.67% ownership, respectively.

Microelectronics Technology, Inc. and Subsidiaries  
Significant inter-company transactions during the reporting periods  
Year ended December 31, 2025

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Microelectronics Technology, Inc.	Jupiter Technology (wuxi), Inc.	1	Purchases and processing overhead	\$ 85,610	Same as those to the third parties	5.10%
0	Microelectronics Technology, Inc.	Jupiter Technology (wuxi), Inc.	1	Accounts payable	100,834	Payment term is 60 days from invoice	1.09%
0	Microelectronics Technology, Inc.	Jupiter Technology (wuxi), Inc.	1	Other receivables	65,240	Receive term is 90 days from shipment	0.00%
0	Microelectronics Technology, Inc.	MTI Laboratory, Inc.	1	Research and development expenses	222,606	Same as those to the third parties	13.27%
0	Microelectronics Technology, Inc.	MTI Laboratory, Inc.	1	Accrued expense	163,505	Based on the mutual agreement	4.93%
0	Microelectronics Technology, Inc.	Radiocomp ApS	1	Research and development expenses	146,831	Same as those to the third parties	8.75%
0	Microelectronics Technology, Inc.	Radiocomp ApS	1	Accrued expense	66,115	Based on the mutual agreement	1.99%

Note 1: The information of transactions between the Company and the subsidiaries should be noted in "Number" column.

(1) Number 0 represents the Company.

(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationship with counterparties are as follows:

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiaries to the Company.

(3) The consolidated subsidiaries to other consolidated subsidiaries.

Note 3: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note 4: Only transaction amounts over \$10 million were disclosed and if transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it was not required to be disclosed separately.

Microelectronics Technology, Inc. and Subsidiaries  
Information on investees  
Year ended December 31, 2025

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Note
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Microelectronics Technology, Inc.	Sasson International Holding, Inc.	British Virgin Is.	Investment management	\$ 908,778	\$ 908,778	3,920	100	\$ 1,284,985	(\$ 123,319)	\$ 17,061	Note 1
Sasson International Holding, Inc.	Welltop Technology Co., Ltd.	British Virgin Is.	Investment management	246,223	256,838	7,834,000	100	417,249	24,863	24,863	Note 2
Sasson International Holding, Inc.	Jupiter Network Corp.	British Virgin Is.	Investment management	976,587	1,018,689	31,071,800	100	829,235	( 132,616)	( 132,616)	Note 2
Welltop Technology Co., Ltd.	MTI Laboratory, Inc.	U.S.A	Communications	47,145	49,178	1,500,000	100	187,948	18,339	18,339	Note 2
Welltop Technology Co., Ltd.	Radiocomp ApS	Denmark	Communications	147,784	154,155	1,527,944	100	224,940	6,681	6,681	Note 2

Note 1: Subsidiary of the Company.

Note 2: Indirect subsidiary of the Company.

Microelectronics Technology, Inc. and Subsidiaries  
Information on investees in Mainland China  
Year ended December 31, 2025

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 2)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Jupiter Technology (wuxi), Inc. (Note 1)	The manufacturing and sales of satellite and microwave communication system and related technical and consultation services	\$ 974,330	Through investing in an existing company in the third area, which then invested in the investee in Mainland China.	\$ 974,330	\$ -	\$ -	\$ 974,330	(\$ 132,616)	100	(\$ 132,616)	\$ 814,967	\$ -	-

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Microelectronics Technology, Inc.	\$ 1,099,107	\$ 1,226,021	\$ 81,287

Note 1: It was indirectly invested through Jupiter Network Corp.

Note 2: Investment profit or loss was recognised based on the financial statements that were reviewed by R.O.C. parent company's CPA.

Microelectronics Technology, Inc. and Subsidiaries

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Year ended December 31, 2025

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing					
	Amount	%	Amount	%	Balance	%	Balance at December 31, 2025	Purpose	Maximum balance during the year ended December 31, 2025	Balance at December 31, 2025	Interest rate	Interest during the year ended December 31, 2025	Others (Note)	
Jupiter Technology (wuxi), Inc.	(\$ 85,610)	(6%)	\$ -	-	(\$ 100,384)	11%	\$ -	-	\$ -	\$ -	-	\$ -	-	\$ -

Note: It consisted of current liabilities amounting to \$3,099.