Mosel Vitelic Inc. and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024

(Stock Code: 2342)

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Mosel Vitelic Inc. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

for the Years Ended December 31, 2025 and 2024

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Mosel Vitelic Inc.

Affiliated Companies' Consolidated Financial Statements Declaration

We hereby declare that we have confirmed the companies which are required be included in the affiliated companies' consolidated financial statements as of and for the year ended on December 31, 2025, in accordance with "Criteria Governing the Preparation of Affiliation Reports" and "Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards, No.10. The related information has been disclosed in consolidated financial statements and will hence not be prepare a separate set of consolidated financial statements of the affiliated companies.

Declared by

Company Name: Mosel Vitelic Inc.

Chairman: I-Hsien Tang

February 12, 2026

Independent Auditors' Report

The Board of Directors and Shareholders of
Mosel Vitelic Inc.

Opinion

We have audited the accompanying consolidated financial statements of Mosel Vitelic Inc. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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.

Key Audit Matters

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

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2025 are stated as follows:

Recognition of foundry service income

Description

Please refer to Note 4(27) of the consolidated financial statements for detailed accounting policies on foundry service revenue recognition. Please refer to Note 6(21) of the consolidated financial statements for details of operating revenue.

For the foundry service revenue of Mosel Vitelic Inc. (the “Company”), the revenue is recognized over time. Since the completion level is determined based on the actual cost incurred over the estimated total cost, it involves estimation uncertainly. As the foundry service revenue is considered to have material impact on the financial statements, we are of the opinion that the foundry service revenue of the Company shall be listed as a key audit matter for the current year.

Responding Audit Procedures

The responding audit procedures for the recognition of foundry service income adopted by us are as follows:

1. Interviewed with the management to understand and assess relevant accounting policies on revenue recognition, and tested relevant internal control design and implementation status.
2. According to the understanding of the Company’s model, assessed the reasonableness of its revenue recognition based on the time when its foundry service is provided.
3. Understood relevant procedures adopted by the Company for the estimated total cost summarization and assessed the reasonableness of completion percentage estimation.
4. Randomly inspected the sales price and contract performance obligation of original sales orders, in order to verify the accuracy of service revenue recognition.

Other Matters – Parent Company Only Financial Statements

We have also audited the parent company only financial statements of Mosel Vitelic Inc. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

Responsibilities of Management Level 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 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, the 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.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the 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 internal control of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group to continue as a going concern.
5. 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.
6. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
7. Obtain sufficient and 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 statements that we have complied with relevant independence declaration specified in the Code of Ethics for Professional Accountants of the Republic of China, and we have also communicated with governance on all relationships and other matters (including relevant protective measures) that may reasonably be thought to bear on our independence.

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

The engagement partners on the audits resulting in this independent auditors' report are Shu-Chien Pai and Jerry Chiang.

PricewaterhouseCoopers, Taiwan
February 12, 2026

Notice to Readers

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

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

Mosel Vitelic Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

	Assets	Notes	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 838,162	27	$ 891,333	27
1136	Financial assets at amortized cost - current	6(3)	51,000	2	461,406	14
1170	Accounts receivable, net	6(4)	220,095	7	247,012	7
1180	Accounts receivable - related parties, net	6(4) and 7	81,024	2	100,994	3
1200	Other receivables		1,794	-	717	-
1220	Current tax assets		3,958	-	6,210	-
130X	Inventories	6(5)	258,991	8	285,440	8
1410	Prepayments	6(6) and 9(2)	71,606	2	70,164	2
1470	Other current assets		-	-	1	-
11XX	**Total current assets**		1,526,630	48	2,063,277	61
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)	18,090	1	8,548	-
1535	Financial assets at amortized cost - non-current	6(3) and 8	17,907	1	17,907	1
1600	Property, plant and equipment	6(8)	844,947	27	769,797	23
1755	Right-of-use assets	6(9)	263,914	8	287,076	9
1780	Intangible assets		4,273	-	988	-
1900	Other non-current assets	6(10)	472,829	15	217,609	6
15XX	**Total non-current assets**		1,621,960	52	1,301,925	39
1XXX	**Total assets**		$ 3,148,590	100	$ 3,365,202	100

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Mosel Vitelic Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

	Liabilities and equity	Notes	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current liabilities					
2130	Contract liabilities - current	6(21)	$ 13,919	1	$ 9,060	-
2150	Notes payable		7	-	7	-
2170	Accounts payable	6(11)	138,032	4	134,735	4
2180	Accounts payable - related parties	7	27,557	1	41,270	1
2200	Other payables	6(12)	233,900	7	240,520	7
2220	Other payables - related parties	7	2,773	-	-	-
2230	Current income tax liabilities		53	-	-	-
2250	Provision - current		2,100	-	-	-
2280	Lease liabilities - current		8,845	-	9,556	-
2300	Other current liabilities	6(13)	83,871	3	156,059	5
21XX	**Total current liabilities**		511,057	16	591,207	17
	Non-current liabilities					
2580	Lease liabilities - non-current		276,280	9	296,577	9
2600	Other non-current liabilities	6(14)	3,971	-	15,366	-
25XX	**Total non-current liabilities**		280,251	9	311,943	9
2XXX	**Total liabilities**		791,308	25	903,150	26
	Equity attributable to the owners of the parent company					
	Share capital	6(17)				
3110	Common shares		1,575,247	50	1,573,917	48
	Capital surplus	6(18)				
3200	Capital surplus		601,082	19	599,930	18
	Retained earnings	6(19)				
3310	Appropriated as legal capital reserve		89,984	3	80,899	2
3320	Appropriated as special capital reserve		94,655	3	80,827	2
3350	Unappropriated earnings		66,225	2	213,339	6
	Other equity interest	6(20)				
3400	Other equity interest		(90,702)	(3)	(107,793)	(3)
31XX	**Total equity attributable to the owners of the parent company**		2,336,491	74	2,441,119	73

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Mosel Vitelic Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

	Liabilities and equity	Notes	December 31, 2025 Amount	%	December 31, 2024 Amount	%
36XX	**Non-controlling interests**	4(3)	20,791	1	20,933	1
3XXX	**Total equity**		2,357,282	75	2,462,052	74
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant Subsequent Events	11				
3X2X	**Total liabilities and equity**		$ 3,148,590	100	$ 3,365,202	100

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

Chairman: I-Hsien Tang　　Managerial Officer: Chien-Chih Lu　　Accounting Officer: Ya-Fei Yang

Mosel Vitelic Inc. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Item	Notes	2025 Amount	2025 %	2024 Amount	2024 %
4000	Operating revenue	6(21) and 7	$ 2,037,211	100	$ 1,893,958	100
5000	Operating costs	6(5) (26) (27) and 7	(1,734,250)	(85)	(1,502,060)	(80)
5900	Gross profit		302,961	15	391,898	20
	Operating expenses	6(26) (27) and 7				
6100	Sales and marketing expenses		(40,514)	(2)	(26,948)	(1)
6200	General and administrative expenses		(149,350)	(7)	(152,416)	(8)
6300	Research and development expenses		(200,019)	(10)	(167,356)	(9)
6450	Expected credit losses	12(2)	30	-	133	-
6000	Total operating expenses		(389,913)	(19)	(346,587)	(18)
6900	Operating income (loss)		(86,952)	(4)	45,311	2
	Non-operating income and expenses					
7100	Interest income	6(22)	13,954	1	30,396	2
7010	Other income	6(23)	28,878	1	1,127	-
7020	Other gains and losses	6(24)	(25,474)	(1)	22,214	1
7050	Financial costs	6(25)	(7 ,478)	(1)	(7,873)	-
7000	Total non-operating income and expenses		9,880	-	45,864	3
7900	**Net income (loss) before tax**		(77,072)	(4)	91,175	5
7950	Income tax income (expense)	6(28)	(53)	-	9	-
8200	**Net income (loss)**		($ 77,125)	(4)	$ 91,184	5
	Other comprehensive income (loss)					
	Items that will not be reclassified subsequently to profit or loss					
8316	Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income	6(2) (20)	$ 9,542	1	($ 8,363)	(1)
8300	**Other comprehensive (loss), net**		$ 9,542	1	($ 8,363)	(1)
8500	**Total comprehensive income (loss)**		($ 67,583)	(3)	$ 82,821	4
	Net income (loss) attributable to:					
8610	Owners of the parent company		($ 76,983)	(4)	$ 90,849	5
8620	Non-controlling interests		(142)	-	335	-
			(77,125)	(4)	$ 91,184	5

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Mosel Vitelic Inc. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Item	Notes	2025 Amount	2025 %	2024 Amount	2024 %
	Total comprehensive income (loss) attributable to:					
8710	Owners of the parent company		($ 67,441)	(3)	$ 82,486	4
8720	Non-controlling interests		(142)	-	335	-
			($ 67,583)	(3)	$ 82,821	4
	Earnings (loss) per share (NTD)	6(29)				
9750	Basic earnings (loss) per share		($ 0.49)		$ 0.58	
9850	Diluted earnings (loss) per share		($ 0.49)		$ 0.58	

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

Chairman: I-Hsien Tang　　Managerial Officer: Chien-Chih Lu　　Accounting Officer: Ya-Fei Yang

Mosel Vitelic Inc. and Subsidiaries
Consolidated Statement of Changes in Equity
For the years ended, 2025 and 2024

(In Thousands of New Taiwan Dollars)

		Equity attributable to owners of the parent company									
				Retained earnings			Other equity interest				
	Notes	Common shares	Capital surplus	Legal reserve	Special reserve	Retained earnings (accumulated deficits)	Unrealized gain (losses) on financial assets measured at fair value through other comprehensive income	Unearned compensation of employees	Total	Non-controlling interests	Total equity
2024											
Balance, January 1, 2024		$ 1,571,567	$ 594,701	$ 80,899	$ 80,827	$ 122,490	($ 86,292)	($ 23,452)	$ 2,340,740	$ 23,172	$ 2,363,912
Net income		-	-	-	-	90,849	-	-	90,849	355	91,184
Other comprehensive income (loss)	6(20)	-	-	-	-	-	(8,363)	-	(8,363)	-	(8,363)
Total comprehensive income		-	-	-	-	90,849	(8,363)	-	82,486	355	82,821
Issuance of new restricted employee shares	6(16)(17)(18)(20)	2,950	6,564	-	-	-	-	(6,564)	2,950	-	2,950
Retirement of new restricted employee shares	6(16) (17)(18)(20)	(600)	(1,335)	-	-	-	-	1,335	(600)	-	(600)
Share-based compensation costs	6(16) (20)	-	-	-	-	-	-	15,543	15,543	-	15,543
Cash dividends distributed by subsidiary to non-controlling interest		-	-	-	-	-	-	-	-	(2,574)	(2,574)
Balance, December 31, 2024		$ 1,573,917	$ 599,930	$ 80,899	$ 80,827	$ 213,339	($ 94,655)	($ 13,138)	$ 2,441,119	$ 20,933	$ 2,462,052
2025											
Balance, January 1, 2025		$ 1,573,917	$ 599,930	$ 80,899	$ 80,827	$ 213,339	($ 94,655)	($ 13,138)	$ 2,441,119	$ 20,933	$ 2,462,052
Net (loss)		-	-	-	-	(76,983)	-	-	(76,983)	(142)	(77,125)
Other comprehensive income (loss)	6(20)	-	-	-	-	-	9,542	-	9,542	-	9,542
Total comprehensive income (loss)		-	-	-	-	(76,983)	9,542	-	(67,441)	(142)	(67,583)
Appropriation and distribution of 2024 retained earnings	6(19)										
Legal reserve		-	-	9,085	-	(9,085)	-	-	-	-	-
Special reserve		-	-	-	13,828	(13,828)	-	-	-	-	-
Cash dividends		-	-	-	-	(47,218)	-	-	(47,218)	-	(47,218)
Issuance of new restricted employee shares	6(16)(17)(18)(20)	2,050	2,562	-	-	-	-	(2,562)	2,050	-	2,050
Retirement of new restricted employee shares	6(16) (17)(18)(20)	(720)	(1,410)	-	-	-	-	1,410	(720)	-	(720)
Share-based compensation costs	6(16) (20)	-	-	-	-	-	-	8,701	8,701	-	8,701
Balance, December 31, 2025		$ 1,575,247	$ 601,082	$ 89,984	$ 80,827	$ 66,225	($ 85,113)	($ 5,589)	$ 2,336,491	$ 20,791	$ 2,357,282

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

Chairman: I-Hsien Tang Managerial Officer: Chien-Chih Lu Accounting Officer: Ya-Fei Yang

Mosel Vitelic Inc.
Consolidated Statement of Cash Flows
For the years Ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

	Notes	2025	2024
Cash flows from operating activities			
Net income (loss) before tax		($ 77,072)	$ 91,175
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(8)(9)(26)	114,875	91,822
Amortization expense	6(26)	5,528	316
Expected credit (gains) losses	12(2)	30	(133)
Interest expense	6(25)	7,478	7,873
Interest income	6(22)	(13,954)	(30,396)
Dividend income	6(23)	-	(7)
Share-based compensation costs	6(16)(20)(27)	8,701	15,543
Gain on disposal or retirement of property, plant and equipment	6(24)	(468)	(5,730)
Changes in operating assets/liabilities			
Net changes in operating assets			
Accounts receivable		26,875	(119,430)
Accounts receivable - related parties		19,982	(13,980)
Other receivables		(1,264)	2,220
Inventories		26,449	(16,646)
Prepayments		(1,442)	(43,231)
Other current assets		1	(1)
Net changes in operating liabilities			
Contract liabilities		4,859	(5,437)
Accounts payable		3,297	26,034
Accounts payable - related parties		(13,713)	20,509
Other payables		(9,082)	17,950
Other payables - related parties		2,773	(1,327)
Other current liabilities		544	2,309
Provisions - current		2,100	-
Net defined benefit liabilities		(11,393)	(2,006)
Cash inflow (outflow) generated from operations		91,743	37,427
Interest received		14,141	35,663
Dividends received		-	7
Income tax (paid) returned		2,252	(1,252)
Net cash inflow (outflow) from operating activities		108,136	71,845
Cash flows from Investing activities			
Acquisition of financial assets at amortized cost		(42,984)	(420,421)
Disposal of financial assets at amortized cost		453,390	680,348
Acquisition of property, plant and equipment	6(30)	(424,834)	(200,711)
Proceeds from disposal of property, plant and equipment		-	6,280
Acquisition of intangible assets		(13,241)	(398)
Decrease in refundable deposits		1,670	1,666
Net cash inflow (outflow) from investing activities		(25,999)	66,764
Cash flows from financing activities			
Decrease in guaranteed deposits			
Proceeds from short-term borrowings		110,000	-
Decrease in short-term borrowings		(110,000)	-
Decrease in guaranteed deposits	6(31)	(72,734)	(218,790)
Repaid principal of lease liabilities	6(31)	(9,208)	(9,319)
Interest paid	6(9)(31)	(7,478)	(7,873)
Issuance of new restricted employee shares	6(17)	2,050	2,950
Retirement of new restricted employee shares	6(17)	(720)	(600)
Dividends paid		(47,218)	-
Return of investment funds by subsidiary to non-controlling interests		-	(2,574)
Net cash outflow from financing activities		(135,308)	(236,206)
Decrease in cash and cash equivalents		(53,171)	(97,597)
Balance of cash and cash equivalents at beginning of year	6(1)	891,333	988,930
Balance of cash and cash equivalents at end of year	6(1)	$ 838,162	$ 891,333

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

Chairman:I-Hsien Tang Managerial Officer: Chien-Chih Lu Accounting Officer: Ya-Fei Yang

Mosel Vitelic Inc. and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

I. General

Mosel Vitelic Inc. (referred to as "the Company") is a company registered in the Republic of China. The primary scope of business of the Company and its subsidiaries (collective referred to as "the Group") focuses on the field of power semiconductor devices and power management IC. The main products include Trench Power MOSFET, trench IGBT, Analog IC, Trench Schottky Diodes and electrostatic protection devices as well as various diodes. The customer end products are widely applied to the fields of computers, LCD monitors and televisions, mobile phone batteries, machine tools, LED lighting, power supplies and automotive electronics.

II. Authorization Date and Procedures of The Financial Statements

The accompanying consolidated financial statements were approved and authorized for issuance by the Board of Directors on February 12, 2026.

III. New Standards, Amendments and Interpretations Adopted

(I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRSs") as endorsed and announced by the Financial Supervisory Commission ("FSC")

The applicable new promulgated, amended and revised standards and interpretations of IFRSs endorsed and announced by the FSC in 2025 are as follows:

New, Revised or Amended Standards and Interpretations	Effective date issued by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Group has assessed the aforementioned standards and interpretations, and concluded that they do not have significant effects on the Group's financial position and financial performance.

(II) Effect of new issuances or amendments to International Financial Reporting Standards ("IFRSs") endorsed by the FSC but not yet adopted by the Group

The applicable new promulgated, amended and revised standards and interpretations of IFRSs endorsed by the FSC in 2026 are as follows:

New, Revised or Amended Standards and Interpretations	Effective date issued by IASB
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 Group has assessed the aforementioned standards and interpretations, and concluded that they do not have significant effects on the Group’s financial position and financial performance.

Except for the following, the above standards, interpretations and amendments have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment, and the relevant amount will be disclosed once the evaluations are completed.

Amendments to IFRS 9 and IFRS 7, “Amendments to the Classification and Measurement of Financial Instruments”

(1) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognize a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions (as described below) are met.

A. The entity does not have the practical ability to withdraw, stop or cancel the payment instruction;

B. The entity does not have the practical ability to access the cash used for settlement;

C. There is no significant risk associated with the related settlement through the electronic transfer system.

(2) Update the disclosures for equity instruments designated at fair value through other comprehensive income. The entity shall disclose the fair value of each class of investment, but is not required to disclose the fair value of each item. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the

cumulative gain or loss within equity during the reporting period related to the investments derecognized during that reporting period.

(III) Effects of the IFRSs issued by IASB but not yet endorsed by the FSC

New standards and interpretations of and amendments to the IFRSs issued by IASB but not yet endorsed by the FSC are as follows:

New, Revised or Amended Standards and Interpretations	Effective date issued by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be decided by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
IFRS 19 "Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"	January 1, 2027

Note：According to a press release announced by the FSC on September 25, 2025, public companies will begin implementing IFRS 18 in 2028. However a company that plans to implement IFRS 18 earlier and obtains approval from the FSC may do so.

Except for the following, the above standards, interpretations and amendments have no significant impact to the Group's financial condition and financial performance based on the Group's assessment, and the relevant amount will be disclosed once the evaluations are completed.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 Presentation of Financial Statements, reorganizes income statement, increases the disclosure of management-defined performance measures, and strengthens the use of the principles of aggregation and segmentation in financial report.

IV. Summary of Significant 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.

(I) Statement of Compliance

These consolidated financial statements were prepared in accordance with the 'Regulations Governing the Preparation of Financial Reports by Securities Issuers', the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively referred to as the "IFRSs") endorsed and announced by the FSC.

(II) Basis of Preparation

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

(III) Basis of Consolidation

1. Principles for preparing the consolidated financial statements:
   (1) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries refer to 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 in the financial statements begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
   (2) Inter-company transactions, balances, and unrealized gains or losses on transactions 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.
   (3) The composition portion of the profit/loss and other comprehensive income/loss are attributed to the owners and non-controlling interests of the parent company; the total comprehensive income/loss is also attributed to the owners and non-controlling interests of the parent company, and the same is true even when the non-controlling interests consequently become deficit balance.
   (4) Changes in the Company's ownership interest in a subsidiary that does not result in the Company's losing control (and non-controlling equity transaction) of the subsidiary are equity transactions, and it is also considered a transaction between owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
   (5) When the Group loses control of a subsidiary, the Group remeasures any investment

retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and the book value is recognized in profit or loss of the current period. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

2. The subsidiaries in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Major Business	Shareholding Percentage December 31, 2025	Shareholding Percentage December 31, 2024	Description
Mosel Vitelic Inc.	Giant Haven Investments Ltd.(B.V.I)	Holding company	100.00	100.00	
Mosel Vitelic Inc.	Mou Fu Investment Consultant Ltd.	Lease, labor dispatch and various services	0.00	100.00	Note 1
Mosel Vitelic Inc.	Bou Der Investment Ltd.	Investment holding	0.00	46.71	Note 2
Mosel Vitelic Inc.	DenMOS Technology Inc.	Sales and manufacturing of integrated circuits	84.39	80.24	
Mou Fu Investment Consultant Ltd.	Bou Der Investment Ltd	Investment holding	0.00	49.92	Note 1,2
Mou Fu Investment Consultant Ltd.	DenMOS Technology Inc.	Sales and manufacturing of integrated circuits	0.00	4.15	Note 1

Note 1: To integrate group resources the Company and Mou Fu Investment Consultant Ltd, the subsidiary 100% owned by the company, merged on July 1, 2025. After the merger, the Company was the surviving company and Mou Fu Investment Consultant Ltd was the dissolving company. The Company has obtained approval from the competent authority on August 18, 2025.

Note 2: The subsidiary Bou Der Investment Ltd completed the liquidation on January 14, 2025.

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

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

5. Significant restrictions: None.

6. Subsidiaries with significant non-controlling interests for the Group

The total non-controlling interests of the Group as of December 31, 2025 and 2024 were NT$20,791 NT$20,933 respectively. The following provides information on the non-controlling interests and subsidiaries thereof having materiality on the Group:

		Non-controlling interests			
		December 31, 2025		December 31, 2024	
Name of Subsidiary	Main Operating Location	Amount	Shareholding Percentage	Amount	Shareholding Percentage
DenMOS Technology Inc.	Taiwan	$ 20,791	15.61%	$ 20,933	15.61%

Summary of financial information of subsidiaries:

Balance Sheets

	DenMOS Technology Inc.	
	December 31, 2025	December 31, 2024
Current assets	$ 141,461	$ 146,359
Non-current assets	652	777
Current liabilities	(8,922)	(13,037)
Total net assets	$ 133,191	$ 134,099

Statement of Comprehensive Income

	DenMOS Technology Inc.	
	2025	2024
Revenue	$ 64,729	$ 73,185
Net income (loss) before tax	(855)	2,111
Income tax expenses	(53)	9
Net income (loss)	(908)	2,120
Other comprehensive (loss) income (net amount after tax)	-	-
Total comprehensive income (loss) of the year	($ 908)	$ 2,120
Total comprehensive income (loss) attributable to Non-controlling Interests	($ 142)	$ 332

Statement of Cash Flows

	DenMOS Technology Inc.	
	2025	2024
Net cash inflow from operating activities	($ 1,232)	$ 2,670
Net cash inflow (outflow) from investing activities	(6,000)	60
(Decrease) increase in cash and cash equivalents of the current period	(7,232)	2,730
Balance of cash and cash equivalents at beginning of period	82,391	79,661
Balance of cash and cash equivalents at end of the period	$ 75,159	$ 82,391

(IV) 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 Group's functional currency.

Foreign currency translation and balances

(1) Foreign currency derived from transactions was translated into the functional currency using the spot exchange rate prevailing on the measurement date or the trade date, with the resulting exchange difference recognized as gain or loss.

(2) The balance of monetary assets or liabilities denominated in foreign currency is adjusted by the exchange rate prevailing at the balance sheet date, with the resulting differences recognized as gain or loss.

(3) Non-monetary assets or liabilities denominated in foreign currency are adjusted by the spot exchange rate on the balance sheet date, with the resulting difference recognized in profit or loss if they are measured at fair value through profit or loss, or in other comprehensive income if they are measured at fair value through other comprehensive income. If they are not measured at fair value, they are measured by applying the historical exchange rate on the transaction date.

(4) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

(V) Classification of Current and Non-current Assets and Liabilities

1. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(2) Assets held primarily for the purpose of trading;

(3) Assets that are expected to be realized within 12 months after the balance sheet date.

(4) Cash and cash equivalents, excluding those that are restricted, or to be exchanged or used to settle liabilities at least twelve months after the balance sheet date.

Assets that do not meet the above criteria are classified as non-current assets by the Group.

2. Liabilities that meet one of the following criteria are classified as current liabilities:

(1) Liabilities that are expected to be settled within the normal operating cycle.

(2) Liabilities held primarily for the purpose of trading;

(3) Liabilities that are expected to be settled within 12 months after the balance sheet date.

(4) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its transactions by the issue of equity instruments do not affect its classification.

Liabilities that do not meet the above criteria are classified as non-current liabilities by the Group.

(VI)Cash equivalents

Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that fit the said definition and are intended to meet short-term operating cash commitments are classified as cash equivalents.

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

1. It means the Company made an irrevocable election upon initial recognition to recognize the fair value changes in equity instruments not held for trading at other comprehensive income.
2. The Group uses trade date accounting to account for financial assets at fair value through other comprehensive income that are an arm's length transaction.
3. They are measured initially at the fair value plus transaction costs and subsequently at fair value. If they are equity instruments, their fair value changes are recognized in other comprehensive income; upon derecognition, the accumulated gains or losses in other comprehensive income are not transferred to profit or loss, but to retained earnings. The Group recognizes dividend revenue in profit or loss when (a) the Group's right to the dividends is established; (b) the economic benefits associated with dividends are probable to flow to the Group; and (c) such dividends can be reliably measured.

(VIII) Financial assets at amortized cost

1. Financial assets that simultaneously satisfy the following criteria are classified in this category:

(1) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(2) The contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. On a regular way purchase or sale basis, the Group recognizes or derecognizes financial assets at amortized cost by using settlement date accounting.

3. During the initial recognition the Group calculated the transaction cost measurement at fair value, and subsequently adopted the effective interest rate method to recognize the interest revenue according to the amortization procedure during the circulation period, and to recognize the impairment loss. In addition, during the derecognition, the gain or loss was recognized in the income or loss.

4. The Group recognizes its time deposits not qualified as cash equivalents at the investment amount because they are held for a short period of time and so have insignificant discount effect.

5. The Group reclassified bank deposits to financial assets at amortized cost since bank deposits are not in conformity with the definition of cash and cash equivalents.

(IX)Accounts receivables and notes receivables

1. Accounts receivable and notes receivable denote that the Group has unconditional right to the consideration, in the form of receivables or notes, for the goods and services transferred.

2. The Group measures short-term accounts receivable and notes receivables that do not bear an interest at the invoice value because they have insignificant discount effect.

(X) Impairment of financial assets

At the end of each reporting period, the Group considers financial assets at amortized cost and lease payments receivable, including significant financial components, and takes into consideration all reasonable and supporting information (including the forward-looking information). For financial assets of which the credit risk does not significantly increase since initial recognition, the Group recognizes the impairment provision equal to 12-month expected credit losses; for financial assets of which the credit risk significantly increases since initial recognition, the Company recognizes the impairment provision equal to the lifetime expected credit loss; for accounts receivables that do not contain significant financial components, the Group recognizes an allowance equal to lifetime expected credit losses.

(XI)Derecognition of financial assets

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

(XII)Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs, and related manufacturing expenses, excluding borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(XIII)Investment accounted for using equity method - affiliates

1. An affiliate is an entity over which the Group has significant influence but without control power, and it generally refers to an entity that the Group directly or indirectly holds more than 20% of shares of voting rights. The Group uses the equity method to account for its investments in affiliates, and costs are recognized during the acquisition thereof.

2. The Group's share of its affiliates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses of an affiliate equals or exceeds its interest in that affiliate (which includes any other unsecured accounts receivable), the Group discontinues recognizing its share of further losses; unless that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that affiliate.

3. When an affiliate is subject to equity change not for profit or loss or other comprehensive income and when the shareholding percentage of the affiliate held by the Group is not affected, the Group then recognizes all of the equity change as the "capital reserve" according to the shareholding percentage.

4. The unrealized profit or loss generated from the transactions between the Group and an affiliate has been eliminated according to the equity ratio of the affiliate. Unless there is evidence indicating that the asset transferred in such transaction has an impairment, the unrealized loss is also eliminated. The accounting policies off affiliates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

5. When the Group disposes an associate, if the Group loses its significant influence on the associate, then for all of the amounts related to the associate previously recognized in other comprehensive income, if its accounting handling basis is identical to the disposal of relevant assets or liabilities directly, i.e. such as the profit or loss recognized in the other comprehensive income, it is re-classified as profit or loss during the disposal of relevant assets or liabilities, then when the Group losses its significant influence on the associate, such profit or loss shall be re-classified as profit or loss from equity. If the Company still has significant influence on the associate, then the amount previously recognized in the other

comprehensive income is transferred out proportionally according to the aforementioned method.

(XIV)Property, plant and equipment

1. Property, plant, and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance is recognized in profit or loss when accrued.
3. Property, plant, and equipment are subsequently measured at cost. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Property, plant, and equipment is depreciated individually if they contain any significant components.
4. The assets' residual values, useful lives, and depreciation methods are reviewed, and adjusted if appropriate, at the end of the reporting year. 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	2~56 years
Machinery and equipment	2~20 years
Office equipment	2~20 years
Other equipment	21 years

(XV)Lease transactions of a lessee - right-of-use assets/lease liabilities

1. The Group recognizes right-of-use assets and lease liabilities for all leases at the date when they are available for the Group's use. Low-value asset and short-term leases are recognized as expenses on a straight-line basis over the lease period.
2. The Group measures its lease liability at commencement date by discounting future lease payments using its incremental borrowing interest rate, and lease payments refer to fixed payment amount.

   Lease payments that are measured in subsequent periods using the effective interest rate method and amortized over the lease term. When a change in lease payments occurs not due to contract modification, lease liability will be remeasured, with such remeasurements adjusted to right-of-use assets.

3. Right-of-use assets are recognized at costs at the inception of the lease. Cost includes:

(1) The initial lease liability measured;
(2) Lease payments made at the inception of the lease;
Right-of-use assets are subsequently measured at costs. Depreciation of right-of-use assets is recognized at the earlier of the end of the useful life and the end of the lease term. When a lease liability is remeasured, the Company adjusts the right-of-use asset for any remeasurements.

(XVI)Intangible assets

Intangible assets refer to computer software measured at the acquisition cost and amortized using the straight-line method over its estimated useful life, which is 5-10 years.

(XVII)Impairment of non-financial assets

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 recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is an asset's fair value less costs of disposition or its value in use, whichever is higher. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(XVIII)Accounts and notes payables

1. Accounts and notes payables are the debt incurred by credit purchase of raw materials, goods, or services and the notes payables incurred by operating and non-operating activities.

2. The Group measures short-term accounts and notes payables without bearing interest at initial invoice amount since the effect of discounting is immaterial.

(XIX)Derecognition of financial liabilities

A financial liability is derecognized by the Group when the obligation specified in the contract is either discharged, canceled or expires.

(XX) Offsetting of financial assets and liabilities

When there are legal executable rights to offset the financial asset and liability amount recognized, and settlement is intended to be made based on the net amount or realizing assets and settlement at the same time, the financial assets and liabilities can be offset with each other, and the net amount can be indicated on the balance sheets.

(XXI) Employee benefits

1. Short-term employee benefits

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

2. Pension

(1) Defined contribution plans

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

(2) Defined benefit plans

A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior period. The liability recognized in the balance sheets 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 of a currency and term consistent with the currency and term of the employment benefit obligations.

B. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

3. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations 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.

(XXII) Employees share-based payments

1. For the equity-settled share-based payment arrangements, the employee services

received are measured at the fair value of the equity commodities granted at the grant date and are recognized as compensation costs over the vesting period, with a corresponding adjustment to equity. The fair value of the equity commodities granted shall reflect the impact of market vesting conditions and non-market 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. And ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

2. Employee restricted shares:

(1) The fair value of equity commodities granted at the grant date is used as the basis for the recognition of compensation costs over the vesting period.

(2) For the unrestricted right for participation in the dividend distribution, employees leaving the job during the vesting period shall return the dividends previously received. Upon the recovery of such dividends, the Company credits the retained earnings, legal reserve or capital surplus of debited on the original dividend announcement date.

(3) Employees are not required to make payment for the new restricted employee shares acquired; however, for employees leaving the job during the vesting period, the Company will recover such shares from such employees without compensation.

(4) Employees are required to make payment for the new restricted employee shares acquired; however, for employees leaving the job during the vesting period, the employees need to return the shares and the Company will refund the price. On the grant date, the payment made by the employees who is expected to resign during the vested period should be recognized as a liability, and the portion of the payment made by the employees that is expected to eventually be acquired is recognized as "capital reserve – other ".

(XXIII) <u>Income tax</u>

1. Income tax expense comprises current tax and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity. In these cases, the income tax is recognized in other comprehensive income or equity.

2. The current income tax charge is calculated by applying the taxable income to the tax rate specified in the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax

regulations. Where appropriate, management also estimates income tax liabilities 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 shareholders resolve to retain the earnings in a shareholders' meeting of the following year.

3. Deferred income tax is recognized, using the balance sheets liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheets. However, the deferred income tax is not accounted for if it arises from the initial recognition of goodwill or of an asset or liability in a transaction (excluding corporate merger and acquisition) that, at the time of the transaction, affects neither accounting nor taxable profit (loss). Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, 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 realized or the deferred tax liability is settled.

4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

(XXIV) Share capital

1. Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are recognized in equity as a deduction from the proceeds.

2. When the Company repurchased shares previously issued, the consideration paid includes any directly attributable additional costs and the net amount after tax is recognized as a deduction of the shareholders' equity. During the subsequent reissuance of repurchased shares, any directly attributable additional costs and income tax are deducted from the consideration received, and the difference from the carrying value is then recognized as an adjustment of shareholders' equity.

(XXV) Dividends distribution

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. Dividends distributed are recognized as stock dividends to be distributed and are recognized as common stocks on the new stock issuance base date.

(XXVI)Revenue recognition

1. Sale of goods

(1) The Group manufactures and sells integrated circuits and related products of components and systems. The sales revenue is recognized when the control of products is transferred to clients, i.e. when products are delivered to clients, and customers then have the discretion on the product sales subject and price, and the Group has no further obligation not performed that may impact clients accepting the products. When goods are transported to the designated location, the obsolete and impairment risks have been transferred to the customer, and the customer also accepts goods according to the sales contract, or when there is objective evidence proofing that all acceptable standards have been satisfied, which occurs when the goods are delivered to the customer.

(2) Product sales revenue is recognized with the contract price, and the recognized revenue amount is limited to the position that is unlikely to have material reversal in the future, and estimation is updated during each balance sheet date. The payment collection terms for product sales transactions are typically due 30~75 days after the shipping date. Since the goods or services are promised to be transferred to customers at the time when the payments are made by customers have not exceeded one year, consequently, the Group has not adjusted the transaction price to reflect the currency time value.

(3) A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional for the Group because only the passage of time is required before payment is due.

2. Foundry service

(1) The Group provides foundry related services. Service revenue is recognized as revenue when service is provided to the customer during the financial report period. The revenue of fixed price contract is recognized based on the ratio of the service actually provided by the balance sheet date over the overall services required to be provided, and the service completion ratio is determined based on the cost actually incurred over the total estimated cost. Customer pay contract price according to the payment schedule negotiated. When the service provided by the Group exceeds the payable amount of the customer, it is recognized as contract asset. If the payable amount of the customer exceeds the service actually provided by the Group, it is recognized as contract liability.

(2) The Group makes correction on the estimates of the revenue, cost and completion level according to the actual condition. Any increase or decrease of estimated

revenue or cost due to estimation change is reflected in the profit or loss when the cause of correction is known by the management.

(XXVII) Operating segments

The information on operating segments is reported in a manner consistent with the way the internal management report is provided to management. The key operating decision makers are responsible for allocating resources to operating segments and evaluate their performance.

V. Significant Accounting Assumptions and Judgments, and Key Sources of Estimation Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. The significant accounting estimates and assumptions being made may deviate from the actual outcomes and will be consistently measured and adjusted in accordance with historical experience and other factors. Such estimates and assumptions may lead to the risk of significant adjustments being made to the carrying amount of the assets and liabilities on the balance sheets. Significant accounting judgments and the uncertainty in accounting estimates and assumptions are stated below:

(I) Significant Judgments in Applying Accounting Policies

None.

(II) Significant Accounting Estimates and Assumptions

1. Impairment estimation of tangible assets

During the process of asset impairment assessment, the Group shall rely on subjective judgment to determine the useful life of the independent cash flow assets and possible revenue and expense in the future for certain asset groups based on the operating model of assets and industrial characteristics. Any change in the estimation due to the changes of economic situation or the Group's strategies may result in significant impairment in the future.

As of December 31, 2025, the book value of the Group's property, plant and equipment after recognizing impairment loss was NT$844,947.

2. Recognition of foundry service revenue

The foundry service revenue is recognized progressively along with the time, and the estimation of completion level is calculated based on the ratio of the actual cost incurred over the total estimated cost summarized by the Group, and the Group periodically reviews the estimation reasonableness.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and petty cash	$ 150	$ 150
Checking deposits and demand deposits	758,012	481,131
Time deposits	80,000	250,000
Repurchase agreements	-	160,052
Total	$ 838,162	$ 891,333

1. Since the Group corresponds with multiple financial institutions with good credit quality to diversify credit risks, the risk of default is expected to be low.
2. For information on the cash being classified as "financial assets at amortized cost" due to usage limitation, please refer to Note 8 for details.

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

Item	December 31, 2025	December 31, 2024
Non-current items:		
Equity instruments		
Unlisted stocks	$ 92,121	$ 92,121
Valuation adjustment	(74,031)	(83,573)
Total	$ 18,090	$ 8,548

1. The Group chose to classify its strategic investment equity instruments as the financial assets at fair value through other comprehensive income, and the fair value of such investment as of December 31, 2025 and 2024 were amounted to NT$ 18,090 and NT$8,548 respectively.
2. Financial assets measured at fair value through other comprehensive income recognized in profit and loss/comprehensive income are as follows:

	2025	2024
Equity instruments measured at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive income	$ 9,542	($ 8,363)
Dividend revenue recognized in profit or loss held during the end of the current period	$ -	$ 7

3. Please refer to Notes 12(2) and (3) for information relating to credit risk of financial assets at fair value through other comprehensive income and fair value formation.

(III) Financial assets at amortized cost

Item	December 31, 2025	December 31, 2024
Current items:		
Time deposits	$ 51,000	$ 461,406
Non-current items:		
Time deposits	$ 17,907	$ 17,907

1. Detail of the financial assets at amortized cost recognized under the profit or loss is as follows:

	2025	2024
Interest income	$ 4,904	$ 6,004

2. Under the condition where the enhancement of other credits held was not considered, for the most representing financial assets at amortized cost held by the Group, the maximum exposure amounts of credit risk as of December 31, 2025 and 2024 were NT$68,907 and NT$479,313 respectively.
3. Details of the Group's financial assets at amortized cost pledged to others as collateral are provided in Note 8.
4. Information relating to the credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the Group's investments in time deposits were financial institutions who have good credit quality, so it expects that the probability of counterparties default is remote

(IV) Accounts receivable

	December 31, 2025	December 31, 2024
Accounts receivable - general customers	$ 220,174	$ 247,049
Accounts receivable - related parties	81,024	101,006
Subtotal	301,198	348,055
Less: Allowance for bad debts	(79)	(49)
	$ 301,119	$ 348,006

1. The aging of accounts receivable is as follows:

	December 31, 2025	December 31, 2024
Not past due	$ 293,004	$ 340,904
Up to 30 days	321	2,267
31 to 90 days	7,873	1,343
91 to 120 days	-	2,999
Over 121 days	-	542
	$ 301,198	$ 348,055

The above aging analysis is based on the number of days past the due date.

2. The accounts receivable as of December 31, 2025 and 2024 all came from contracts with clients. In addition, the accounts receivable arising from contracts with clients as of January 1, 2024 was NT$214,645.
3. Under the condition where the enhancement of other credits was not considered, for the most representing accounts receivable of the Group, the maximum exposure amounts of credit risk as of December 31, 2025 and 2024 were NT$301,119 and NT$348,006 respectively.
4. For information relating to accounts receivable credit risk, please refer to Note 12(2).

(V) Inventories

	December 31, 2025		
	Cost	Allowance for market value decline and slow-moving inventories	Book value
Raw materials	$ 197,331	($ 87,458)	$ 109,873
Work in progress	134,319	(4,213)	130,106
Finished products	35,513	(16,501)	19,012
Total	$ 367,163	($ 108,172)	$ 258,991

	December 31, 2024		
	Cost	Allowance for market value decline and slow-moving inventories	Book value
Raw materials	$ 212,251	($ 91,117)	$ 121,134
Work in progress	145,031	(5,103)	139,928
Finished products	42,543	(18,165)	24,378
Total	$ 399,825	($ 114,385)	$ 285,440

Operating costs recognized as expenses by the Group in the current period:

	December 31, 2025	December 31, 2024
Cost of inventories sold	$ 1,735,390	$ 1,485,772
Inventory (gain on reversal of) loss on decline in market value, obsolete and slow-moving inventories (Note)	(6,213)	(29,262)
Losses on scrap inventories	-	20,783
Other	5,073	24,767
	$ 1,734,250	$ 1,502,060

Note: For the year ended December 31, 2025 and 2024, the gains were from the reversal of allowance for obsolescence and market value decline when those inventories were sold.

(VI) Prepayments

	December 31, 2025	December 31, 2024
Prepayment for purchases (including long-term prepayment for purchases)	$ 59,512	$ 58,418
Overpaid sales tax	12,928	8,835
Prepaid insurance premium	2,885	3,262
Repair prepayment	1,644	3,020
Other prepayments	53,055	55,047
Subtotal	130,024	128,582
Accumulated impairment loss	(58,418)	(58,418)
Total	$ 71,606	$ 70,164

Please refer to Note 9(2) for relevant evaluation explanation on prepayment for purchases with recognition of impairment loss.

(VII) Investment accounted for using the equity method

Affiliates	December 31, 2025	December 31, 2024
Third Dimension Semiconductor, Inc.	$ 5,578	$ 5,578
Integrated Memory Technologies, Inc.	-	-
Subtotal	5,578	5,578
Less: Accumulated impairment loss		
Third Dimension Semiconductor, Inc.	(5,578)	(5,578)
Total	$ -	$ -

The summary on the share of individual non-material affiliate's operating result of the Group is as follows:

	2025	2024
Net income of continuing operations	$ 861	$ 2,663
Other comprehensive income (net amount after tax)	-	-
Total comprehensive income	$ 861	$ 2,663

(VIII) Property, plant and equipment

Detail of the owner-occupied property, plant and equipment of the Group is as follows:

	2025					
	Land	Buildings	Machinery and	Office equipment	Others	Total
Cost						
At January 1	$ 24,476	$ 3,225,492	$ 13,833,653	$ 129,088	$ 3,855	$ 17,216,564
Additions	-	44,276	97,188	3,407	-	144,871
Disposals	-	(3,341)	(168,525)	(1,757)	-	(173,623)
Reclassifications	-	10,220	24,040	-	-	34,260
At December 30	$ 24,476	$ 3,276,647	$ 13,786,356	$ 130,738	$ 3,855	$ 17,222,072
Accumulated depreciation						
At January 1	$ -	$ 2,803,286	$ 13,459,400	$ 118,504	$ 2,947	$ 16,384,137
Additions	-	31,438	69,103	2,864	108	103,513
Disposals	-	(3,341)	(168,057)	(1,757)	-	(173,155)
Reclassifications	-	212	(212)	-	-	-
At December 30	$ -	$ 2,831,595	$ 13,360,234	$ 119,611	$ 3,055	$ 16,314,495
Accumulated impairment						
At January 1	$ 24,476	$ 37,995	$ 104	$ 55	$ -	$ 62,630
At December 30	$ 24,476	$ 37,995	$ 104	$ 55	$ -	$ 62,630
Net carrying amount						
At January 1	$ -	$ 384,211	$ 374,149	$ 10,529	$ 908	$ 769,797
At December 30	$ -	$ 407,057	$ 426,018	$ 11,072	$ 800	$ 844,947

	2024					
	Land	Buildings	Machinery	Office equipment	Others	Total
Cost						
At January 1	$ 24,476	$ 3,187,586	$ 14,495,735	$ 136,868	$ 3,855	$ 17,848,520
Additions	-	17,790	42,182	1,255	-	61,227
Disposals	-	(3,901)	(745,668)	(9,035)	-	(758,604)
Reclassifications	-	24,017	41,404	-	-	65,421
At December 31	$ 24,476	$ 3,225,492	$ 13,833,653	$ 129,088	$ 3,855	$ 17,216,564
Accumulated depreciation						
At January 1	$ -	$ 2,782,047	$ 14,152,517	$ 124,744	$ 2,839	$ 17,062,147
Additions	-	24,590	52,551	2,795	108	80,044
Reclassifications	-	(3,351)	(745,668)	(9,035)	-	(758,054)
At December 31	$ -	$ 2,803,286	$ 13,459,400	$ 118,504	$ 2,947	$ 16,384,137
Accumulated impairment						
At January 1	$ 24,476	$ 37,995	$ 104	$ 55	$ -	$ 62,630
At December 31	$ 24,476	$ 37,995	$ 104	$ 55	$ -	$ 62,630
Net carrying amount						
At January 1	$ -	$ 367,544	$ 343,114	$ 12,069	$ 1,016	$ 723,743
At December 31	$ -	$ 384,211	$ 374,149	$ 10,529	$ 908	$ 769,797

(IX) Lease transactions - lessee

1. The underlying assets of the Group's lease include lands, buildings, company vehicles and digital monitors. Except for the land lease contract duration of 32 years, the other lease contract durations are typically between 3 and 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

2. The low-value underlying asset of the Group's lease is classified under the office and other equipment.

3. The information on the carrying amount of the right-of-use asset and the recognized depreciation expense is as follows:

	December 31, 2025	December 31, 2024
	Book Value	Book Value
Land	$ 262,304	$ 284,635
Buildings	369	554
Transportation equipment	38	186
Information equipment	1,203	1,701
	$ 263,914	$ 287,076

	2025	2024
	Depreciation expense	Depreciation expense
Land	$ 10,531	$ 10,947
Buildings	185	185
Transportation equipment	148	148
Information equipment	498	498
	$ 11,362	$ 11,778

4. Profit or loss items in relation to lease contracts are as follows:

	2025	2024
Items that affect profit or loss		
Interest expense of lease liabilities	$ 7,365	$ 7,873
Expenses attributable to low-value assets	$ 711	$ 176

5. The Group's total cash used in lease contracts were NT$17,284 and NT$17,368 for the years ended December 31, 2025 and 2024 respectively.

6. Option of lease extension and option of lease termination

   During the determination of lease period, the Group considers all of the facts and conditions related to economic incentives that may be generated due to exercise of the option of extension. When a material event is assessed to occur due to the exercise of the option of extension or non-exercise of the option of termination, the lease period will be re-evaluated.

(X) Other non-current assets

	December 31, 2025	December 31, 2024
Long-term accounts receivable	$ 387,055	$ 397,055
Less: Allowance for bad debt	(387,055)	(397,055)
Subtotal	-	-
Refundable deposits	88	1,758
Prepayments on equipment	464,016	215,851
Others(Note)	8,725	-
Total	$ 472,829	$ 217,609

Note: Others include the prepayments on intangible assets NT$4,428.

1. With regard to the polycrystalline silicon wafer purchase and sale contract “Original Contract” and “Supplementary Agreement” between the Company and Jiangxi LDK Solar High-Tech Co., Ltd. (referred to as “LDK”), since both parties failed to reach a consensus on the unit price of polycrystalline silicon wafer, according to the terms and conditions of the “Original Contract”, the Company informed LDK that the Contract shall be terminated automatically on April 1, 2010 and requested LDK to return the prepayment of US$28,611 thousand (reclassified as long-term accounts receivable). With regard to the dispute over the “Original Contract” and “Supplementary Agreement”, LDK filed an arbitration proceeding with the Hong Kong International Arbitration Centre. The arbitration court was established on May 27, 2011 and made a ruling with the issuance of a final decision on June 11, 2013. For the claim filed by the Company against LDK and the claim filed by LDK against the Company, each party received one favorable judgment and one unfavorable judgment respectively. According to the result of the arbitration, the Company had not breached the “Original Contract” for the unpurchased remaining quantity; however, the Company should indemnify the loss for the unpurchased remaining quantity according to the “Supplementary Agreement” should pay the default fine for not providing IC wafer recovery material according to the “Original Contract” and should return the material recovery amount previously paid by LDK. The total amount of these three items was US$13,532 thousand, and the Company has recognized such amount under the other losses. In addition, regarding the payable amount of US$2,836 thousand to LDK originally credited under accounts payable and the aforementioned total amount of the three items of US$13,532 of the Company, after offsetting with the long-term accounts receivable of US$28,611 thousand of the Company from LDK, the prepayment required to be returned by LDK to the Company was US$12,243

thousand. Accordingly, for this case, the Company has retained an attorney to file a petition for compulsory execution with the Intermediate People's Court of Xinyu Municipality, Jiangxi Province, the People's Republic of China, and the Court has accepted the case and informed LDC to fulfill the obligation specified in the content of the final decision. On December 18, 2017, LDK' reorganizer informed the Company to receive the credit amount of RMB 2,093 thousand, and the Company may choose to receive payment in installments or in the form of shares. Based on the consideration of the timing of recovery such amount and the operational status of LDK, the Company has chosen the method of payment in the form of shares for LDK's debt. However, up to the present day, the Company has not received further notice from LDK, and LDK still refuses to assist the Company to understand relevant matters, such that the Company has not yet received the debt repayment from LDK. In addition to the legal action taken in China, the Company has also filed compulsory execution proceeding on the assets of LDK or creditor's right in order to protect the interest of the Company. Legal doubts related to compensation in this case, the Supreme Court believed that the Company had reasonable grounds for the appeal. At present, the Supreme Court reversed the original judgment and remanded the case, allowing the trial to proceed. As of the date of December 31, 2025, the Company has received a portion of LDK's debt in Taiwan.

2. After the Company evaluates and considers the possibility of recovering the long-term accounts receivable, the relevant full amount has been recognized as an impairment loss in 2017.

3. On June 13, 2025, the Group received NT$10,000 as a partial repayment of LDK's debt. Accordingly, the Group derecognized NT$10,000 of the related long-term receivables and the associated accumulated impairment, and recognized a reversal of impairment loss in the same amount.

(XI) Accounts payable

	December 31, 2025	December 31, 2024
Accounts payable	$ 135,438	$ 133,754
Estimated Accounts Payable	2,594	981
Total	$ 138,032	$ 134,735

(XII) Other payables

	December 31, 2025	December 31, 2024
Salary and bonus payable	$ 52,402	$ 33,182
Payables on equipment	49,843	47,381
Repair expenses payable	41,177	52,592
Utility expenses payable	27,318	25,911
Bonus for unused vacation payable	13,161	13,161
Profession service fees payable	4,832	3,951
Employees' compensation and directors' remuneration payable	-	12,548
Others	45,167	51,794
Total	$ 233,900	$ 240,520

(XIII) Other current liabilities

	December 31, 2025	December 31, 2024
Guaranteed deposits	$ 50,744	$ 123,476
Others	33,127	32,583
Total	$ 83,871	$ 156,059

(XIV) Other non-current liabilities

	December 31, 2025	December 31, 2024
Net defined benefit liabilities	$ -	$ 11,393
Guaranteed deposits	3,971	3,973
Total	$ 3,971	$ 15,366

(XV) Pension

1. (1) By adhering to the requirements set forth in the Labor Standards Act, the Company has established its own defined retirement benefits plan, which is applicable both to the service years of all regular employees rendered before the enforcement of the Labor Pension Act on July 1, 2005, and to the service years of all employees who elected to continue applying the Labor Standards Act after the implementation of the Labor Pension Act. Pensions for employees qualified for retirement are calculated based on their servicing years and their average salaries of the 6 months prior to their retirement. Two bases are given for each full year of service rendered within 15 years. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and

wages to the retirement fund deposited with Bank of Taiwan, under the name of the Labor Retirement Reserve Supervisory Committee.

(2) According to the requirements set forth in the Labor Standards Act and the Labor Pension Act, the Company reached an agreement with its employees and terminated the Old Pension Fund in July, 2025 with the Company obtained approval from the Department of Trusts, Bank of Taiwan on July 9, 2025. The Company recognized a pension settlement gain of $27,305 as other income –others. Please refer to Note 6(23).

(3) The amounts recognized in the balance sheets are determined as follows:

	December 31, 2024
Present value of defined benefit obligation	$ 34,364
Fair value of plan assets	(22,971)
Net defined benefit liabilities	$ 11,393

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

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
2024			
Balance as of January 1	$ 209,222	($ 195,823)	$ 13,399
Current service costs	110	-	110
Interest expense (income)	2,615	(2,525)	90
Settlement of gains and losses	15,680	(15,680)	-
	227,627	(214,028)	13,599
Remeasurement:			
Pension fund appropriated	-	(2,206)	(2,206)
Pension paid	(193,263)	193,263	-
Balance as of December 31	$ 34,364	($ 22,971)	$ 11,393

(5) 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 utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes a 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 utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less

than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than the aforementioned rates, the government shall make payment for the deficit after being authorized by the competent authority. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 Paragraph 142. The composition of fair value of plan assets as of December 31, 2024 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

2. (1) Since July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with the Republic of China nationality. Under the New Plan, the Company and its domestic subsidiaries 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.

   (2) The pension costs of the Group recognized according to the aforementioned pension regulations for the years ended December 31, 2025 and 2024 were NT$24,811 and NT$22,304 respectively.

(XVI) Share-based payments

1. The Group's share-based payment arrangements for 2025 and 2024 were as follows:

Type of agreement	Grant date	Fair value (NT$)	Quantity granted	Exercise price	Contract period	Vesting conditions
New restricted employee shares program (Note 1)	2023.12.11	34.65	1,000 thousand shares	10	3 years	(Note 2)
New restricted employee shares program (Note 1)	2024.06.12	32.25	295 thousand shares	10	3 years	(Note 2)
New restricted employee shares program (Note 1)	2025.06.18	22.5	205 thousand shares	10	3 years	(Note 2)

Note 1: The new restricted employee shares issued by the Company are prohibited from transfer during the vesting period; however, the voting rights are not restricted. When an employee resigns or is subject to death not to matters of occupational accidents before satisfying the vesting conditions, the Company will recover and cancel his/her shares at the issue price.

Note 2: For a portion of the new restricted employee shares, 30% of such shares are vested immediately after the year of service reaches one and two years from the grant date respectively. The rest of the 40% of the shares is vested after the year of services reaches three years. For an employee with the annual performance evaluation of any one year within the three years from the grant date failing to satisfy the performance criteria of the Company, the portion of the shares granted for that year but not yet vested are recovered and canceled at the issue price by the Company from such employee.

2. Details of the aforementioned share-based payment arrangements are as follows:

	2025 Number of shares (in thousands)	2024 Number of shares (in thousands)
Outstanding shares as of January 1	935	1,000
Shares issued in the current period (Note)	295	295
Shares retired in the current period	(72)	(60)
Shares vested in the current period	(353)	(300)
Outstanding shares as of December 31	715	935

Note: The fair value of employee restricted shares granted at the grant date is measured based on the closing price of the stocks on June 18, 2025.

3. Expenses incurred by share-based payment transactions were as follows:

	2025	2024
Equity settlement	$ 8,701	$ 15,543

(XVII) Share capital

1. As of December 31, 2025, the Company’s authorized capital was $40,000,000, consisting of 4,000,000 thousand shares of ordinary stocks (including 100,000 thousand shares reserved for employee stock options), and the paid-in capital was $1,575,247 with a par value of 10 NT dollar per share. All proceeds for share subscription were collected in full.

   Adjustments in the number of the Company’s ordinary shares outstanding (unit: thousand shares) are as follows:

	2025	2024
January 1	157,391	157,156
Issuance of new restricted employee shares	205	295
Retirement of new restricted employee shares	(72)	(60)
December 31	157,524	157,391

2. According to the resolutions of the board of directors of the Company dated May 6, 2025 and April 29, 2024, the number of new restricted employee shares approved for issuance was 205,000 and 295,000 shares, respectively. The new shares issuance base dates were June 18, 2025 and June 12, 2024 with the subscription price of NT$10 per share. The rights and obligations of the present issuance of ordinary shares expect for the restricted shares transfer rights of employees satisfying the vesting conditions, was the same as the other issued ordinary shares.

(XVIII) Capital surplus

According to the Company Act, capital surplus arising from shares issued at a premium or from donation may be used for offsetting deficit. Furthermore, if the Company has no accumulated loss, the capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original shareholding percentage. According to the Securities and Exchange Act, when the above-mentioned capital surplus is used for capitalization, the total amount every year shall not exceed 10% of the paid-in capital. The Company may use capital surplus to offset loss only when the amount of reserves is insufficient to offset the loss.

	2025					
	Share premium	New restricted employee shares	Donated assets – shares	Difference between actual price of subsidiary equity acquired and the carrying value	Others	Total
January 1	$543,840	$ 22,484	$ 3	$ 19,423	$14,180	$599,930
Issuance of new restricted employee shares	-	2,562	-	-	-	2,562
New restricted employee shares vested	8,520	(8,520)	-	-	-	-
Retirement of new restricted employee shares	-	(1,410)	-	-	-	(1,410)
December 31	$552,360	$ 15,116	$ 3	$ 19,423	$14,180	$601,082

	2024					
	Share premium	New restricted employee shares	Donated assets – shares	Difference between actual price of subsidiary equity acquired and the carrying value	Others	Total
January 1	$536,445	$ 24,650	$ 3	$ 19,423	$14,180	$594,701
Issuance of new restricted employee shares	-	6,564	-	-	-	6,564
New restricted employee shares vested	7,395	(7,395)	-	-	-	-
Retirement of new restricted employee shares	-	(1,335)	-	-	-	(1,335)
December 31	$543,840	$ 22,484	$ 3	$ 19,423	$14,180	$599,930

(XIX) Retained earnings

1. According to the Company Act 228-1 and the Articles of Incorporation of the Company, specifying that the Company may perform earnings distribution or deficit compensation

at the end of the period semi-annually. However, during the earnings distribution, taxes payable shall be estimated and reserved in advance, and deficit shall be compensated and legal reserve shall be reserved, and the legal reserve has reached the total capital, such restriction shall not be applied. When there is surplus earning after the final account of a fiscal year, the following shall be appropriated sequentially:

(1) Appropriate amount for tax payment.

(2) Compensate accumulated losses.

(3) Appropriate 10% as the legal reserve. (However, when the legal reserve has reached the total capital, such restriction shall not be applied)

(4) Appropriate or reverse special reserve according relevant laws and regulations.

(5) Remaining amount is combined with the accumulated unappropriated earnings from the previous year, and the board of directors then establishes a proposal for distribution of earnings for submission to the shareholders' meeting for resolution on the distribution.

2. The Company's dividend policy is as follows:

(1) The earnings distributed shall not be less than 30% of the net income after tax of the current year after the deficit compensation and after the deduction of legal reserve and special reserve required for appropriation, following which the distribution may be made in the form of cash dividends or share dividends. The Company is in the high-tech industry of high capital and technology intensity, and the industry also continues to grow significantly in a long term, such that the capital demand is great. Accordingly, the Company's dividend policy primarily considers the future capital budget planning and future capital demand measurement of the Company, in order to determine the ratio of the cash dividends and share dividends, and the ratio of the cash dividends shall not be less than 10% of the total dividends.

(2) When the Company has no surplus earnings, no dividends and bonus may be distributed. However, based on the consideration of the factors of finance, business, operation aspect, capital structure and various reserves, the Company may distribute all or a portion of the capital surplus.

(3) If carried out in the form of cash payment, it shall be authorized by a resolution passed by a two-thirds majority of the directors present at the meeting, with a quorum of more than half of the directors present, and shall be reported to the shareholders' meeting.

(4) When the company has no loss, it may distribute legal reserve (the portion in excess of 25% of the Company's paid-in capital) and all or a portion of the capital surplus by

cash in proportion to the number of shares being held by each of the shareholders, and shall be authorized by a resolution passed by a two-thirds majority of the directors present at the meeting, with a quorum of more than half of the directors present, and shall be reported to the shareholders' meeting.

3. Except being used to make up previous deficits or appropriate shares or cash to shareholders in proportion to their shareholding percentage, the legal reserve shall not be used. However, the amount of legal reserves used to appropriate new shares or cash shall be limited to the portion exceeding 25% of the paid-in capital.
4. According to law, the Company may appropriate earnings only after it has provided special reserve equivalent to the net debit balance of other equity on the balance sheet date. If subsequently the debit balance of other equity is reversed, the reversed amount may be used as appropriable earnings.
5. On May 23, 2024, the shareholders' meeting approved the Company's 2023 deficit compensation.
6. The 2024 earnings distribution proposal of the Company according to the resolution of the board of directions is as follows:

	2024
Date of board resolution	February 20, 2025
Legal reserve	$ 9,085
Special reserve	$ 13,828
Cash dividends	$ 47,218
Cash dividend per share (NT$)	$ 0.3

The aforementioned 2024 earnings distribution had approved by the shareholders' meetings held on May 22, 2025. The information of the actual payout is available for inquiry on the Market Observation Post System website.

7. On February 12, 2026, the shareholders' meeting approved the Company's 2025 deficit compensation.

(XX) Other equity items

	Unrealized valuation gains (losses)	Unearned compensation of employees	Total
January 1, 2025	($ 94,655)	($ 13,138)	($ 107,793)
Financial assets at fair value through other comprehensive income - valuation adjustments	9,542	-	9,542
Issuance of new restricted employee shares	-	(2,562)	(2,562)
Retirement of new restricted employee shares	-	1,410	1,410
Share-based compensation costs	-	8,701	8,701
December 31, 2025	($ 85,113)	($ 5,589)	($ 90,702)

	Unrealized valuation gains (losses)	Unearned compensation of employees	Total
January 1, 2024	($ 86,292)	($ 23,452)	($ 109,744)
Financial assets at fair value through other comprehensive income - valuation adjustments	(8,363)	-	(8,363)
Issuance of new restricted employee shares	-	(6,564)	(6,564)
Retirement of new restricted employee shares	-	1,335	1,335
Share-based compensation costs	-	15,543	15,543
December 31, 2024	($ 94,655)	($ 13,138)	($ 107,793)

(XXI) Operating revenue

	2025	2024
Revenue from contracts with customers	$ 2,037,211	$ 1,893,958

1. Disaggregation of revenue from customer contracts with customers

The revenue of the Group can be classified into the following geographical areas:

2025	Taiwan	Asia	Europe	Americas	Total
Segment revenue	$1,490,045	$ 454,215	$ 132,660	$ 5,267	$2,082,187
Revenue from internal segment transactions	(44,976)	-	-	-	(44,976)
Revenue from external customer contracts	$1,445,069	$ 454,215	$ 132,660	$ 5,267	$2,037,211

2024	Taiwan	Asia	Europe	Americas	Total
Segment revenue	$1,419,986	$ 447,305	$ 72,661	$ 3,148	$1,943,100
Revenue from internal segment transactions	(49,142)	-	-	-	(49,142)
Revenue from external customer contracts	$1,370,844	$ 447,305	$ 72,661	$ 3,148	$1,893,958

2. Contract liabilities

(1) Contract liabilities related to customer contract revenue recognized by the Group are as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities			
Foundry service revenue	$ 13,853	$ 9,060	$ 13,723
Sales of goods	66	-	774
	$ 13,919	$ 9,060	$ 14,497

(2) Contract liabilities at the beginning of the current period recognized as revenue in the current period

	2025	2024
Balance of contract liabilities at the beginning of the current period recognized as:		
Foundry service revenue	$ 6,936	$ 10,212

(XXII) Interest income

	2025	2024
Interest income from bank deposits	$ 9,050	$ 24,392
Interest income from financial assets at amortized cost	4 904	6 004
Total	$ 13,954	$ 30,396

(XXIII) Other income

	2025	2024
Rental income	$ 197	$ 196
Dividend income	-	7
Other income -others	28,681	924
Total	$ 28,878	$ 1,127

(XXIV) Other gains and losses

	2025	2024
Net foreign exchange gains (losses)	($ 35,004)	$ 34,664
Gain (loss) on disposal or retirement of property, plant and equipment	(468)	5,730
Reversal of impairment loss	10,000	-
Other losses	(2)	(18,180)
Total	($ 25,474)	$ 22,214

(XXV) Financial costs

Interest expense	2025	2024
Lease liabilities	$ 7,365	$ 7,873
Bank loan	113	-
Total	$ 7,478	$ 7,873

(XXVI) Additional information on the nature of expenses

	2025	2024
Employee benefit expense	$ 702,953	$ 663,416
Property, plant and equipment depreciation expense	$ 103,513	$ 80,044
Right-of-use assets depreciation expense	$ 11,362	$ 11,778
Intangible assets amortization expense	$ 5,528	$ 316

(XXVII) Employee benefit expense

	2025	2024
Salary expense	$ 585,901	$ 546,712
Employee stock options	8,701	15,543
Labor and health insurance expense	54,995	49,554
Pension expense	24,811	22,504
Other personnel expense	28,545	29,103
Total	$ 702,953	$ 663,416

1. According to the modification of the Articles of Incorporation of the Company, the Company shall appropriate no higher than 3% for directors' remuneration and no less than 5% for employees' compensation, if the Company generates profit. The employees' compensation may be made in the form of shares or cash, and the distribution subject may include the Company's employees and employees of controlled or subordinate companies, who meet the certain conditions, according to the law. The board of directors shall determine the distribution ratio of the employees' compensation of the current year through resolution and report to the shareholders' meeting. For the determination of the distribution ratio of remuneration of directors of the current year, the Remuneration Committee shall submit proposal to the board of directors for resolution. However, when the Company still has accumulated deficits, amount shall be reserved for making up the accumulated deficits first.
2. Based on net loss in 2025, the Company did not estimate the employees' compensation and the remuneration of directors for the current year.

3. For 2024, the employees' compensation by the Company amounted to NT$10,323; the remuneration of directors by the Company amounted to NT$2,065 have been inclued in the salary expenses.

4. The Company's the employees' compensation and the remuneration of directors for 2024 were NT$10,323 and NT$2,065, respectively, which were approved by the board of directors, and were consistent with the consolidated financial statements as of December 31, 2024.

5. Relevant information on the employees' compensation and directors' remuneration of the Company as resolved by the board of directors is available on the Market Observation Post System" (MOPS) website for inquiries.

(XXVIII) Income tax

1. Income tax (income) expense

(1) Income tax components:

	2025	2024
Current income tax:		
Prior year income tax overestimation	$ -	($ 9)
Tax on undistributed earnings	53	-
Total current income tax	53	(9)
Deferred income tax total	-	-
Income tax (income) expense	$ 53	($ 9)

(2) Income tax associates with other comprehensive income: None.

(3) Income tax directly debited or credited in equity: None.

2. Reconciliation between income tax (income) expense and accounting profit

	2025	2024
Tax calculated based on income (loss) before tax at the statutory rate (Note)	($ 14,297)	$ 20,500
Income (expenses) not to be recognized according to tax law	(1,380)	(2,433)
Temporary difference not recognized as deferred income tax assets/ liabilities	719	2,923
Changes in assessment of realizability of temporary differences	(6,803)	(16,265)
Tax loss not recognized as deferred income tax assets	23,032	4,208
Changes in assessment of realizability of tax loss	-	(7,231)
Additional income tax for undistributed earnings	53	-
Prior year income tax overestimation	-	(9)
Income tax effects of applicable tax rate difference among group	(1,271)	(1,702)
Income tax (income) expense	$ 53	($ 9)

Note: The basis of applicable tax rate was calculated based on the tax rate applicable to the parent company.

3. Valid period of tax loss unused and relevant amounts of unrecognised deferred tax assets for the Group are as follows:

December 31, 2025				
Year of loss	Declared value/approved value	Undeducted amount	Unrecognized deferred tax asset amount	Expiry date
2016	$ 291,650	$ 291,650	$ 291,650	2026
2017	151,786	151,786	151,786	2027
2019	374,779	374,779	374,779	2029
2020	881	881	881	2030
2021	274,492	274,492	274,492	2031
2023	177,826	177,826	177,826	2033
2024	21,042	21,042	21,042	2034
2025	115,158	115,158	115,158	2035
	$ 1,407,614	$ 1,407,614	$ 1,407,614	

Year of loss	December 31, 2024 Declared value/approved value	Undeducted amount	Unrecognized deferred tax asset amount	Expiry date
2015	$ 775,854	$ 775,854	$ 775,854	2025
2016	389,584	389,584	389,584	2026
2017	151,786	151,786	151,786	2027
2019	395,294	395,294	395,294	2029
2020	881	881	881	2030
2021	274,492	274,492	274,492	2031
2023	177,281	177,281	177,281	2033
2024	21,042	21,042	21,042	2034
	$ 2,183,214	$ 2,183,214	$ 2,183,214	

4. Amounts of deductible temporary differences unrecognized as deferred tax assets

	December 31, 2025	December 31, 2024
Deductible temporary differences	$ 366,366	$ 434,920

5. The Company’s tax returns has been approved by the taxation authority through 2023.

(XXIX) Earnings per share (EPS)

	2025 After-tax amount	Weighted average number of ordinary shares outstanding (shares in thousands)	Losses per share (EPS) (NT$)
Basic and diluted earnings per share			
Net (loss) attributable to shareholders of common shares	($ 76,983)	156,512	($ 0.49)

	2024		
	After-tax amount	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (EPS) (NT$)
Basic earnings per share			
Net income attributable to shareholders of common shares	$ 90,849	156,174	$ 0.58
Diluted earnings per share			
Net income attributable to shareholders of common shares	$ 90,849	156,174	
Employee restricted shares	-	494	
Employees' compensation	-	326	
Net income attributable to shareholders of common shares	$ 90,849	156,994	$ 0.58

The employees' compensation and new restricted employee shares of the Company had an anti-dilution effect and should not be included in the calculation of diluted earnings per share for 2025.

(XXX) Additional Information on cash flows

1. Investing activities partially involving cash payments:

	2025	2024
Acquisition of property, plant, and equipment (including reclassification)	$ 179,131	$ 126,648
Add: Prepayments on equipment at end of period	464,016	215,851
Less: Prepayments on equipment at beginning of period	(215,851)	(121,453)
Add: Opening balance of payable on equipment	47,381	27,046
Less: Ending balance of payable on equipment	(49,843)	(47,381)
Cash paid in the current period	$ 424,834	$ 200,711

	2025	2024
Acquisition of Intangible assets	$ 8,813	$ 398
Add: Prepayments on Intangible assets (recognized as other non-current assets)	4,428	-
Cash paid in the current period	$ 13,241	$ 398

(XXXI) Changes in liabilities arising from financing activities

	2025		
	Guaranteed deposits	Lease liabilities	Total liabilities from financing activities
January 1	$ 127,449	$ 306,133	$ 433,582
Changes in cash flows from financing activities	(72,734)	(16,573)	(89,307)
Other non-monetary changes	-	(4,435)	(4,435)
December 31	$ 54,715	$ 285,125	$ 339,840

	2024		
	Guaranteed deposits	Lease liabilities	Total liabilities from financing activities
January 1	$ 346,239	$ 315,452	$ 661,691
Changes in cash flows from financing activities	(218,790)	(17,192)	(235,982)
Other non-monetary changes	-	7,873	7,873
December 31	$ 127,449	$ 306,133	$ 433,582

VII. Related Party Transactions

(I) Name and relationship of related party

Name of related party	Relationship with the Group
Actron Technology Corporation	The parent company
GlobalWafers Co., Ltd	The subsidiary of Sino-American Silicon Product Inc.

(II) Significant transactions with related parties

1. Operating revenue

	2025	2024
Operating revenue:		
Actron Technology Corporation	$ 766,615	$ 755,323

The transaction price of product sales has no material difference from the payment collection terms and non-related parties.

2. Purchase

	2025	2024
GlobalWafers Co., Ltd	$ 159,663	$ 189,898
Actron Technology Corporation	-	19,562
Total	$ 159,663	$ 209,460

The purchases from related parties were conducted on normal commercial terms and conditions.

3. Receivables from related party

	December 31, 2025	December 31, 2024
Accounts receivable:		
Actron Technology Corporation	$ 81,024	$ 101,006
Less: Allowance for bad debts.	-	(12)
Total	$ 81,024	$ 100,994

The receivables from related parties are mainly from the sales, and the amounts for the sales transactions are due in 30 days after the sales date. Such amount of the receivables has no pledge and interest payment.

4. Payables from related party

	December 31, 2025	December 31, 2024
Accounts payable:		
GlobalWafers Co., Ltd	$ 27,557	$ 41,270
Other Payable:		
GlobalWafers Co., Ltd.	2,772	-
Actron Technology Corporation	1	-
Total	$ 30,330	$ 41,270

The payables to related parties mainly arise from the purchase transactions and are due in one to two months after the purchase date. The payables bear no interest.

5. Others

Research and development material	December 31, 2025	December 31, 2024
GlobalWafers Co., Ltd	$ 3,161	$ 360

(III) Key management remuneration information

	2025	2024
Short-term employee benefits	$ 22,593	$ 19,105
Share-based payments	1,777	2,367
	$ 24,370	$ 21,472

VIII. Pledged Assets

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

	Book value		
Asset item	December 31, 2025	December 31, 2024	Purpose of collateral
Time deposits (listed in "financial assets at amortized cost - non-current")	$ 17,907	$ 17,907	Customs clearance and rent guarantee

IX. Significant Contingent Liabilities and Unrecognized Commitments

(I) Contingencies

None.

(II) Commitments

1. The material purchase contracts signed between the Company and the following companies are summarized as follows:

Party	Contract period	Summary
S Company	August 2008～ December 2016	S Company, according to the price specified in the original contract, shall guarantee to supply solar silicon wafers of a total quantity of 121,5000 (thousand pieces) to the Company during the contract period, and the Company shall pay a certain amount as the deposit according to the original contract requirements. However, both parties have not yet reached a consensus on the alternative solution for the transaction mode up to the date of February 12, 2025. Up to the date of December 31, 2025, the Company has made prepayments of US$112 thousand (NT$3,573 thousand) and NT$54,845 thousand, and the accumulated loss recognized is NT$58,418 thousand. In addition, in view of the fact that the current condition of the solar power industry is different from the market condition at the time of contract signing, both parties have terminated the performance of relevant order placement and deposit payment.

2. The Company has signed the foundry service production capacity guarantee contracts with some of the customers, in order to provide specific production capacity to such customers according to the contract terms and conditions between both parties.

3. Up to the date of December 31, 2025, the capital expenditure amount for the contracts signed but not yet take place was NT$119,408.

X. Losses Due to Major Disasters

None.

XI. Significant Subsequent Events

The 2025 deficit compensation of the Company was approved by the board of directors through resolution on February 12, 2026. Please refer to Note 6(19) for details.

XII. Others

(I) Capital management

The Company shall maintain sufficient capital to establish and expand production capacity and equipment. Based on the consideration of the characteristic of economic cycle and fluctuation of the semiconductor Industry, the capital management objective of the Company is to ensure that the Company has sufficient and necessary financial resources in order to satisfy the working capital demand, capital asset purchases, capital asset purchases, dividend payments, debt service requirements and other business needs for future period.

(II) Financial Instruments

1. Category of financial instrument

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at fair value through other comprehensive income		
Designated investment in equity instruments selected	$ 18,090	$ 8,548
Financial assets measured at amortized cost		
Cash and cash equivalents	838,162	891,333
Financial assets at amortized cost	68,907	479,313
Accounts receivable (including related party)	301,119	348,006
Other receivables	1,794	717
Refundable deposits	88	1,758
	$ 1,228,160	$ 1,729,675

	December 31, 2025	December 31, 2024
Financial liabilities		
Financial liabilities measured at amortized cost		
Notes payable	$ 7	$ 7
Accounts payable (including related party)	165,589	176,005
Other payables (including related party)	236,673	240,520
Guaranteed deposits	54,715	127,449
	$ 456,984	$ 543,981
Lease liabilities	$ 285,125	$ 306,133

2. Financial risk management policies

(1) The Group's daily operations are affected by various financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. In addition, the Company performs the identification, measurement and management of the aforementioned risks according to the policy and risk appetite. For the financial risk management, the Group has established appropriate policy, procedure and internal control according to relevant regulations. All key financial activities are reviewed by the board of directors against relevant regulations and the internal control system. During the financial management activity implementation period, the Group shall comply with relevant rules for financial risk management established.

(2) To reduce and to management relevant financial risks, the Group is committed to the analysis, identification and evaluation of relevant financial risk factors and possible unfavorable impacts on the finance of the Group. In addition, relevant response solutions are proposed in order to avoid unfavorable factors arising from the financial risk.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange risk

A. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Group used in various functional currency, primarily with respect to the USD, CNY, JPY, HKD and EUR. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

B. The Group's management has formulated relevant policy to require entities within the Group to manage the foreign exchange risk associated with their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the financial department of the Group.

C. The Group's businesses involve some non-functional currencies (functional currency of the Group is NTD), such that it can be affected by the exchange rate fluctuation. The information on assets and liabilities denominated in foreign currencies whose values are materially affected by the exchange rate fluctuations is as follows:

	December 31, 2025		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 16,275	31.430	$ 511,523
CNY : NTD	274	4.496	1,232
Financial liabilities			
Monetary items			
USD : NTD	3,410	31.430	107,176
JPY : NTD	11,534	0.2008	2,316

	December 31, 2024		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 18,091	32.785	$ 593,113
JPY : NTD	41,512	0.2099	8,713
HKD : NTD	761	4.222	3,213
EUR : NTD	1,073	34.140	36,632
Financial liabilities			
Monetary items			
USD : NTD	5,916	32.785	193,956

D. 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 NT$(35,004) and NT$34,664, respectively.

E. Analysis of foreign exchange risk of the Group arising from significant foreign exchange rate fluctuation is as follows:

	2025		
	Sensitivity analysis		
	Change percentage	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	5%	$ 25,576	$ -
CNY : NTD	5%	62	-
Financial liabilities			
Monetary items			
USD : NTD	5%	(5,359)	-
JPY : NTD	5%	(116)	-

	2024		
	Sensitivity analysis		
	Change percentage	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	5%	$ 29,656	$ -
JPY : NTD	5%	436	-
HKD : NTD	5%	161	-
EUR : NTD	5%	1,832	-
Financial liabilities			
Monetary items			
USD : NTD	5%	(9,698)	-

Price risk

A. The Group is exposed to equity instrument price risk because of the financial assets measured at fair value through other comprehensive income held. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

B. The Group mainly invests in equity instruments issued by a domestic or foreign company. The price of such equity instruments can be affected by changes in future value of their investment targets. If the prices of these equity instruments had increased/decreased by 10% with all other variables held constant, profit or loss for the years ended December 31, 2025 and 2024 would have increased/decreased by NT$1,809 and NT$855 respectively, as a result of gains or losses classified as equity investment measured at fair value through other comprehensive income.

(2) Credit risk

A. The Group's credit risk refers to the risk of financial loss to the Group arising from default by the clients or transaction counterparties of financial instruments on the contract obligations. Such risk is mainly due to the counterparties cannot repay the accounts payable according to the payment terms, and it is classified as the contract cash flows at amortized cost.

B. The Group establishes a framework for managing credit risks from a group's perspective. For corresponding banks and financial institutions, the Company set up to only accept transaction counterparties receiving the good credit raking independently. As the internal credit approval policy stipulates, an operating entity within the Group shall manage and analyze the credit risk of a new client before proposing terms and conditions pertaining to payments and delivery of goods. Internal risk control is achieved by evaluating a client's credit quality against the client's financial position, credit records, and other factors. Individual risk limits are set based on internal rating of the Group, and the utilization of credit limits is regularly monitored.

C. Credit risk impairment loss evaluation of financial assets measured at amortized cost:

a. The Group adopts IFRS 9 to provide preliminary assumption, and when the payment specified according to the contract term has exceeded 90 days, breach of contract is deemed to have occurred.

b. The Group applies the following presumption of IFRS 9 and deems that the credit risk of financial assets has significantly increased after initial recognition when the receivables obliged by the contractual terms are 30 days past due.

c. The Group has included future prospective considerations to adjust the historical and actual information, and also considers the credit rating of the issuance bank in order to estimate the expected credit loss.

d. The financial assets measured at amortized cost held by the Group refer to time deposits and restricted time deposits at banks, and the credit ratings of such banks are good without the occurrence of overdue in the past. In addition, based on the consideration that there is no material change to the overall economic environment, the probability of credit loss risk is evaluated to be extremely low, such that it has no material impact on the amount of the financial statements.

D. Credit risk impairment loss evaluation of accounts receivable:

a. The Group classifies accounts receivable due from clients by the characteristics of their ratings, and adopts the simplified approach that measures expected credit losses based on the preparation matrix.

b. By including the forward-looking consideration, the Group adjusts the expected credit loss rate that was established based on historical or present information, so as to estimate loss ratio method of the loss allowance for the accounts receivable, as of December 31, 2025 and 2024, as follows:

	Not past due	30 days past due	31~90 days past due	91~120 days past due	Over 120 days past due	Total
December 31, 2025						
Expected loss ratio	0%	0%	1%	1%	1%	
Total book value	$ 293,004	$ 321	$ 7,873	$ -	$ -	$ 301,198
Loss allowance	$ -	$ -	$ 79	$ -	$ -	$ 79

	Not past due	30 days past due	31~90 days past due	91~120 days past due	Over 120 days past due	Total
December 31, 2024						
Expected loss ratio	0%	0%	1%	1%	1%	
Total book value	$ 340,904	$ 2,267	$ 1,343	$ 2,999	$ 542	$ 348,055
Loss allowance	$ -	$ -	$ 14	$ 30	$ 5	$ 49

c. The Group adopts a simplified method in which the loss allowance for the accounts receivable is shown as follows:

	2025	2024
January 1	$ 49	$ 182
Provision (Reversal) for impairment loss	30	(133)
December 31	$ 79	$ 49

(3) Liquidity risk

A. Cash flows forecast is done by each operating entity; the Financial Department of the Group is responsible only for summarizing the results. The financial department of the Group monitors rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, in order to prevent the Group from breaching relevant borrowing limits or terms.

B. The table below listed the Group's non-derivative financial liabilities. They were analyzed for the residual duration between the balance sheet date and the contract maturity date. The table below disclosed the contractual cash flows not discounted.

Non-derivative financial liabilities:						
December 31, 2025	Less than 1 year	1~2 years	2~3 years	3~5 years	Over 5 years	Total
Notes payable	$ 7	$ -	$ -	$ -	$ -	$ 7
Accounts payable (including related party)	165,589	-	-	-	-	165,589
Other payables (including related party)	236,673	-	-	-	-	236,673
Lease liabilities	15,954	15,556	15,359	30,718	307,182	384,769
Guarantee deposits	50,744	65	24	9	3,873	54,715

Non-derivative financial liabilities:						
December 31, 2024	Less than 1 year	1~2 years	2~3 years	3~5 years	Over 5 years	Total
Notes payable	$ 7	$ -	$ -	$ -	$ -	$ 7
Accounts payable (including related party)	176,005	-	-	-	-	176,005
Other payables (including related party)	240,520	-	-	-	-	240,520
Lease liabilities	17,191	16,572	16,175	31,995	335,532	417,465
Guarantee deposits	123,476	66	24	9	3,874	127,449

(III) Information on fair value

1. Below are the definitions assigned to each level of valuation technique used to measure the fair value of financial and non-financial instruments.

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. The fair value of the Group's investment in listed shares is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

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

2. Financial instruments not measured at fair values

The carrying amounts of the cash and cash equivalents, financial assets measured at amortized cost, accounts receivable, other receivables, refundable deposits, notes payable, accounts payable and other payables are approximate to the reasonably close values of fair values.

3. Financial and non-financial assets measured at fair value are classified by the Group according to the nature, characteristic, risk, and fair value level of the assets and liabilities, and relevant information is stated as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through other comprehensive income				
Unlisted stocks	$ -	$ -	$ 18,090	$ 18,090

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through other comprehensive income				
Unlisted stocks	$ -	$ -	$ 8,548	$ 8,548

4. The techniques and assumptions used by the Group to measure fair value are stated as follows:

(1) The fair value of other financial instruments of the Group is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured using valuation techniques can be referred to as the current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including those calculated by applying a model using market information available at the consolidated balance sheet date.

(2) Outputs from the valuation models are estimates and valuation techniques may not be

able to reflect all relevant factors of the financial and non-financial instruments held by the Group. Consequently, the estimated value of the valuation model is adjusted appropriately according to the additional parameters. 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 in the consolidated balance sheets. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

5. For 2025 and 2024, there was no transfer between Level 1 and Level 2.

6. The following table shows the change of Level 3 equity instruments for 2025 and 2024.

	2025	2024
January 1	$ 8,548	$ 16,911
Valuation adjustment	9,542	(8,363)
December 31	$ 18,090	$ 8,548

7. Valuation process regarding fair value Level 3 is conducted by the Group's financial department, which conducts an independent fair value verification though use of independent data source in order to make the valuation results close to market conditions, and to review periodically, thereby ensuring a reasonable valuation result.

8. The significant non-observable input value quantified information and significant non-observable input value change sensitivity analysis for the valuation model used in relation to the Level 3 fair value measurements are as follows:

	Fair value at December 31, 2025	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted stocks	$ 18,090	Public company comparables	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2024	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted stocks s	$ 8,548	Public company comparables	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value

9. The Group elects to adopt valuation models and valuation parameters under prudential consideration. Nonetheless, this does not preclude the differences arising from adoption of different valuation models or parameters. If valuation parameters change, financial assets classified as Level 3 will have effects on the profit/loss or other comprehensive income, stated as follows:

			December 31, 2025			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Inputs	Changes	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets						
Equity instruments	Discount for lack of marketability	± 10%	$ -	$ -	$ 2,584	($ 2,584)

			December 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Inputs	Changes	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets						
Equity instruments	Discount for lack of marketability	± 10%	$ -	$ -	$ 1,221	($ 1,221)

XIII. Additional Disclosures

(IV) Information on Significant Transactions

1. Financing provided to others: None
2. Endorsements/guarantees provided to others: None
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliated companies, and the control portion in a joint venture): Please refer to Table 1.
4. Transaction with related party reaching NT$100 million or 20% of paid-in capital or more: Please refer to Table 2.
5. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.
6. Business relationship, significant transactions, and significant transaction amount between parent and subsidiaries, or among subsidiaries: Please refer to Table 3.

(V) Information on Investees

Names, locations and other information of investee companies (excluding those in Mainland China): Please refer to Table 4.

(VI) Information on investments in Mainland China

None.

XIV. Operating Segment Information

(I) General Information

The primary operating activities of the Group include research, design, development, testing, manufacturing, sales of integrated circuits and solar power generation systems and general investments. The segments of the Group include a total of three segments required for reporting of the wafer industry, solar power industry and professional investments.

(II) Information on segment profit or loss

Information on reportable segment provided to the main operating decision makers:

2025	Wafer industry	Solar power industry	Professional investments	Total
Segment revenue	$ 2,082,021	$ 166	$ -	$ 2,082,187
Revenue from internal segments	(44,976)	-	-	(44,976)
Revenue from external	$ 2,037,045	$ 166	$ -	$ 2,037,211
Segment profits or losses	($ 94,011)	$ 10,055	$ 6,831	($ 77,125)
Segment assets	$ 3,133,017	$ 814	$ 14,759	$ 3,148,590
Segment liabilities	$ 791,298	$ -	$ 10	$ 791,308

2024	Wafer industry	Solar power industry	Professional investments	Total
Segment revenue	$1,942,912	$ 188	$ -	$1,943,100
Revenue from internal segments	(49,142)	-	-	(49,142)
Revenue from external	$1,893,770	$ 188	$ -	$1,893,958
Segment profits or losses	$ 81,716	$ 77	$ 9,391	$ 91,184
Segment assets	$ 3,181,816	$ 909	$ 182,477	$ 3,365,202
Segment liabilities	$ 902,272	$ -	$ 878	$ 903,150

(III) Reconciliation of segment profit or loss

Since the total segment profit or loss measured was consistent with the net Income before tax of the financial statements of the Group, no reconciliation was required.

(IV) Information on product and labor type

Revenue balance component detail is as follows:

	2025	2024
Revenue from wafer industry	$ 2,037,045	$ 1,893,770
Revenue from solar cells	166	188
Total	$ 2,037,211	$ 1,893,958

(V) Information by regions

The information by regions of the Group for 2025 and 2024 is as follows:

	2025		2024	
	Reveune	Non-current assets	Reveune	Non-current assets
Taiwan	$ 1,445,069	$ 1,585,875	$ 1,370,844	$ 1,273,712
Asia	454,215	-	447,305	-
Europe	132,660	-	72,661	-
Americas	5,267	-	3,148	-
Total	$ 2,037,211	$ 1,585,875	$ 1,893,958	$ 1,273,712

(VI) Information on major customers

The information on major customers of the Group for 2025 and 2024 is as follows:

	2025	2024
	Revenue	Revenue
C	$ 766,615	$ 755,323
B	362,124	279,274

Mosel Vitelic Inc. and Subsidiaries

Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Affiliated Enterprises, and the Control Portion in a Joint Venture)

For the Year Ended December 31, 2025

Table 1

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

Holding company name	Marketable securities type and name	Relationship with the issuer	Financial statement account	End of period				Remarks
				Number of shares	Carrying amount	Shareholding percentage	Fair value	
Mosel Vitelic Inc.	ProMOS Technologies Inc. (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	635,713	$ 16,285	1.41	$ 16,285	
Mosel Vitelic Inc.	Pacific Resources Corporation (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	36,563	1,799	4.88	1,799	
Mosel Vitelic Inc.	Harbinger III Venture Capital Corp. (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	560	6	0.56	6	

Mosel Vitelic Inc. and Subsidiaries

Total purchases from or sales to the related party reaching NT$100 million or 20% of paid-in capital or more

For the Year Ended December 31, 2025

Table 2

(In Thousands of New Taiwan Dollars, Unless otherwise specified)

				Transaction Details			Abnormal Transaction and Reason		Notes, accounts receivable (payable)		
Company of purchase (sales)	Transaction party name	Relationship	Purchase (Sale)	Amount	Percentage of total purchase (sale)	Credit period	Unit price	Credit period	Balance	Percentage of total notes/ accounts receivable (payable)	Remarks
Mosel Vitelic Inc.	Actron Technology Corporation	Parent compamy	Sales	($ 766,615)	(37.63%)	Net 30 days	Not applicable	Not applicable	$ 81,024	26.91%	
Mosel Vitelic Inc.	GlobalWafers Co., Ltd.	Subsidiary of Sino-American Silicon Product Inc	Purchases	159,663	22.89%	Net 60 days	Not applicable	Not applicable	(27,557)	16.64%	

Mosel Vitelic Inc. and Subsidiaries

The Business Relationship, Significant Transactions, and Significant Transaction Amount between Parent and Subsidiaries, or among Subsidiaries

For the Year Ended December 31, 2025

Table 3

(In Thousands of New Taiwan Dollars,

Unless otherwise specified)

No. (Note 1)	Name of transaction party	Transaction party	Relationship with transaction party (Note 2)	Transaction status: Item	Transaction status: Amount	Transaction status: Transaction terms	Transaction status: Percentage of consolidated total revenue or total assets (Note 3)
0	Mosel Vitelic Inc.	DenMOS Technology Inc.	1	Accounts receivable	$ 7,688	According to general sales conditions	0.24%
0	Mosel Vitelic Inc.	DenMOS Technology Inc.	1	Sales revenue	44,976	According to general sales conditions	2.21%

Note 1: The business dealing information between the parent company and subsidiary shall be respectively indicated in the numbering column, and the number filling method is as follows:

(1) Fill in “0” for the parent company.

(2) Subsidiaries are listed in sequential order starting from Arabic number of “1”

Note 2: There are three types of relationship with the transaction counterparty as follows, and only type is required to be indicated (if it refers to the same transaction between parent company and subsidiary or between subsidiaries, repetitive disclosure is not required. For example: For a transaction of the parent company to a subsidiary, if the parent company has disclosed such transaction, then the subsidiary is not required to make repetitive disclosure. For a transaction between subsidiaries, if one of the subsidiaries has disclosed such transaction, then the other subsidiary is not required to make repetitive disclosure):

(1) Parent company to subsidiary

(2) Subsidiary to parent company.

(3) Between subsidiaries.

Note 3: For calculation of transaction amount to total sales or assets, the numerator and denominator are determined by the characteristics of the transaction. If the feature of the transaction belongs to balance sheet items, take the ending balance of the period divided by total assets; if the feature of the transaction belongs to revenue and expense items, take the accumulated balance during the interim of the period divided by total sales.

Mosel Vitelic Inc. and Subsidiaries

Names, locations and other information of investee companies (Excluding Those in Mainland China)

For the Year Ended December 31, 2025

Table 4

(In Thousands of New Taiwan Dollars,

Unless otherwise specified)

				Initial investment amount		End of term holding					
Name of investor	Name of investee	Location	Main business	End of current period	End of last year	Number of shares	Percentage	Carrying amount	Current profit or loss of investee	Current investment profit or loss recognized	Remarks
Mosel Vitelic Inc.	DenMOS Technology Inc.	Taiwan	Sales and manufacturing of integrated circuits	$ 317,682	$ 291,820	9,585,003	84.39	$ 111,354	($ 908)	($ 759)	
Mosel Vitelic Inc.	Mou-Fu Investment Consultant., Ltd.	Taiwan	Lease, labor dispatch and various services	-	2,313,124	-	-	-	471	471	Note1
Mosel Vitelic Inc.	Giant Haven Investments Ltd.(BVI)	British Virgin Islands	General investment	583,675	664,061	15	100.00	5,884	6,353	6,353	Note2
Mosel Vitelic Inc.	Integrated Memory Technologies, Inc.	U.S.A.	Flash memory design house	44,753	44,753	2,500,000	23.00	-	-	-	
Mou-Fu Investment Consultant., Ltd	DenMOS Technology Inc.	Taiwan	Sales and manufacturing of integrated circuits	-	25,863	-	-	-	(908)	(7)	Note1
Giant Haven Investments Ltd. (BVI)	Third Dimension Semiconductor, Inc.	U.S.A.	Power IC design	314,640	314,640	49,182,884	43.00	-	2,003	-	

Note1: The Company and Mou Fu Investment Consultant Ltd, the subsidiary 100% owned by the Company, merged in July, 2025. After the merger, the Company was the surviving company and Mou Fu Investment Consultant Ltd was the dissolving company.

Note2: Giant Haven Investments Ltd.(BVI) reduced its capital by US$ 16.55 million to offset the accumulated losses and by US$ 2.3 million in cash reduction. The aforementioned proposal was approved by the board of directors on September 25, 2025.