SDI Corporation

Parent Company Only Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

國富浩華聯合會計師事務所
Crowe (TW) CPAs
40308 台中市西區台灣大道二段 285 號 15 樓
15F., No. 285, Sec. 2, Taiwan Blvd., West Dist.,
Taichung City 40308, Taiwan
Tel +886 4 36005588
Fax +886 4 36005577
www.crowe.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
SDI Corporation

Opinion

We have audited the accompanying parent company only financial statements of SDI Corporation ("the Company"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company 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 parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only 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 Company's parent company only financial statements for the year ended December 31, 2025 are stated as follows:

1. Valuation of Inventory Impairment

<u>Description</u>

As of December 31, 2025, inventory accounted for 25% of the Company's total assets. The value of inventory is affected by the volatility of market demand and ever-changing technology, which could make inventory sluggish and obsolete and impair the value of inventory. The allocation of inventory cost elements and estimations of the net realizable value of inventory are subject to management's subjective judgment. Consequently, the valuation of inventories has been identified as a key audit matter.

<u>How our audit addressed the matter</u>

Our main audit procedures include testing of details, verifying the cost of raw materials, labor and manufacturing costs of inventory and comparing the most recent selling prices to the carrying amounts to ensure that the inventory is measured at the lower of cost and net realizable value; obtaining and validating the Company's details of declines in the inventory valuation and inventory aging report and analyzing the changes in inventory aging; assessing the reasonableness of policies relating to the provision of allowance for inventory valuation losses; obtaining data on the quantities of inventory recorded at the end of the year and the data of annual inventory physical count to verify the existence and completeness of the inventory; inspecting the condition of the inventory to assess the appropriateness of the loss allowance for recognized inventory obsolete and spoiled through observing the year-end inventory counts.

2. Sales Revenue Recognition

<u>Description</u>

Revenue is used by investors and the Company's management as a key indicator for evaluating the Company's financial or operational performance. As the Company sells its goods to Taiwan

, Mainland China, Malaysia, United States and other areas, overseas warehouses are set up in response to the needs of certain international customers. The Company recognizes revenue per the various sales terms in each individual contract with customers. Accordingly, significant judgement is required in determining the timing of control of a good transfer to the customer. Therefore, revenue recognition has been identified as a key audit matter.

<u>How our audit addressed the matter</u>

Our main audit procedures include assessing the appropriateness of accounting policies for revenue recognition, testing the effectiveness of the internal controls relevant to revenue recognition, including sampling and testing the validity of sales revenue; evaluating whether any irregularity exists in the transactions with the top ten sales customers and analyzing the reasonableness of the turnover days of accounts receivable; selecting sample transactions after a few days or before the inventory cutoff date and examining the related documents to ensure that revenue is recognized in the appropriate period, and reviewing if there were significant sales return in the subsequent period.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company or to cease its operations, or has no realistic alternative but to do so.

Those charged with governance, including members of the Audit Committee are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Crowe

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor' 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with 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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 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 audit resulting in this independent auditors' report are Huang, Chien Chen and Shao, Chao Pin.

CROWE (TW) CPAs

Taichung, Taiwan (Republic of China)

March 3, 2026

Notice to Readers

The accompanying parent company only 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 parent company only 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 parent company only financial statements shall prevail.

SDI Corporation

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
ASSETS	NOTES	Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	$ 543,040	5	$ 692,195	6
Financial assets at fair value through profit or loss - current	6(2)	2,520	-	-	-
Notes receivable, net	6(3)	38,803	-	34,011	-
Accounts receivable, net	6(4)	1,028,546	10	1,061,271	10
Accounts receivable - related parties	7	137,380	1	219,708	2
Other receivables		19,302	-	14,368	-
Other receivables - related parties	7	13,335	-	10,106	-
Current income tax assets	6(31)	158	-	-	-
Inventories, net	6(5)	2,619,993	25	2,332,881	23
Prepayments	6(6)	42,731	-	39,066	-
Other financial assets - current	6(7)	6,600	-	6,600	-
Other current assets		375	-	391	-
Total current assets		4,452,783	41	4,410,597	41
NONCURRENT ASSETS					
Financial assets at fair value through other comprehensive income - noncurrent	6(8)	20,702	-	22,809	-
Investments accounted for using equity method	6(9)	2,234,398	21	2,517,173	24
Property, plant and equipment	6(10)	3,738,231	35	3,359,157	32
Right-of-use assets	6(11)	110,101	1	139,186	1
Investment properties	6(12)	28,776	-	31,548	-
Intangible assets	6(13)	61,342	1	54,939	1
Deferred income tax assets	6(31)	80,107	1	88,478	1
Other noncurrent assets	6(14)	21,198	-	28,403	-
Total noncurrent assets		6,294,855	59	6,241,693	59
TOTAL		$ 10,747,638	100	$ 10,652,290	100
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Short-term loans	6(15)	$ 130,000	1	$ -	-
Contract liabilities	6(26)	99,286	1	113,730	1
Notes payable	6(16)	1,938	-	2,779	-
Accounts payable		744,570	7	586,930	6
Accounts payable - related parties	7	145,031	1	130,383	1
Other payables	6(17)	442,788	4	453,195	4
Other payables - related parties	7	2,447	-	4,036	-
Current income tax liabilities	6(31)	76,301	1	105,538	1
Lease liabilities - current	6(11)	8,962	-	11,431	-
Long-term liabilities - current portion	6(19)	111,723	1	297,387	3
Other current liabilities	6(20)	14,672	-	16,597	-
Total current liabilities		1,777,718	16	1,722,006	16
NONCURRENT LIABILITIES					
Bonds payable	6(18)	1,141,296	11	-	-
Long term loans	6(19)	421,449	4	1,417,785	13
Deferred income tax liabilities	6(31)	322,406	3	302,876	3
Lease liabilities - noncurrent	6(11)	70,447	1	94,743	1
Net defined benefit liability - noncurrent	6(21)	52,330	-	56,969	1
Other noncurrent liabilities	6(20)	771	-	2,685	-
Total noncurrent liabilities		2,008,699	19	1,875,058	18
Total liabilities		3,786,417	35	3,597,064	34
EQUITIES					
Common stocks	6(22)	1,821,403	17	1,821,403	17
Capital surplus	6(23)	579,533	5	486,117	5
Retained earnings	6(24)				
Legal capital reserve		1,223,472	12	1,154,698	11
Special capital reserve		64,138	1	137,810	1
Unappropriated earnings		3,368,078	31	3,519,337	33
Others	6(25)	(95,403)	(1)	(64,139)	(1)
Total equity		6,961,221	65	7,055,226	66
TOTAL		$ 10,747,638	100	$ 10,652,290	100

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

SDI Corporation

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earning Per Share)

		2025		2024	
	NOTES	Amount	%	Amount	%
NET REVENUE	6(26)、7	$ 7,342,155	100	$ 8,130,049	100
COST OF REVENUE	6(27)、7	(6,477,362)	(88)	(6,933,812)	(85)
GROSS PROFIT BEFORE UNREALIZED GROSS PROFIT		864,793	12	1,196,237	15
Unrealized gross profit on sales		(30,463)	-	(33,333)	-
Realized gross profit on sales		33,333	-	37,632	-
GROSS PROFIT		867,663	12	1,200,536	15
OPERATING EXPENSES	6(27)、7				
Marketing		(180,439)	(2)	(206,588)	(3)
General and administrative		(202,620)	(3)	(206,802)	(2)
Research and development		(188,456)	(3)	(183,479)	(2)
Total operating expenses		(571,515)	(8)	(596,869)	(7)
OPERATING PROFIT		296,148	4	603,667	8
NONOPERATING INCOME AND EXPENSES					
Interest income		6,317	-	6,901	-
Other income	6(20)、6(28)	51,079	-	43,512	-
Other gains and losses, net	6(29)	(23,388)	-	80,333	1
Finance costs	6(30)	(27,650)	-	(26,825)	-
Share of profits of subsidiaries and associates		68,032	1	100,055	1
Total nonoperating income and expenses		74,390	1	203,976	2
INCOME BEFORE INCOME TAX		370,538	5	807,643	10
INCOME TAX EXPENSE	6(31)	(67,344)	(1)	(132,546)	(2)
NET INCOME		303,194	4	675,097	8
OTHER COMPREHENSIVE INCOME (LOSS)	6(32)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation		(4,700)	-	14,341	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		(2,107)	-	(1,129)	-
Share of other comprehensive income (loss) of subsidiaries and associates		(240)	-	1,163	-
Income tax benefit (expense) related to items that will not be reclassified subsequently	6(31)	1,573	-	(2,405)	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		(37,238)	-	92,921	1
Income tax benefit (expense) related to items that may be reclassified subsequently	6(31)	7,448	-	(18,584)	-
Other comprehensive income (loss) for the year, net of income tax		(35,264)	-	86,307	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		$ 267,930	4	$ 761,404	9
EARNINGS PER SHARE(IN DOLLARS)					
Basic earnings per share	6(33)	$ 1.66		$ 3.71	
Diluted earnings per share		$ 1.64		$ 3.70	

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

SDI Corporation

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Capital Stocks		Retained Earnings			Others			
	Common Stocks	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Unrealized Gain (loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity
BALANCE, JANUARY 1, 2024	$ 1,821,403	$ 485,960	$ 1,080,316	$ 116,256	$ 3,401,104	$ (156,984)	$ 19,174	$ (137,810)	$ 6,767,229
Appropriations of prior year's earnings									
Special capital reserve	-	-	-	21,554	(21,554)	-	-	-	-
Legal capital reserve	-	-	74,382	-	(74,382)	-	-	-	-
Cash dividends to shareholders - NT$2.6 per share	-	-	-	-	(473,564)	-	-	-	(473,564)
Donation from shareholders	-	157	-	-	-	-	-	-	157
Net income in 2024	-	-	-	-	675,097	-	-	-	675,097
Other comprehensive income (loss) in 2024	-	-	-	-	12,636	74,337	(666)	73,671	86,307
BALANCE, DECEMBER 31, 2024	1,821,403	486,117	1,154,698	137,810	3,519,337	(82,647)	18,508	(64,139)	7,055,226
Appropriations of prior year's earnings									
Special capital reserve	-	-	-	(73,672)	73,672	-	-	-	-
Legal capital reserve	-	-	68,774	-	(68,774)	-	-	-	-
Cash dividends to shareholders - NT$ 2.5 per share	-	-	-	-	(455,351)	-	-	-	(455,351)
Share options-from the issuance of convertible corporation bonds recognized as a component of equity	-	94,985	-	-		-	-	-	94,985
Difference between the actual acquisition or disposal price of subsidiary equity and its book value	-	(1,763)	-	-		-	-	-	(1,763)
Donation from shareholders	-	194	-	-	-	-	-	-	194
Net income in 2025	-	-	-	-	303,194	-	-	-	303,194
Other comprehensive income (loss) in 2025	-	-	-	-	(4,000)	(29,790)	(1,474)	(31,264)	(35,264)
BALANCE, DECEMBER 31, 2025	$ 1,821,403	$ 579,533	$ 1,223,472	$ 64,138	$ 3,368,078	$ (112,437)	$ 17,034	$ (95,403)	$ 6,961,221

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

SDI Corporation

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	$ 370,538	$ 807,643
Adjustments to reconcile profit (loss)		
Depreciation	419,944	419,729
Amortization	14,609	14,959
Gain on financial assets at fair value through profit or loss	600	-
Unrealized (realized) gross profit on subsidiaries	(2,419)	(4,843)
Interest expense	27,650	26,825
Interest income	(6,317)	(6,901)
Dividend income	(1,011)	(1,476)
Share of profits of subsidiaries accounted for under equity method	(68,032)	(100,055)
Gain on disposal of property, plant and equipment	(251)	(1,180)
Impairment loss on non-financial assets (reversal gains)	-	9,676
Net changes in operating assets and liabilities		
Notes receivable	(1,659)	1,054
Accounts receivable	49,906	49,737
Accounts receivable - related parties	81,974	(44,192)
Other receivables	(49)	(425)
Other receivables - related parties	(3,242)	(453)
Inventories	(81,285)	269,684
Prepayments	(2,965)	28,166
Other current assets	1,669	(1,822)
Contract liabilities	(14,444)	12,362
Notes payable	(525)	(2,019)
Accounts payable	148,650	(51,351)
Accounts payable - related parties	14,379	7,659
Other payables	(46,872)	(33,864)
Other payables - related parties	(1,321)	2,016
Other current liabilities	(1,955)	(1,989)
Net defined benefit liability	(9,339)	(8,882)
Other operating liabilities	(199)	(343)
Cash provided from operations	888,034	1,389,715
Interest received	6,317	6,896
Dividends received	62,344	56,144
Interest paid	(15,916)	(26,458)
Income taxes paid	(82,020)	(235,892)
Net cash provided by operating activities	858,759	1,190,405
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(702,073)	(456,612)
Proceeds from disposal of Property, plant and equipment	5,102	1,180
Decrease in refundable deposits	1,723	1,243
Acquisition of intangible assets	(20,976)	(18,426)
Net cash inflow arising on acquisition	57,800	-
Net cash used in investing activities	(658,424)	(472,615)

(Continued)

SDI Corporation

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term debt	$ 130,000	$ -
Proceeds from long-term debt	1,624,945	2,411,000
Repayment of long-term debt	(2,808,723)	(2,401,323)
Proceeds from bonds	1,220,772	-
Repayments of the principal portion of lease liabilities	(13,640)	(12,080)
Acquisition of ownership interests in subsidiaries	(47,493)	-
Cash dividends paid	(455,351)	(473,564)
Net cash used in financing activities	(349,490)	(475,967)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(149,155)	241,823
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	692,195	450,372
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 543,040	$ 692,195

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

SDI Corporation

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. ORGANIZATION AND OPERATIONS

SDI Corporation (the" Company") was incorporated on October 17, 1967. The Company started as a manufacturer of in stationery products, then the Company repetitively expanded and diversified into producing lead frames and molds.
Since April 25, 1996, the Company's shares have been listed on the Taiwan Stock Exchange (TWSE).

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying parent company only financial statements were approved and authorized for issue by the Board of Directors on March 3, 2026.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

3.1 The adoption of the amendments to 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) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC):

New standards, interpretations and amendments endorsed by the FSC and effective from 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

(1) Amendments to IFRS 21 "Lack of Exchangeability"
This amendment defines exchangeability and provides guidance on how an entity should determine the spot exchange rate when a particular currency lacks exchangeability. In addition, this amendment requires entities to provide more useful information in their financial statements when a currency cannot be exchanged for another currency.

Based on the Company assessment, the application of the New IFRSs above will not have any significant impact on the Company financial position and financial performance.

3.2 Effect of new issuances and amendments to IFRSs endorsed by the FSC but not yet adopted by the Company

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

New, Revised or Amended Standards and Interpretations	Effective Date Announced 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
Amendments 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

(1) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

(i) Clarifies and provides additional guidance on assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. The scope includes contractual terms that may alter cash flows based on contingent events (e.g., interest rates linked to ESG targets), instruments with nonrecourse features, and contractually linked instruments.

(ii) Introduce new disclosure requirements for certain instruments with contractual terms that may alter cash flows (e.g., instruments with features linked to the achievement of environmental, social, and governance (ESG) targets). These disclosures include a qualitative description of the nature of the contingent event, quantitative information on the potential changes in contractual cash flows resulting from these contractual terms, and the gross carrying amount of financial assets and the amortized cost of financial liabilities subject to these contractual terms.

(iii) Clarifies the recognition and derecognition dates for certain financial assets and liabilities, and adds that when using an electronic payment system to settle financial liabilities (or part of financial liabilities) in cash, an entity is permitted to consider the financial liability as derecognized prior to the settlement date only when the entity initiates a payment instruction that results in the following circumstances:

(a) The entity does not have the ability to revoke, stop, or cancel the specified payment.

(b) The entity, as a result of the payment instruction, does not have the actual ability to obtain the cash used for settlement.; and

(c) The settlement risk associated with the electronic payment system is not significant.

(iv) Update regarding the irrevocable designation of equity instruments measured at fair value through other comprehensive income (FVTOCI): the fair value should be disclosed by each category, and it is no longer required to disclose fair value information for each individual item. In addition, the amount of gains or losses on fair value recognized in other comprehensive income during the reporting period should be disclosed, separately presenting the amount related to investments derecognized during the reporting period and the amount related to investments still held at the end of the reporting period. Furthermore, the cumulative gains or losses transferred to equity due to the derecognition of investments during the reporting period should be disclosed.

(2) Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity

The amendment addresses contracts in which a company is involved and where electricity generation depends on uncontrollable natural conditions (such as weather), resulting in fluctuations in electricity output. The details are explained as follows:

(i) Clarify the application of the "own use" requirement to contracts for a company’s purchase or sale of natural electricity.

When a contract requires a company to purchase and receive electricity during power generation, and the design and operation of the contract electricity trading market require the company to sell any unused electricity within a specified period, the company must consider reasonable and supported information regarding past, current, and expected future electricity transactions within a reasonable period not exceeding 12 months. If the company purchases enough electricity to offset any unused electricity sold in the same market, the company is considered a net purchaser of electricity.

A company applying these amendments to own-use contracts involving nature-dependent electricity shall disclose the following:

(a) Fluctuations in base electricity volume and risk being required to purchase electricity during delivery intervals when power cannot be used.

(b) Unrecognized contractual commitments, including the expected future cash flows from purchasing electricity under these contracts; and

(c) The impact of the contract on the company's financial performance during the reporting period.

(ii) Clarifying the application of hedge accounting for contracts involving nature-dependent electricity as hedging instruments:

The hedged item may be designated as the variable notional amount of forecasted electricity transactions, which is consistent with the variable amount of natural electricity expected to be delivered by the power generation facilities referenced in the hedging instrument. Furthermore, when the cash flows of the hedging instrument are designated in a cash flow hedge relationship, and when a contract involving natural electricity is designated as the hedging instrument conditional on the occurrence of the designated forecast transaction, that forecast transaction is presumed to be highly probable.

For entities that designate contracts involving nature-dependent electricity as hedging instruments, the terms and conditions of such hedging instruments shall be disclosed by risk category in accordance with IFRS 7.

The Company has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Company.

3.3 The IFRSs issued by the IASB but not yet endorsed by the FSC:

A summary of the new standards and amendments issued by the IASB but not yet endorsed by the FSC is set out below:

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 determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
IFRS 19 "Subsidiaries without Public Accountability：Disclosures"	January 1, 2027
Amendments to IFRS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note：Pursuant to a press release issued by the Financial Supervisory Commission on September 25, 2025, publicly listed companies are required to apply IFRS 18 commencing with the 2028 fiscal year. Entities that elect to adopt IFRS 18 prior to the mandatory effective date may do so only after the standard has been formally endorsed by the Financial Supervisory Commission.

Except for the following, the Company has assessed that the standards and interpretations have no significant impact on the financial position and financial performance of the Company.

(1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”

This amendment resolves the inconsistency between IFRS 10 and IAS 28. The recognition of a gain or loss arising from the sale or contribution of assets between an investor and its associate or joint venture depends on the nature of the assets transferred:

(i) If the assets sold or contributed constitute a business, the full gain or loss is recognized；

(ii) If the assets sold or contributed do not constitute a business, the gain or loss is recognized only to the extent of the investor’s interest that is not attributable to related parties in the associate or joint venture.

(2) IFRS 18 “Presentation and Disclosure in Financial Statements

IFRS 18 ″Presentation and Disclosure in Financial Statements″ replaces IAS 1. The standard introduces a structured format for the statement of profit or loss, disclosure requirements for management-defined performance measures, and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

(3) IFRS 19 “Subsidiaries without Public Accountability：Disclosure”

The standard allows eligible subsidiaries to apply IFRSs with reduced disclosure requirements.

(4) Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

The amendment introduces a requirement that, when amounts are translated from a functional currency of a non-hyperinflationary economy into a presentation currency of a hyperinflationary economy, all amounts (including comparative amounts) shall be translated at the closing exchange rate as of the date of the most recent statement of financial position.

The amendment also includes an exception for entities whose functional currency and presentation currency are both currencies of hyperinflationary economies, but whose foreign operations have a functional currency of a non-hyperinflationary economy. In such cases, the entity is not required to retranslate comparative amounts.

In addition, new disclosure requirements are introduced, including the translation method applied and summary financial information of the foreign operations to which such translation method is applied.

As of the issuance date of these consolidated financial statements, the Company is still evaluating the impact of the above standards and interpretations on its financial position and financial performance. The related impact will be disclosed upon completion of the assessment..

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following significant accounting policies are used in the preparation of the accompanying parent company only financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

4.1 Statement of Compliance

The accompanying parent company only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4.2 Basis of Preparation

A. Except for the following significant items, the accompanying parent company only financial statements have been prepared on the historical cost basis:
   (a) Financial assets and liabilities at fair value through profit or loss (including derivative financial instruments).
   (b) Financial assets and liabilities at fair value through other comprehensive income.
   (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less the present value of defined benefit obligation.

B. When preparing the parent company only financial statements, the Company accounts for subsidiaries by using the equity method. In order to align with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and share of other comprehensive income of subsidiaries in the parent company only financial statements.

C. The preparation of financial statements in conformity with IFRSs endorsed by the FSC requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

4.3 Foreign Currencies

A. Items included in the parent company only financial statements are measured using the functional currency of the Company. The financial statements are presented in New Taiwan Dollars, which is the Company's functional currency.

B. In preparing the parent company only financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Such exchange differences are recognized in profit or loss in the year in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Exchange differences arising in the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising in the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange difference are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currencies are translated using the exchange rate at the date of the transaction and are not retranslated.

C. When preparing the parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into NT$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

4.4 Classification of Current and Noncurrent Assets and Liabilities

A. Assets that meet one of the following criteria are classified as current assets:

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

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within twelve months from the end of reporting period.

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those intended to be exchanged or used to settle liabilities more than twelve months after the end of reporting period.

The Company classifies all assets that do not meet the above criteria as non-current.

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

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the end of reporting period, even if an agreement to refinance, or to reschedule payments on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

(d) Liabilities for which there is no substantive right at the balance sheet date to defer settlement for at least twelve months after the balance sheet date. The classification of a liability is not affected if its terms allow the counterparty to settle it by issuing equity instruments at their discretion.

The Company classifies all liabilities that do not meet the above conditions as non-current.

4.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.6 Financial Instruments

Financial assets and liabilities shall be recognized when the Company becomes a party of the contractual provisions of the instruments.

Financial assets and liabilities are initially recognized at fair values. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

A. Financial assets

(a) Measurement categories

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

Financial assets are classified as financial assets at FVTPL, financial assets at amortized cost and investment in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets at FVTPL include financial assets mandatorily classified as at FVTPL and financial assets designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments that are not designated as at fair value through other comprehensive income (FVTOCI) and debt instruments that do not meet the criteria for being classified as at amortized cost or as at FVTOCI.

Financial assets at FVTPL are stated at fair value, any dividends earned recognized as other income, and interest earned and gains or losses arising from remeasurement recognized in other gains or losses. Fair value is determined in the manner described in Note 12.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

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

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

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset, except for:

(i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

(ii) Financial asset that has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.

iii. Investment in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate equity investments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Equity investments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, it will be transferred to retained earnings.

Dividends on these equity instruments at FVTOCI are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(b) Impairment of financial assets

i. The Company recognizes loss allowances for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments at FVTOCI, and contract assets.

ii. The Company recognizes loss allowances at an amount equal to lifetime expected credit losses (i.e. ECLs) for accounts receivable and contract assets. For all other financial instruments, the Company recognizes lifetime ECLs for which there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

iii. Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

iv. The Company recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

(c) Derecognition of financial assets

The Company derecognizes a financial asset when one of the following conditions is met:

i. The contractual rights to receive cash flows from the financial asset expired.

ii. The contractual rights to receive cash flows from the financial asset which have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

iii. The Company neither retains nor transfers substantially all risks and rewards of ownership of the financial asset; however, it has not retained control of the financial asset.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the carrying amount of financial asset and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without being recycled to profit or loss.

B. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

C. Financial liabilities

(a) Subsequent measurement

Except for the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

i. Financial liabilities at fair value through profit or loss are financial liabilities held for trading or financial liabilities designated as at fair value through profit or loss on initial recognition. A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing it in the near term. Derivatives are also categorized as financial liabilities held for trading unless they are financial guarantee contracts or designated and effective hedging derivatives. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:

(i) They are hybrid (combined) contracts containing at least an embedded derivatives and the host contract is an asset not within the scope of IFRS 9; or

(ii) They eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases; or

(iii) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

ii. Financial liabilities at fair value through profit or loss are initially recognized at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured at fair value, and any changes in the fair value of these financial liabilities are recognized in profit or loss.

iii. For a financial liability designated as at FVTPL, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income and will not be subsequently reclassified to profit or loss. The remaining amount of changes in the fair value of that liability is presented in profit or loss. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in the fair value of the liability are presented in profit or loss.

(b) Derecognition of financial liabilities

The Company derecognizes a financial liability when, and only when, it is extinguished—i.e. when the obligation is discharged or cancelled or expires. The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

D. Modification of Financial Instruments

When the contractual cash flows of a financial instrument are renegotiated or modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Company recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liabilities using the original effective interest rate and recognizes a modification gain or loss in profit or loss. Any costs or fees incurred adjust the carrying amount of the modified financial instrument and are amortized over the remaining term of the modified financial instrument. If the renegotiation or modification results in the derecognition of that financial instrument is required, then the financial instrument is derecognized accordingly.

If the basis for determining the contractual cash flows of a financial asset or financial liability changes resulting from interest rate benchmark reform and the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis, the Company applies the practical expedient to account for that change as a change in effective interest rate. If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first applies the practical expedient aforementioned to the changes required by interest rate benchmark reform, and then applies the applicable requirements to any additional changes to which that practical expedient does not apply.

4.7 Inventories

Inventories include raw materials, work in progress and finished goods. Inventories are recognized at cost. Inventories are recorded at standard cost ordinarily and stated at the lower of cost or net realizable at the end of each reporting period. Any differences at the end of the reporting period are allocated to cost of sales and ending inventory in proportion. If the actual level of production is lower than normal capacity, the unallocated fixed overhead is recognized as cost of sales. The item-by-item approach is used in applying the lower of cost and net realizable value, except for the same category homogeneous inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Loss for market price decline is stated at cost of goods sold.

4.8 Investments Accounted for Using the Equity Method

A. Investments accounted for using the equity method include investments in subsidiaries.

B. A subsidiary is an entity that is controlled by the Company (including structured entity). The Company controls an entity when the Company 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.

C. Unrealized gains and losses on transactions between the Company and subsidiaries have been eliminated. Unrealized losses will also be eliminated if evidence demonstrates that there is not any indication of impairment on assets involved in a transaction. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies applied by the Company.

D. The Company’s share of subsidiaries’ profit or loss is recognized in the Company's statement of comprehensive income, and its share of subsidiaries’ other comprehensive income is recognized in the Company's other comprehensive income. When the Company’s share of losses in a subsidiary equal to or exceeds its interest in the subsidiary, the Company shall recognize the loss proportional to its shares.

E. Changes in the Company’s ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. Any difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.

F. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition as a financial asset or the cost on initial recognition of an associate or a joint venture. Any difference between the fair value and the carrying amount is recognized in profit or loss. 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 Company loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary will 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.

4.9 Property, Plant and Equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized. For property, plant and equipment under construction, sample produced from testing whether the asset is functioning properly before its intended use are measured at lower of the costs or net realizable value. Proceeds from selling such items and the cost of those items are recognized in profit or loss.

B. Subsequent costs are included in the carrying amount of asset 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 Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance expenses are recognized in profit or loss as incurred.

C. 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. The residual values of assets, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the residual values of assets and useful lives differ from previous estimates or the patterns of consumption of the future economic benefits of assets embodied in the assets which have changed significantly, any change is accounted for as a change in accounting estimates 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	**5~50 years**
Machinery	2~20 years
Molds	2~10 years
Other equipment	3~18 years

D. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.10 Leases

At the inception of a contract, the Company evaluates a contract to determine whether it is or contains a lease component. For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

A. The Company as lessee

Except for payments for low-value asset leases and short-term leases which are recognized as expenses on a straight-line basis, the Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

<u>Right-of-use assets</u>

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, less any lease incentives received, and plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets. Subsequent measurement is calculated as cost less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are presented as a separate line item in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. If the ownership of the underlying assets is transferred to the Company by the end of the lease terms or if the cost of right-of-use assets reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

<u>Lease liabilities</u>

Lease liabilities are measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties received for terminating the lease if the lease term reflects the lessee exercising an option to terminate the lease, less any lease incentives. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company shall use the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If there is a change in the assessment of an option to purchase the underlying asset, amounts expected to be paid by the lessee under residual value guarantees or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company shall remeasure the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use asset is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognize in profit or loss any gain or loss relating to the partial or full termination of the lease and (b) making a corresponding adjustment to the right-of-use asset for all other lease modifications. Lease liabilities are presented separately in the balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

B. The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When a lease includes both land and buildings elements, the Company assesses the classification of each element as a finance lease or an operating lease separately allocating lease payments (including any lump-sum upfront payments) between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and buildings element of the lease at the inception date. If the lease payments cannot be allocated reliably between these two elements, the entire lease is classified as an operating lease.

Under operating leases, lease payments, less any lease incentives payable, are recognized as lease income on a straight-line basis over the lease terms. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized those costs as an expense over the lease term on the same basis as the lease income.

4.11 Investment Property

Investment properties are properties held to earn rentals or for capital appreciation and include land held for a currently undetermined future use. Investment properties also included right-of-use assets that meet the definition of investment property.

Investment property is measured at cost on initial recognition. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. The Company depreciates investment property on a straight-line basis over 35 years.

Investment property that is being constructed or developed is measured at cost less accumulated impairment loss. The cost of an investment property includes professional fees, borrowing costs eligible for capitalization. The properties shall start to depreciate as they achieve their expected condition for providing services.

Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognized in profit or loss.

4.12 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis over the following estimated lives: trademarks and patents - the patent term or the contract term; computer software 2 to 5 years. The estimated useful life and amortization method are reviewed at each financial year-end, with the effect of any changes in estimate being accounted for on a prospective basis.

An item of intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.13 Impairment of non-financial assets

The Company assesses at the end of reporting period 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 carrying amount of asset exceeds its recoverable amount. The recoverable amount is the higher of a fair value of asset less costs to sell or value in use. When the indication of impairment loss recognized in prior years for an asset no longer exist, the impairment loss is reversed to the extent of the loss previously recognized in profit or loss.

4.14 Employee Benefits

A. Short-term employee benefits

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

B. Pensions

(a) 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 or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employee will receive on retirement for their services with the Company in current or prior period. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is estimated annually by independent actuaries using the projected unit credit method. The discount rate used is determined by using the market yields (at the end of the reporting period) on government bonds denominated in the currency in which the benefits are to be paid. The currency and term of the government bonds are consistent with the currency and estimated term of the obligation.

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

iii. Past service costs are recognized immediately in profit or loss.

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

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and the amount can be reliably estimated. Any difference between the amount accrued and the amount actually distributed is accounted for a change in accounting estimate.

D. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognizes expense when it can no longer withdraw an offer of termination benefits or it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

4.15 Capital Stock and Treasury Stock

A. Capital stock

Common stock is classified as equity. Incremental costs directly attributable to the issue of new shares or share options are recorded as a deduction in equity.

B. Treasury Stock

The Company's repurchased stocks are recognized as treasury stock (a contra-equity account) based on their repurchase price (including all directly accountable costs). Gains on disposal of treasury stock should be recognized under "capital reserve - treasury stock transactions"; losses on disposal of treasury stock should be offset against existing capital reserves arising from similar types of treasury stock. If there is insufficient capital reserve to offset the losses, then such losses should be accounted for under retained earnings. The carrying amount of treasury stock should be calculated using the weighted-average method for the purpose of repurchased stock.

Upon retirement, treasury stock is derecognized against the capital surplus - premium on stocks and capital stock proportionately according to the ratio of shares retired. The carrying value of treasury stock in excess of the sum of the par value and premium on stocks is first offset against capital surplus from the same class of treasury share transactions, and the remainder, if any, is then debited to retained earnings. The sum of the par value and premium on treasury shares in excess of the carrying value is credited to capital surplus from the same class of treasury share transactions.

4.16 Income Tax

A. The tax expense for the year comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity, respectively.

B. The current income tax expense is calculated based on the tax laws enacted or substantively enacted at the end of the financial reporting period in the countries where the Company operate and generate taxable income. The management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. According to Income Tax Act of ROC, an additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the subsequent year when the stockholders approve to distribute the retain earnings.

C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, and it does not give rise to equal deductible and taxable temporary differences at the time of transaction. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company 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 end of the financial reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred income tax assets are recognized only to the extent, unused tax losses and unused tax credits that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of each reporting period, unrecognized and recognized deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

4.17 Revenue Recognition

The Company recognizes revenue based on the principle of revenue from customer contracts by applying the following steps:

(a) Identify the contract with the customer;

(b) Identify the performance obligations in the contract;

(c) Determine the transaction price;

(d) Allocate the transaction price to the performance obligations in the contracts; and

(e) Recognize revenue when the entity satisfies a performance obligation.

The contract where the period between the transfer of goods or services to the customer and the payment by the customer is within one year and the major financial component of the contract shall not be adjusted for the transaction price.

A. Revenue from sale of goods

Revenue from the sale of goods comes from sales of lead frame, stationery and others. Revenue is recognized when control of the products has transferred because it is the time when the customer has full discretion over the manner of distribution and over the price to sell the goods, has primary responsibility for sales to future customers, and bears the risks of obsolescence. Accounts receivables are recognized concurrently. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Company does not recognize sales revenue on materials delivered to processing subcontractors due to the delivery does not transfer control of materials.

B. Revenue from rendering of services

Revenue from services is recognized when services are provided by reference to the stage of completion of the services provided.

4.18 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than the stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.19 Government Grants

Government grants are recognized at fair value when the Company complies with the conditions attached to them and will receive the grants. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

4.20 Business combination

The Company did not apply the acquisition method to account for the business combination arising from the organizational restructuring; instead, the transaction was accounted for using the book value method.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The impacts of the change in accounting estimate shall be recognized currently when the impacts are related to the current period only. However, the impact shall be recognized currently and prospectively when the impacts not only effect current period but also the future periods.

The preparation of these parent company only financial statements in applying the Company's accounting policies and making critical assumptions and estimates are consisted of the following:

5.1 Critical judgments in applying accounting policies

A. Business model assessment of financial assets

The Company determines the business model at a level that reflects how company of financial assets are managed together to achieve a particular business objective. The Company applies judgement and considers relevant factors such as the measurement of assets performing, the risks affected by the performance and the regulations for related manager's remuneration. The Company monitors the fair value through profit or loss financial assets that are derecognized prior to their maturity to assess whether the purpose of derecognition is consistent with the business model's. If there has been a change in the business model, the Company shall postpone the adjustment of the reclassifications of financial assets in accordance with IFRS 9.

B. Lease terms

In determining a lease term, the Company considers all facts and circumstances that create an economic incentive to exercise or not to exercise an option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Main factors considered include contractual terms and conditions for the optional periods, significant leasehold improvements undertaken over the contract term, the importance of the underlying asset to the lessee's operations, etc. The lease term is reassessed if a significant change in circumstances that are within the control of the Company occurs.

5.2 Critical accounting estimation and assumption

A. Estimated impairment of financial assets

The provision for impairment of accounts receivable and debt investments is based on assumptions on risk of default and expected loss rates. The Company makes these assumptions and selects inputs for the impairment calculation, based on the Company's historical experience and existing market conditions, as well as forward looking information. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

B. Impairment of tangible and intangible assets

In the course of impairment assessments, the Company determines, based on how assets are utilized and relevant industrial characteristics, the useful lives of assets and the future cash flows of a specific company of the assets. Changes in economic circumstances or the Company's strategy might result in material impairment of assets in the future.

C. Realizability of deferred income tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. The Company's management assesses the realizability of deferred tax assets by making critical accounting judgements and significant estimates of expected future revenue growth rate and gross profit rate, the tax exemption period, available tax credits, and tax planning, etc. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

D. Evaluation of inventories

As inventories are stated at the lower of cost or net realizable value, and the Company uses judgements and actuarial assumptions to determine the net realizable value of inventory at the end of each reporting period. The Company estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period, and then writes down the cost of inventories to net realizable value. Such an evaluation of inventories is mainly based on the demand for the products within a specified period in the future. Therefore, there might be material changes to the evaluation.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

6.1 CASH AND CASH EQUIVALENTS

Items	December 31, 2025	December 31, 2024
Cash on hand and petty cash	$ 768	$ 1,053
Checking accounts and demand deposits	542,272	691,142

Items	December 31, 2025	December 31, 2024
Total	$ 543,040	$ 692,195

(1) Bank deposits that are pledged or restricted are classified as other financial assets - current.

(2) The cash and cash equivalents of the Company are not pledged to others.

6.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS-CURRENT

Items	December 31, 2025	December 31, 2024
Mandatorily measured at FVTPL		
Derivative financial assets		
Unsecured convertible bonds – right of redemption	$ 2,520	$ –
Total	$ 2,520	$ –

(1) The Company recognized net loss of FVTPL for the years ended December 31, 2025 is $600 thousand.

(2) Financial instruments at fair value through profit or loss of the company are not pledged to others.

6.3 NOTES RECEIVABLE

Items	December 31, 2025	December 31, 2024
Amortized at cost		
Gross carrying amount	$ 38,853	$ 34,011
Less: loss allowance	(50)	–
Notes receivable, net	$ 38,803	$ 34,011

The notes receivable of the Company is not pledged to others.

6.4 ACCOUNTS RECEIVABLE

Items	December 31, 2025	December 31, 2024
Amortized at cost		
Gross carrying amount	$ 1,036,599	$ 1,069,224

Items	December 31, 2025	December 31, 2024
Less: loss allowance	$ (8,053)	$ (7,953)
Accounts receivable, net	$ 1,028,546	$ 1,061,271

(1) The accounts receivable follows the Company credit policy determined by reference to the industrial characteristics, operating scale and profitability of the counterparties. The average credit term is due on monthly aggregate sales plus 60 to 120 days.

(2) The Company applies the simplified approach to providing expected credit losses prescribed under IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses are estimated using an allowance matrix with reference to past default experiences of the debtor, an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate. The allowance matrix of different customer segments, the provision for loss allowance is based on the number of past due days.

(3) The following table detailed the loss allowance of notes and accounts receivable based on the Company's provision matrix (include related parties).

December 31, 2025

Aging terms	Gross carrying amount	Loss allowance (lifetime ECLs)	Amortized cost
Neither past due nor impaired	$ 1,192,445	$ (4,672)	$ 1,187,773
Past due but not impaired			
Past due within 30 days	10,702	(39)	10,663
Past due 31-90 days	9,685	(3,392)	6,293
Total	$ 1,212,832	$ (8,103)	$ 1,204,729

December 31, 2024

Aging terms	Gross carrying amount	Loss allowance (lifetime ECLs)	Amortized cost
Neither past due nor impaired	$ 1,302,375	$ (2,285)	$ 1,300,090
Past due but not impaired			
Past due within 30 days	15,027	(1,032)	13,995
Past due 31-90 days	1,194	(320)	874
Past due 91-180 days	64	(33)	31
Past due 181-365 days	4,283	(4,283)	–

December 31, 2024

Aging terms	Gross carrying amount	Loss allowance (lifetime ECLs)	Amortized cost
Total	$ 1,322,943	$ (7,953)	$ 1,314,990

(4) Movements of the loss allowance for notes and accounts receivable (including overdue and related parties').

Items	2025	2024
Balance, January 1	$ 7,953	$ 7,953
Acquired in the merger	150	−
Add：Provision for (Reversal of) impairment	−	−
Balance, December 31	$ 8,103	$ 7,953

(5) The Company has not held any collateral or other credit enhancement for these accounts receivable.

(6) Please refer to Note 12 for information on the Company's management and measurement policies of credit risk.

(7) Accounts receivable of the Company are not pledged to others.

6.5 INVENTORIES AND COST OF SALES

Items	December 31, 2025	December 31, 2024
Work-in-process	$ 993,069	$ 816,422
Finished goods	650,991	752,809
Raw materials	663,654	511,206
Merchandise	81,542	82,514
Inventory in transit	65,698	19,477
Mold parts and merchandise	165,039	150,453
Total	$ 2,619,993	$ 2,332,881

(1) The cost of inventories recognized as expense for the period:

Items	2025	2024
Provision for loss on inventories	$ 67,761	$ 20,700
Unallocated production overheads	42,924	35
Loss on inventory disposed	46,997	44,191
Total	$ 157,682	$ 64,926

(2) The inventories are not pledged by the company.

6.6 PREPAYMENTS

Items	December 31, 2025	December 31, 2024
Prepaid expenses	$ 30,672	$ 22,979
Prepayment for purchases	318	11,996
Input tax	10,922	3,891
Others	819	200
Total	$ 42,731	$ 39,066

6.7 OTHER FINANCIAL ASSETS – CURRENT

Items	December 31, 2025	December 31, 2024
Pledged time deposits	$ 6,600	$ 6,600
Total	$ 6,600	$ 6,600

Please refer to Note 8 for information on the amounts pledged.

6.8 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

Items	December 31, 2025	December 31, 2024
Equity instruments		
Unlisted stocks	$ 2,191	$ 2,191
Valuation adjustment	18,511	20,618
Total	$ 20,702	$ 22,809

(1) The Company invests in unlisted stocks for medium and long-term strategic purposes and expects profit from long-term investments. Management of the Company decided to account the above-mentioned investments in FVTOCI, due to recognizing short term gain or loss with FVTPL would against the medium and long-term investment.
(2) Financial assets at FVTOCI of the Company are not pledged to others.

6.9 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments accounted for using the equity method consisted of the following:

Items	December 31, 2025	December 31, 2024
Subsidiaries	$ 2,234,398	$ 2,517,173

Subsidiaries	Carrying Amount	
	December 31, 2025	December 31, 2024
Chao Shin Metal Industrial Corporation	$ -	$ 257,789
Tec Brite Technology Co., Ltd	389,228	389,919
Shuen Der BVI	1,845,170	1,869,465
	$ 2,234,398	$ 2,517,173

Subsidiaries	% of Ownership and Voting Rights Held by the Company	
	December 31, 2025	December 31, 2024
Chao Shin Metal Industrial Corporation	-	84. 62%
Tec Brite Technology Co., Ltd	54. 98%	54. 98%
Shuen Der BVI	100. 00%	100. 00%

(1) For the information of the subsidiaries of the Company, please refer to Note 4 (3) B of 2024 consolidated financial statements.
(2) The shares of profit or loss and other comprehensive profit and loss of the subsidiaries under equity method for the years ended 2025 and 2024 are recognized according to the audited financial statements for the same periods.
(3) On September 5, 2024, Shuen Der BVI and Shuen Der Industrial (Jiangsu) Co., Ltd. (SDI Jiangsu) held a board meeting and resolved to split SDI Jiangsu. This decision was made to address the evolving needs of business development within the electronics and stationery segments, as well as to enhance resource utilization and strengthen brand

identity. After the split, the two entities will be Shuen Der Industrial (Jiangsu) Co., Ltd. and Shuen Der Stationery (Jiangsu) Co., Ltd. with the approval of the Department of Investment Review, MOEA on December 23, 2024. The newly established company resulting from the split of SDI Jiangsu has a split reference date as of December 31, 2024, and has completed its registration.

(4) On May 7, 2025, the Board of Directors of the Company approved the acquisition of the remaining 15.38% non-controlling interest in a subsidiary of Chao Shin Metal, totaling 2,691 thousand shares, at a price of NT$17.65 per share, for a total consideration of NT$47,493 thousand. The acquisition was completed in June 2025, and the Company's shareholding increased from 84.62% to 100%.

On August 5, 2025, the Board of Directors of the Company passed a resolution approving a merger with a subsidiary of Chao Shin Metal (simplified merger), setting December 31, 2025 as the merger effective date. After the merger, the Company will be the surviving company, and Chao Shin Metal will be the dissolving company.

The following operating assets and liabilities were acquired in this merger:

Items	December 31, 2025
Bank deposit	$ 57,800
Notes receivable, net	3,134
Accounts receivable, net	17,226
Other receivable	6,519
Current income tax assets	158
Inventories	108,742
Other current assets	699
Property, plant and equipment	143,385
Intangible assets	36
Deferred income tax assets	2,356
Accounts payable	(9,659)
Other payables	(6,541)
Other current liabilities	(92)
Deferred income tax liabilities	(24,716)
Total	$ 299,047

6.10 PROPERTY, PLANT AND EQUIPMENT

Items	December 31, 2025	December 31, 2024
Land	$ 571,471	$ 490,464

Items	December 31, 2025	December 31, 2024
Buildings	$ 2,047,295	$ 1,861,397
Machinery	4,289,966	4,037,744
Molds	1,168,742	1,173,692
Other equipment	1,278,936	1,191,244
Equipment to be inspected and construction in progress	595,030	436,620
Total cost	9,951,440	9,191,161
Less: accumulated depreciation and impairment	(6,213,209)	(5,832,004)
Total	$ 3,738,231	$ 3,359,157

	Land	Buildings	Machinery	Molds	Other equipment	Equipment to be inspected and construction in progress	Total
Cost							
Balance, January 1, 2025	$ 490,464	$ 1,861,397	$ 4,037,744	$ 1,173,692	$ 1,191,244	$ 436,620	$ 9,191,161
Acquired in the merger	81,007	70,829	183,018	–	44,339	17,061	396,254
Additions	–	13,489	73,858	3,937	38,202	608,270	737,756
Disposals	–	(49,833)	(110,745)	(55,063)	(61,005)	–	(276,646)
Reclassification	–	151,413	106,091	46,176	66,156	(466,921)	(97,085)
Balance, December 31, 2025	$ 571,471	$ 2,047,295	$ 4,289,966	$ 1,168,742	$ 1,278,936	$ 595,030	$ 9,951,440
Accumulated depreciation and impairment							
Balance, January 1, 2025	$ –	$ (730,070)	$ (3,196,826)	$ (1,129,678)	$ (775,430)	$ –	$ (5,832,004)
Acquired in the merger	–	(68,955)	(149,425)	–	(34,488)	–	(252,868)
Depreciation expense	–	(56,788)	(203,198)	(44,271)	(95,874)	–	(400,131)
Disposals	–	49,833	108,500	55,063	58,398	–	271,794
Balance, December 31, 2025	$ –	$ (805,980)	$ (3,440,949)	$ (1,118,886)	$ (847,394)	$ –	$ (6,213,209)

	Land	Buildings	Machinery	Molds	Other equipment	Equipment to be inspected and construction in progress	Total
Cost							
Balance, January 1, 2024	$ 490,464	$ 1,748,389	$ 3,962,587	$ 1,216,722	$ 1,049,932	$ 515,582	$ 8,983,676
Additions	–	9,558	44,640	1,436	42,268	358,028	455,930
Disposals	–	–	(66,800)	(74,190)	(14,055)	–	(155,045)
Reclassification	–	103,450	97,317	29,724	113,099	(436,990)	(93,400)
Balance, December 31, 2024	$ 490,464	$ 1,861,397	$ 4,037,744	$ 1,173,692	$ 1,191,244	$ 436,620	$ 9,191,161

	Land	Buildings	Machinery	Molds	Other equipment	Equipment to be inspected and construction in progress	Total
Accumulated depreciation and impairment							
Balance, January 1, 2024	$ –	$ (677,630)	$ (3,066,070)	$ (1,148,795)	$ (693,561)	$ –	$ (5,586,056)
Depreciation expense	–	(52,440)	(197,556)	(55,073)	(95,924)	–	(400,993)
Disposals	–	–	66,800	74,190	14,055	–	155,045
Reversal of impairment	–	–	–	–	–	–	–
Balance, December 31, 2024	$ –	$ (730,070)	$ (3,196,826)	$ (1,129,678)	$ (775,430)	$ –	$ (5,832,004)

(1) Please refer to Note 6(30) for information on the company capitalized interest.

(2) The property, plants, and equipment of the Company are not pledged to others.

6.11 LEASE AGREEMENT

(1) Right-of-use assets

Items	December 31, 2025	December 31, 2024
Land	$ 94,642	$ 139,310
Buildings	77,157	76,839
Transportations	3,612	–
Total cost	175,411	216,149
Less: Accumulated depreciation and impairment	(65,310)	(76,963)
Total	$ 110,101	$ 139,186

Items	2025	2024
Additions to right-of-use assets	$ 13,853	$ 2,874
Depreciation of right-of-use assets		
Land	$ 10,933	$ 10,879
Buildings	5,105	5,063
Transportations	1,003	–
Total	$ 17,041	$ 15,942

(2) Lease liabilities

Items	December 31, 2025	December 31, 2024
Current	$ 8,962	$ 11,431
Non-current	$ 70,447	$ 94,743

Range of discounts rate for lease liabilities was as follows:

	December 31, 2025	December 31, 2024
Land	0.90%~1. 76%	0.89%~1. 76%
Buildings	1. 69%	1. 69%
Transportations	1. 81%	-

Please refer to Note 12 for the maturity analysis of the lease liabilities.

(3) Material lease-in activities and terms

A. Land and Buildings

The Company leases land and plants with lease terms between 2015 and 2037, and paid $3,782 thousand for guaranteed deposit for the lease. The Company and the lessor agreed that a plant may be built on the leased land by the Company. However, title deed of the plant should be registered by the lessor. The Company has the right to use the plant within the lease terms.

(4) Other lease information

A. Please refer to Note 6.12 for information of investment property under operating leases.

B. Cash outflow relating to leases for short-term leases and low-value asset leases is as follows:

Items	2025	2024
Expenses relating to short-term leases	$ 4,879	$ 4,370
Total cash outflow for leases	$ 19,864	$ 17,780

The Company elected to apply the recognition exemption for short-term leases and low-value asset leases and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

6.12 INVESTMENT PROPERTIES

Items	December 31, 2025	December 31, 2024
Buildings	$ 99,629	$ 99,629
Less: Accumulated depreciation	(70,853)	(68,081)
Total	$ 28,776	$ 31,548

Items	2025	2024
Cost		
Balance, January 1	$ 99,629	$ 99,629
Balance, December 31	$ 99,629	$ 99,629
Accumulated depreciation and impairment		
Balance, January 1	$ (68,081)	$ (65,287)
Depreciation expense	(2,772)	(2,794)
Balance, December 31	$ (70,853)	$ (68,081)

A. Rent revenue and direct operation expenses from investment property:

Items	2025	2024
Rent revenue from investment property	$ 19,593	$ 19,593
Direct operating expenses from the investment of property that generated rental income during the period	$ 3,231	$ 3,253

B. The lease term for buildings under operating leases is 5 years. The lessees do not have an option to acquire the assets at the expiry of the lease periods. The Company recognized rent income for the years ended December 31, 2025 and 2024 are $19,593 thousand and $18,265 thousand, respectively. As of December 31, 2025 and 2024, the maturity analysis of minimum rental receivable for the operating lease is as follows:

Items	December 31, 2025	December 31, 2024
Not later than 1 year	$ 19,593	$ 19,593
Later than 1 year and not later than 5 years	39,187	58,780
Total	$ 58,780	$ 78,373

C. The Company's investment property had a fair value of $90,283 thousand and $97,807 thousand as of December 31, 2025 and 2024, respectively. The fair value was not assessed by any independent appraiser but was determined by the Company's management based on the trading price of similar properties on the open market.
D. The investment property of the Company is not pledged to others.

6.13 INTANGIBLE ASSETS

Items	December 31, 2025		December 31, 2024	
Patents	$	42,174	$	44,143
Trademarks		940		940
Computer software		73,963		55,907
Total		117,077		100,990
Less: Accumulated amortization		(55,735)		(46,051)
Intangible assets, net	$	61,342	$	54,939

	2025							
Items	Patent		Trademarks		Computer software		Total	
Cost								
Balance, January 1	$	44,143	$	940	$	55,907	$	100,990
Acquired in the merger		–		–		45		45
Additions		556		–		20,420		20,976
Disposals		(2,525)		–		(2,409)		(4,934)
Balance, December 31	$	42,174	$	940	$	73,963	$	117,077
Accumulated amortization								
Balance, January 1	$	(25,836)	$	(436)	$	(19,779)	$	(46,051)
Acquired in the merger		–		–		(9)		(9)
Amortization expense		(3,705)		(117)		(10,787)		(14,609)
Disposals		2,525		–		2,409		4,934
Balance, December 31	$	(27,016)	$	(553)	$	(28,166)	$	(55,735)

Items	2024 Patent	Trademarks	Computer software	Total
Cost				
Balance, January 1	$ 48,192	$ 1,036	$ 42,752	$ 91,980
Additions	1,020	126	17,280	18,426
Disposals	(5,069)	(222)	(4,125)	(9,416)
Balance, December 31	$ 44,143	$ 940	$ 55,907	$ 100,990
Accumulated amortization				
Balance, January 1	$ (25,867)	$ (539)	$ (14,102)	$ (40,508)
Amortization expense	(5,038)	(119)	(9,802)	(14,959)
Disposals	5,069	222	4,125	9,416
Balance, December 31	$ (25,836)	$ (436)	$ (19,779)	$ (46,051)

6.14 OTHER NON-CURRENT ASSETS

Items	December 31, 2025	December 31, 2024
Prepayments for equipment	$ 24,361	$ 29,844
Less: loss allowance	(9,676)	(9,676)
Refundable deposits	6,513	8,235
Total	$ 21,198	$ 28,403

Please refer to Note 8 for information on the refundable deposits that were pledged to others.

6.15 SHORT-TERM LOANS

The nature of loans	December 31, 2025	December 31, 2024
Unsecured loans	$ 130,000	$ -
Total	$ 130,000	$ -

The nature of loans	December 31, 2025	December 31, 2024
Interest rate range	1.70%~1.84%	-

6.16 NOTES PAYABLE

Items	December 31, 2025	December 31, 2024
Notes payable - operating activities	$ 1,938	$ 2,464
Notes payable – non-operating activities	–	315
Total	$ 1,938	$ 2,779

6.17 OTHER PAYABLES

Items	December 31, 2025	December 31, 2024
Salaries and bonuses payable	$ 204,030	$ 227,621
Payable for equipment and construction	78,902	48,387
Payable for supplies expense	23,674	23,476
Payable for repairs and maintenance	22,209	20,422
Payable for utilities expense	17,942	19,811
Payable for insurance	15,998	15,394
Compensation payable to employees, directors and supervisors	10,282	22,411
Others	69,751	75,673
Total	$ 442,788	$ 453,195

6.18 BONDS PAYABLE

Items	December 31, 2025	December 31, 2024
Domestic unsecured convertible corporate bonds	$ 1,200,000	$ –
Less: Discounts on corporate bonds payable	(58,704)	–
Total	$ 1,141,296	$ –

On June 17, 2025, the Company issued a total of 12,000 unsecured convertible corporate bonds, each bond with a face value of NT$100 thousand and a nominal rate of 0%. The bonds have a three-year term, maturing on June 17, 2028. The bonds were issued at 102.18% of their face value, with total funds raised amounting to NT$1,226,163 thousand.

Bondholders may convert their convertible bonds into ordinary shares of the Company starting from the day following three months after the issue date (September 18, 2025) until the maturity date. The conversion price was NT$72.4 per share both at the time of issuance and as of December 31, 2025.

If, during the period from the day after three months from the issuance date until 40 days before the end of the offering period (from September 18, 2025 to May 8, 2028), the closing price of the Company's common shares exceeds the then conversion price by 30% or more for 30 consecutive business days, or if the outstanding balance of these convertible corporate bonds falls below 10% of the original total issued amount, the Company may redeem the outstanding convertible bonds for cash at their face value.

The convertible corporate bonds consist of both liability and equity components, with the equity portion presented under capital reserve–share options. The effective interest rate at initial recognition for the liability component was 2.03745%.

	Amount
Issue price (less transaction cost NT$5,391 thousand)	$ 1,220,772
Equity component (less transaction costs apportioned to equity of NT$418 thousand)	(94,985)
Financial asset	3,120
Component of liabilities at issue date (less transaction costs apportioned to liabilities of NT$4,973 thousand)	1,128,907
Interest calculated at an effective interest rate	12,389
Component of liabilities as of December 31, 2025	$ 1,141,296

6.19 LONG-TERM LOANS AND CURRENT PORTION

The nature of loans	December 31, 2025	December 31, 2024
Unsecured loans	$ 534,957	$ 1,718,735
Less: current portion	(111,723)	(297,387)
Discount of government grants (Note 6.20)	(1,785)	(3,563)
Total	$ 421,449	$ 1,417,785
Interest rates range	1. 23%~1. 67%	1. 23%~2. 03%
Year to maturity	2026 to 2030	2025 to 2030

(1) The loans from Bank of Taiwan, Mega Bank, HSBC Bank, and Chang Hwa Bank are repaid in installments, while the remaining loans are repaid in full at maturity.

(2) Under the Company's loan agreement with certain banks, the Company should meet several financial ratios and criteria. The Company had no violation of the aforementioned financial ratio regulations as of December 31, 2025 and 2024.

6.20 GOVERNMENT GRANTS

(1) The Company has obtained a $334,957 thousand preferential interest rate loan from a government under the "Action Plan Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" for capital expenditure and operating turnover. The difference between transaction price and fair value is regarded as the government grants. As of December 31, 2025, the fair value of loan is estimated to be $333,172 thousand. The difference $1,785 thousand between transaction price and fair value is recognized as deferred income (under other current and non-current liabilities). The deferred revenue is recognized as other income during the loan period. The Company has recognized $1,755 thousand and $4,009 thousand in other income, $9,314 thousand and $17,003 thousand in interest expense for the loan, and has paid $7,559 thousand and $12,994 thousand interests to the bank for the years ended December 31, 2025 and 2024.

(2) The National Development Fund would cease providing the Company related interest subsidies if the Company violated requirements of the project loan due to not be able to build plants and relevant facilities, purchasing equipment or use as mid-term working capital.

6.21 RETIREMENT BENEFIT PLANS

(1) Defined contribution plans

A. The employee pension plan under the Labor Pension Act of the R.O.C. (the Act) is a defined contribution plan. Pursuant to the plan, the Company make monthly contributions of 6% of each individual employee's salary or wage to employees' pension accounts.

B. The Company recognized expenses in the statement of comprehensive income were $36,854 thousand and $35,438 thousand under the contributions rates specified in the plans for years ended December 31, 2025 and 2024, respectively.

(2) Defined benefit plans

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Law of the R.O.C. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 6% of the employees' monthly salaries and wages to the retirement fund deposited in Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of each year. If the amount of the balance in the pension fund is not enough to pay the pension to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March. The Fund is managed by the Government's designated authorities and the Company have no right to influence their investment strategies.

B. Amounts recognized in the balance sheet are as follows:

Items	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	$ 109,675	$ 185,401
Fair value of plan assets	(57,345)	(128,432)
Net defined benefit liability	$ 52,330	$ 56,969

C. Movements in net defined benefit liability are as follows:

	2025		
Items	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance, January 1	$ 185,401	$ (128,432)	$ 56,969
Service costs			
Current service cost	798	–	798
Interest expense(revenue)	2,966	(2,140)	826
Amounts recognized in profit and loss	3,764	(2,140)	1,624
Remeasurements:			
Return on plan assets (Amounts included in interest income or expense are excluded)	–	(9,092)	(9,092)
Actuarial (gains) losses -			
Effect of changes in financial assumptions	1,727	–	1,727
Experience adjustments	12,065	–	12,065
Amounts recognized in other comprehensive income (losses)	13,792	(9,092)	4,700
Pension fund contributions	–	(10,963)	(10,963)
Paid pension	(93,282)	93,282	–
Balance, December 31	$ 109,675	$ (57,345)	$ 52,330

	2024		
Items	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance, January 1	$ 216,512	$ (136,320)	$ 80,192

Items	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Service costs			
Current service cost	$ 793	$ -	$ 793
Interest expense(revenue)	2,814	(1,842)	972
Amounts recognized in profit and loss	3,607	(1,842)	1,765
Remeasurements:			
Return on plan assets (Amounts included in interest income or expense are excluded)	-	(11,696)	(11,696)
Actuarial (gains) losses -			
Effect of changes in financial assumptions	(4,121)	-	(4,121)
Experience adjustments	1,476	-	1,476
Amounts recognized in other comprehensive income (losses)	(2,645)	(11,696)	(14,341)
Pension fund contributions	-	(10,647)	(10,647)
Paid pension	(32,073)	32,073	-
Balance, December 31	$ 185,401	$ (128,432)	$ 56,969

The pension costs of the aforementioned defined benefit plans are recognized in profit or loss by the following categories:

Items	2025	2024
Cost of revenue	$ 1,049	$ 1,140
Marketing expenses	117	122
General and administrative expenses	292	331
Research and development expenses	166	172
Total	$ 1,624	$ 1,765

D. Information about Fair value of plan assets are as follows:

Item	December 31, 2025	December 31, 2024
Cash and cash equivalents	$ 57,345	$ 128,432

E. Because of the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

i. Investment risk

The pension funds are invested in equity and debt securities, bank deposits, etc. at the discretion of the Bureau of Labor Funds of Ministry of Labor, or under the mandated management. However, under the Labor Standards Law, the rate of return on plan assets shall not be less than the average interest rate on a two-year time deposit published by the local banks.

ii. Interest risk

A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.

iii. Salary risk

The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

F. The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions on measurement date were as follows:

	Measurement date	
Items	December 31, 2025	December 31, 2024
Discount rate	1. 40%	1. 60%
Expected salary increase rate	2. 00%	2. 00%

Reasonably possible changes to the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Items	December 31, 2025	December 31, 2024
Discount rate		
0.25% increase	$ (2,201)	$ (3,507)
0.25% decrease	2,272	3,615

Items	December 31, 2025	December 31, 2024
Expected salary increase rate		
0.25% increase	$ 2,198	$ 3,503
0.25% decrease	(2,140)	(3,415)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

G. The contribution that the Company expects to make to its defined benefit pension plans in next year is $10,370 thousand. The weighted average maturity period of the defined benefit obligation is 10 years.

6.22 COMMON STOCKS

(1) The movements in the number of the Company's ordinary shares outstanding are as follows:

Items	2025		2024	
	Shares (in Thousands)	Capital	Shares (in Thousands)	Capital
Balance, January 1	182,140	$ 1,821,403	182,140	$ 1,821,403
Balance, December 31	182,140	$ 1,821,403	182,140	$ 1,821,403

The par value of common stock is $10 per share, and carrying one vote per share and carry a right to dividends.

(2) The Company's authorized capital was $2,700,000 thousand, consisting of 270,000 thousand shares as of December 31, 2025.

6.23 CAPITAL SURPLUS

Item	December 31, 2025	December 31, 2024
Additional paid-in capital	$ 451,220	$ 451,220
Long-term investments at equity	1,783	3,546
Treasury stock transactions	30,359	30,359
Convertible corporate bond–share option	94,985	–
Others	1,186	992

Item	December 31, 2025	December 31, 2024
Total	$ 579,533	$ 486,117

(1) Under the Company Act, the capital surplus generated from the excess of the issuance price over the par value of capital stock and from donations can be used to offset deficit or may be distributed as stock dividends or cash dividends. Under the regulations of the Security Exchange Law, the maximum amount transferred from the foregoing capital surplus to the Company's capital per year shall not be over 10% of the Company's capital surplus. Capital surplus can't be used to offset deficit unless legal reserve is insufficient.

(2) The capital surplus from shares of changes in equities and stock options may not be used for any purpose.

6.24 RETAINED EARNINGS AND DIVIDEND POLICY

(1) According to the Company’s Article of Incorporation, the current year’s earnings, if any, shall first pay taxes, offset prior years’ operating losses, set aside a legal capital reserve at 10% of the remaining earnings until the accumulated legal capital reserve equals the Company’s paid-in capital then reversal or set aside a special capital reserve in accordance with relevant laws or regulations. Any balance left over shall be allocated with unappropriated earnings submitted by the Board of Directors to be approved at a shareholders’ meeting according to the Company’s Articles of Incorporation 32 para 1 ad finem.

The Company’s dividend policy was established by the Board of Directors according to operating plans, investment plans, capital budgets and the changes in internal and external environment. Due to the Company’s steady growth, distribution of earnings will first consider to be allocated by cash dividend before stock dividend. Stock dividends distributed shall not excess be higher than 50% of the gross amount of total dividends.

(2) Legal reserve may be used to offset a deficit or to distribute as dividend in cash or in stock for the portion in excess of 25% of the Company's paid-in capital.

(3) Special reserve

Items	December 31, 2025	December 31, 2024
Special reserve	$ 64,138	$ 137,810

A. In accordance with the regulation, the Company shall set aside special reserve from the debit balance on other equity item at the end of the year before distributing earnings.

When debit balance on other equity is reversed subsequently, the reversed amount could be included in the distributable earnings.

B. On initial application of IFRSs, the unrealized revaluation increments and cumulative translation adjustment should be reclassified into retained earnings, and was set aside as special reserve $53,205 thousand. When the relevant assets are used, disposal of or reclassified subsequently, the special reserve set aside previously shall be reversed to distributable earnings proportionately.

(4) The appropriations of 2024 and 2023 earnings have been approved by shareholders' meetings held on May 29, 2025 and May 30, 2024, respectively. The appropriations of earnings and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
Items	For Year 2024	For Year 2023	For Year 2024	For Year 2023
Legal reserve	$ 68,774	$ 74,382		
Special reserve	(73,672)	21,554		
Cash dividends to shareholders	455,351	473,564	$ 2. 50	$ 2.60

(5) The Company's appropriation of earnings for 2025 had been approved in the meeting of the Board of Directors held on March 3, 2026. The appropriations of earnings were as follows:

Items	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 29,919	
Special reserve	31,265	
Cash dividends to shareholders	200,354	$ 1.10

The appropriations of earnings for 2025 are to be presented for approval in the shareholders' meeting to be held in May, 2026.

(6) Information on the resolution of the Board of Directors' and shareholders' meetings regarding the appropriation of earnings is available from the Market Observation Post System on the website of the TWSE.

6.25 OTHER EQUITY ITEMS

Item	Exchange differences on translation of foreign financial statements	Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	Total
Balance, January 1, 2025	$ (82,647)	$ 18,508	$ (64,139)
Exchange differences on translation of foreign financial statements	(29,790)	–	(29,790)
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	–	(1,474)	(1,474)
Balance, December 31, 2025	$ (112,437)	$ 17,034	$ (95,403)

Item	Exchange differences on translation of foreign financial statements	Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	Total
Balance, January 1, 2024	$ (156,984)	$ 19,174	$ (137,810)
Exchange differences on translation of foreign financial statements	74,337	–	74,337
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	–	(666)	(666)
Balance, December 31, 2024	$ (82,647)	$ 18,508	$ (64,139)

6.26 OPERATING REVENUE

Items	2025	2024
Revenue from contracts with customers		
Sale of goods	$ 7,341,956	$ 8,129,706
Other operating revenues	199	343
Total	$ 7,342,155	$ 8,130,049

(1) Description of customer contract

The Company is mainly engaged in the sale of lead frames and stationery. The main target customers are downstream vendors and agents, etc., and the Company sells at price stipulated in contract. The consideration is classified as short-term receivables, and is therefore measured at invoice price.

(2) Disaggregation of revenue from contracts with customers

Major products / Area	2025 China	Taiwan	Japan	Malaysia	Others	Total
Electronic	$ 2,000,647	$ 531,978	$ 1,114,327	$ 1,210,588	$ 1,279,195	$ 6,136,735
Stationery	22,705	528,607	69,484	2,849	415,259	1,038,904
Others	56,764	17,097	15,169	40,564	36,723	166,317
Total	$ 2,080,116	$ 1,077,682	$ 1,198,980	$ 1,254,001	$ 1,731,177	$ 7,341,956
Timing of revenue recognition						
Performance obligation satisfied at a point in time	$ 2,080,116	$ 1,077,682	$ 1,198,980	$ 1,254,001	$ 1,731,177	$ 7,341,956

Major products / Area	2024 China	Taiwan	Japan	Malaysia	Others	Total
Electronic	$ 2,429,053	$ 618,681	$ 1,099,877	$ 1,246,177	$ 1,429,863	$ 6,823,651
Stationery	27,872	525,140	67,939	3,192	520,834	1,144,977
Others	40,460	14,347	21,559	73,722	10,990	161,078
Total	$ 2,497,385	$ 1,158,168	$ 1,189,375	$ 1,323,091	$ 1,961,687	$ 8,129,706
Timing of revenue recognition						
Performance obligation satisfied at a point in time	$ 2,497,385	$ 1,158,168	$ 1,189,375	$ 1,323,091	$ 1,961,687	$ 8,129,706

(3) The Company recognizes contract liabilities arising from contracts with customers as follows:

Items	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities -current	$ 99,286	$ 113,730	$ 101,368

6.27 PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

The information of employee benefits, depreciation, depletion, and amortization are as follows:

By nature	2025 Cost of sales	2025 Operating expense (include not operating)	2025 Total	2024 Cost of sales	2024 Operating expense (include not operating)	2024 Total
Employee benefit expense						
Salary	$ 691,967	$ 257,066	$ 949,033	$ 704,811	$ 266,212	$ 971,023
Remuneration to directors	-	5,770	5,770	-	11,227	11,227
Labor insurance	75,877	22,000	97,877	73,810	20,863	94,673
Pension	28,274	10,204	38,478	27,878	9,325	37,203
Other	74,186	15,369	89,555	75,035	18,346	93,381
Depreciation	380,420	39,524	419,944	385,126	34,603	419,729
Amortization	6,897	7,712	14,609	6,674	8,285	14,959
Total	$ 1,257,621	$ 357,645	$ 1,615,266	$ 1,273,334	$ 368,861	$ 1,642,195

(1) The average numbers of employees of the Company in 2025 and 2024 were 1,402 and 1,424, respectively. The numbers of non-employee Directors were 6 and 6 for 2025 and 2024, respectively.

(2) The average employee benefits expenses were $842 thousand and $844 thousand for 2025 and 2024, respectively.

(3) The average salaries were $680 thousand and $685 thousand for 2025 and 2024, respectively. The average salaries of 2025 and 2024 decreased by 1%.

(4) According to the Company's Articles of Incorporation, if there is a profit in the year, 1% of the pre-tax profit shall be allocated as employee compensation, 0.5% as compensation for basic-level employees, and up to 1.5% as remuneration for directors. Any changes in amounts after authorizing the annual financial statement will be treated as adjustments to accounting estimates and accounted for in the next year.

(5) The appropriations of employees' compensation and directors' remuneration for 2025 and 2024 have been approved by the board of directors held on March 3, 2026, and February 26, 2025, respectively. The amount of approved and recognized in financial statement is shown as follows.

	For Year 2025		For Year 2024	
	Employees' compensation	Directors' remuneration	Employees' compensation	Directors' remuneration
Amounts approved	$ 5,712	$ 4,570	$ 12,451	$ 9,960
Amounts recognized in financial statement	5,712	4,570	12,451	9,960
Difference	$ -	$ -	$ -	$ -

The aforementioned employees’ compensation of 2025 and 2024 are distributed in cash.

(6) Information regarding employees' compensation and directors’ remuneration is available from the Market Observation Post System at the website of the TWSE.

6.28 OTHER INCOME

Items		2025		2024
Rental income	$	21,133	$	20,934
Dividend income		1,011		1,476
Government subsidies		3,862		5,184
Others		25,073		15,918
Total	$	51,079	$	43,512

6.29 OTHER GAINS AND LOSSES

Items		2025		2024
Foreign exchange gains (losses), net	$	(18,470)	$	92,458
Gain on disposal of property, plant and equipment		(409)		1,844
Other Impairment Losses		–		(9,676)
Net gains (losses) on financial assets at FVTPL		(600)		–
Others		(3,909)		(4,293)
Total	$	(23,388)	$	80,333

6.30 FINANCIAL COSTS

Items		2025		2024
Interest expense				
Bank loans	$	19,059	$	29,604
Interest on lease liabilities		1,345		1,331
Interest on unsecured convertible bonds		12,389		–
Less: capitalized amount for qualified assets		(5,143)		(4,110)
Financial costs	$	27,650	$	26,825
Interest capitalization rates		1.28%~1.61%		1.33%~1.68%

6.31 INCOME TAX

A. Income tax expense recognized in profit or loss

(1) Components of income tax expense:

Items	2025	2024
Current income tax expense		
Current tax expense (benefit) recognized in the current year	$ 49,305	$ 154,640
Tax on undistributed surplus earnings	11,864	8,716
Income tax adjustments for prior years	(8,387)	(22,528)
Current tax	52,782	140,828
Deferred income tax expense		
The origination and reversal of temporary differences	14,562	(8,282)
Deferred tax	14,562	(8,282)
Income tax expense recognized in profit or loss	$ 67,344	$ 132,546

(2) Income tax expenses (benefits) recognized in other comprehensive income were as follows:

Items	2025	2024
Exchange differences arising on translation of foreign operations	$ (7,448)	$ 18,584
Financial assets at fair value through other comprehensive income	(633)	(463)
Remeasurement of defined benefit obligation	(940)	2,868
Total	$ (9,021)	$ 20,989

B. Reconciliation between accounting profit and income tax expense recognized in profit or loss：

Items	2025	2024
Income before tax	$ 370,538	$ 807,643
Income tax expense at the statutory rate	$ 74,108	$ 161,529

Items	2025	2024
Tax effect of adjusting items:		
Deductible items in determining taxable income	$ (24,803)	$ (6,889)
Income tax on unappropriated earnings	11,864	8,716
Income tax adjustments on prior years	(8,387)	(22,528)
Net changes on deferred income tax	14,562	(8,282)
Income tax expense recognized in profit or loss	$ 67,344	$ 132,546

The corporate income tax rate for entities subject to the R.O,C, Income Tax Act 20%, and the tax rate for unappropriated earnings 5%.

C. Income tax liabilities

Items	December 31, 2025	December 31, 2024
Income tax assets	$ 158	$ –
Income tax liabilities	$ 76,031	$ 105,538

D. Deferred tax assets or liabilities arising from temporary differences, operating loss carryforward, and investment tax credit：

	2025				
Items	January 1	Acquired in the merger	Recognized in (losses) gains	Recognized in other comprehensive income	December 31
Deferred income tax assets					
Temporary differences					
Unrealized loss on inventories	$ 25,260	$ 2,200	$ 13,552	$ –	$ 41,012
Net defined benefit liability	11,253	–	(1,701)	940	10,492
Cutoff	44,108	–	(25,555)	–	18,553
Others	7,857	156	2,037	–	10,050
Subtotal	88,478	2,356	(11,667)	940	80,107
Deferred tax liabilities					
Temporary differences					

Items	2025 January 1	Acquired in the merger	Recognized in (losses) gains	Recognized in other comprehensive income	December 31
Gain on foreign investments accounted for using the equity method	$ (192,770)	$ –	$ –	$ –	$ (192,770)
Exchange differences arising on translation of foreign operations	(24,768)	–	–	7,448	(17,320)
Reserve for land revaluation increment tax	(78,957)	(24,716)	–	–	(103,673)
Others	(6,381)	–	(2,895)	633	(8,643)
Subtotal	(302,876)	(24,716)	(2,895)	8,081	(322,406)
Total	$ (214,398)	$ (22,360)	$ (14,562)	$ 9,021	$ (242,299)

Items	2024 January 1	Recognized in (losses) gains	Recognized in other comprehensive income	December 31
Deferred income tax assets				
Temporary differences				
Unrealized loss on inventories	$ 21,120	$ 4,140	$ –	$ 25,260
Net defined benefit liability	15,540	(1,419)	(2,868)	11,253
Cutoff	29,315	14,793	–	44,108
Others	16,803	(8,946)	–	7,857
Subtotal	82,778	8,568	(2,868)	88,478
Deferred tax liabilities				
Temporary differences				
Gain on foreign investments accounted for using the equity method	(192,770)	–	–	(192,770)
Exchange differences arising on translation of foreign operations	(6,184)	–	(18,584)	(24,768)
Reserve for land revaluation increment tax	(78,957)	–	–	(78,957)
Others	(6,558)	(286)	463	(6,381)
Subtotal	(284,469)	(286)	(18,121)	(302,876)
Total	$ (201,691)	$ 8,282	$ (20,989)	$ (214,398)

E. The income tax returns of the Company have examined through 2023 by tax authority.

6.32 OTHER COMPREHENSIVE INCOME

Items	2025 Before tax	2025 Income tax (expense) benefit	2025 After tax
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligation	$ (4,700)	$ 940	$ (3,760)
Share of other comprehensive income of investments accounted for using the equity method	(240)	-	(240)
Unrealized gains (losses) on valuation of equity investments at fair value through other comprehensive income	(2,107)	633	(1,474)
Subtotal	(7,047)	1,573	(5,474)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations	(37,238)	7,448	(29,790)
Subtotal	(37,238)	7,448	(29,790)
Total	$ (44,285)	$ 9,021	$ (35,264)

Items	2024 Before tax	2024 Income tax (expense) benefit	2024 After tax
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligation	$ 14,341	$ (2,868)	$ 11,473
Share of other comprehensive income of investments accounted for using the equity method	1,163	-	1,163

Items	2024 Before tax	2024 Income tax (expense) benefit	2024 After tax
Unrealized gains (losses) on valuation of equity investments at fair value through other comprehensive income	$ (1,129)	$ 463	$ (666)
Subtotal	14,375	(2,405)	11,970
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations	92,921	(18,584)	74,337
Subtotal	92,921	(18,584)	74,337
Total	$ 107,296	$ (20,989)	$ 86,307

6.33 EARNINGS PER SHARE

The earnings for earnings per share calculated and weighted average number of ordinary shares are as follows：

Items	2025	2024
Basic earnings per share		
Net income attributable to ordinary shareholders of the Company	$ 303,194	$ 675,097
Net income for calculating basic earnings per share	$ 303,194	$ 675,097
Weighted average number of shares outstanding (in thousands)	182,140	182,140
Basic earnings per share (after tax) (in dollars)	$ 1.66	$ 3. 71
Diluted earnings per share		
Net income attributable to ordinary shareholders of the Company	$ 303,194	$ 675,097
After-tax interest on convertible corporate bonds	9,911	–
Valuation on right of redemption	600	–
Net income for calculating diluted earnings per share	$ 313,705	$ 675,097
Weighted average number of shares outstanding (in thousand shares)	182,140	182,140

Items	2025	2024
Effect of dilutive potential common shares		
Employees' compensation (in thousand shares)	94	152
Convertible corporate bonds (in thousand shares)	8,991	–
Weighted average number of shares outstanding for diluted earnings per share (in thousand shares)	191,225	182,292
Diluted earnings per share (after tax) (in NT dollars)	$ 1. 64	$ 3. 70

If the Company is able to settle the employee compensation by cash or stocks, the employee compensation should be assumed to be settled in stocks and the resulting potential shares increased should be included in the weighted average shares outstanding in calculation of diluted earnings per share, if the shares have a dilutive effect. Such dilutive effect of the potential shares need to be included in the calculation of diluted earnings per share until employee compensation is approved in the following year.

6.34 Reconciliation of liabilities arising from financing activities

Items	January 1, 2025	Cash Flows	Non-cash Changes		December 31, 2025
			Change in Exchange Rate	Others(Note)	
Short-term borrowings	$ –	$ 130,000	$ –	$ –	$ 130,000
Bonds payable	–	1,220,772	–	(79,476)	1,141,296
Long-term loan (include current portion)	1,715,172	(1,183,778)	–	1,778	533,172
Lease liabilities	106,173	(13,640)	–	(13,124)	79,409
Guarantee deposits	27	–	–	–	27
Total liabilities arising from financing activities	$ 1,821,372	$ 153,354	$ –	$ (90,822)	$ 1,883,904

Items	January 1, 2024	Cash Flows	Non-cash Changes		December 31, 2024
			Change in Exchange Rate	Others(Note)	
Long-term loan (include current portion)	$ 1,701,813	$ 9,677	$ –	$ 3,682	$ 1,715,172
Lease liabilities	115,379	(12,080)	–	2,874	106,173
Guarantee deposits	27	–	–	–	27
Total liabilities arising from financing activities	$ 1,817,219	$ (2,403)	$ –	$ 6,556	$ 1,821,372

Note：Other non-cash changes primarily included discount amortization measured by the effective interest method.

7. RELATED PARTY TRANSACTIONS

The transactions between the Company and its related parties, other than those disclosed in other notes, are summarized as follows:

A. Related party name and categories

Name of related parties	Related Party Categories
Chao Shin Metal Industrial Corporation (Chao Shin Metal)	Subsidiaries (Note 1)
Tec Brite Technology Co., Ltd. (TEC Brite Technology)	Subsidiaries
Shuen Der Industry (Jiangsu) Co., Ltd. (SDI Jiangsu)	Subsidiaries
Shuen Der Stationery (Jiangsu) Co., Ltd (SDS)	Subsidiaries (Note 2)
SJD Industries (M) Sdn. Bhd	Other related parties
SDI JAPAN CO., LTD.	Other related parties
SDI Electronics JAPAN CO., LTD.	Other related parties

Note 1： Chao Shin Metal was dissolved following its absorption merger into the Company on December 31, 2025. Please refer to Note 6(9)(4) for further information.

Note 2：Newly established company splitting from SDI Jiangsu in the 2024, please refer to Note 6,(9),3.

B. Significant transactions between related parties

Significant transactions between the Company and its related parties for the years ended December 31, 2025 and 2024 are as follows:

(a) Revenue

Categories/Name of related parties	2025	2024
Subsidiaries	$ 196,196	$ 246,892
Other related parties	349,556	356,660
Total	$ 545,752	$ 603,552

Selling price with related parties was determined and negotiated referring to related market price. The payment term was T/T 30 to 240 days.

(b) Purchases

Categories/Name of related parties	2025		2024	
SDS	$	355,753	$	–
SDI Jiangsu		322,912		643,861
TEC Brite Technology		295,120		239,490
Subsidiaries		13,037		18,516
Other related parties		7,820		14,539
Total	$	994,642	$	916,406

Purchasing price with related parties was determined and negotiated referring to related market price. The payment term was T/T 60 to 90 days.

(c) Receivables due from related parties

Items	Categories/Name of related parties	December 31, 2025		December 31, 2024	
Accounts receivable	Subsidiaries	$	7,358	$	66,782
	SDI Electronics JAPAN CO., LTD.		117,024		136,730
	Other related parties		12,998		16,196
	Total	$	137,380	$	219,708
Other receivables	TEC Brite Technology	$	8,956	$	8,977
	Subsidiaries		4,365		1,121
	Other related parties		14		8
	Total	$	13,335	$	10,106

(d) Payables due to related parties

Items	Categories/Name of related parties	December 31, 2025		December 31, 2024	
Accounts payable	TEC Brite Technology	$	86,988	$	72,400
	Subsidiaries		57,523		55,079
	Other related parties		520		2,904

Items	Categories/Name of related parties	December 31, 2025	December 31, 2024
	Total	$ 145,031	$ 130,383
Other payables	TEC Brite Technology	2,350	2,039
	Chao Shin Metal	-	167
	SDI Jiangsu	2	1,678
	SDS	95	-
	SDI Electronics JAPAN CO., LTD	-	152
	Total	$ 2,447	$ 4,036

(e) Property transactions

(1) Disposal of property, plant and equipment

Categories/Name of related parties	2025		2024	
	Price	Profit (Loss)	Price	Profit (Loss)
Subsidiaries	$ 3,166	$ 1,054	$ 249	$ 152
Total	$ 3,166	$ 1,054	$ 249	$ 152

The unrealized gains from selling equipment as mentioned above have been deferred.

(f) Selling parts

Categories/Name of related parties	2025		2024	
	Price	Profit (Loss)	Price	Profit (Loss)
Subsidiaries	$ 2,813	$ 778	$ 140	$ 45

The stationaries and electric parts the subsidiaries needed for production were purchased by the Company. The unrealized gains as mentioned above have been deferred.

(g) Endorsement and Guarantees

Party being guaranteed	Matter being guaranteed	December 31, 2025	December 31, 2024
SDI Jiangsu	Banking facilities	$ 1,333,917	$ 1,370,945

Party being guaranteed	Matter being guaranteed	December 31, 2025	December 31, 2024
SDS	Banking facilities	$ 89,404	$ –
	Total	$ 1,423,321	$ 1,370,945

(h) Other transactions

Items	Categories/Name of related parties	2025	2024
Processing fee	Chao Shin Metal	$ 1,580	$ 2,991
Other expenses	Subsidiaries	$ 13,099	$ 10,377
	Other related parties	3,350	2,619
	Total	$ 16,449	$ 12,996
Rental income	TEC Brite Technology	$ 20,193	$ 20,193
	Subsidiaries	144	144
	Total	$ 20,337	$ 20,337
Other income	TEC Brite Technology	$ 7,185	$ 5,965
	Subsidiaries	823	183
	Other related parties	43	41
	Total	$ 8,051	$ 6,189
Deduction of expenses	Subsidiaries	$ 7,083	$ 3,520
	Other related parties	297	171
	Total	$ 7,380	$ 3,691

(i) Lease agreement

Items	Categories/Name of related parties	December 31, 2025	December 31, 2024
Lease liabilities－current	Chao Shin Metal (Note)	$ –	$ 3,190
Lease liabilities－non-current	Chao Shin Metal (Note)	$ –	$ 26,976

Note：Chao Shin Metal was dissolved effective as of December 31, 2025, following its merger into the Company.

Items	Categories/Name of related parties	2025	2024
Depreciation	Subsidiaries	$ 2,726	$ 2,726
Interests expense	Subsidiaries	$ 335	$ 367

C. Compensation of key management personnel

Items	2025	2024
Short-term employee benefits	$ 33,236	$ 45,536
Post- employment benefits	494	528
Total	$ 33,730	$ 46,064

8. PLEDGED ASSETS

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

Items	December 31, 2025	December 31, 2024
Pledge time deposit (recognized as other financial assets - current)	$ 6,600	$ 6,600
Refundable deposits (recognized as other non-current assets)	551	542
Total	$ 7,151	$ 7,142

9. SIGNIFICANT CONTINGENCIES LIABILITIES AND UNRECOGNIZED COMMITMENTS:

(1) Capital expenditures committed but not yet incurred are as follows:

Items	December 31, 2025	December 31, 2024
Property, plant, and equipment	$ 1,119,954	$ 123,603

10. SIGNIFICANT DISASTERS: NONE.

11. SIGNIFICANT SUBSEQUENT EVENTS：NONE.

12. OTHERS:

12.1 Capital risk management

The Company requires an adequate capital structure to enable the expansion and enhancement of its plant and equipment. Therefore, the Company manages its capital in a manner to ensure that it has sufficient and necessary financial resources and operating plan to fund its working capital needs, capital asset purchases, development expenditure, and debt service requirements and other business requirements associated with its existing operations over the next 12 months.

12.2 Financial instruments

(1) Financial risks on financial instruments

Financial risk management policies

The Company's activities expose it to a variety of financial risks. These financial risks included market risk (including foreign currency exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management strategy focuses on the unpredictability of financial markets and seeks to mitigate potential adverse effects on its financial performance.

The Company's material financial activities are approved by the Board of Directors in accordance with relevant requirements and internal control mechanism, which requires the Company to comply with its financial operating policies and procedures that provide guiding principles for the overall financial risk management and accountability and separation of duties.

Significant financial risks and degrees of financial risks

A. Market risk

a. Foreign exchange risk

i. The Company's sales, purchase and borrowing activities denominated in foreign currencies are exposed to foreign currency risk. The Company's functional currency is New Taiwan dollars. The main foreign currencies of those thousand transactions are US dollars and JPY, etc. To protect against reductions in value and the volatility of future cash flows results from changes in foreign exchange rates, the Company hedges its foreign exchange risk exposure by using foreign currency loans and derivatives, such as forward exchange agreements. The usage of derivative financial instruments can assist the Company to reduce but not completely eliminate the influence of changes in foreign exchange rates.

ii. Sensitivity analysis of foreign currency risk

Items	December 31, 2025		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial Assets			
Monetary Items			
USD	$ 43,791	31.42	$ 1,375,901
JPY	187,956	0. 20	$ 37,751
Non-monetary Items			
Investments accounted for using equity method			
USD	59,842	31.42	1,878,444
Financial Liabilities			
Monetary Items			
USD	18,058	31.42	567,380
JPY	203,630	0. 20	40,899

Items	December 31, 2024		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial Assets			
Monetary Items			
USD	$ 46,640	32. 78	$ 1,528,863
JPY	152,490	0. 21	32,029
Non-monetary Items			
Investments accounted for using equity method			
USD	57,982	32. 78	$ 1,900,667
Financial Liabilities			
Monetary Items			
USD	13,171	32. 78	431,758
JPY	195,256	0. 21	41,014

The Company is mainly exposed to US dollar and JPY. The sensitivity analysis for the Company is 1% increase/decrease in NTD against the relevant foreign currencies 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1 % change in foreign currency rates. An increase/ decrease in profit before tax would be resulted where the NTD strengthens/ weakens 1% against the relevant currency with all other variables held constant in the amounts of $8,054 thousand and $10,881 thousand for the years ended December 31, 2025 and 2024, respectively.

b. Price risk

The Company is exposed to the price risk of funds and unlisted equity securities because these equity investments held by the Company are classified as either financial assets at fair value through profit/loss or financial assets at fair value through other comprehensive income.

The Company mainly invests in equity instrument of unlisted stocks. The prices of equity instrument of unlisted stocks would change due to the uncertainty of the future value.

If the prices of these equity securities had increased/decreased by 1%, the other comprehensive income before tax would have increased/decreased by $207 thousand and $228 thousand for the years ended December 31, 2025 and 2024, respectively, due to increase/decrease in fair value.

c. Interest rate risk

The carrying amounts of interest – bearing financial instruments held by the Company as of the reporting date are as follows:

	Carrying Amounts	
Items	December 31, 2025	December 31, 2024
Fair value interest rate risk		
Financial assets	$ 600	$ 600
Financial liabilities	(1,141,296)	-
Net	$ (1,140,696)	$ 600
Cash flow interest rate risk		
Financial assets	$ 531,261	$ 693,641
Financial liabilities	(663,172)	(1,715,172)
Net	$ (131,911)	$ (1,021,531)

i. Sensitivity analysis for instruments with fair value interest rate risk：

The Company does not classify any fixed-rate instruments as financial assets measured at fair value through profit and loss. In addition, the Company does not designate derivatives as hedge instruments under the fair value hedge accounting model. Therefore, the change in interest rate on the reporting date has no effect on profit or loss and other comprehensive income.

ii.Sensitivity analysis for instruments with cash flow interest rate risk：

The effective interest rates for the Company's floating interest rate financial instruments are susceptible to the market interest rate, affecting the Company's future cash flows. If the market interest rate increases (decreases) 1%, the profit before tax will increase (decrease) $1,319 thousand and $10,215 thousand for the years ended December 31, 2025 and 2024, respectively.

B. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from operation activities, primarily trade receivable, and from investing activities, primarily bank deposits and other financial instruments. Credit risk is managed separately for business related and financial related exposures.

a. Business - related credit risk

In order to maintain the credit quality of the trade receivables, the Company has established procedures to monitor and limit exposure to credit risk on trade receivables. Credit evaluation is performed taking into account relevant factors that may affect a customer's paying ability, such as the customer's financial condition and historical transaction records, internal and external credit rating and economic conditions.

The Company does not hold any collateral or other credit enhancement to hedge against the credit risk of financial assets.

b. Financial credit risk

The Company's exposure to financial credit risk which pertaining to bank deposits and other financial instruments was evaluated and monitored by the Company's treasury function. The Company only transacts with creditworthy counterparties and banks; therefore, no significant financial credit risk was identified.

i.Credit concentration risk

As of December 31, 2025 and 2024, the proportion of the accounts receivable exceeds 10% of the total accounts receivable, representing 50% and 38%, respectively. The credit concentration risk associated with other accounts receivable is relatively insignificant.

ii.Measurement of expected credit losses

(i) Accounts receivable: The Company applies simplified approach to its accounts receivable. Please refer to Note 6(4) for more information.

(ii) The criteria used to determine whether credit risk has increased significantly: The Company considered credit factors and reviewed relevant information associated with debtors to assess whether credit risks on financial instruments have increased significantly since initial recognition.

iii.Holding collateral and other credit enhancement to hedge against credit risk of financial assets: None.

iv. Credit risk of financial assets measured at amortized cost:

Please refer to Note 6(4) for information on the Company’s credit exposures associated with notes receivable and accounts receivable. Other financial instruments amortized at cost, such as cash and cash equivalents and other receivables, have low credit losses. After assessment, the Company determined that no material impairment occurred.

C. Liquidity risk

a. Liquidity risk management

The objective of the Company's management of liquidity risk is to maintain sufficient cash and cash equivalents, highly liquid securities, and banking facilities to ensure that the Company has sufficient financial flexibility for its operations.

b. Maturity analysis for financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities:

	December 31, 2025				
Non-derivative Financial Liabilities	Within 1 year	1-5 years	Over 5 years	Contract cash flows	Carrying amounts
Short-term loans	$ 130,075	$ -	$ -	$ 130,075	$ 130,000
Notes payable	1,938	-	-	1,938	1,938
Accounts payable	889,601	-	-	889,601	889,601
Other payables	205,570	-	-	205,570	205,570
Bonds payable	-	1,200,000	-	1,200,000	1,141,296
Lease liabilities	9,810	32,883	41,816	84,509	79,409
Long-term loan (include current portion)	119,571	431,279	-	550,850	533,172
Guarantee deposits	-	-	27	27	27
Total	$ 1,356,565	$ 1,664,162	$ 41,843	$ 3,062,570	$ 2,981,013

Further information on maturity analysis for lease liabilities：

	December 31, 2025					
	Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Total undiscounted lease payment
Lease liabilities	$ 9,810	$ 32,883	$ 32,517	$ 9,299	$ -	$ 84,509

Non-derivative Financial Liabilities	December 31, 2024 Within 1 year	1-5 years	Over 5 years	Contract cash flows	Carrying amounts
Notes payable	$ 2,779	$ -	$ -	$ 2,779	$ 2,779
Accounts payable	717,313	-	-	717,313	717,313
Other payables	182,739	-	-	182,739	182,739
Lease liabilities	12,104	36,562	64,503	113,169	106,174
Long-term loan (include current portion)	324,966	1,433,681	10,305	1,768,952	1,715,172
Guarantee deposits	-	-	27	27	27
Total	$ 1,239,901	$ 1,470,243	$ 74,835	$ 2,784,979	$ 2,724,204

Further information on maturity analysis for lease liabilities：

	December 31, 2024 Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Total undiscounted lease payment
Lease liabilities	$ 12,104	$ 36,562	$ 47,220	$ 17,283	$ -	$ 113,169

The Company does not expect the cash flows on the maturity analysis to occur significantly earlier or with a considerable difference from the actual amounts.

12.3 Category of financial instruments

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at fair value through profit or loss- current	$ 2,520	$ -
Financial assets measured at amortized cost (Note 1)	1,781,839	2,573,711
Financial assets at fair value through other comprehensive income	20,702	22,809
Financial liability		
Financial liabilities measured at amortized cost (Note 2)	2,901,604	2,618,030

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, other receivable and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term loan, accounts payable, other payables, bonds payable, long-term loan (include current portion) and guarantee deposits received.

12.4 Fair value information of financial instruments

(1) Definition of fair value measurements are grouped into Level 1 to 3 as follows:

Level 1: Relevant inputs are quoted prices in active markets for identical assets or liabilities that the entity can access on the measurement date

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

Level 3: Inputs are unobservable inputs that used to measure fair value to the extent when relevant observable inputs are not available.

(2) Financial instruments that are not measured at fair value

Except as listed in the table below, the fair value of the company financial instruments not measured at fair value including cash and cash equivalents, accounts receivable, other financial assets, refundable deposits, short-term loan, accounts payables, long term loan (including current portion) and other financial liabilities approximate their fair value.

	December 31, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Convertible bonds	$ 1,141,296	$ 1,148,520	$ –	$ –

(3) Financial instruments that are measured at fair value:

The financial instruments that are measured at fair value on a recurring basis, the information of fair value is as follows:

	December 31, 2025			
Items	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial asset at FVTPL - current				
Derivatives instruments	$ –	$ 2,520	$ –	$ 2,520

Items	December 31, 2025 Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI - noncurrent				
Equity instruments				
Unlisted stocks	$ -	$ -	$ 20,702	$ 20,702
Total	$ -	$ 2,520	$ 20,702	$ 23,222

Items	December 31, 2024 Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at FVTOCI - noncurrent				
Equity instruments				
Unlisted stocks	$ -	$ -	$ 22,809	$ 22,809
Total	$ -	$ -	$ 22,809	$ 22,809

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

A. The company measures the fair values of its financial instruments with an active market using their quoted prices in the active market.

B. Fair value of equity investment of unlisted stocks without active market was estimated through the market approach that is mainly referenced to the same type of companies' evaluation, quotes from third parties, net assets and state of operation. The significant and unobservable input parameter for assessing the unlisted stocks mainly relates to liquidly discount rate. Since the possible changes of liquidity discount rate may not cause significant influence on financial standing, the quantitative information will not be disclosed.

C. The fair value of the redemption/put options of convertible bonds is determined using a binomial tree model for convertible bonds, based on observable stock prices at the end of the period, stock price volatility, risk-free interest rates, risk discount rates, and liquidity risk assessment.

D. Fair value of other financial assets and financial liabilities (except for aforementioned) are determined in accordance with generally accepted pricing model based on the discounted cash flow analysis.

(5) ransfer between Level 1 and Level 2 of the fair value hierarchy: none.

(6) Changes in level 3 instruments:

Items	2025		2024	
Financial assets at FVTOCI				
Beginning Balance	$	22,809	$	23,938
Unrealized valuation gains or losses on equity investments at FVTOCI		(2,107)		(1,129)
Ending Balance	$	20,702	$	22,809

13. SUPPLEMENTARY DISCLOSURES

13.1 Significant transactions information

(1) Financings provided to others: None;

(2) Endorsement and guarantee provided to others: Please see Table 1 attached;

(3) Marketable securities held（excluding investments in subsidiaries, associates and joint ventures at the end of the period）: Please see Table 2 attached;

(4) Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: Please see Table 3 attached;

(5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid- in capital: Please see Table 4 attached;

(6) The business relationship between the parent and the subsidiaries and significant transaction between then: Please see Table 5 attached;

13.2 Information on investees : Please see Table 6 attached;

13.3 Information on investment in Mainland China

(1) The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Please see Table 7 attached;

(2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: Please see Table 5 attached.

14. SEGMENT INFORMATION

The company has provided the segment information disclosure in the consolidated financial statements for the year ended December 31, 2025.

SDI CORPORATION

ENDORSEMENTS / GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2025

TABLE 1

Amounts in Thousands of New Taiwan Dollars

NO.	Endorsement /Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period		Ending Balance		Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Remark
		Name	Nature of Relationship													
0	SDI	SDI Jiangsu	(3)	NTD 3,132,549	NTD USD RMB	1,333,917 14,000 200,000	NTD USD RMB	1,229,945 14,000 200,000	NTD 333,540	NTD –	18. 95%	NTD 3,480,611	Y	N	Y	
0	SDI	SDS	(3)		NTD RMB	89,404 20,000	NTD RMB	89,404 20,000	NTD 13,277	NTD –			Y	N	Y	

Note 1：The numbers filled in for the financing company represent the following：

(1) The Company is ‘0’.

Note 2：Relationships between the endorser/guarantor and the party being endorsed/guaranteed：

(1) Trading parties.

(2) The Company direct and indirect owns over 50% ownership of subsidiaries.

(3) The Company and its subsidiaries own over 50% ownership of the investee company.

Note 3：The total amount of the guarantee provided by SDI to any individual entity shall not exceed forty-five percent (45%) of Company’s net worth.

Note 4：The total amount of guarantee shall not exceed fifty percent (50%) of Company’s net worth.

Note 5："Y” represents the endorsement and guarantee provide by listed parent company to subsidiaries, subsidiaries to listed parent company, or take place in Mainland China.

SDI CORPORATION

MARKETABLE SECURITIES HELD

DECEMBER 31, 2025

TABLE 2

Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	DECEMBER 31, 2025				Remarks
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership	Fair Value	
SDI	Chang Hwa Golf Club	—	Financial Assets at Fair Value through Other Comprehensive Income－Noncurrent	90	$ 11,685	0. 24%	$ 11,685	
	SDI ELECTRONICS JAPAN CO., LTD	Please refer to Note 7A.	Financial Assets at Fair Value through Other Comprehensive Income－Noncurrent	30	6,017	15. 00%	6,017	
	SDI JAPAN CO., LTD	Please refer to Note 7A.	Financial Assets at Fair Value through Other Comprehensive Income－Noncurrent	200	3,000	19. 61%	3,000	

SDI CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2025

TABLE 3

Amounts in Thousands of New Taiwan Dollars

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Remarks
			Purchases/Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
SDI	SDI Jiangsu	Sub-Subsidiary	Sales	$ 189,048	2.57%	As prescribed by the agreement	—	—	$ 7,000	0.58%	
SDI Jiangsu	SDI	The ultimate parent of the Company	Sales	322,912	12.14%	As prescribed by the agreement	—	—	32,958	4.84%	
TEC Brite Technology	SDI	The ultimate parent of the Company	Sales	300,974	41.80%	As prescribed by the agreement	—	—	89,338	40.81%	
SDS	SDI	The ultimate parent of the Company	Sales	376,447	62.02%	As prescribed by the agreement	—	—	24,564	39.67%	
SDI	SDI Electronics JAPAN CO., LTD.	Other related parties	Sales	318,589	4.34%	As prescribed by the agreement	—	—	117,023	9.71%	

SDI CORPORATION

RECEIVABLES FROM RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2025

TABLE 4

Amounts in Thousands of New Taiwan Dollars

Creditor	Counterparty	Relationship	General ledger account	Balance	Turnover rate	Overdue receivables		Subsequent collections	Allowance for bad doubtful accounts
						Amount	Action taken		
SDI	SDI Electronics JAPAN CO., LTD	Please refer to Note 7A.	Account Receivable	$ 117,023	2.72	$ -	-	$ 23,792	$ -

SDI CORPORATION

SUBSIDIARIES INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTION

FOR THE YEAR ENDED DECEMBER 31, 2025

TABLE 5 Amounts in Thousands of New Taiwan Dollars

No.	Company Name	Counter Party	Nature of Relationship	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
0	SDI	SDI Jiangsu	1	Sales revenue	$ 189,048	Note 3	1.84%
		SDI Jiangsu	1	Accounts receivable	7,000	Note 3	0.05%
		SDI Jiangsu	1	Other receivables	4,365	—	0.03%
		SDS	1	Sales revenue	35	Note 3	—
		Chao Shin Metal	1	Sales revenue	6,796	Note 3	0.07%
		TEC Brite Technology	1	Sales revenue	317	Note 3	—
		TEC Brite Technology	1	Accounts receivable	358	Note 3	—
		TEC Brite Technology	1	Other receivables	8,956	—	0.07%
1	SDI Jiangsu	SDI	2	Sales revenue	322,912	Note 3	3.15%
		SDI	2	Accounts receivable	32,958	Note 3	0.26%
		SDI	2	Other receivables	2	—	—
		SDS	3	Processing revenue	27,811	Note 3	0.27%
		SDS	3	Accounts receivable	11,272	Note 3	0.09%
		SDS	3	Other receivables	5,193	—	0.04%
2	Chao Shin Metal	SDI	2	Sales revenue	13,109	Note 3	0.13%
		SDI	2	Processing revenue	1,596	Note 3	0.02%
		SDS	3	Sales revenue	38,099	Note 3	0.37%
		TEC Brite Technology	3	Processing revenue	89	Note 3	—
3	TEC Brite Technology	SDI	2	Sales revenue	300,974	Note 3	2.94%
		SDI	2	Accounts receivable	89,338	Note 3	0.70%
		Chao Shin Metal	3	Sales revenue	63	Note 3	—
4	SDS	SDI	2	Sales revenue	376,447	Note 3	3.67%
		SDI	2	Accounts receivable	24,564	Note 3	0.19%
		SDI	2	Other receivables	95	—	—
		SDI Jiangsu	3	Accounts receivable	4	Note 3	—
		SDI Jiangsu	3	Other receivables	224	—	—

Note 1: The numbers filled in for the transaction company represent the follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationships between transaction companies and counterparties are classified into the following three categories as listed below：

‘1’represents parent company to subsidiary.

‘2’ represents subsidiary to parent company.

‘3’ represents subsidiary to subsidiary.

Note 3: Sale price with related parties were determined and negotiated referring to related market price.

SDI CORPORATION

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

DECEMBER 31, 2025

TABLE 6

Amounts in Thousands of New Taiwan Dollars

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2025			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Remarks
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
SDI	Chao Shin Metal	Taiwan	Smelting and rolling of metal strips	$ -	$ 106,953	-	-	-	$ 4,153	$ 4,775	Note 1,3
	TEC Brite Technology	Taiwan	Manufacturing of electronic components and international trade	98,969	98,969	9,897	54.98%	389,228	89,740	49,033	Note 1
	Shuen Der (B.V.I.)	BVI	Holding Company	722,660	753,940	8,920	100.00%	1,845,170	14,828	14,223	Note 1,2

Note 1：The difference of the shares of profits/losses of investee is recognized as unrealized gross profit.

Note 2：Please refer to Table 7 for information of investees of China Mainland.

Note 3：In May 2025, the Companys board of directors approved the acquisition of non-controlling interests in the subsidiary, Chao Hsin Metals. For related information, please refer to Note 6 (9) 4.

SDI CORPORATION

INFORMATION ON INVESTMENT IN MAINLAND CHINA

FOR THE YEAR ENDED DECEMBER 31, 2025

TABLE 7

Amounts in Thousands of New Taiwan Dollars

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1,2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	Net Income (Losses) of the Investee Company	Percentage of Ownership	Shares of Profits/ Losses	Carrying Amount as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025	Remarks
					Outflow	Inflow							
SDI Jiangsu	Manufacture, process and sales of integrated circuit frame, blades, stationary, etc.	NTD 934,745	Note 1	NTD 614,261	NTD –	NTD –	NTD 614,261	(NTD 3,346)	100.00%	(NTD 3,346)	NTD 1,589,013	NTD –	
		USD 29,750		USD 19,550			USD 19,550	(USD 107)					
SDS	Office supplies (Blades, stationery, etc.) manufacturing and processing	NTD 164,955	Note 4	NTD 108,399	NTD –	NTD –	NTD 108,399	NTD 17,076	100.00%	NTD 17,076	NTD 289,431	NTD –	
		USD 5,250		USD 3,450			USD 3,450	USD 548					

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
NTD 722,660	NTD 1,099,700	NTD 4,366,486
USD 23,000	USD 35,000	

Note 1：Reinvesting in the Mainland China through third-region companies.

Note 2：Amounts is recognized based on the audited financial statements.

Note 3：Foreign currencies aforementioned are translated into NTD using the exchange rate at the reporting date or average exchange rate for the year ended.

Note 4：SDI Jiangsu, a subsidiary of Shuen Der (B.V.I.) invested in mainland China, was split in 2024, please refer to Table 6,(9),4.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

SDI Corporation

STATEMENT OF CASH AND CASH EQUIVALENTS

DECEMBER 31, 2025

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

Statement 1

Item	Description		Amount
Cash on hand			$ 768
Cash in banks			
New Taiwan Dollars			
Checking accounts deposits			17,563
Demand deposits			165,358
Foreign currency			
Demand deposits	(US)	10,507,505	330,145
	(EUR)	129,917	4,794
	(￥)	113,882,536	22,873
	(SGD)	41,079	1,004
	(THB)	409,273	408
	(CHF)	2,754	109
	(RMB)	4,042	18
Subtotal			542,272
Total			$ 543,040

Note：USD $1 = NT $31.42

JPY $1 = NT $0.20085

EUR $1 = NT $36.90

CHF $1 = NT $39.64

SGD $1 = NT $24.45

RMB $1 = NT $4.50

THB $1 = NT $0.99

SDI Corporation

STATEMENT OF NOTES RECEIVABLE, NET

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Statement 2

Client Name	Description	Amount	Remark
Client A	Payment for goods	$ 9,535	
Client B	Payment for goods	5,811	
Client C	Payment for goods	3,325	
Client D	Payment for goods	3,000	
Client E	Payment for goods	2,970	
Client F	Payment for goods	2,229	
Others (Note)	Payment for goods	11,983	
Subtotal		38,853	
Less: Loss allowance for ECL		(50)	
Total		$ 38,803	

Note： The amount of individual client included in others does not exceed 5% of the account balance.

SDI Corporation

STATEMENT OF ACCOUNTS RECEIVABLE, NET

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Statement 3

Client Name	Description	Amount	Remark
Accounts receivable - nonrelated parties			
Client G	Payment for goods	$ 143,551	
Client H	Payment for goods	93,746	
Client I	Payment for goods	84,325	
Client J	Payment for goods	80,857	
Others (Note)	Payment for goods	634,120	
Subtotal		1,036,599	
Less：loss allowance		(8,053)	
Total		$ 1,028,546	

Note： The amount of individual client included in others does not exceed 5% of the account balance.

SDI Corporation

STATEMENT OF INVENTORIES

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Statement 4

Item	Description	Amount		Remark
		Cost	Net Realizable Value	
Work-in-process		$ 993,069	$ 1,001,537	
Finished goods		650,991	848,891	
Raw materials		663,654	775,118	
Merchandise		81,542	106,416	
Inventory in transit		65,698	65,698	
Mold parts and merchandise		165,039	166,393	
Total		$ 2,619,993	$ 2,964,053	

SDI Corporation

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

FOR THE YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars, Thousands of Shares)

Statement 5

	Balance, January 1, 2024		Addition(Note1)		Decrease(Note2)		Balance, December 31, 2024					
Investees	Share	Amount	Shares	Amount	Shares	Amount	Shares	%	Amount	Net Assets Value	Collateral	Remark
Chao Shin Metal	14,810	$ 257,789	2,691	$ 52,269	(17,501)	$ (310,058)	–	–	$ –	$ –	Nil	
TEC Brite Technology	9,897	389,919	–	49,033	–	(49,724)	9,897	54. 98%	389,228	392,467	Nil	
Shuen Der (B. V. I)	8,920	1,869,465	–	14,223	–	(38,518)	8,920	100%	1,845,170	1,880,487	Nil	
Total		$ 2,517,173		$ 115,525		$ (398,300)			$ 2,234,398	$ 2,272,954		

Note 1：Information of Addition is as follows：

Share of profit or loss of subsidiaries accounted for using equity method (Note 3)	$ 68,032
Acquire in the merger	47,493
Total	$ 115,525

Note 2：Information of Decrease is as follows:

Receiving cash dividends of investees	$ 61,332
Share of other comprehensive income of subsidiaries accounted for using equity method	240
Exchange differences arising from translation of foreign operations	37,238
Difference between the actual price paid for the subsidiary's equity and its book value	1,763
Realized gain or loss downstream transactions	1,281
Absorption merger of a subsidiary	296,446
Total	$ 398,300

Note 3： Amounts include $67,427 thousand from the Company’s share of subsidiaries’ profits or losses accounted for using the equity method and $605 thousand from the deferred income tax of unrealized profit under upstream transactions recognized in parent company only financial statements.

SDI Corporation

STATEMENT OF NOTES PAYABLE

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Statement 6

Vendor Name	Description	Amount	Remark
Vendor A	Expense	$ 547	
Vendor B	Expense	461	
Vendor C	Expense	242	
Vendor D	Expense	180	
Vendor E	Expense	158	
Vendor F	Expense	157	
Others (Note)		193	
Total		$ 1,938	

Note： The amount of individual vendor included in others does not exceed 5% of the account balance.

SDI Corporation

STATEMENT OF ACCOUNTS PAYABLE

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Statement 7

Vendor Name	Description	Amount	Remark
Vendor G	Payment for material	$ 132,093	
Vendor H	Payment for material	125,421	
Vendor I	Payment for material	67,011	
Vendor J	Payment for material	55,315	
Vendor K	Payment for material	52,773	
Vendor L	Payment for material	46,296	
Others (Note)		265,661	
Total		$ 744,570	

Note： The amount of individual vendor included in others does not exceed 5% of the account balance.

SDI Corporation

STATEMENT OF LONG-TERM LOANS

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Statement 8

Creditor	Description	Amount		Contract Period	Collateral	Remark
Mega International Commercial Bank	Unsecured loans	$	21,000	2026. 09. 15	Nil	
Mega International Commercial Bank	Unsecured loans		25,446	2026. 09. 15	Nil	
HSBC Bank	Unsecured loans		200,000	2027. 12. 30	Nil	
Chang Hwa Commercial Bank	Unsecured loans		168,511	2028. 09. 15	Nil	
Chang Hwa Commercial Bank	Unsecured loans		120,000	2030. 02. 15	Nil	
Subtotal		$	534,957			
Less：Current portion			(111,723)			
Less：Discount on subsidies for project loans			(1,785)			
Total		$	421,449			

Note：The range of interest rates is 1.23% ～1.67%

SDI Corporation

STATEMENT OF NET REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Statement 9

Item	QTY (in thousand PCE)	Amount	Remark
Stationery products			
Correction tapes	21,383	$ 336,926	
Scissors	81,807	312,973	
Staplers	3,229	150,606	
Others		256,124	
Subtotal		1,056,629	
Electronic products			
Electronic monomers	48,475	3,863,935	
Electronic integrated circuits	6,461	2,144,879	
Others		240,293	
Subtotal		6,249,107	
Others		166,516	
Total		7,472,252	
Sales allowances		(130,097)	
Net revenue		$ 7,342,155	

SDI Corporation

STATEMENT OF COST OF REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Statement 10

Item	Amount	
	Subtotal	Total
Cost of purchased goods sold		
Balance, beginning of year	$ 82,514	
Purchase	1,021,047	
Balance, end of year	(81,542)	
Transferred to raw materials	(285,471)	
Scrapped losses	(650)	
Other	(3,478)	$ 732,420
Cost of self-manufactured goods sold		
Raw materials:		
Balance, beginning of year	530,683	
Purchase	3,818,280	
Add：Transferred in from outsourcing	285,471	
Others	94,184	
Balance, end of year	(729,352)	
Less：Raw materials sold	(69,519)	
Scrapped losses	(24,082)	
Transferred to expenses	(60,121)	3,845,544
Direct labor		427,589
Manufacturing expenses		1,555,379
Manufacturing cost		$ 5,828,512
Add：Work in process, beginning of year		816,422
Others		11,691
Less：Work in process, end of year		(993,069)
Scrapped losses		(32,827)
Transferred to expenses		(77)
Cost of finished goods		5,630,652
Add：Finished goods, beginning of year		752,809
Others		5,322
Less：Finished goods, end of year		(650,991)
Scrapped losses		(62,873)
Transferred to expenses		(210,164)
Total cost of goods sold		6,197,175
Other cost of goods sold		
Molds and parts sold		119,501
Raw materials sold		69,519
Others		4,000
Unallocated production overheads		42,924
Scrapped losses	120,432	
Revenue from sale of obsolete inventories	(73,436)	46,996
Less：Revenue from sale of scraps		(1,290)
Others		(1,463)
Total cost of revenue		$ 6,477,362

SDI Corporation

STATEMENT OF MANUFACTURING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Statement 11

Item	Description	Amount	Remark
Indirect labor		$ 292,652	
Depreciation		377,189	
Utilities expenses		229,245	
Repair and maintenance expenses		210,392	
Consumable expenses		141,518	
Insurance expenses		84,293	
Others (Note)		220,090	
Total		$ 1,555,379	

Note：The amount of each item in others does not exceed 5% of the account balance.

SDI Corporation

STATEMENT OF OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Statement 12

Item	Marketing	Administrative	R&D	Total
Salaries	$ 66,599	$ 104,635	$ 101,806	$ 273,040
Shipping expenses	28,779	34	633	29,446
Insurance expenses	7,771	8,475	10,557	26,803
Depreciation	1,607	27,958	9,959	39,524
Export charges	28,957	-	-	28,957
Professional service fees	570	11,514	508	12,592
Research and development expenses	-	-	9,418	9,418
Others (Note)	46,156	50,004	55,575	151,735
Total	$ 180,439	$ 202,620	$ 188,456	$ 571,515

Note：The amount of each item in others does not exceed 5% of the account balance.