SPIROX CORPORATION

Parent Company Only Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditor’s Report

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For the convenience of readers, in 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 and difference in the interpretation of the two versions, the Chinese-language independent auditors’ report and parent company only financial statements shall prevail.

Independent Auditors' Report

The Board of Directors and Shareholders
of Spirox Corporation

Opinion

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

In our opinion, based on our audit results and the report of other auditors (refer to the Other Matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of Spirox Corporation as of December 31, 2025 and 2024, and its financial performance and 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. 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. Personnel of the firm to which we belong who are subject to independence requirements have remained independent of Spirox Corporation in accordance with the Norm of Professional Ethics for Certified Public Accountants, and have fulfilled their other responsibilities under those requirements. Based on our audit results and the report of other auditors, 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 of Spirox Corporation 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 express a separate opinion on these matters.

The key audit matters of Spirox Corporation for the year ended December 31, 2025 are described as follows:

<u>Appropriateness of Sales Revenue Recognition</u>

The principal operating revenue of Spirox Corporation is derived from the agency sale of semiconductor equipment. We considered the appropriateness of revenue recognition to be an area of significant audit focus.

Please refer to Note 4(17) to the parent company only financial statements for the accounting policy on revenue recognition.

The primary audit procedures performed are summarized as follows:

1. Obtained an understanding of the internal control systems and operating procedures related to the sales transaction cycle, and evaluated whether the design and operating effectiveness of internal controls over sales transactions were appropriate.
2. Examined whether the content and classification of major operating revenue recorded in the accounts were appropriate, and confirmed whether revenue recognition was in accordance with applicable regulations.
3. Tested the reasonableness of operating revenue, accounts receivable and credit terms for major customers:
   (1) Obtained or prepared comparative analysis tables of operating revenue, accounts receivable and credit terms for major customers.
   (2) Obtained and reviewed the credit information of major customers of the audited entity.
   (3) Evaluated whether the collection period of accounts receivable was consistent with the credit terms of the audited entity
4. Tested the authenticity of major customers:
   (1) Reviewed relevant information such as the industry background of major principal suppliers and sales customers to confirm the existence of such customers.
   (2) Performed sample testing and cross-checking of relevant external customer purchase orders, shipping documents or export declarations to confirm the reasonableness of the amounts and timing of revenue recognition.
5. Tested the reasonableness of transaction details with major customers:
   (1) Whether the collection period of accounts receivable is abnormal.
   (2) Verified whether the counterparties of significant accounts receivable write-offs were consistent with the sales counterparties.
   (3) Reviewed the top ten suppliers and noted whether there were any cases where the same counterparties were both suppliers and customers.

Other Matters–Use of Other Auditors' Reports

Among the investees accounted for using the equity method, the financial statements of Jetek Technology Corporation, SCube Technologies Co., Ltd., and Southport Corporation for the years ended December 31, 2025 and 2024 were audited by other auditors and not by us. Accordingly, our opinion expressed on the parent company only financial statements is based, in respect of the amounts and disclosures relating to the above investees, solely on the reports of other auditors.

As of December 31, 2025 and 2024, the carrying amount of investments accounted for using the equity method amounted to NT$107,145 thousand and NT$147,199 thousand, respectively, representing 5.74% and 6.22% of total assets, respectively. For the years ended December 31, 2025 and 2024, the share of losses of subsidiaries recognized under the equity method amounted to NT$(19,047) thousand and NT$(31,573) thousand, respectively, representing 6.10% and 11.4% of loss before tax, respectively.

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 also responsible for assessing the ability of Spirox Corporation 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 Spirox Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) of Spirox Corporation are responsible for overseeing the financial reporting process.

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

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's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements may arise from fraud or error. Misstatements are considered material if the individual or aggregate amounts could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

In conducting an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We also perform the following procedures:

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 sufficient and appropriate audit evidence to provide a basis for the audit opinion. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of not detecting a material misstatement due to fraud is higher than for error.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Spirox Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used by management and the reasonableness of accounting estimates and related disclosures.
4. Based on the audit evidence obtained, we conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Spirox Corporation to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Spirox Corporation to cease to continue as a going concern. Evaluated the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements represent the underlying transactions and events fairly.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the related notes, and whether the parent company only financial statements present the underlying transactions and events fairly.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the components within Spirox Corporation to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit engagement and for forming the audit opinion on Spirox Corporation.

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 identified during our audit.

We also provide those charged with governance with a statement that the personnel of the firm to which we belong who are subject to independence requirements have complied with the Code of Ethics for Professional Accountants regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, including related safeguards.

From the matters communicated with those charged with governance, we determine the key audit matters for the audit of the parent company only financial statements of Spirox Corporation for the year ended December 31, 2025. We describe these matters in our auditor's report unless law or regulation precludes public disclosure of the matter or, in extremely rare circumstances, we determine that a matter should not be communicated 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' review report are Kuan Chao Lin and Ming Yu Wen.

PKF Taiwan Republic of China
March 10, 2026

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, in 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 and difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail. As the parent company only financial statements are the responsibility of the management, PKF Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive form the translation.

SPIROX CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2025 Amount	%	December 31, 2024 Amount	%
CURRENT ASSETS	4				
Cash and cash equivalents	6, 27	$ 279,544	15	$ 290,713	12
Financial assets at fair value through profit or loss, current	7, 27	18,892	1	-	-
Financial assets measured at amortized cost, current	9, 27, 29	1,380	-	1,403	-
Accounts receivable, net	10, 27	34,153	2	46,035	2
Accounts receivable from related parties, net	10, 27, 28	56,713	3	93,375	4
Other receivables, net	11, 27	1,332	-	5,508	-
Other receivables from related parties	28	2,101.00	-	-	-
Current tax assets	22	1,264	-	1,003	-
Inventories, net	12	25,667	2	36,622	2
Prepayments		38,651	2	62,021	3
Total current assets		459,697	25	536,680	23
Non-current assets	4				
Financial assets at fair value through other comprehensive income, non-current	8, 27	49,382	3	61,682	3
Financial assets measured at amortized cost, non current	9, 27, 29	31,098	2	32,549	1
Investments accounted for using equity method	13	789,782	42	1,186,647	50
Property, plant and equipment	14, 28, 29	524,681	28	540,628	23
Right-of-use assets	15	134	-	157	-
Intangible assets	16	490	-	843	-
Deferred tax assets	22	4,542	-	1,737	-
Net defined benefit assets, non-current	18	1,327	-	-	-
Other non-current assets	29	4,287	-	4,668	-
Total non-current assets		1,405,723	75	1,828,911	77
Total assets		$ 1,865,420	100	$ 2,365,591	100
LIABILITIES AND EQUITY					
CURRENT LIABILITIES	4				
Contract liabilities	20	$ 23,495	1	$ 22,750	1
Accounts payable	27	26,218	2	37,541	2
Accounts payable to related parties	27, 28	-	-	284	-
Other payables	27	50,964	3	59,093	2
Lease liabilities, current	15	112	-	94	-
Current portion of long-term borrowings	17, 29	-	-	45,773	2
Other current liabilities		5,393	-	1,627	-
Total current liabilities		106,182	6	167,162	7
NON-CURRENT LIABILITIES	4				
Deferred tax liabilities	22	106,810	6	116,140	5
Lease liabilities-non-current	15	24	-	65	-
Net defined benefit liabilities, non-current	18	-	-	319	-
Guarantee deposits	27	3,064	-	3,204	-
Total non-current liabilities		109,898	6	119,728	5
Total liabilities		216,080	12	286,890	12
Equity	4, 19, 24				
Share capital					
Ordinary shares		1,149,749	61	1,149,749	48
Capital surplus		290,216	16	390,640	17
Retained earnings					
Legal reserve		665,929	36	707,818	30
Special reserve		118,890	6	136,077	6
Unappropriated earnings		(297,624)	(17)	(59,076)	(3)
Other equity		(139,283)	(7)	(118,890)	(5)
Treasury shares		(138,537)	(7)	(127,617)	(5)
Total equity		1,649,340	88	2,078,701	88
Total liabilities and equity		$ 1,865,420	100	$ 2,365,591	100

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

(With PKF Taiwan auditors' report dated March 10, 2026)

SPIROX CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2025		2024	
Item	Note	Amount	%	Amount	%
Operating revenue, net	4, 20, 28	$ 194,363	100	$ 281,647	100
Operating costs	12, 21, 28	138,482	71	208,112	74
Gross profit		55,881	29	73,535	26
Operating expenses	21, 28				
Selling expenses		65,773	34	86,889	31
Administrative expenses		115,532	59	107,520	38
Research expenses		63,410	33	30,889	11
Expected credit impairment losses (gains)	10	5,077	3	(20,717)	(7)
Total operating expenses		249,792	129	204,581	73
Other operating income and expenses, net	21, 28	23	-	-	-
Operating loss		(193,888)	(100)	(131,046)	(47)
Non-operating income and expenses					
Interest income	21, 28	4,120	2	14,422	5
Other income	21, 28	26,650	14	19,575	7
Other gains or losses	21	(32,200)	(17)	38,237	14
Financial costs	21	(440)	-	(3,542)	(1)
Expected credit impairment losses	11	(42,794)	(22)	355	-
equity method	4, 13	(73,944)	(38)	(215,044)	(76)
Total non-operating income and expenses		(118,608)	(61)	(145,997)	(51)
Profit (loss) before income tax		(312,496)	(161)	(277,043)	(98)
Income tax expense	4, 22	9,529	5	25,524	9
Net profit (loss) for the year		(302,967)	(156)	(251,519)	(89)
Profit (loss) before income tax					
Income tax expense					
Net profit (loss) for the year		1,271	1	2,604	1
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income		(8,123)	(4)	(8,920)	- 3
Share of the other comprehensive income (loss) of subsidiaries accounted for using the equity method		2,758	1	(1,018)	(1)
Income tax related to items that will not be reclassified		(254)	-	(521)	-
Total items that will not be reclassified to profit or loss		(4,348)	(2)	(7,855)	- 3
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating the financial statements of foreign operations	4,19	(8,027)	(4)	18,254	7
Share of the other comprehensive income (loss) of subsidiaries accounted for using the equity method		(5,351)	(3)	12,169	4
Income tax related to items that may be reclassified		2,676	1	(6,084)	(2)
Total items that may be reclassified subsequently to profit or loss		(10,702)	(6)	24,339	9
Total other comprehensive income		(15,050)	(8)	16,484	6
Total comprehensive income for the year		$ (318,017)	(164)	$ (235,035)	(83)
Earnings (loss) per share	4, 23				
Basic		$ (2.68)		$ (2.23)	
Diluted		$ (2.68)		$ (2.23)	

The accompanying notes are an integral part of the parent company only financial statements.
(With PKF Taiwan auditors' report dated March 10, 2026)

SPIROX CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings			Other equity			
Item	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
Balance, January 1, 2024	$ 1,149,749	$ 437,109	$ 707,818	$ 220,024	$ 174,537	$ (33,264)	$ (99,786)	$ (38,174)	2,518,013
Appropriation of earnings:									
Reversal of special reserve	-	-	-	(83,947)	83,947	-	-	-	-
Cash dividends to shareholders-NT$0.60682 per share	-	-	-	-	(68,365)	-	-	-	(68,365)
Cash dividends from capital surplus-NT$0.40455 per share	-	(45,576)	-	-	-	-	-	-	(45,576)
Net loss for the year ended December 31, 2024	-	-	-	-	(251,519)	-	-	-	(251,519)
Other comprehensive income (loss) for year ended December 31, 2024, net of income tax	-	-	-	-	2,324	24,339	(10,179)	-	16,484
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	(249,195)	24,339	(10,179)	-	(235,035)
Share-based payment transactions	-	14,348	-	-	-	-	-	-	14,348
Adjustments due to dividends that subsidiaries received from parent company	-	359	-	-	-	-	-	-	359
Treasury shares transferred to employees	-	(90)	-	-	0	-	-	22,980	22,890
Changes in ownership interests in subsidiaries	-	(15,510)	-	-	-	-	-	-	(15,510)
Treasury shares acquired	-	-	-	-	-	-	-	(112,423)	(112,423)
Balance, December 31, 2024	1,149,749	390,640	707,818	136,077	(59,076)	(8,925)	(109,965)	(127,617)	2,078,701
Appropriation of earnings:									
Legal reserve used to offset accumulated deficits	-	-	(41,889)	-	41,889	-	-	-	-
Reversal of special reserve	-	-	-	(17,187)	17,187	-	-	-	-
Cash dividends from capital surplus-NT$1 per share	-	(113,102)	-	-	-	-	-	-	(113,102)
Net loss for the year ended December 31, 2025	-	-	-	-	(302,967)	-	-	-	(302,967)
Other comprehensive income (loss) for year ended December 31, 2025, net of income tax	-	-	-	-	1,166	(10,702)	(5,514)	-	(15,050)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	(301,801)	(10,702)	(5,514)	-	(318,017)
Share-based payment transactions	-	27,432	-	-	-	-	-	-	27,432
Adjustments due to dividends that subsidiaries received from parent company	-	355	-	-	-	-	-	-	355
Treasury shares transferred to employees	-	(895)	-	-	-	-	-	145,309	144,414
Changes in ownership interests in subsidiaries	-	(14,214)	-	-	-	-	-	-	(14,214)
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	4,177		(4,177)		
Treasury shares acquired	-	-	-	-	-	-	-	(156,229)	(156,229)
Balance, December 31, 2025	$ 1,149,749	$ 290,216	$ 665,929	$ 118,890	$ (297,624)	$ (19,627)	$ (119,656)	$ (138,537)	$ 1,649,340

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

(With PKF Taiwan auditors' report dated March 10, 2026)

SPIROX CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from operating activities:		
Net loss before income tax	$ (312,496)	$ (277,043)
Adjustments for：		
Depreciation	15,860	17,864
Amortization	701	2,652
Expected credit impairment losses (gains)	47,871	(21,072)
Provision for inventory market price decline and lobsolete and slow-moving inventories	(17,507)	10,009
Gain on financial instruments at fair value through profit or loss, net	(2,809)	(643)
Financial costs	440	3,542
Interest income	(4,120)	(14,422)
Dividend income	(2,127)	(647)
Share-based payment	27,432	14,348
Share of profit or loss of subsidiaries accounted for using the equity method	73,944	215,044
Impairment loss	29,174	-
Property, plant and equipment transferred to expenses	3,984	-
Gains on disposal of property, plant and equipment, net	(23)	-
Gains (losses) on foreign exchange, net	5,272	(8,829)
Changes in operating assets and liabilities		
Increase (decrease) in accounts receivable	6,461	60,391
Decrease in accounts receivable from related parties	35,409	199,110
Increase (decrease) in other receivables	(38,701)	87
Increase (decrease) in other receivables from related parties	(2,194)	6,126
Increase (decrease) in inventories	28,462	(11,751)
Decrease in prepayments	23,370	4,726
Iecrease in net defined benefit assets	(56)	-
Increase (decrease) in contract liabilities	745	(26,584)
Decrease in accounts payable	(11,756)	(70,510)
Increase (decrease) accounts payable to related parties	(284)	170
Increase (decrease) other payables	(11,848)	13,453
Increase (decrease) in other payables to related parties	-	(3,866)
Increase (decrease) other current liabilities	3,766	(85)
Decrease in net defined benefit liabilities	(319)	(437)
Cash generated from (used in) operations	(101,349)	111,633
Interest received	4,203	21,388
Dividends received from subsidiaries	291,500	-
Dividends received	2,127	647
Interest paid	(520)	(3,838)
Income tax paid	(445)	(4,255)
Net cash generated from (used in) operating activities	195,516	125,575
Cash flows from investing activities:		
Acquisitions of financial assets at fair value through other comprehensive income	$ (54,314)	$ (30,000)
Disposal of financial assets at fair value through other comprehensive income	58,491	-
Decrease in financial assets at amortized cost	1,416	58,918
Acquisitions of financial instruments at fair value through profit or loss	(114,874)	(163,531)
Disposal of financial instruments at fair value through profit or loss	98,166	164,174
Acquisition of investments accounted for using equity method	(22,232)	(23,000)
Acquisitions of property, plant and equipment	(5,950)	(7,227)
Disposal of property, plant and equipment	2,192	-
(Increase) decrease in refundable deposits	381	399
(Increase) decrease in other receivables from related parties	-	185,079
Acquisitions of intangible assets	(348)	(470)
Net cash generated from investing activities	(37,072)	184,342

(To be continued)

	2025	2024
(Continued)		
Cash flow from financing activities:		
Increase (decrease) in short-term borrowing	-	(109,000)
Repayment of long-term borrowings	(45,773)	(155,220)
Increase (decrease) in guarantee deposits	(140)	(13)
Cash payment for the principal portion of the lease liabilities	(116)	(120)
Cash dividends	(113,102)	(113,941)
Treasury shares acquired	(152,430)	(117,732)
Proceeds from treasury shares transferred to employees	144,414	22,890
Net cash used in financing activities	(167,147)	(473,136)
Effects of foreign exchange rate changes on cash and cash equivalents	(2,466)	17,782
Decrease in cash and cash equivalents	(11,169)	(145,437)
Cash and cash equivalents at the beginning of the year	290,713	279,544
Cash and cash equivalents at the end of the year	$ 279,544	$ 134,107

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

(With PKF Taiwan auditors' report dated March 10, 2026)

SPIROX 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. General Information

Spirox Corporation (the "Company") was established in December 11, 1987. The Company's main business includes the design and sales of computer parts, computer inspection machines, electronic components, computer disk drivers and power supplies, sales and repair of microcomputers and their peripheral devices, computer software designs, and the importing and exporting trade business for the aforesaid products, as well as agency, quotation, bidding and distribution business of the related products of domestic and foreign manufactures.

On December 12, 2002, the Company's shares were listed and traded on the Taiwan Stock Exchange.

On April 29, 2003, the Company was resolved by the Board of Directors to merge with Spirox Systems Corporation by an absorption merger. On September 29, 2003 as the base date for the merger and capital increase was approved by the resolution of the Board of Directors on April 29, 2003. Spirox Corporation would be the surviving company while Spirox Systems Corporation would be dissolved in the merger. The name of the surviving company after the merger is still Spirox Corporation.

The financial statements of the Company are presented in the Company's functional currency, the New Taiwan Dollar.

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 10, 2026.

3. Application of New and Revised International Financial Reporting Standards

a. Initial application of amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC), (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

   New standards, interpretations and amendments endorsed by FSC effective since 2025 are as follows:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendment to IAS 21 “Lack of Convertibility”	January 1, 2025

Note: Upon initial application of these amendments, comparative information shall not be restated. Instead, any cumulative effect arising from the initial application of these amendments shall be recognized as an adjustment to the opening balance of retained earnings.

b. Amendments to the IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2026

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

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
IFRS 17 “Insurance Contracts” and Amendments to IFRS 17 “Insurance Contracts” replace IFRS 4 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 9 and IFRS 7 “Financial Impact of Reliance on Natural Power Contracts”	January 1, 2026
Annual Improvements to IFRS – Volume 11.	January 1, 2026
Amendment to IFRS 9 and IFRS 7 “Amendments to Classification and Measurement of Financial Instruments”	January 1, 2026

Note: Early application of the application guidance in Section 4.1 of IFRS 9 (Classification of Financial Assets) is permitted from January 1, 2025. An entity that elects to apply such guidance early shall disclose that fact and shall simultaneously apply the requirements set forth in paragraphs 20B, 20C and 20D of IFRS 7.

c. The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

As of the date of issuance of these consolidated financial statements, the Group has not adopted the following IFRSs issued by the IASB that have not yet been endorsed and become effective by the FSC:

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 of Financial Statements" issued, replacing IAS 1 "Presentation of Financial Statements" while continuing certain provisions within it.	January 1, 2027 (Note)
IFRS 19 "Subsidiaries Without Public Accountability: Disclosure" issued, allowing qualifying subsidiaries to adopt the new IFRS accounting standards with reduced disclosure requirements.	January 1, 2027
The amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency" add guidance on foreign currency translation when an entity translates its financial statements from a non-hyperinflationary currency into a hyperinflationary presentation currency.	January 1, 2027

Note: On September 25, 2025, the FSC issued a press release regarding Taiwan's adoption of IFRS 18 effective in 2028.

As of the date the accompany parent company only financial statements were authorized for issue, the Company continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Company completes the evaluation.

4. Application of New and Revised International Financial Reporting Standards

a. Statement of compliance

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

b. Basis for preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair values and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
3) Level 3 inputs are unobservable inputs for an assets or liabilities.

When preparing these parent company only financial statements, the Company used the equity method to account for its investment in subsidiaries. In order for the amounts of net profit for the year, other comprehensive income for the year and total equity in these parent company only financial statements to be the same as the amount attributable to owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to the investments accounted for by the equity method, the share of profit or loss of subsidiaries and the equity items, as, appropriate, in these parent company only financial statements.

c. <u>Classification of assets and liabilities as current and non-current</u>

Current asset are assets held for trading purposes and assets expected to be converted to cash, sold or consumed within 12 months from the end of the reporting period. Current liabilities are obligations incurred for trading purposes and obligations settled within 12 months from the end of the reporting period. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

d. <u>Foreign currencies</u>

Items include in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s junctional and presentation currency.

In preparing the parent company only financial statements, transactions in currencies other than the entity’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 at 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 at the date when the fair value was determined Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on 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 differences are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into NT$ using the 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.

e. Cash and cash equivalents

Cash and cash equivalent include cash on hand, demand deposits, time deposits with original maturities of less than 3 months, and highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of changes in value.

f. Inventories

Inventories are recorded at cost and calculated using the weighted-average method. The purchase cost of inventories includes the purchase price, import taxes and other taxes (except for the part that can be recovered by the enterprise from the taxation authority), as well as transportation, handling and other costs directly attributable to the acquisition of the goods. Trade discounts, concessions and other similar items are deducted from determining the cost of purchase.

Inventories are measured at the lower of cost or net realizable value. Net realizable value refers to estimated selling price, minus the estimated cost to be completed and the estimated cost required to complete the sale. When the comparative cost and the net realizable value are lower, the comparison is made item by item. The amount of inventories written down from cost to net realizable value is recognized as cost of goods sold and will be re-evaluated the net realizable value of inventories in each subsequent period. If the factors that previously caused the net realizable value of the inventory to be lower than the cost have vanished, or there is evidence that the net realizable value has increased due to changes in economic conditions, within the scope of the original offset amount, the increase in the net realizable value of the inventory shall be reversed and recognized as the reduction of the cost of goods sold in the current period.

g. Investments in subsidiaries

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

A subsidiary is an entity that is controlled by the Company.

Under the equity method, investments in subsidiaries are initially recognized at cost and adjusted thereafter to recognize the Company’s share of the profit or loss and other comprehensive income of those subsidiaries. The Company also recognizes the changes in the Company’s share of the equity of subsidiaries.

Changes in the Company’s ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of such investments and the fair value of the consideration paid or received.

When the Company’s share of losses of an associate equals or exceeds its interest in that associate (including carrying amount of investments in associates using equity method and other long-term interests of net investment in associates and joint ventures), the Company continues recognizing its share of further losses.

Any excess of the cost of an acquisition over the Company’s share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company’s share of the net fair value of the identifiable assets and liabilities over the cost of the acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land is not depreciated, depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Leases

If a contract transfers control over the use of an identified asset for a period of time in exchange for consideration, the contract is a lease or includes a lease.

Lessor

The lessor classifies each lease as an operating lease or a finance lease. A lease that transfers almost all the risks and rewards attached to the ownership of the underlying asset is financial lease; if a lease does not transfer almost all the risks and rewards attached to the ownership of underlying asset, it is an operating lease.

If it is an operating lease, the lessor recognizes the lease payments as income on a straight-line basis, but if other systematic basis is more representative of the form of the reduced use efficiency of the underlying asset, this basis applies. If it is a financial lease, the lessor shall recognize the finance lease receivables and the unearned finance income of the finance lease on the lease start date, and adopts a systematic and reasonable basis to allocate the finance income to the lease period, so that each period of the lease period has a fixed rate of return.

Lessee

The Company recognizes right of use assets and lease liabilities for all the commencement date of the lease. The right of use asset is measured at cost, and the lease liability is based on the present value of the lease payment not yet paid on that date.

The right-of-use assets shall be depreciated, and its depreciation period shall be the earlier of the period from the beginning of the end of useful life of the right-of-use asset or the expiration of the lease terms；However, if the lessee will acquire the ownership of leased asset at the end of the lease term, or if the cost of the right-of-use asset reflects the exercise of the purchase option, the depreciation period is from the lease start date to the useful life of the underlying asset.

Lease liabilities use the effective interest rate method to calculate interest expense, so that the interest rate of each period calculated based on the lease liability balance is fixed. Lease payments are used to pay interest and reduce lease liabilities. The interest on the lease liabilities is recognized in profit or loss.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual values, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment

At the end of each reporting period, the consolidated company reviews the carrying amounts of its assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

If the carrying amount of an asset or cash-generating unit is estimated to be more than its recoverable amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in current profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized only when the Company becomes a party to the contractual terms of the financial instruments. At the time of initial recognition, it should be measured at fair value. If it is not a financial asset or financial liability that is measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition or the issuance of the financial asset or financial liability should be added or subtracted. However, accounts receivable that do not contain a significant financial component should be measured at the transaction price when initially recognized.

Financial assets are only delisted when one of the following conditions is met:

a) Invalidation of contractual rights from cash flow of financial assets;
b) Almost all risks and rewards of transferring ownership of financial assets, or almost all risks and rewards of ownership of the financial assets are neither transferred not retained, and control of the financial assets is not retained.
   For financial products with an active market, the fair value is based on the public quoted prices in the active market; for financial products without an active market, the fair value is estimated by evaluation method.

The recognition and delisting of conventional transaction financial assets are based on the transaction day accounting treatment.

1) Financial assets

Financial assets are based on the business model for managing financial assets and the contractual cash flow characteristics of financial assets. Financial assets held by the Company are classified into measured at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income:

Measured at amortized cost

If a financial asset meets the following two conditions at the same time, it will be measured at the amortized cost:

a) Financial assets are held under a certain business model. The purpose of this model is to hold financial assets to collect contractual cash flows.
b) The contractual terms of the financial asset generate cash flows on a specific date,

and these cash flows are all interest on the payment of the principal and the amount of principal in circulation.

For financial assets measured at amortized cost, their benefits or losses are recognized in profit and loss, but if they are part of a hedging relationship, they are treated as hedging accounting. Interest income is calculated using the effective interest method.

Interest income is calculated using the effective interest method.

At fair value through other comprehensive income

If a financial asset meets the following two conditions at the same time, it will be measured at fair value through other comprehensive income：

a) Financial assets are held under a certain business model whose purpose is achieved by collecting contractual cash flows and selling financial assets；and
b) The contractual terms of the financial asset generate cash flows on a specific date, and these cash flows are all interest on the payment of the principal and the amount of principal in circulation.

Gains or losses are recognized in other comprehensive profit and loss, except for derogation benefits or losses and foreign currency exchange gains and losses. When assets are delisted, the accumulated benefits or losses listed in other comprehensive profit and loss are reclassified from equity to profit and loss.

If the investment in a specific equity instrument that should be measured at fair value through profit and loss is not held for trading, nor is it a contingent consideration recognized in a business combination, an irrevocable choice can be made at the time of initial recognition and its subsequent fairness Changes in value are reported in other comprehensive income. In this case, the profit or loss is recognized in other comprehensive profits and losses, but dividends that are not investment cost recovery are included in the profits and losses. When assets are delisted, the accumulated benefits or losses listed in the other comprehensive profit and loss shall not be reclassified to profit and loss.

Measured at fair value through profit or loss

Financial assets are all measured at fair value through profit and loss, except when measured at amortized cost or at fair value through other comprehensive profits and losses.

At the time of initial recognition, financial assets can be irrevocably designated as measured at fair value through profit and loss to eliminate or significantly reduce. If not designated, it will be measured by using different basis to measure assets or liabilities or recognizing its benefits and losses. Or the recognition is inconsistent.

The benefit or loss is recognized in the profit and loss, but if it is part of the hedging relationship, it shall be treated as hedging accounting.

2) Financial liabilities

Financial liabilities shall be classified as measured at amortized cost, except for derivatives that do not comply with hedging accounting, designated as measured at fair value through profit and loss, and contingent consideration in a business combination that shall be classified as measured at fair value through profit or loss. Measured, except for financial liabilities that are not in compliance with delisted transfers or continuous participation in transferring assets, financial guarantee contracts, and commitments to provide loans at lower than market interest rates.

3) Impairment

Financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive gains and losses, contract assets and loan commitments under applicable impairment regulations, and financial guarantee contracts to measure impairment based on the expected credit loss model. If the credit risk of a financial instrument has increased significantly since its initial recognition, the allowable loss is measured in the amount of expected credit loss during the duration of each reporting day； If the credit risk of a financial instrument has not increased significantly since the initial recognition, the 12-month expected credit loss amount will be used to measure the allowable loss on the reporting date.

m. Provisions

The reserve for liabilities shall be recognized when the company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions. For defined retirement benefits plan, the pension shall be recognized according to the actuarial results. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

o. Share-based payment arrangement

Employee share option

Employee share option is recognized as expenses on a straight-line basis during the vesting period based on the fair value of the equity instrument on the grant date and the best estimated quantity expected to be acquired, and the capital reserve-employee share option is adjusted at the same time. If it is immediately vested on the grant date, it shall be fully recognized as an expense on the grant date. The signing date that the Company transfers treasury stocks to employees is the date of grant.

The Company revises the estimated number of employee share option expected to be vested on each balance sheet date. If there is a revision to the original estimated quantity, the affected number is recognized as profit or loss, so that the accumulated expenses reflect the revised estimate, and the capital reserve-employee share option is adjusted accordingly.

p. Government grants

Government grants are recognized only when it is reasonably certain that the Company will comply with the conditions attached to the government subsidies and will receive such subsidies.

Government grants are recognized in the profit and loss on a systematic basis during the period when the related costs that they intend to compensate are recognized as expenses by the Company. Government grants that are conditional on the acquisition, construction or other means of acquisition of non-current assets of the Company are recognized as deferred income and transferred to profit and loss during the useful life of the relevant assets at a reasonable and systematic basis.

If the government grants are used to compensate for expenses or losses that have occurred, or is for the purpose of providing immediate financial support to the Company and there is no future related costs, it is recognized in the profit and loss during the period when it can be received.

q. Revenue recognition

The Company allocates the transaction price to each contractual performance obligation after the contractual performance obligation is identified in the customer contract and recognized revenue when each performance obligation is satisfied.

Sales revenue comes from the agency sales of related products of integrated circuit (IC) design and verification equipment and the agency of fast-moving consumer goods. The Company recognizes revenue and accounts receivable at the time when the customer has the right to set the price and use the products and has the primary responsibility for re-selling the products and bears the risk of obsolescence of the products when the goods are shipped or delivered to the location designated by the customers.

r. Income tax

The income tax consists of current income tax and deferred income tax. The current income tax and deferred income tax shall be recognized in profit or loss, other than the income tax related to combined entities, and items stated into other comprehensive income or stated into equity directly.

The current income tax includes the projected income tax payable or tax refund receivable based on the current taxable income (loss), and the adjustment of income tax payable or tax refund receivable in the previous years. The amount refers to the best estimates of the expected payables or receivables measured on the basis of the statutory tax rate or tax rate substantially enacted on the reporting date. Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

s. Earnings (loss) per share

The basic profit (loss) per share is calculated by the current net profit (loss) divided by the weighted average number of shares outstanding. However, upon capitalization of retained earnings or capitalization of capital reserves, or if the decrease is due to capital reduction to write off losses, it will be adjusted retrospectively according to the ratio of capital increase and capital reduction. Diluted earnings (loss) per share is calculated using the same manner as basic profit (loss) per share, but only after the effect of all dilutive potential ordinary shares are adjusted.

t. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as current expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. If there is any change in the amount after the shareholders' meeting in the following year, the change in accounting estimate will be adjusted and recorded to profit or loss of the following year.

u. Operating segments report

An operating segment is a component of an entity, that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity). Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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

The parent company only financial reports of the Company are affected by accounting policies, accounting assumptions and estimates, and the management must make appropriate professional judgments when preparing the consolidated financial reports.

The assumptions and estimates of the Company are the best estimates made in accordance with the relevant International Financial Reporting Standards. Estimates and assumptions are based on historical experience and other relevant factors, but actual results may differ from these estimates and assumptions.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

a. Fair value measurement and valuation process of financial assets

When there is no market quotation for financial assets measured at fair value in an active market, the Company will decide whether to outsource the valuation and determine the appropriate fair value valuation technique in accordance with relevant laws or judgments.

If input values at Level 1 cannot be obtained when estimating the fair value, the Company or the appraiser appointed shall refer to information of the analysis of the investee's financial status and operating results, recent transaction prices, quotations of the same equity instruments in inactive markets, quotations of similar instruments in active markets and valuation multiples of comparable companies, etc. to determine the input values. If the actual changes in future input values differ from expectations, changes in fair value may occur. Please refer to Note 26 for descriptions of fair value valuation techniques and input values.

b. Estimated impairment of financial assets

The estimated impairment of accounts receivable is based on the Company's assumptions about the default rate and expected loss rate. The Company considers historical experience as well as forward-looking information to make assumptions and select inputs for impairment assessments.

6. Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Demand deposits	$ 279,544	$ 225,143
Cash equivalents (investments with original maturities less than 3 months)-Time deposits	-	65,570
	$ 279,544	$ 290,713

The market rate intervals of time deposits at the end of the reporting period were as follows:

	December 31, 2025	December 31, 2024
Time deposits with original maturities of less than 3 months	-	4.15%~4.5%

7. Financial instruments at fair value through profit or loss

Investments in equity instruments

	December 31, 2025	December 31, 2024
Current		
Foreign investments		
Listed shares	$ 18,892	$ -

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

Investments in equity instruments

	December 31, 2025	December 31, 2024
Non-current		
Domestic investments		
Listed shares and emerging	$ 17,587	$ 19,435

market shares		
Unlisted shares	31,795	42,247
	$ 49,382	$ 61,682

The Company invests in equity instruments for medium- and long-term strategic purposes and expects to realize profits through long-term investments. Management of the Company considers that recognizing short-term fluctuations in the fair value of such investments in profit or loss would be inconsistent with the aforementioned long-term investment strategy; accordingly, the Company has elected to designate these investments as financial assets at fair value through other comprehensive income.

During the third quarter of 2025, the Company disposed of a portion of its foreign equity investments at a fair value of NT$58,491 thousand in order to realize part of the gains from long-term investments and adjust its investment portfolio to diversify risk. The related unrealized gain of NT$4,177 thousand on financial assets at fair value through other comprehensive income, which had been recognized in other equity, was transferred to retained earnings.

9. Financial assets at amortized cost

	December 31, 2025	December 31, 2024
Current		
Domestic investment		
Time deposits with original maturities of more over 3 months	$ 1,380	$ 1,403
Non-current		
Foreign investment		
Bonds	$ 31,098	$ 32,549

a. As of December 31, 2025 and 2024, the interest rate ranges for time deposits with original maturities of more than 3 months are 0.8% and 2.8% per annum, respectively.

b. For information on financial assets at amortized cost pledged as collateral, please refer to Note 29.

10. Accounts receivable, net

	December 31, 2025	December 31, 2024
Accounts receivable		
At amortized cost		
Carrying amount	$ 98,884	$ 142,351
Less: Allowance for losses – non-related parties	(8,018)	(2,941)
	$ 90,866	$ 139,410

The credit terms granted by the Company to its customers vary based on the evaluation of each transaction and are generally 90 days from the end of the month in which the invoice is issued.

The Company recognizes an allowance for losses on notes and accounts receivable based on lifetime expected credit losses ("ECLs"). Lifetime ECLs are calculated using a provision matrix, which considers the historical aging records and current financial conditions of customers, as well as forward-looking information, including economic and industry factors such as GDP growth rates, industry indicators, competitive advantages, and industry outlooks. As the Company's historical credit loss experience indicates no significant differences in loss patterns among customer groups, the provision matrix does not further distinguish between customer groups and only establishes expected credit loss rates based on the number of days past due for notes and accounts receivable.

The Company expects accounts receivable due from related parties to be recoverable and continues collection efforts; therefore, no impairment loss allowance has been recognized.

When there is evidence indicating that a counterparty is experiencing significant financial difficulty and the Company has no reasonable expectation of recovering the amount due, the Company directly writes off the related accounts receivable. Nevertheless, the Company continues its collection efforts, and any amounts subsequently recovered are recognized in profit or loss.

The loss allowance of notes and accounts receivable measured using the provision matrix are as follows:

December 31, 2025

	Not past due	Overdue less than 90 days	Overdue 91 to 180 days	Overdue 181 to 365 days	Overdue more than 365 days	Total
Expected credit loss rate	0%~0.66%	0%~3.81%	0%~11.45%	0%~20.93%	0%~100%	
Carrying amount	$ 34,344	$ 3,632	$ 16,375	$ 12,483	$ 32,050	$ 98,884
Loss allowance (lifetime ECLs)	(160)	(37)	-	(2,434)	(5,387)	(8,018)
Amortized cost	$ 34,184	$ 3,595	$ 16,375	$ 10,049	$ 26,663	$ 90,866

December 31, 2024

	Not past due	Overdue less than 90 days	Overdue 91 to 180 days	Overdue 181 to 365 days	Overdue more than 365 days	Total
Expected credit loss rate	0%~0.21%	0%~1.40%	0%~3.40%	0%~9.13%	0%~100%	
Carrying amount	$ 34,178	$ 9,981	$ 1,124	$ 3,375	$ 93,693	$ 142,351
Loss allowance (lifetime ECLs)	(69)	(140)	(8)	(307)	(2,417)	(2,941)
Amortized cost	$ 34,109	$ 9,841	$ 1,116	$ 3,068	$ 91,276	$ 139,410

The movements of the loss allowance of accounts receivable are as follows:

	For the year ended December 31	
	2025	2024
Balance at January 1	$ 2,941	$ 23,658
Recognized (reversal) impairment loss	5,077	(20,717)
Balance at December 31	$ 8,018	$ 2,941

Compared with the beginning balance of the year, the gross carrying amount of accounts receivable as of December 31, 2025 decreased by NT$43,467 thousand, while the allowance for losses increased by NT$5,077 thousand. As of December 31, 2024, the gross carrying amount of accounts receivable decreased by NT$268,072 thousand, while the allowance for losses decreased by NT$20,717 thousand. Both changes were attributable to the combined effects of changes in accounts receivable among different aging risk groups and the net decrease in the gross carrying amount.

11. Other receivables, net

	December 31, 2025	December 31, 2024
Other receivables		
Measured at amortized cost		
Carrying amount	$ 44,126	$ 5,508
Less: Loss allowance	(42,794)	-

	$ 1,332	$ 5,508

The movements of loss allowance of other receivables were as follows:

	For the year ended December 31	
	2025	2024
Balance at January 1	$ -	$ 4,594
Provision (reversal) impairment loss	42,794	(355)
Amounts written off as uncollectible	-	(4,239)
Balance at December 31	$ 42,794	$ -

12. Inventories

	December 31, 2025	December 31, 2024
Merchandise	$ 25,667	$ 36,622

Cost of sales is as follows:

	For the year ended December 31	
	2025	2024
Cost of goods sold	$ 155,989	$ 198,103
Add (less): (Reversal of) provision for inventory valuation and obsolescence losses	(17,507)	10,009
	$ 138,482	$ 208,112

13. Investments accounted for using equity method

Investments in subsidiaries

Without quoted market prices	December 31, 2025	December 31, 2024
Hibon Investment Corporation	$ 502,410	$ 842,651
Spirox Cayman Corporation	243,767	246,565
SCube Technologies Co., Ltd.	14,428	12,777
Southport Corporation	58,351	84,654
Total	818,956	1,186,647
Less: Accumulated impairment losses	(29,174)	-
Net amount	$ 789,782	$ 1,186,647

Subsidiary	Proportion of ownership interest and voting right	
	December 31, 2025	December 31, 2024
Hibon Investment Corporation	100%	100%
Spirox Cayman Corporation	60.00%	60.00%
SCube Technologies Co., Ltd.	66.74%	49.73%
Southport Corporation	60.37%	57.16%

During 2025, the Company recognized impairment losses on SCube Technologies Co., Ltd. and Southport Corporation amounting to NT$2,028 thousand and NT$27,146 thousand, respectively.

In January 2025 and December 2024, the Company acquired 185 thousand and 200 thousand common shares, respectively, of Southport Corporation from other shareholders at a price of NT$70 per share, with total investment costs amounting to NT$12,933 thousand and NT$14,000 thousand, respectively.

In January 2025 and December 2024, the Company acquired 310 thousand and 300 thousand common shares, respectively, of SCube Technologies Co., Ltd. from other shareholders at a price of NT$30 per share, with total investment costs amounting to NT$9,300 thousand and NT$9,000 thousand, respectively.

The Company's shares of profit or loss and other comprehensive income of subsidiaries accounted for using the equity method for the years ended 2025 and 2024 were recognized based on the audited financial statements of the respective subsidiaries for the same reporting periods.

14. Property, plant and equipment

	December 31, 2025	December 31, 2024
Assets used by the Company	$ 478,772	$ 498,730
Assets subject to operating leases	45,909	41,898
	$ 524,681	$ 540,628

a. Assets used by the Company

	Land	Buildings	Machinery and equipment	Office equipment	Leasehold improvements	Other equipment	Equipment awaiting examination	Total
Cost								
Balance at January 1, 2025	$ 378,156	$ 155,670	$ 60,518	$ 4,700	$ 575	$ 997	$ 3,984	$ 604,600
Additions	-	2,473	476	954	-	2,047	-	5,950
Disposals	-	(3,540)	(22,535)	(2,259)	-	(172)	-	(28,506)
Transfer to expense							(3,984)	(3,984)
Reclassified to assets leased out under operating leases	-	(9,087)	-	-	-	-	-	(9,087)
Balance at December 31, 2025	$ 378,156	$ 145,516	$ 38,459	$ 3,395	$ 575	$ 2,872	$ -	$ 568,973
Accumulated depreciation								
Balance at January 1, 2025	$ -	$ 63,442	$ 38,714	$ 2,555	$ 460	$ 699	$ -	$ 105,870
Depreciation	-	4,151	8,402	1,219	115	465	-	14,352
Disposals	-	(3,485)	(20,421)	(2,259)	-	(172)	-	(26,337)
Reclassified to assets leased out under operating leases	-	(3,684)	-	-	-	-	-	(3,684)
Balance at December 31, 2025	$ -	$ 60,424	$ 26,695	$ 1,515	$ 575	$ 992	$ -	$ 90,201
Carrying amount at January 1, 2025	$ 378,156	$ 92,228	$ 21,804	$ 2,145	$ 115	$ 298	$ 3,984	$ 498,730
Carrying amount at December 31, 2025	$ 378,156	$ 85,092	$ 11,764	$ 1,880	$ -	$ 1,880	$ -	$ 478,772
Cost								
Balance at January 1, 2024	$ 378,156	$ 155,327	$ 56,474	$ 5,233	$ 575	$ 1,727	$ 3,984	$ 601,476
Additions	-	1,644	4,044	1,539	-	-	-	7,227
Disposals	-	(5,991)	-	(2,072)	-	(730)	-	(8,793)
Reversal of assets leased under operating leases	-	4,690	-	-	-	-	-	4,690
Balance at December 31, 2024	$ 378,156	$ 155,670	$ 60,518	$ 4,700	$ 575	$ 997	$ 3,984	$ 604,600
Accumulated depreciation								
Balance at January 1, 2024	$ -	$ 63,491	$ 28,130	$ 3,581	$ 345	$ 976	$ -	$ 96,523
Depreciation	-	4,202	10,584	1,046	115	453	-	16,400
Disposals	-	(5,991)	-	(2,072)	-	(730)	-	(8,793)
Reversal of assets leased under operating leases	-	1,740	-	-	-	-	-	1,740
Balance at December 31, 2024	$ -	$ 63,442	$ 38,714	$ 2,555	$ 460	$ 699	$ -	$ 105,870
Carrying amount at January 1, 2024	$ 378,156	$ 91,836	$ 28,344	$ 1,652	$ 230	$ 751	$ 3,984	$ 504,953
Carrying amount at December 31, 2024	$ 378,156	$ 92,228	$ 21,804	$ 2,145	$ 115	$ 298	$ 3,984	$ 498,730

As of December 31, 2025 and 2024, the Company did not have any impairment on property, plant and equipment.

Depreciation expenses were accrued on a straight-line basis over the following estimated useful lives:

Buildings	3 to 51 years
Machinery and equipment	3 to 6 years
Office equipment	1 to 11 years
Leasehold improvements	5 years
Other equipment	3 years

Please refer to Note 29 for the amount of property, plant and equipment used by the Company pledged as security for loans.

b. Operating lease

	Buildings
Cost	
Balance at January 1, 2025	$ 68,745
Assets used by the Company	9,087
Balance at December 31, 2025	$ 77,832
Accumulated depreciation	
Balance at January 1, 2025	$ 26,847
Assets used by the Company	3,684
Depreciation	1,392
Balance at December 31, 2025	$ 31,923
Carrying amount at January 1, 2025	$ 41,898
Carrying amount at December 31, 2025	$ 45,909
Cost	
Balance at January 1, 2024	$ 73,435
Assets used by the Company	(4,690)
Balance at December 31, 2024	$ 68,745

	Buildings
Accumulated depreciation	
Balance at January 1, 2024	$ 27,239
Assets used by the Company	(1,740)
Depreciation	1,348
Balance at December 31, 2024	$ 26,847
Carrying amount at January 1, 2024	$ 46,196
Carrying amount at December 31, 2024	$ 41,898

The Company rents out buildings and structures under operating lease with the lease period of 2023 to 2028, and has no right to renew the contract. At the end of the lease period, the lessee does not have right of preferential refusal of the asset.

The total amount of lease payments to be received in the future for renting out the buildings used by the Company under operating lease was as follows:

	December 31, 2025	December 31, 2024
First year	$ 15,438	$ 18,541
2～5 years	7,417	21,368
	$ 22,855	$ 39,909

Depreciation is recognized on a straight-line basis over the following estimated useful lives:

Buildings	51 years

Please refer to Note 29 for the operating lease amount of property, plant and equipment pledged as security for loans.

15. Lease agreement

a. Right-of-use assets

	December 31, 2025	December 31, 2024
Right-of-use assets carrying amount		
Buildings	$ 134	$ 157

	For the year ended December 31	
	2025	2024
Additions to Right-of-use assets	$ 93	$ -
Depreciation expense on right-of-use assets		
Buildings	$ 116	$ 116

b. Lease liabilities

	December 31, 2025	December 31, 2024
Lease liabilities carrying amount		
Current	$ 112	$ 94
Non-current	$ 24	$ 65

Ranges of discount rates for lease liabilities are as follows:

	December 31, 2025	December 31, 2024
Buildings	2.33%~2.375%	2.33%

c. Other lease information

	For the year ended December 31	
	2025	2024
Expenses relating to short-term lease	$ 877	$ 100
Total cash outflow for leases	$ 997	$ 240

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

16. Intangible assets

	Computer software
Cost	
Balance at January 1, 2025	$ 6,396
Additions	348
Disposals	(5,555)
Balance at December 31, 2025	$ 1,189

Accumulated amortization and impairment loss	
Balance at January 1, 2025	$ 5,553
Amortization	701
Disposals	(5,555)
Balance at December 31, 2025	$ 699
Carrying amount at January 1, 2025	$ 843
Carrying amount at December 31, 2025	$ 490
Cost	
Balance at January 1, 2024	$ 11,165
Additions	470
Disposals	(5,239)
Balance at December 31, 2025	$ 6,396
Accumulated amortization and impairment loss	
Balance at January 1, 2024	$ 8,140
Amortization	2,652
Disposals	(5,239)
Balance at December 31, 2024	$ 5,553
Carrying amount at January 1, 2024	$ 3,025
Carrying amount at December 31, 2024	$ 843

Amortizations were accrued on a straight-line basis over the following estimated useful lives:

Computer software	3 years

The intangible assets are not pledged as security for loans.

17. Borrowings

Long-term borrowings

Creditors	December 31, 2025	December 31, 2024	Interest rate(%)	Repayment period and method
Secured borrowings (Note 29)				
Bank loans				
Taiwan Cooperative Bank	$ -	$ 7,991	2.475	Repayment grace period is 24 months. From May 13, 2023, repayment is made in 24 monthly installments of principal and interest under the annuity method.
Taiwan Cooperative Bank	-	26,648	2.475	Repayment grace period is 24 months. From October 2, 2023, repayment is made in 24 monthly installments of principal and interest under the annuity method.
Taiwan Cooperative Bank	-	11,134	2.475	Repayment grace period is 24 months. From January 7, 2024, repayment is made in 24 monthly installments of principal and interest under the annuity method.
	-	45,773		
Less: Current portion	(-)	(45,773)		
	$ -	$ -		

The bank borrowings are secured by the Company's land and buildings as collateral (refer to Note 29). The borrowings mature on April 13, 2025, September 2, 2025, and December 7, 2025.

18. Post-employment benefit plans

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a government managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards

Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	$ 16,051	$ 19,581
Fair value of plan assets	(17,378)	(19,262)
Net defined benefit liability (asset)	($ 1,327)	$ 319

Movements in net defined benefit liabilities (assets) were as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance at January 1, 2024	$ 20,305	($ 16,945)	$ 3,360
Service cost			
Interest expenses (income)	262	(219)	43
Recognized in profit or loss	262	(219)	43
Remeasurements			
Actuarial loss (benefit)			
-Changes in financial assumptions	(437)	-	(437)
-Experience adjustments	(549)	(1,618)	(2,167)
Recognized in other comprehensive loss (income)	(986)	(1,618)	(2,604)

Contributions from the employer	-	(480)	(480)
Balance at December 31, 2024	$ 19,581	($ 19,262)	$ 319
Service cost			
Interest expenses (income)	298	(293)	5
Recognized in profit or loss	298	(293)	5
Benefit paid	(3,879)	3,879	-
Remeasurements			
Actuarial loss (benefit)			
-Changes in financial assumptions	233	-	233
-Experience adjustments	(182)	(1,322)	(1,504)
Recognized in other comprehensive loss (income)	51	(1,322)	(1,271)
Contributions from the employer	-	(380)	(380)
Balance at December 31, 2025	$ 16,051	($ 17,378)	($ 1,327)

The Company is exposed to the following risks arising from the pension plan under the Labor Standards Act:

1) Investment risk: The funds managed by the Bureau of Labor Funds, Ministry of Labor are invested in domestic and foreign equity securities, debt securities, and bank deposits through self-management and entrusted management. However, the amount of the Company's plan assets distributed is calculated based on a rate of return not lower than the interest rate for a two-year time deposit with local banks.

2) Interest rate risk: A decrease in the interest rate of government bonds will increase the present value of the defined benefit obligation; however, the return on debt investments of the plan assets will also increase accordingly. Therefore, the effects on the net defined benefit liability are partially offsetting.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan members. Accordingly, an increase in the salaries of plan members will increase the present value of the defined benefit obligation.

The present value of the Company's defined benefit obligation is determined through actuarial valuations performed by qualified actuaries. The significant assumptions as of the measurement date are as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.34%	1.52%
Expected rate of salary increase	3.00%	3.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2025	December 31, 2024
Discount rate		
0.5% increase	($ 634)	($ 909)
0.5% decrease	$ 671	$ 967
Expected rate of salary increase		
0.5% increase	$ 1,345	$ 1,947
0.5% decrease	($ 1,225)	($ 1,756)

As actuarial assumptions may be interrelated, it is unlikely that a change in a single assumption would occur independently. Therefore, the above sensitivity analysis may not reflect the actual changes in the present value of the defined benefit obligation.

	December 31, 2025	December 31, 2024
Expected contributions to the plan for the next year	$ 14,487	$ 17,615
Average duration of the defined benefit obligation	8 years	10 years

19. Equity

a. Share capital

Ordinary share

	December 31, 2025	December 31, 2024
Authorized shares (in thousands)	300,000	300,000
Authorized capital	$ 3,000,000	$ 3,000,000
Issued and fully paid shares (in thousands)	114,975	114,975
Issued capital	$ 1,149,749	$ 1,149,749

As of December 31, 2025 and 2024, the Company's authorized capital consisted of 300,000 thousand shares, with a par value of NT$10 per share. Each share carries one voting right and the right to receive dividends. Of the authorized shares, 30,000 thousand shares were reserved for the issuance of employee stock option certificates.

The Company's shareholders resolved at the shareholders' meeting held on June 19, 2024 to approve a private placement of common shares of no more than 11,000 thousand shares. The aforesaid private placement was resolved by the Board of Directors on May 7, 2025 to be discontinued, and such discontinuation was reported to the shareholders' meeting on June 25, 2025.

In order to improve operating performance, strengthen the financial structure, and meet the needs of strategic cooperation for the Company's long-term development to enhance competitiveness, the Board of Directors resolved on May 7, 2025 to approve a private placement of common shares. The private placement price shall not be lower than a certain percentage of the closing price of the common shares calculated based on either one, three, or five business days prior to the pricing date. The number of shares to be privately placed shall not exceed 12,000 thousand shares. The aforesaid new private placement proposal was approved by the shareholders' meeting on June 25, 2025.

Information relating to the Company's common shares issued through private placement for cash capital increase and for which public offering procedures have not yet been completed is as follows:

	1st, 2021
The Shareholder meetings resolution date	2021.11.02
Private placement base date	2021.11.30
Number of shares (in thousands)	16,300
Face value (in NTD)	10
Subscription price (in NTD)	24
Total amount of private placement (in thousands of NTD)	391,200

Except for the restrictions on transferability imposed under the Securities and Exchange Act, and that the privately placed common shares may only be listed and traded after the expiration of three years from the delivery date and upon completion of the public offering procedures, the rights and obligations of such privately placed common shares are the same as those of the Company's issued common shares.

b. Capital surplus

	December 31, 2025	December 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Additional paid-in capital	$ 6,981	$120,083
From merger	78,174	78,174
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	24,726	40,907
Repurchase of treasury stock	44,333	9,243
May be used to offset a deficit only		
Changes in ownership interests in subsidiaries	10,825	10,825
Employee share option	125,177	131,408
	$290,216	$390,640

Note: This type of capital surplus may be used to offset accumulated losses. When the Company has no accumulated losses, it may be distributed in cash or capitalized; however, capitalization is subject to an annual limit based on a certain percentage of paid-in capital.

Due to equity transactions of subsidiaries during 2025 and 2024, the Company recognized net decreases in capital surplus under the equity method amounting to NT$14,214 thousand and NT$15,510 thousand, respectively. Details are as follows:

	For the year ended December 31	
	2025	2024
Changes in ownership interests in subsidiaries recognized	($ 16,181)	($ 16,367)
Capital surplus changes of subsidiaries accounted for under the equity method	1,967	857
Balance at December 31	($ 14,214)	($ 15,510)

c. Retained earnings and dividend policy

Under the Company’s dividend policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company’s board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees’ compensation and remuneration of directors, refer to employees’ compensation and remuneration of directors in Note 20(9).

Dividends to shareholders can be distributed in cash or shares, of which the cash portion of dividends shall not less than 10% of the distribution. The dividend policy is proposed by the Board of Directors every year according to law, and submitted to the shareholders' meeting for resolution, subject to factors such as Company’s current and future investment environment, capital demand, domestic and foreign competition conditions and capital demand budgets, as well as shareholders’ interests, balancing dividends and the Company’s long-term financial planning.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company’s paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company’s paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company’s Articles clearly stipulated that special reserve shall be allocated from the cumulative net amount of other deductions from equity in the preceding period and the cumulative net amount of increase in investment property fair value in the preceding period. If there remains any insufficiency, allocate it from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period.

The Company’s shareholders resolved at the shareholders’ meetings held on June 25, 2025 and June 19, 2024 the proposals for the appropriation of losses for 2024 and the distribution of earnings for 2023 and the distribution of cash from capital surplus, respectively:

	For the year ended December 31	
	2024	2023
Legal reserve	($ 41,889)	$ -
Reversal of special reserve	($ 17,187)	($ 83,947)
Cash dividends distributed from earnings	$ -	$ 68,365
Cash distributed from capital surplus	$ -	$ 45,576
Cash dividends per share (NT$)	$ -	$1.01137

Note: Due to the Company's repurchase of its own shares and transfer of treasury shares to employees, resulting in a change in the total number of outstanding common shares, the cash dividend per share for 2023 was adjusted from NT$1.00 to NT$1.01137.

The Company's Board of Directors, on June 25, 2025, resolved to distribute cash from capital surplus for the year 2024:

	For the year ended December 31, 2024
Cash distribution from capital surplus	$113,102
Cash dividend per share (NT$)	$ 1

The Company's Board of Directors, on March 10, 2026, proposed the offset of accumulated losses for the year 2025.

	For the year ended December 31, 2025
Use of legal reserve to offset losses	($297,624)

The proposal for the offset of accumulated losses for the year 2025 is subject to resolution at the annual general shareholders' meeting scheduled to be held on June 24, 2026.

d. Special reserve

	For the year ended December 31	
	2025	2024
Balance at January 1	$136,077	$220,024
Reversal of special reserve		
Reversal of in respect of debits to other equity items	(17,187)	(83,947)

Balance at December 31	$118,890	$136,077

As of December 31, 2025 and 2024, the special reserve recognized upon first-time adoption of IFRSs amounted to NT$10,948 thousand for both years.

The reversal of special reserve for 2025 was based on the Company's shareholding ratio, reflecting the reversal of the portion of special reserve recognized for the excess of the market price of the parent company's shares held by subsidiaries over their carrying amount, plus the net effect of the decrease in exchange losses arising from translation of the financial statements of foreign operations, less the increase in unrealized losses on financial assets for the current period. The reversal of special reserve for 2024 was based on the Company's shareholding ratio, reflecting the amount of special reserve appropriated for the shortfall of the market price of the parent company's shares held by subsidiaries below their carrying amount, plus the aggregate of the recovery in market price during the period, the decrease in unrealized losses on financial assets, and the decrease in exchange losses arising from translation of the financial statements of foreign operations.

e. Other equity

1) Exchange differences on translating the financial statements of foreign operations

	For the year ended December 31	
	2025	2024
Balance at January 1	($ 8,925)	($ 33,264)
Exchange differences on translating the financial statements of foreign operations	(8,027)	18,254
Share of other comprehensive income of equity-accounted subsidiaries	(5,351)	12,169
Income tax relating to items that may be reclassified	2,676	(6,084)
Balance at December 31	($ 19,627)	($ 8,925)

2) Unrealized gains or losses of financial assets measured at FVTOCI

	For the year ended December 31	
	2025	2024

Balance at January 1	($109,965)	($ 99,786)
Recognized for the year		
Unrealized (losses) gains from Equity instruments	(8,123)	(8,920)
Share of other comprehensive income of equity-accounted subsidiaries	2,609	(1,259)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	(4,177)	-
Balance at December 31	($119,656)	($109,965)

f. Treasury shares

1) Reasons and quantities of shares reacquired:

		December 31, 2025	
Reacquired from	Purpose of reacquired	Shares (in thousands)	Amount
The Company	For transferring shares to employees	1,815	$ 121,593
Hibon Investment Corporation	Subsidiary held shares of the Company	355	16,944
		2,170	$ 138,537

Note: The beginning balance of 1,891 thousand shares, plus 2,658 thousand shares purchased during the period, less 2,734 thousand shares transferred to employees.

		December 31, 2024	
Reacquired from	Purpose of reacquired	Shares (in thousands)	Amount
The Company	For transferring shares to employees	1,891	$ 110,673
Hibon Investment Corporation	Subsidiary held shares of the Company	355	16,944
		2,246	$ 127,617

Note: The initial number of shares was 551 thousand shares, increased by the purchase of 1,764 thousand shares during the period, decreased by the transfer of 424 thousand shares to employees.

2) The Securities and Exchange Act stipulates that the number of shares repurchased by a company shall not exceed 10% of the total issued shares, and the total amount of shares

repurchased shall not exceed the sum of retained earnings, share premium, and realized capital surplus.

3) Treasury shares held by the Company shall not be pledged and shall not be entitled to dividend distribution or voting rights, in accordance with the Securities and Exchange Act. Shares of the Company held by subsidiaries are accounted for as treasury shares. Such shares are not entitled to participate in the Company’s cash capital increase and have no voting rights; however, other rights are the same as those of ordinary shareholders.

4) In accordance with the Securities and Exchange Act, shares repurchased for the purpose of transferring to employees shall be transferred within five years from the date of repurchase; otherwise, they shall be deemed unissued shares and shall be cancelled through registration. Shares repurchased for the purpose of maintaining the Company’s credit and shareholders’ rights shall be cancelled through registration within six months from the date of repurchase.

5) On February 21, 2023, the Board of Directors resolved to conduct the eighth share repurchase program for transfer to employees. A total of 34 thousand shares were repurchased in the second quarter of 2023, amounting to NT$985 thousand. Subsequently, on November 6, 2024, the Board resolved to transfer such shares to employees and set the subscription record date as December 16, 2024, with a total of 34 thousand shares transferred, amounting to NT$985 thousand.

6) On December 13, 2023, the Board of Directors resolved to conduct the ninth share repurchase program for transfer to employees. A total of 517 thousand shares were repurchased in the fourth quarter of 2023, amounting to NT$20,245 thousand, and 483 thousand shares were repurchased in the first quarter of 2024, amounting to NT$21,129 thousand. The transfers to employees were made in several tranches as follows:
First transfer: 194 thousand shares, amounting to NT$8,026 thousand, with subscription record date of December 16, 2024.
Second transfer: 72 thousand shares, amounting to NT$2,979 thousand, with subscription record date of January 6, 2025.
Third transfer: 718 thousand shares, amounting to NT$29,703 thousand, with subscription record date of February 12, 2025.
Fourth transfer: 5 thousand shares, amounting to NT$207 thousand, with subscription record date of March 13, 2025.
Fifth transfer: 11 thousand shares, amounting to NT$459 thousand, with subscription

record date of December 19, 2025.

7) On March 11, 2024, the Board of Directors resolved to conduct the tenth share repurchase program for transfer to employees. A total of 1,281 thousand shares were repurchased in the second quarter of 2024, amounting to NT$91,294 thousand. The transfers to employees were made in several tranches as follows:
First transfer: 196 thousand shares, amounting to NT$13,969 thousand, with subscription record date of December 16, 2024.
Second transfer: 499 thousand shares, amounting to NT$35,564 thousand, with subscription record date of January 6, 2025.
Third transfer: 153 thousand shares, amounting to NT$10,903 thousand, with subscription record date of December 19, 2025.

8) On April 15, 2025, the Board of Directors resolved to conduct the eleventh share repurchase program for transfer to employees. A total of 1,276 thousand shares were repurchased in the second quarter of 2025, amounting to NT$65,494 thousand. Subsequently, on November 5, 2025, the Board resolved to transfer such shares to employees and set the subscription record date as December 19, 2025, with a total of 1,276 thousand shares transferred, amounting to NT$65,494 thousand.

9) On November 5, 2025, the Board of Directors resolved to conduct the twelfth share repurchase program for transfer to employees. A total of 1,382 thousand shares were repurchased in the fourth quarter of 2025, amounting to NT$90,735 thousand.

10) As of December 31, 2025 and 2024, the Company’s subsidiary, Hibon Investment Corporation, held 355 thousand shares of the Company’s stock, which are accounted for as treasury shares at an average carrying amount of NT$47.73 per share. The fair value of each share was NT$77.80 and NT$62.20, respectively.

20. Operating revenue

	For the year ended December 31	
	2025	2024
Revenue from contracts with customers		
Sales revenue	$ 178,866	$ 262,591
Service revenue	500	446
Repair and maintenance revenue	14,997	18,610
	$ 194,363	$ 281,647

The Company’s revenue is derived from sales revenue recognized at a point in time and service and maintenance revenue recognized over time.

a. Contract balances

	December 31, 2025	December 31, 2024
Contract liability-current	$ 23,495	$ 22,750

The changes in contract liabilities primarily arise from timing differences between the satisfaction of performance obligations and customer payment.

b. Disaggregation of revenue

	For the year ended December 31	
By region	2025	2024
Taiwan	$ 116,045	$ 150,030
China	72,879	129,825
Others	5,439	1,792
	$ 194,363	$ 281,647

21. Net profit for the continuing operations

a. Other operating income and expenses, net

	For the year ended December 31	
	2025	2024
Net gain on disposal of property, plant and equipment	$ 23	$ -

b. Interest income

	For the year ended December 31	
	2025	2024
Bank deposits	$ 3,822	$ 12,047
Financing provided to related parties	298	2,375
	$ 4,120	$ 14,422

c. Other income

	For the year ended December 31	
	2025	2024
Rent income	$ 17,455	$ 18,673
Dividend revenue	2,127	647
Other income	7,068	255
	$ 26,650	$ 19,575

d. Other gains or losses

	For the year ended December 31	
	2025	2024
Net foreign exchange gain (loss)	($ 5,835)	$ 37,594
Gains on financial assets at FVTPL, net	2,809	643
Impairment loss	(29,174)	-
	($ 32,200)	$ 38,237

e. Financial costs

	For the year ended December 31	
	2025	2024
Interest expenses		
Bank loans	$ 386	$ 3,487
Lease liabilities	4	5
Others	50	50
	$ 440	$ 3,542

f. Depreciation and amortization

	For the year ended December 31	
	2025	2024
An analysis of depreciation by function		
Operating costs	$ -	$ -
Operating expenses	15,860	17,864

	$ 15,860	$ 17,864

An analysis of amortization by function		
Operating costs	$ -	$ -
Operating expenses	701	2,652
	$ 701	$ 2,652

g. Research and development expenditures recognized as expenses as incurred

	For the year ended December 31	
	2025	2024
Research and development expenses	$ 63,410	$ 30,889

h. Employee benefit expenses

	For the year ended December 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	$ 4,730	$ 5,143
Defined benefit plans (Note 18)	5	43
Other employee benefits	186,087	154,843
	$ 190,822	$ 160,029
Summary by function		
Operating costs	$ -	$ -
Operating expenses	190,822	160,029
	$ 190,822	$ 160,029

i. Compensation of employees and remuneration of director

In accordance with the Company's Articles of Incorporation, if the Company has profit for the year after offsetting accumulated losses, employee compensation of not less than 2% and directors' remuneration of not more than 5% shall be appropriated. Pursuant to the amendment to the Securities and Exchange Act in August 2024, the Company revised its Articles of Incorporation as resolved at the 2025 shareholders' meeting, stipulating that not less than 20% of the total employee compensation appropriated for the year shall be allocated as compensation for lower-level employees. The recipients of employee compensation distributed in the form of cash or shares include employees of the Company's controlled or subordinated companies who meet certain specified criteria.

The estimated employee compensation and directors' remuneration for 2025 and 2024 were resolved by the Board of Directors on March 10, 2026 and March 12, 2025, respectively, as follows:

	For the year ended December 31	
	2025	2024
Compensation of employees	$ -	$ -
Remuneration of directors	-	-

If there are any subsequent changes in amounts after the date of approval for issuance of the annual parent company only financial statements, such changes shall be accounted for as changes in accounting estimates and recognized in the following year.

The Company resolved at the Board of Directors' meetings held on March 12, 2025 and March 11, 2024 not to distribute employee compensation or directors' remuneration, and no related amounts were recognized in the annual financial statements.

	For the year ended December 31			
	2025		2024	
	Compensation of employees	Remuneration of directors	Compensation of employees	Remuneration of directors
Amount to be distributed resolved by the board of directors	$ -	$ -	$ -	$ -
Amount recognized in annual financial statements	$ -	$ -	$ -	$ -

Information on compensation of employees and remuneration of directors resolved by the Company's board of directors in 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. Income tax

a. Income tax recognized in profit or loss

Major components of tax expense recognized are as follows:

	For the year ended December 31	
	2025	2024
Current tax		
In respect of the current year	$ 177	$ 559
Adjustments for prior year	7	-
	184	559
Deferred tax		
In respect of the current year	(9,713)	(26,083)
Income tax expense recognized in profit or loss	($ 9,529)	($ 25,524)

A reconciliation of accounting profit and income tax expense and the applicable tax rate is as follows:

	For the year ended December 31	
	2025	2024
Loss before tax for continuing operations	($ 312,496)	($ 277,043)
Tax expense (income) calculated at statutory rate	($ 62,499)	($ 55,409)
Nondeductible expenses in determining taxable income	(16,740)	(15,476)
Unrecognized loss carryforwards and deductible temporary differences	69,526	44,801
Adjustments for prior years	7	-
Tax effects of payment of foreign tax credit	177	560
Income tax expense recognized in profit or loss	($ 9,529)	($ 25,524)

b. Income tax expense (income) recognized in other comprehensive income

	For the year ended December 31	
	2025	2024
Deferred tax		
In respect of the current year		
- Translation of foreign operations	$ 2,676	($ 6,084)
- Remeasurement of defined benefit plan	(254)	(521)
Income tax recognized in other comprehensive income	$ 2,422	($ 6,605)

c. Current tax assets and liabilities

	December 31, 2025	December 31, 2024
Current tax assets		
Tax refund receivable	$ 1,264	$ 1,003
Current tax liabilities		
Income tax payable	$ -	$ -

d. Deferred tax assets and liabilities

The movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2025

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Disposal of subsidiaries
Deferred tax assets				
Temporary differences				
Unrealized exchange loss	$ -	$ 129	$ -	$ 129
Exchange differences on translation of foreign operations	1,737	-	2,676	4,413
	$ 1,737	$ 129	$ 2,676	$ 4,542

Deferred tax liabilities				
Temporary differences				
Gains on foreign investments accounted for using equity method	$ 105,521	($ 7,828)	$ -	$ 97,693
Defined retirement benefit plans	8,788	75	254	9,117
Unrealized exchange income	1,831	(1,831)	-	-
	$ 116,140	($ 9,584)	$ 254	$ 106,810

For the year ended December 31, 2024

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Disposal of subsidiaries
Deferred tax assets				
Temporary differences				
Unrealized exchange loss	$ 36	($ 36)	$ -	$ -
Exchange differences on translation of foreign operations	7,821	-	(6,084)	1,737
	$ 7,857	($ 36)	($ 6,084)	$ 1,737

Deferred tax liabilities				
Temporary differences				
Gains on foreign investments accounted for using equity method	$ 133,558	($ 28,037)	$ -	$ 105,521
Defined retirement benefit plans	8,180	87	521	8,788
Unrealized exchange income	-	1,831	-	1,831
	$ 141,738	($ 26,119)	$ 521	$ 116,140

e. The unrecognized deductible temporary differences of deferred tax assets and unused amount of loss carry forwards in the parent company only balance sheets

	December 31, 2025	December 31, 2024
Loss carryforwards		
Due in 2030	$ 76,956	$ 76,956

Due in 2031	83,447	83,447
Due in 2032	38,822	38,822
Due in 2033	72,298	72,298
Due in 2034	77,637	77,637
Due in 2035	163,156	-
Total	$512,316	$349,160

	114年12月31日	113年12月31日
Deductible temporary differences	$534,125	$440,798

f. Income tax assessments

The Company's income tax return for the year ended 2023 has been assessed and approved by the tax authority.

23. Earnings per share

	For the year ended December 31	
	2025	2024
Basic loss per share	($ 2.68)	($ 2.23)
Diluted loss per share	($ 2.68)	($ 2.23)

The loss and the weighted average number of ordinary shares used in the calculation of loss per share are as follows:

Net loss for the year

	For the year ended December 31	
	2025	2024
Net loss attributable to the Company's owners	($ 302,967)	($ 251,519)
Effect of dilutive potential ordinary shares	-	-
Net loss used in the calculation of diluted loss per share	($ 302,967)	($ 251,519)

The weighted average number of ordinary shares outstanding (in thousand shares) was as follow:

	For the year ended December 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	113,209	112,684
Effect of potentially dilutive ordinary shares:		
Compensation to employees	-	-
Weighted average number of ordinary shares used in the computation of diluted earnings per share	113,209	112,684

If the Company has a choice to distribute employee compensation in either shares or cash, it is assumed, for the purpose of calculating diluted loss per share, that the employee compensation will be settled in shares. Such potential ordinary shares are included in the weighted average number of ordinary shares outstanding when they are dilutive in order to calculate diluted loss per share. For the calculation of diluted loss per share prior to the determination of the number of shares to be distributed as employee compensation in the following year, the dilutive effect of such potential ordinary shares is continuously considered.

24. Share option plan of the employee

The Company transferred 34 thousand treasury shares to employees in November 2024. The recipients were current employees of the Company and its subsidiary, Southport Corporation. According to the regulations on the transfer of treasury shares and related contracts, the total number of shares available for subscription was set at 34 thousand shares. The subscriptions were executed on a specific date as defined in the contract, with the subscription price set at NTD 30 per share. Employees eligible for subscribing to the shares should have been current employees of the Company or its subsidiaries. The subscription rights for the treasury shares transferred to employees were fully exercised by December 16, 2024.

The employee stock subscription plan involving treasury shares was exercised as follows:

Approved by Board of Directors	Base date of subscription	Shares subscribed
2024.11.06	2024.12.16	34

In November 2024, the Company transferred 266 thousand treasury shares to employees. The eligible grantees included current employees of the Company and its subsidiary, Southern

Technology Co., Ltd. In accordance with the treasury share transfer plan and related contractual terms, a total of 266 thousand shares were subscribed, with the subscription executed on specified contractual dates. The subscription price was NT$41 per share. Employees were required to be current employees of the Company or its subsidiaries at the time of subscription. The transfer of treasury shares under this employee stock subscription plan was fully completed on January 6, 2025.

The employee stock subscription plan involving treasury shares was exercised as follows:

Approved by Board of Directors	Base date of subscription	Shares subscribed
2024.11.06	2024.12.16	194
2024.11.06	2025.01.16	72

In November 2024, the Company transferred 695 thousand treasury shares to employees. The eligible grantees included current employees of the Company and its subsidiary, Southern Technology Co., Ltd. In accordance with the treasury share transfer plan and related contractual terms, a total of 695 thousand shares were subscribed, with the subscription executed on specified contractual dates. The subscription price was NT$71 per share. Employees were required to be current employees of the Company or its subsidiaries at the time of subscription. The transfer of treasury shares under this employee stock subscription plan was fully completed on January 6, 2025.

The employee stock subscription plan involving treasury shares was exercised as follows:

Approved by Board of Directors	Base date of subscription	Shares subscribed
2024.11.06	2024.12.16	196
2024.11.06	2025.01.16	499

In January 2025, the Company transferred 718 thousand treasury shares to employees. The eligible grantees included current employees of the Company and its subsidiary, Southern Technology Co., Ltd. In accordance with the treasury share transfer plan and related contractual terms, a total of 718 thousand shares were subscribed, with the subscription executed on specified contractual dates. The subscription price was NT$41 per share. Employees were required to be current employees of the Company or its subsidiaries at the time of subscription. The transfer of treasury shares under this employee stock subscription plan was fully completed on February 12, 2025.

The employee stock subscription plan involving treasury shares was exercised as follows:

Approved by Board of Directors	Base date of subscription	Shares subscribed
2025.01.23	2025.02.12	718

In March 2025, the Company transferred 5 thousand treasury shares to employees. The eligible grantees included current employees of the Company. In accordance with the treasury share transfer plan and related contractual terms, a total of 5 thousand shares were subscribed, with the subscription executed on specified contractual dates. The subscription price was NT$41 per share. Employees were required to be current employees of the Company or its subsidiaries at the time of subscription. The transfer of treasury shares under this employee stock subscription plan was fully completed on March 13, 2025.

The employee stock subscription plan involving treasury shares was exercised as follows:

Approved by Board of Directors	Base date of subscription	Shares subscribed
2025.03.12	2025.03.13	5

In November 2025, the Company transferred 1,440 thousand treasury shares to employees. The eligible grantees included current employees of the Company. In accordance with the treasury share transfer plan and related contractual terms, a total of 1,440 thousand shares were subscribed, with the subscription executed on specified contractual dates. The subscription prices were NT$41, NT$51, and NT$71 per share. Employees were required to be current employees of the Company or its subsidiaries at the time of subscription. The transfer of treasury shares under this employee stock subscription plan was fully completed on December 19, 2025.

The employee stock subscription plan involving treasury shares was exercised as follows:

Approved by Board of Directors	Base date of subscription	Shares subscribed
2025.11.05	2025.12.19	1,440

Summary of information related to treasury share transfer agreements is as follows:

	For the year ended December 31, 2025	
	Number of options (in thousands)	Weighted-average exercise price (NTD)
Beginning balance	$ 571	$ 67.22
Granted	-	
Vested	(571)	67.22
Expired	-	-

Ending balance	$ -	-

	For the year ended December 31, 2024	
	Number of options (in thousands)	Weighted-average exercise price (NTD)
Beginning balance	$ -	$ -
Granted	995	61.58
Vested	(424)	53.99
Expired	-	-
Ending balance	$ 571	67.22

Unit: In thousands of shares

Date of Board of Directors' resolution	Grant date	Actual number of shares issued	Fair value at grant date
113.11.06	113.11.06	34	$ 43.75
113.11.06	113.11.06	194	$ 32.78
113.11.06	113.11.06	196	$ 7.32
113.11.06	113.11.06	72	$ 32.84
113.11.06	113.11.06	499	$ 8.42

For the share options granted in November 2024, the Company applied the Binomial Option Pricing Model for valuation. The inputs used in the valuation model are as follows:

	November 2024	November 2024	November 2024	November 2024
Share price on grant date	$73.70	$73.70	$73.70	$73.70
Exercise price	$30.00	$41.00	$71.00	$41.00
Expected volatility	54.61 %	54.61 %	54.61 %	54.61 %
Lifetime	0.136 year	0.136 year	0.136 year	0.192 year
Expected dividend yield	0.00 %	0.00 %	0.00 %	0.00 %
Risk-free interest rate	1.3456 %	1.3456 %	1.3456 %	1.3456 %

	November 2024
Share price on grant date	$73.70
Exercise price	$71.00
Expected volatility	54.61 %
Lifetime	0.192 year
Expected dividend yield	0.00 %
Risk-free interest rate	1.3456 %

	For the year ended December 31, 2025	
	Number of options (in thousands)	Weighted-average exercise price (NTD)
Beginning balance	$ -	$ -

Granted	2,163	49.02
Vested	(2,163)	49.02
Ending balance	$ -	-

Unit: In thousands of shares

Date of Board of Directors' resolution	Grant date	Actual number of shares issued	Fair value at grant date
114.01.23	114.01.23	718	$ 28.04
114.03.12	114.03.12	5	$ 32.32
114.11.05	114.11.05	11	$ 15.30
114.11.05	114.11.05	153	$ 1.23
114.11.05	114.11.05	1,276	$ 7.82

For the share options granted in 2025, the Company applied the Binomial Option Pricing Model for valuation. The inputs used in the valuation model are as follows:

	January 2025	March 2025	November 2025	November 2025
Share price on grant date	$69.00	$73.30	$55.70	$55.70
Exercise price	$41.00	$41.00	$41.00	$71.00
Expected volatility	51.07 %	41.88 %	62.18 %	62.18 %
Lifetime	0.068 year	0.032 year	0.148 year	0.148 year
Expected dividend yield	0.00 %	0.00 %	0.00 %	0.00 %
Risk-free interest rate	1.3062 %	1.2786 %	1.0742 %	1.0742 %

	November 2025
Share price on grant date	$55.70
Exercise price	$51.00
Expected volatility	62.18 %
Lifetime	0.148 year
Expected dividend yield	0.00 %
Risk-free interest rate	1.0742 %

The compensation expense recognized for 2025 and 2024 amounted to NT$27,432 thousand and NT$14,348 thousand, respectively. In addition, the Company transferred treasury shares to employees of its subsidiaries during 2025 and 2024, and recognized capital surplus under the equity method amounting to NT$1,967 thousand and NT$857 thousand, respectively.

25. Cash flows information

a. Non-cash transaction

The Company had the following non-cash financing activities during 2025 and 2024:

	For the year ended December 31	
	2025	2024
Affects cash and non-cash financing activities		
Repurchase of treasury stock	($ 156,229)	($ 112,423)
Increase (decrease) in other payable	3,799	(5,309)
Cash paid for the repurchase of treasury stock	($ 152,430)	($ 117,732)

b. Changes in liabilities from financing activities

For the year ended December 31, 2025

	January 1, 2025	Non-cash changes Increase of leasing	Cash flows	Other	December 31, 2025
Long-term borrowings	$ 45,773	$ -	($ 45,773)	$ -	$ -
Guarantee deposits	3,204	-	(140)	-	3,064
Lease liabilities	159	93	(116)	-	136
	$ 49,136	$ 93	($ 46,029)	$ -	$ 3,200

For the year ended December 31, 2024

	January 1, 2025	Non-cash changes Increase of leasing	Cash flows	Other	December 31, 2025
Short-term borrowing	$ 109,000	$ -	($ 109,000)	$ -	$ -
Long-term borrowings	200,993	-	(155,220)	-	45,773
Guarantee deposits	3,217	-	(13)	-	3,204
Lease liabilities	274	-	(120)	5	159
	$ 313,484	$ -	($ 264,353)	$ 5	$ 49,136

Note: Others mainly represent finance costs related to lease liabilities.

26. Capital management

The Company’s capital management objective is to ensure its ability to continue as a going concern while maximizing shareholders’ returns through maintaining an optimal balance between debt and equity. The Company's capital management is intended to ensure that it has sufficient financial resources to support working capital requirements, capital expenditures, research and development expenditures, dividend payments, debt repayments, and other operating needs over the next twelve months.

27. Financial instruments

a. Fair value of financial instruments that are not measured at fair value

For financial instruments not measured at fair value, their carrying amounts represent a reasonable approximation of their fair values, including cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, other receivables, other non-current assets, notes payable, accounts payable, other payables, long-term borrowings, and guarantee deposits received.

b. Fair value information of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

For the year ended December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
-Listed shares and emerging market shares	$ 18,892	$ -	$ -	$ 18,892
Financial assets at FVTOCI				
-Listed shares and emerging market shares	17,587	$ -	-	17,587
-Unlisted shares	-	-	31,795	31,795
Total	$ 17,587	$ -	$ 31,795	$ 49,382

For the year ended December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTOCI				

-Listed shares and emerging market shares	$ 19,435	$ -	$ -	$ 19,435
-Unlisted shares	-	-	42,247	42,247
Total	$ 19,435	$ -	$ 42,247	$ 61,682

2) Reconciliation of Level 3 fair value measurements of financial instruments

December 31, 2025

Financial assets	Financial assets at FVTOCI Unlisted shares
Beginning balance	$ 42,247
Recognized in other comprehensive income (unrealized gains or losses of financial assets measured at FVTOCI)	(10,452)
Ending balance	$ 31,795

December 31, 2024

Financial assets	Financial assets at FVTOCI Unlisted shares
Beginning balance	$ 18,950
Purchase	
Recognized in other comprehensive income (unrealized gains or losses of financial assets measured at FVTOCI)	30,000
Ending balance	(6,703)

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair value valuation techniques for investments in unlisted (OTC) equity instruments are as follows:

Comparable transaction approach

Fair value is evaluated by reference to market transaction prices and market conditions of comparable investees.

The Company's valuation process for fair value measurements categorized within Level 3 is performed by using data from independent sources to align the valuation results with market conditions and ensure the reasonableness of the valuation results. The valuation input used by the Company as of December 31, 2025 and 2024 was market quotations. A 1% increase (decrease) in market quotations would increase (decrease) the fair value of investments in unlisted (OTC) equity instruments by NT$454 thousand and NT$603 thousand as of December 31, 2025 and 2024, respectively.

c. Valuation techniques and inputs applied for Level 3 fair value measurement

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at FVTOCI		
Assign specific equity instrument investment	$ 49,382	$ 61,682
Financial assets at FVTPL		
Specific financial assets FVTPL		
At amortized cost	$ 18,892	$ -
Financial assets at amortized cost	$ 32,478	$ 33,952
Cash and cash equivalents	279,544	290,713
Accounts receivable, net	90,866	139,410
Refundable deposits	4,287	4,535
Other receivables	3,433	5,508
	$ 410,608	$ 474,118
Financial liabilities		
At amortized cost		
Accounts payable	$ 26,218	$ 37,825
Other payables	50,964	59,093
Long-term borrowings	-	45,773
Guarantee deposits	3,064	3,204
	$ 80,246	$ 145,895

d. Objective and policies of financial risk management

The Company's financial risk management objectives are to manage the market risk, credit risk, and liquidity risk related to its operating activities. To mitigate the relevant financial risks, the Company's finance department is responsible for identifying, assessing, and hedging against market uncertainties in order to minimize the potential adverse effects of market fluctuations on the Group's financial performance.

The Company's significant financial plans are reviewed by the Audit Committee and the Board of Directors in accordance with relevant regulations and internal control systems. In executing financial plans, the Company's finance department complies with the relevant financial operating procedures regarding overall financial risk management and segregation of duties and responsibilities.

1) Market risk

a) Foreign exchange risk

The Company operates internationally and is therefore exposed to foreign exchange risk arising from transactions denominated in currencies other than the functional currencies of the Company and its subsidiaries, primarily the U.S. dollar. The related foreign exchange risk arises from future commercial transactions and recognized assets and liabilities. The following table presents the Company's sensitivity analysis when the New Taiwan dollar strengthens or weakens by 10% against the U.S. dollar. The sensitivity analysis includes only outstanding foreign currency monetary items and adjusts their translation at the end of the reporting period for a 10% change in foreign exchange rates.

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the entity's functional currency. The Company's management has established policies requiring each group entity to hedge its overall foreign exchange risk through the Group's finance department.

The Company holds investments in certain foreign operations, whose net assets are exposed to foreign currency translation risk. The foreign exchange risk arising from the net assets of the Company's foreign operations is primarily managed through transactions denominated in the relevant foreign currencies.

	Impact of US Dollar	
	2025	2024
Income	$ 14,665	$ 21,091

b) Interest rate risk

The Company is exposed to interest rate risk because entities within the Company borrow funds at both fixed and floating interest rates. The Company manages interest rate risk by maintaining an appropriate mix of fixed and floating interest rates. The Company periodically evaluates its hedging activities to ensure that they are consistent with its interest rate outlook and established risk appetite, and to ensure that the most cost-effective hedging strategies are adopted. Accordingly, as the impact of interest rate fluctuations is currently not significant, no hedging activities have been undertaken.

The carrying amounts of the Company's financial assets and financial liabilities exposed to interest rate risk at the balance sheet date are as follows:

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
-Financial assets	$ 1,380	$ 66,973
-Financial liabilities	136	159
Cash flow interest rate risk		
-Financial assets	279,544	225,143
-Financial liabilities	-	45,773

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations and cause a financial loss to the Company. The Company's credit risk primarily arises from receivables generated from operating activities and bank deposits arising from investing activities. Operating-related credit risk and financial credit risk are managed separately. As of the balance sheet date, the Company's maximum exposure to credit risk arising from potential failure of counterparties to perform their obligations is the carrying amount of financial assets recognized in the balance sheet.

Operating-related credit risk

The Company's outstanding accounts receivable are mainly derived from a global customer base, and most receivables are not collateralized or guaranteed. Although the Company has established relevant procedures to monitor and reduce credit risk on accounts receivable, there is no assurance that such procedures will fully eliminate credit risk or prevent losses.

As of December 31, 2025 and 2024, accounts receivable from the top ten customers accounted for 70% and 80% of the Company's total accounts receivable, respectively. The majority of these receivables are from related parties; therefore, the credit concentration risk for other receivables is not significant.

Financial credit risk

The Company periodically adjusts its transaction limits based on market conditions and the financial and credit status of counterparties. In addition, the Company mitigates credit risk by selecting financial institutions with strong credit ratings as counterparties.

3) Liquidity risk

Cash flow forecasts are prepared by each operating entity within the Group and are then consolidated by the Group's finance department. The Group's finance department monitors forecasts of liquidity requirements to ensure that sufficient funds are available to meet operating needs and to maintain adequate undrawn borrowing facilities at all times. These forecasts take into account the Group's debt financing plans and compliance with internal target financial ratios for the statement of financial position.

Excess cash held by each operating entity, beyond the level required for working capital management, is invested by the Group's finance department in interest-bearing demand deposits, time deposits, and marketable securities. The instruments selected have appropriate maturities or sufficient liquidity to support the above forecasts and provide adequate liquidity buffers.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The analysis of remaining contractual maturities of non-derivative financial liabilities is prepared based on the earliest possible date on which the Company may be required to repay, and is presented based on undiscounted cash flows of financial liabilities (including principal and estimated interest). Accordingly, bank borrowings that may be repayable on demand are included in the earliest time bucket, regardless of the probability of the bank exercising such right. The maturity analysis for other non-derivative financial liabilities is prepared based on the contractual repayment dates.

For floating-rate interest cash flows, the undiscounted interest amounts are derived from the yield curve at the balance sheet date.

The table below summarizes the Company's financial liabilities by maturity date and undiscounted contractual cash flows:

	December 31, 2025			
	Less than 1 year	1 to 3 years	More than 3 years	Total
Non-derivative financial liabilities				
Accounts payable	$ 26,218	$ -	$ -	$ 26,218
Trade payables – related parties	-	-	-	-
Other payables	50,964	-	-	50,964
Long-term borrowings		-	-	-
Guarantee deposits	1,240	1,824	-	3,064
	$ 78,422	$ 1,824	$ -	$ 80,246

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

	Less than 1 year	1 to 5 years	More than 5 years
Lease liabilities	$ 114	$ 24	$ -

	December 31, 2024			
	Less than 1 year	1 to 3 years	More than 3 years	Total
Non-derivative financial liabilities				
Accounts payable	$ 37,541	$ -	$ -	$ 37,541
Trade payables – related parties	284	-	-	284
Other payables	59,093	-	-	59,093
Long-term borrowings		-	-	46,240
Guarantee deposits	2,134	1,070	-	3,204
	$ 145,292	$ 1,070	$ -	$ 146,362

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

	Less than 1 year	1 to 5 years	More than 5 years
Lease liabilities	$ 96	$ 66	$ -

b) Financing facilities

	December 31, 2025	December 31, 2024
Unsecured bank loan facilities		
-Amount Used	$ 5,000	$ 5,000
-Amount Unused	645,000	968,925
	$ 650,000	$ 973,925
Stand-by loan facilities		
-Used amount	$ 1,345	$ 47,176
-Unused amount	92,945	31,382
	$ 94,290	$ 78,558

28. Transactions with related parties

Except as disclosed in other notes, the transactions between the Company and related parties are as follows.

a. Related party name and categories

Related party name	Related Party Categories
Yang,Yue-Jhou	The CEO of the Company
Spirox Technology (Shanghai) Co., Ltd. ("Spirox Shanghai")	Subsidiary indirectly 100% owned by the Company
Spirox International Limited ("SI")	Subsidiary indirectly 100% owned by the Company
Jetek Technology Corporation ("Jetek Corp.")	Subsidiary indirectly 100% owned by the Company
Beyond Engineering Corporation ("BEYOND CORP.")	Subsidiary indirectly 100% owned by the Company
Southport Corporation ("Southport Corp.")	Subsidiary indirectly 60.37% owned by the Company
SCube Technologies Co., Ltd. ("SCube")	Subsidiary directly and indirectly 86.82% and 68.74% on December 31, 2025 and 2024, respectively, owned by the Company

b. Operating revenue

Account item	Related party Categories / Name	For the year ended December 31 2025	2024
Sales revenue	Subsidiaries		
	Spirox Shanghai	$ 30,598	$ 7,243
	SI	-	370
	Jetek Corp.	17,974	-
	Other subsidiaries	920	-
		$ 49,492	$ 7,613

Sales to related parties are conducted based on the Company's general pricing and terms for non-related parties, and there are no significant differences compared with transactions with ordinary customers.

c. Purchase of goods

Related party Categories / Name	For the year ended December 31 2025	2024
Other subsidiaries	$ 2,732	$ 595

Purchase is handled according to the general purchase and conditions.

d. Accounts receivable from related parties

Account item	Related party Categories / Name	December 31, 2025	December 31, 2024
Accounts receivable	Subsidiaries		
	Spirox Shanghai	$ 55,675	$ 93,001
	SI	-	374
	Other subsidiaries	1,038	-
		$ 56,713	$ 93,375
Other accounts receivable	Subsidiaries		
	Spirox Shanghai	$ 2,043	$ -
	Southport Corp.	58	-
		$ 2,101	$ -

Outstanding receivables from related parties are unsecured. No allowance for expected credit losses on receivables from related parties was recognized in 2025 and 2024.

e. Loans from related parties

Interest income

Related party Categories / Name	For the year ended December 31	
	2025	2024
Subsidiaries		
Spirox Shanghai	$ -	$ 2,223
SI	-	152
BEYOND CORP.	298	-
	$ 298	$ 2,375

The Company provides short-term unsecured loans to subsidiaries. The annual interest rates for 2025 and 2024 ranged from 2.435% and 3.7% to 6.5%, respectively. The interest is agreed to be paid together with the principal upon maturity.

f. Accounts payable to related parties

Account item	Related party Categories / Name	December 31, 2025	December 31, 2024
Accounts payable	Subsidiaries		
	Jetek Corp.	$ -	$ 284

g. Acquisition of property, plant and equipment

Related party Categories / Name	For the year ended December 31	
	2025	2024
Subsidiaries		
Other subsidiaries	$ 1,336	$ -

h. Disposal of property, plant and equipment

Related party Categories / Name	Proceeds from disposal For the year ended December 31		Gain (loss) on disposal For the year ended December 31	
	2025	2024	2025	2024
Subsidiaries				
Other subsidiaries	$ 2,192	$ -	$ 23	$ -

i. Acquisition of intangible assets

Related party Categories / Name	For the year ended December 31	
	2025	2024
Subsidiaries		
Other subsidiaries	$ 79	$ -

j. Selling expenses

Related party Categories / Name	For the year ended December 31	
	2025	2024
Subsidiaries		
Other subsidiaries	$ -	$ 3,949

k. Research expenses

Related party Categories / Name	For the year ended December 31	
	2025	2024
Subsidiaries		
Other subsidiaries	$ 74	$ -

l. Other income

Related party Categories / Name	For the year ended December 31 2025	For the year ended December 31 2024
Subsidiaries		
Other subsidiaries	$ -	$ 21

m. Lease income

Related party Categories / Name	For the year ended December 31 2025	For the year ended December 31 2024
Subsidiaries		
BEYOND CORP.	$ 921	$ 2,761
Jetek Corp.	2,321	2,013
SCube	60	25
	$ 3,302	$ 4,799

n. Remuneration to key management personnel

	For the year ended December 31 2025	For the year ended December 31 2024
Short-term employee benefits	$ 37,510	$ 35,187
Share-based payment	-	12,822
	$ 37,510	$ 48,009

The remuneration of directors and other key management personnel is determined by the Remuneration Committee based on individual performance and market trends.

o. Other transactions with related parties

In 2025 and 2024, the Company purchased 310 thousand and 300 thousand ordinary shares, respectively, of SCube Technologies Co., Ltd. held by the Company’s General Manager, Yang, Yue-Jhou, at a price of NT$30 per share. The investment cost amounted to NT$9,300 thousand and NT$9,000 thousand, respectively.

29. Assets Pledged as Collateral or for security

The following assets have been pledged as collateral for bank borrowings:

	December 31, 2025	December 31, 2024
Pledged time deposits (Accounted as financial assets at amortized cost)	$ 1,380	$ 1,403
Refundable deposits (Accounted as other non-current assets)	4,287	4,535
Property, plant and equipment	471,730	475,545
	$477,397	$481,483

30. Significant Contingent Liabilities and Unrecognized Commitments

As of December 31, 2025, the Company's customs duty guarantee facility provided by financial institutions amounted to NT$5,000 thousand.

31. Significant assets and liabilities denominated in foreign currencies

The following information is presented in aggregate in foreign currencies other than the Company's functional currency. The exchange rates disclosed refer to the rates used to translate such foreign currencies into the functional currency. Significant foreign currency assets and liabilities are as follows:

(In thousands of foreign currencies)

	Foreign currency	Exchange rate	Carrying amount
December 31, 2025			
Monetary items of financial assets			
USD	$ 5,141	31.43	$ 161,582
EUR	360	36.9	13,284
JPY	197,150	0.2008	39,588
RMB	2,516	4.496	11,312
HKD	9,176	4.038	37,053
Subsidiaries for using equity method			
USD	7,755	31.43	243,767

	Foreign currency		Exchange rate		Carrying amount
Monetary items of financial liabilities					
USD		475	31.43		14,929
December 31, 2024					
Monetary items of financial assets					
USD	$	7,014	32.785	$	229,955
EUR		1,233	34.14		42,095
JPY		548,203	0.2099		115,068
RMB		1,960	4.478		8,777
Subsidiaries for using equity method					
USD		7,520	32.785		246,565
Monetary items of financial liabilities					
USD		581	32.785		19,048
EUR		225	34.14		7,682

Note: The exchange rate represents the amount of New Taiwan dollars per unit of foreign currency.

The Company's realized and unrealized net foreign exchange gains (losses) for 2025 and 2024 amounted to NT$(5,835) thousand and NT$37,594 thousand, respectively. Due to the wide variety of foreign currency transactions, it is not practicable to disclose foreign exchange gains and losses by each significant foreign currency.

32. Separately disclosure items

a. Significant transaction information and b. information on investee companies:
   1) Loans to others: See Table 1.
   2) Endorsements and guarantees: See Table 2.
   3) Marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and jointly controlled entities): See Table 3.
   4) Transactions with related parties involving purchases or sales exceeding NT$100 million or 20% of paid-in capital: None.
   5) Receivables from related parties exceeding NT$100 million or 20% of paid-in capital: See Table 4.
   6) Derivative financial instrument transactions: None.
   7) Information on investee companies, including name, location, etc. (excluding investees

in Mainland China): See Table 4.

c. Information on investments in Mainland China: Name of investee companies in Mainland China, principal business activities, paid-in capital, investment method, remittance of funds, shareholding percentage, investment gain or loss, carrying amount at the end of the period, repatriated investment gains, and investment limits for Mainland China investments: See Table 5.

SPIROX CORPORATION

Financing Provided to Others

For the Year Ended December 31, 2025

Table 1

Unit: In thousands of NT dollars, unless specified otherwise

No. (Note 1)	Financing company	Counterparty	Financial statement account	Related party	Maximum balance for the period (Note 3)	Balance at December 31, 2024 (Note 8)	Actual drawdown amounts	Interest rate	Nature of financing (Note 4)	Transaction amounts (Note 5)	Reasons for short-term financing (Note 6)	Allowance for impairment loss	Collateral		Financing limits for each borrowing company	Financing company's total financing amount limits (Note 7)
													Item	Value		
0	Spirox Corporation	Beyond Engineering Corporation	Other receivables	Y	$ 48,000	$ -	$ -	2.435%	Short-term financing	$ -	Operating capital	$ -	—	$ -	$ 247,401	$ 494,802
1	Hibon Investment Corporation	Spirox Technology (Shanghai) Co., Ltd.	Other receivables	Y	33,205	-	-	5.90%	Short-term financing	-	Operating capital	-	—	-	212,252	212,252
		Beyond Engineering Corporation	Other receivables	Y	46,000	-	-	2.70%	Short-term financing	-	Operating capital	-	—	-	212,252	212,252
		Jetek Technology Corporation	Other receivables	Y	20,000	-	-	2.70%	Short-term financing	-	Operating capital	-	—	-	212,252	212,252

Note 1: The numbering column is explained as follows: (1) The issuer is assigned "0". (2) Investee companies are numbered sequentially starting from "1" by company.

Note 2: Items such as accounts receivable from related parties, other receivables from related parties, intercompany accounts, prepayments, temporary payments, etc., shall be included in this column if they constitute financing arrangements.

Note 3: Refers to the maximum balance of loans to others during the current year.

Note 4: The nature of the loan shall be classified as either arising from business transactions or from short-term financing needs.

Note 5: For loans arising from business transactions, the amount of business transactions shall be disclosed, which refers to the transaction amount between the lending company and the borrower in the most recent fiscal year.

Note 6: For loans arising from short-term financing needs, the reasons for the financing need and the intended use of funds by the borrower shall be specifically disclosed, such as repayment of loans, purchase of equipment, working capital needs, etc.

Note 7: (1) The total amount of loans granted by the Company shall not exceed 40% of the Company's net worth; for entities with short-term financing needs, the total loan amount shall not exceed 30% of the Company's net worth, and the maximum amount to any single borrower shall not exceed 15% of the Company's net worth.

(2) For the Company's subsidiary, Hibon Investment Corporation ("Hibon Investment"), the total loans granted to entities with short-term financing needs shall not exceed 40% of its net worth, and the maximum amount to any single borrower shall not exceed 40% of its net worth.

Note 8: If a listed company, pursuant to Article 14, paragraph 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, approves loans on a case-by-case basis by the Board of Directors, the approved amount shall still be included in the outstanding balance disclosed, even if not yet disbursed, in order to reflect risk exposure. After repayment, the remaining balance shall be disclosed to reflect changes in risk exposure. If, pursuant to Article 14, paragraph 2, the Board of Directors authorizes the chairman to make loans within a certain limit and period, the approved credit limit shall still be used as the outstanding balance for disclosure purposes. Even if repayments are made subsequently, the approved credit limit shall remain the basis for disclosure due to the possibility of future drawdowns.

SPIROX CORPORATION AND SUBSIDIARIES

Endorsements/Guarantees Provided

For the Year Ended December 31, 2025

Table 2

Unit: In thousands of NT dollars, unless specified otherwise

No. (Note 1)	Name of endorser/ guarantor	Endorsee/Guarantee		Limit on endorsements/guarantees amount provided to each entity (Note 3)	Maximum amount endorsed/guaranteed during the period (Note 4)	Ending Balance of endorsements/ guarantees (Note 5)	Amount actually drawn (Note 6)	Amount of endorsements/ guarantees collateralized by Property	Ratio of accumulated endorsement/ guarantee to net equity per latest financial statements	Maximum endorsements/ Guarantees amount allowable (Note 3)	Guarantee provided by parent company (Note 7)	Guarantee provided by a subsidiary (Note 7)	Guarantee provided to subsidiaries in Mainland China (Note 7)
		Company name	Relationship (Note 2)										
0	Spirox Corporation	Spirox International Limited	2	$ 824,670	$ 232,435	$ -	$ -	$ -	-	$ 824,670	Y	N	N
		Spirox Technology (Shanghai) Co., Ltd.	2	824,670	311,370	139,250	-	-	7.93%	824,670	Y	N	Y
		Jetek Technology Corporation	2	824,670	140,000	80,000	-	-	4.55%	824,670	Y	N	N
1	Spirox Cayman Corporation	Spirox Corporation	3	204,340	166,025	-	-	-	-	204,340	N	Y	N

Note 1: The numbering column is explained as follows: (1) The issuer is assigned “0”. (2) Investee companies are numbered sequentially starting from “1” by company.

Note 2: The relationship between the guarantor and the guaranteed party shall be classified into the following seven types; only the type number needs to be indicated:

(1) Companies with business transactions.

(2) Companies in which the Company directly and indirectly holds more than 50% of voting shares.

(3) Companies that directly and indirectly hold more than 50% of the Company’s voting shares.

(4) Intercompany relationships where both parties are directly and indirectly 90%-owned subsidiaries.

(5) Companies mutually guaranteed by all investing shareholders in proportion to their shareholding under a joint investment arrangement.

(6) Intercompany or joint venture participants providing mutual guarantees under contract for construction projects.

(7) Companies providing performance guarantees for presale housing contracts in accordance with the Consumer Protection Act.

Note 3: The maximum endorsement/guarantee limit for Spirox Corporation shall not exceed 50% of the latest audited net worth. For subsidiaries directly or indirectly 100% owned with voting rights, the endorsement/guarantee limit shall also not exceed 50% of the Company’s latest audited net worth. For Spirox Cayman Corporation, the total endorsement/guarantee limit for companies directly or indirectly holding more than 50% of its voting shares shall not exceed 50% of Spirox Cayman Corporation’s latest audited net worth, and the limit for a single enterprise shall not exceed 50% of its latest audited net worth.

Note 4: The maximum endorsement/guarantee balance during the current year.

Note 5: Once the Company signs an endorsement/guarantee contract or issues a guarantee instrument approved by a bank, it assumes the guarantee obligation. All other endorsement/guarantee-related exposures shall be included in the outstanding balance.

Note 6: The actual amount utilized by the guaranteed company within the approved endorsement/guarantee limit shall be disclosed.

Note 7: “Y” shall be indicated only for endorsements/guarantees provided by listed parent companies to subsidiaries, subsidiaries to listed parent companies, or guarantees involving Mainland China entities.

SPIROX CORPORATION AND SUBSIDIARIES
Marketable Securities Held
December 31, 2025

Table 3

Unit: In thousands of NT dollars, unless specified otherwise

Holding company name	Type and name of marketable securities	Relationship with the holding company	Financial statement account	December 31, 2025				Note
				Number of shares	Carrying amount (Foreign currencies in Thousands)	Percentage of Ownership	Fair value (Foreign currencies in Thousands)	
Spirox Corporation	National Petroleum Co., Ltd., stock	—	Non-current financial assets measured at fair value through other comprehensive income	308,000	$ 17,587	0.10%	$ 17,587	—
	SILICON-BASED MOLECULAR SENSORING TECHNOLOGY CO., LTD., stock	—	Non-current financial assets measured at fair value through other comprehensive income	7,750,000	16,895	15.41%	16,895	—
	ALES Tech INC.	—	Non-current financial assets measured at fair value through other comprehensive income	5,000,000	14,900	8.83%	14,900	—
	Bank of America Corp, Bond	—	Non-current financial assets measured at amortized cost	-	USD 898.43	-	USD 898.43	—
	Japan Hotel (TYO:8985)		Financial assets at fair value through profit or loss	600	JPY 49,080	0.01%	JPY 49,080	—
	NOMURA (TYO:3462)		Financial assets at fair value through profit or loss	260	JPY 45,006	0.01%	JPY 45,006	—
Hibon Investment Corporation	Spirox Corporation, stock	Parent company of Hibon Investment Corporation	Non-current financial assets measured at fair value through other comprehensive income	355,030	27,621	0.31%	27,621	—
	DIGITIMES INC., stock	—	Non-current financial assets measured at fair value through other comprehensive income	315,000	12,449	1.13%	12,449	—
Spirox Cayman Corporation	PATH, stock		Non-current financial assets measured at fair value through profit or loss	870	USD 14.26		USD 14.26	—
	PTON, stock	—	Non-current financial assets measured at fair value through profit or loss	1,430	USD 8.81		USD 8.81	—
	NEO ONE CAPITAL FUND I LP (Note 1)	—	Non-current financial assets measured at fair value through profit or loss	-	USD 1,371.14	-	USD 1,371.14	—

Note 1: Formerly known as SBI & PSMC JV Fund I LP, which was renamed NEO ONE CAPITAL FUND I LP.

SPIROX CORPORATION AND SUBSIDIARIES

Name, Location and Related Information of the Investees (excluding investees in Mainland China)

For the Year Ended December 31, 2025

Table 4

Unit: In thousands of NT dollars, unless specified otherwise

Investor	Investee	Location	Major businesses and products	Investment amount		Balance at the end of the period			Net income (loss) of the investee	Recognized investment income (loss) (Note 1)	Note
				December 31, 2025	December 31, 2024	Shares (in thousands)	Percentage of ownership (%)	Carrying amount			
Spirox Corporation	Hibon Investment Corporation	Taiwan	General investment	$ 393,272	$ 393,272	53,000,000	100	$ 502,410	($ 15,371)	($ 15,725)	
	Spirox Cayman Corporation	Cayman Islands	General investment	11,689	11,689	600,000	60	243,767	(44,271)	(44,271)	
	Southport Corporation	Taiwan	Optical and precision equipment manufacturing and services	135,129	122,196	3,476,050	60.37	31,205	(47,679)	(30,550)	
	SCube Technologies Co., Ltd.	Taiwan	Semiconductor equipment testing and parts sales services	28,300	19,000	1,216,061	66.74	12,400	(3,176)	(2,119)	
Hibon Investment Corporation	Spirox Cayman Corporation	Cayman Islands	General investment	16,862	16,862	400,000	40	163,471	(44,271)	(Note 2)	
	Jetek Technology Corporation	Taiwan	Semiconductor test equipment sales and solution provision	64,357	64,357	3,000,000	100	63,540	15,566	(Note 2)	
	Beyond Engineering Corporation	Taiwan	Electronic material retailing	-	-	-	-	-	767	(Note 2)	(Note 3 and 4)
Southport Corporation	SCube Technologies Co., Ltd.	Taiwan	Semiconductor equipment testing and parts sales services	10,000	10,000	606,061	33.26	12,400	(3,176)	(Note 2)	
Spirox Cayman Corporation	Spirox International Limited	Hong Kong	International trade	USD 7,751	USD 7,751	60,147,500	100	113,162	(2,272)	(Note 2)	
Hefei Spirox Technology Co., Ltd.	Excellent Future Limited	Cayman Islands	General investment	USD 2,000	USD 2,000	2,000,000	100	4,052	(3,330)	(Note 2)	
Excellent Future Limited	Beyond Engineering Corporation	Taiwan	Electronic material retailing	-	USD 1,871	-	-	-	(24,491)	(Note 2)	(Note 3 and 4)

Note 1: The investment income (loss) recognized in the current period has taken into account the effects of unrealized gains or losses arising from intercompany transactions.

Note 2: The profit or loss of the investee company has already been included in the financial statements of its investor company and is therefore not separately presented herein to avoid duplication.

Note 3: Due to the Group’s organizational restructuring, 100% equity ownership was transferred from Excellent Future Limited to Hibon Investment Corporation effective July 1, 2025.

Note 4: The company was dissolved on December 26, 2025 and entered into liquidation procedures.

SPIROX CORPORATION AND SUBSIDIARIES

Information on Investment in Mainland China

For the Year Ended December 31, 2025

Table 5

Unit: In thousands of NT dollars, unless specified otherwise

Investee company	Main businesses and products	Total amount of paid-in capital (Foreign currencies in Thousands)	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2025 (Foreign currencies in Thousands)	Investment flows during the period		Accumulated outflow of investment from Taiwan to Mainland China as of December 31, 2025 (Foreign currencies in Thousands)	Net income (loss) of investee as of December 31, 2025	Ownership through direct or indirect investment	Investment income (loss) for the year ended December 31, 2025 (Note 2)	Carrying value as of December 31, 2025	Accumulated inward remittance of earnings as of December 31, 2025
					Outflow	Inflow						
Spirox Technology (Shanghai) Co., Ltd.	Development, design, production and sales of IC software	$ 205,065	2 (Spirox Cayman Corporation)	$ 205,065	$ -	$ -	$ 205,065	($ 66,884)	100%	($ 66,884) (Note 2(2) B)	$ 58,869	$ -
Shanghai Infinet Technology Co., Ltd.	Computer parts, computer testing, electronic components	(Note 3)	1	51,952	-	-	51,952	(40)	-	(40) (Note 2(2) D)	-	-
Hefei Spirox Technology Co., Ltd.	Development, design, production and sales of IC software	103,369	3	-	-	-	-	(26,023)	100%	(26,023) (Note 2(2) B)	9,935	-

Accumulated investment in Mainland China as of December 31, 2025	Investment amounts authorized by Investment Commission, MOEA (Foreign currencies in Thousands)	Upper limit on investment authorized by the Investment Commission, MOEA
$ 334,321	$ 603,175	$ 989,604

Note 1: Investment methods are classified into the following three categories; only the category number needs to be indicated:

(1) Direct investment in Mainland China.

(2) Indirect investment in Mainland China through a company in a third region (please specify the investee company in the third region).

(3) Other methods (capital contributed by Shanghai Hi-Net Electronics Technology Co., Ltd. using its own funds; due to the Group's organizational restructuring, 100% equity ownership was transferred from Shanghai Infinet Technology Co., Ltd to Spirox Electronics Technology Co., Ltd. effective July 31, 2024).

Note 2: In the column for investment income (loss) recognized in the current period:

(1) If the investee is still in the preparation stage and no investment income or loss has yet been recognized, such fact shall be indicated.

(2) The basis for recognition of investment income or loss shall be classified into the following four categories and indicated accordingly:

A. Financial statements audited by an international accounting firm having a cooperative relationship with a CPA firm in the Republic of China (Taiwan).

B. Financial statements audited by the independent auditors of the Taiwan parent company.

C. Self-prepared financial statements not audited by independent auditors.

D. Financial statements reviewed by independent auditors.

Note 3: Shanghai Hi-Net Electronics Technology Co., Ltd. ceased operations in February 2025 and completed the relevant liquidation procedures on February 17, 2025.

Note 4: Amounts disclosed in this table shall be presented in New Taiwan dollars.

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SPIROX CORPORATION

Statement of Cash and Cash Equivalents

December 31, 2025

Statement 1

Unit: In thousands of NT dollars, unless specified otherwise

Item	Description	Exchange rate	Amount
Cash in banks			
Demand deposits－NTD			$117,042
Demand deposits－Foreign currencies			
	USD 3,015,579.82	31.43	94,780
	JPY 71,319,655.00	0.2008	14,321
	EUR 360,212.59	36.90	13,292
	HKD 9,176,062.25	4.038	37,053
	RMB 679,746.23	4.496	3,056
			162,502
Total			$279,544

SPIROX CORPORATION

Statement of Financial Assets Measured at Fair Value through Other Comprehensive Income

For the Year Ended December 31, 2025

Statement 2

Unit: In thousands of NT dollars

Investee	Balance, January 1, 2025		Additions in the year		Decrease in the year		Unrealized gains (losses)	Balance, December 31, 2025			Fair value	Collateral
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	Shareholding %	Amount		
National Petroleum Co., Ltd.	308,000	$ 19,435	-	$ -	-	$ -	($ 1,848)	308,000	0.10	$ 17,587	$ 17,587	—
SILICON-BASED MOLECULAR SENSORING TECHNOLOGY CO., LTD.	7,750,000	28,597	-	-	-	-	(11,702)	7,750,000	15.41	16,895	16,895	—
ALES Tech INC.	5,000,000	13,650	-	-	-	-	1,250	5,000,000	8.83	14,900	14,900	—
Total		$ 61,682		$ -		$ -	($ 12,300)			$ 49,382	$ 49,382	

SPIROX CORPORATION

Statement of Notes and Accounts Receivable

December 31, 2025

Statement 3 Unit: In thousands of NT dollars

Name	Amount
Accounts receivable－non-related parties	
ADVANCED SEMICONDUCTOR ENGINEERING, INC. CHUNG-LI BRANCH	$ 16,343
Jiangsu Union Semiconductor Co., Ltd.	11,629
Tongfu Microelectronics Co., Ltd.	4,418
LEADTECH ELECTRONICS INC.	3,740
Everlight Electronics Co., Ltd.	2,644
Other (Note)	3,397
Allowance for impairment losses	(8,018)
	34,153
Accounts receivable－related parties	
Spirox Technology (Shanghai) Co., Ltd.	55,675
Other (Note)	1,038
	56,713
	$ 90,866

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

SPIROX CORPORATION

Statement of Inventories

December 31, 2025

Statement 4 Unit: In thousands of NT dollars

Item	Amount	
	Cost	Market price (Note)
Goods	$ 97,080	$ 25,667
Allowance for inventory and obsolescence losses	(71,413)	
	$ 25,667	

Note: The market price is determined based on the net realizable value.

SPIROX CORPORATION

Statement of Changes in Investments Accounted for Using Equity Method

For the Year Ended December 31, 2025

Statement 5-1

Unit: In thousands of NT dollars, unless specified otherwise

	Balance, January 1, 2025		Additions in the year		Decrease in the year						Balance, December 31, 2025					Provide collateral or
	Shares	Amount	Shares	Amount	Shares	Amount	Investment income (loss)	Capital surplus	Adjustments of cumulative translation	Other comprehensive income	Shares	Shareholding	Amount	Net equity value	Collateral	Note
Hibon Investment Corporation	53,000,000	$ 859,595	-	$ -	-	$291,500	($ 15,725)	($ 30,432)	($ 5,351)	$ 2,767	53,000,000	100.00%	$ 519,354	$530,631	None	None
Spirox Cayman Corporation	600,000	246,565	-	-	-	-	(25,549)	30,787	(8,027)	(9)	600,000	60.00%	243,767	245,207	None	None
						-										
Southport Corporation	3,291,300	84,654	184,750	12,932	-	-	(30,550)	(8,685)	-	-	3,476,050	60.37%	58,351	17,753	None	None
SCube Technologies Co., Ltd.	906,061	12,777	310,000	9,300	-	-	(2,120)	(5,529)	-	-	1,216,061	66.74%	14,428	12,400	None	None
		$1,203,591		$ 22,232		$291,500	($ 73,944)	($ 13,859)	($ 13,378)	($ 2,758)			$ 835,900			
Less: Subsidiaries holding the Company's shares are classified as treasury shares		(16,944)											(16,944)			
		$1,186,647											$ 818,956			

SPIROX CORPORATION

Statement of changes in accumulated impairment of investments accounted for using the equity method

For the Year Ended December 31, 2025

Statement 5-2 Unit: In thousands of NT dollars

Investee	Balance, January 1, 2025	Additions in the year	Decrease in the year	Balance, December 31, 2025
Southport Corporation	$ -	$ 27,146	$ -	$ 27,146
SCube Technologies Co., Ltd.	-	2,028	-	2,028
Total	$ -	$ 29,174	$ -	$ 29,174

SPIROX CORPORATION
Statement of Accounts Payable
December 31, 2025

Statement 6

Unit: In thousands of NT dollars, unless specified otherwise

Name	Amount
General suppliers	
NI Taiwan Corporation	$ 12,682
TOYO NANO SYSTEM CORPORATION	2,967
Semics Inc.	2,672
ALES Tech INC.	1,892
Eden Global International Company Limited	1,544
Unice E-O Services Inc.	1,354
Other (Note)	3,107
Total	$ 26,218

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

SPIROX CORPORATION

Statement of Operating Revenue

For the Year Ended December 31, 2025

Statement 7

Unit: In thousands of NT dollars, unless specified otherwise

Name	Amount
Operating revenue	
Sales revenue	$ 179,876
Service revenue	500
Repair and maintenance revenue	14,997
Subtotal	195,373
Less: Sales allowances	(1,010)
	$ 194,363

SPIROX CORPORATION

Statement of Operating Costs

For the Year Ended December 31, 2025

Statement 8 | Unit: In thousands of NT dollars

Item	Amount
Cost of sales	
Inventories, beginning of the year	$ 125,542
Add: Purchases for the period	127,480
Less: Inventories, end of the year	(97,080)
Other	(794)
Commodity cost	155,148
Gain on inventory recovery	(17,507)
Cost of repair and maintenance	841
Other operating costs	-
Operating costs	$ 138,482

SPIROX CORPORATION

Statement of Operating Expenses

For the Year Ended December 31, 2025

Statement 9 Unit: In thousands of NT dollars

Item	Selling Expenses	Administration expenses	Research expenses
Payroll	$ 39,393	$ 68,502	$ 38,637
Employee share options	7,942	14,457	5,033
Insurance expenses	3,271	4,140	2,518
Depreciation	6,489	5,226	4,145
Amortization	-	306	395
Other (Note)	8,678	22,901	12,682
	$ 65,773	$ 115,532	$ 63,410

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

SPIROX CORPORATION

Statement of Employee Benefit, Depreciation and Amortization by Function

For the Year Ended December 31, 2025 and 2024

Statement 10

Unit: In thousands of NT dollars

	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary and bonus	$ -	$ 141,520	$ 141,520	$ -	$ 124,060	$ 124,060
Labor and health insurance	-	8,989	8,989	-	8,331	8,331
Pension	-	4,735	4,735	-	5,186	5,186
Remuneration to directors	-	5,222	5,222	-	5,421	5,421
Other	-	30,356	30,356	-	17,031	17,031
Total	$ -	$ 190,822	$ 190,822	$ -	$ 160,029	$ 160,029
Depreciation	$ -	$ 15,860	$ 15,860	$ -	$ 17,864	$ 17,864
Amortization	$ -	$ 701	$ 701	$ -	$ 2,652	$ 2,652

Note 1: As of December 31, 2025 and 2024, the Company had 87 and 79 employees, respectively, including 7 directors in both years who did not concurrently serve as employees.

Note 2: Companies whose shares are listed on the stock exchange or traded on the over-the-counter market shall additionally disclose the following information:

(1) Average employee welfare expense for the current year amounted to NT$2,320 thousand (“Total employee welfare expense for the current year − Total directors’ remuneration” / “Number of employees for the current year − Number of directors not concurrently serving as employees”).

Average employee welfare expense for the previous year amounted to NT$2,147 thousand (“Total employee welfare expense for the previous year − Total directors’ remuneration” / “Number of employees for the previous year − Number of directors not concurrently serving as employees”).

(2) Average employee salary expense for the current year amounted to NT$1,769 thousand (Total salary expense for the current year / “Number of employees for the

current year − Number of directors not concurrently serving as employees”).

Average employee salary expense for the previous year amounted to NT$1,723 thousand (Total salary expense for the previous year / “Number of employees for the previous year − Number of directors not concurrently serving as employees”).

(3) The adjustment in average employee salary expense represented an increase of 2.7% (“Average employee salary expense for the current year − Average employee salary expense for the previous year” / Average employee salary expense for the previous year).

(4) As the Company has established an Audit Committee, there were no remuneration, compensation, or business execution expenses for supervisors.

(5) Policies, standards, and structure of remuneration; procedures for determining remuneration; and the relationship between remuneration and operating performance as well as future risks:

Pursuant to Article 22 of the Company’s Articles of Incorporation, directors’ remuneration may be appropriated at no more than 5% of annual profit, while employee compensation shall be appropriated at no less than 2% of annual profit. Such remuneration is determined with consideration of the Company’s operating results and the degree of contribution to the Company’s performance, so as to provide reasonable compensation.

The remuneration policy for the President and Vice Presidents is determined in accordance with the Company’s “Regulations Governing Managerial Compensation and Performance Evaluation,” taking into account the salary level for comparable positions within the industry, the scope of responsibilities of the position within the Company, and the contribution to the Company’s operating objectives.

The procedures for determining remuneration are based on the Company’s “Regulations Governing Directors’ Compensation and Performance Evaluation.” In addition to considering the Company’s overall operating performance, future operational risks, and industry development trends, the Company also takes into account individual performance achievement rates and contributions to the Company’s operating performance in determining reasonable remuneration. Relevant performance evaluations and the reasonableness of compensation are reviewed by the Remuneration Committee and the Board of Directors. The remuneration system is also reviewed and adjusted from time to time in response to actual operating conditions and relevant regulations in order to achieve a balance between sustainable corporate development and risk management.