

ALTEK CORPORATION
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2025 AND 2024
(Stock Code : 3059)

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25000404

To the Board of Directors and Shareholders of ALTEK CORPORATION

Opinion

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of ALTEK CORPORATION as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of ALTEK CORPORATION in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of ALTEK CORPORATION's 2025 parent company only financial statements of the current period. 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, we do not provide a separate opinion on these matters.

Key audit matters for ALTEK CORPORATION's 2025 parent company only financial statements of the current period are stated as follows:

Allowance for inventory valuation losses**Description**

Please refer to Note 4(12) for description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(5) for the details of inventories.

ALTEK CORPORATION and its subsidiaries (shown as Investments accounted for under the equity method) are primarily engaged in manufacturing and sales of AI image-related application products. The subsidiaries measure inventories sold at the lower of cost and net realisable value. For inventory that is over a certain age and individually identified obsolete or damaged inventory, the subsidiaries recognises losses at net realisable value. The value of inventories is significant, involves various types of inventory, and the individual identification of inventory usually involves management judgement which is an area that also needs to be assessed using our judgement during the audit process. Thus, we identified the subsidiaries' valuation of allowance for inventory losses as one of the key audit matters.

How our audit addressed the matter

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

- A. Obtained an understanding and assessed the provision policy on inventory valuation losses, and ensured consistent application of accounting policies.
- B. Obtained the statement of individually identified obsolete inventory prepared by management and checked the accuracy of stock age analysis report and relevant information.
- C. Checked the accuracy of net realisable value of inventory, assessed the consistency between valuation of market value decline and its provision policy, and assessed the reasonableness of allowance for valuation losses determined by the Company.

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

In preparing the parent company only financial statements, management is responsible for assessing ALTEK CORPORATION's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate ALTEK CORPORATION or to cease operations, or has no realistic alternative but to do so.

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

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

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

- A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- B. 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 ALTEK CORPORATION's internal controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ALTEK CORPORATION's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause ALTEK CORPORATION to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within ALTEK CORPORATION to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of ALTEK CORPORATION's audit. We remain solely responsible for our audit opinion.

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

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

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

Chiang, Tsai-Yen

Hsieh, Chih-Cheng

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2026

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

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

ALTEK CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 446,859	4	\$ 1,105,899	7
1170	Accounts receivable, net	6(4)	382,260	3	391,106	3
1180	Accounts receivable - related parties	6(4) and 7	1,182	-	20,680	
1200	Other receivables		7,584	-	5,174	-
1210	Other receivables - related parties	7	41,214	-	39,463	-
1220	Current income tax assets		46,450	-	25,236	-
130X	Inventories, net	6(5)	50,197	-	91,404	1
1410	Prepayments		14,062	-	16,840	-
11XX	Current Assets		989,808	7	1,695,802	11
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	72,194	1	80,511	1
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	-	-	-	-
1550	Investments accounted for under the equity method	6(6)	10,968,030	80	11,312,137	76
1600	Property, plant and equipment	6(7) and 8	860,748	6	888,889	6
1755	Right-of-use assets	6(8)	77,957	1	80,585	1
1760	Investment property - net	6(9) and 8	722,639	5	729,449	5
1780	Intangible assets	6(10)	7,470	-	3,678	-
1840	Deferred income tax assets	6(27)	34,187	-	13,844	-
1900	Other non-current assets	6(13)	45,330	-	39,116	-
15XX	Non-current assets		12,788,555	93	13,148,209	89
1XXX	Total assets		\$ 13,778,363	100	\$ 14,844,011	100

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ALTEK CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 1,850,000	14	\$ 1,870,000	13
2130	Current contract liabilities	6(20)	64,572	1	138,102	1
2170	Accounts payable		36,084	-	41,143	-
2180	Accounts payable - related parties	7	565,488	4	697,040	5
2200	Other payables		378,246	3	364,523	3
2220	Other payables - related parties	7	3,846	-	5,343	-
2230	Current income tax liabilities		7,999	-	5,990	-
2250	Provisions for liabilities - current	6(15)	51,735	-	49,482	-
2280	Current lease liabilities		4,217	-	4,537	-
2399	Other current liabilities, others		24,047	-	36,960	-
21XX	Current Liabilities		2,986,234	22	3,213,120	22
Non-current liabilities						
2540	Long-term borrowings	6(12) and 8	176,400	1	900,000	6
2570	Deferred income tax liabilities	6(27)	488,611	4	488,513	3
2580	Non-current lease liabilities		74,170	1	78,803	1
2600	Other non-current liabilities		64,933	-	65,617	-
25XX	Non-current liabilities		804,114	6	1,532,933	10
2XXX	Total Liabilities		3,790,348	28	4,746,053	32
Equity						
	Share capital	6(16)				
3110	Common stock		3,072,420	22	3,058,000	21
	Capital surplus	6(17)				
3200	Capital surplus		2,586,876	19	2,542,903	17
	Retained earnings	6(18)				
3310	Legal reserve		1,545,167	11	1,512,604	10
3320	Special reserve		182,626	1	624,316	4
3350	Unappropriated retained earnings		2,964,042	22	2,580,010	17
	Other equity interest	6(19)				
3400	Other equity interest		(360,269)	(3)	(181,774)	(1)
3500	Treasury stocks	6(16)	(2,847)	-	(38,101)	-
3XXX	Total equity		9,988,015	72	10,097,958	68
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 13,778,363	100	\$ 14,844,011	100

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

ALTEK CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Year ended December 31			
Items		Notes	2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(20) and 7	\$ 3,007,608	100	\$ 2,764,952	100
5000	Operating costs	6(5)(25)(26) and 7	(2,657,399)	(88)	(2,332,466)	(84)
5900	Net operating margin		<u>350,209</u>	<u>12</u>	<u>432,486</u>	<u>16</u>
	Operating expenses	6(25)(26) and 7				
6100	Selling expenses		(50,261)	(2)	(39,988)	(1)
6200	General and administrative expenses		(237,696)	(8)	(239,604)	(9)
6300	Research and development expenses		(340,672)	(11)	(396,956)	(14)
6450	Expected credit gains	12(2)	<u>2</u>	<u>-</u>	<u>275</u>	<u>-</u>
6000	Total operating expenses		(628,627)	(21)	(676,273)	(24)
6900	Operating loss		(278,418)	(9)	(243,787)	(8)
	Non-operating income and expenses					
7100	Interest income	6(21)	2,673	-	3,008	-
7010	Other income	6(22) and 7	32,741	1	29,517	1
7020	Other gains and losses	6(23)	3,034	-	242	-
7050	Finance costs	6(24)	(41,110)	(1)	(50,233)	(2)
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(6)	<u>670,555</u>	<u>22</u>	<u>599,332</u>	<u>22</u>
7000	Total non-operating income and expenses		<u>667,893</u>	<u>22</u>	<u>581,866</u>	<u>21</u>
7900	Profit before income tax		389,475	13	338,079	13
7950	Income tax expense	6(27)	(11,814)	-	(20,074)	(1)
8200	Profit for the year		<u>\$ 377,661</u>	<u>13</u>	<u>\$ 318,005</u>	<u>12</u>
	Other comprehensive income					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains on defined benefit plans	6(13)	\$ 4,057	-	\$ 9,523	-
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(19,248)	(1)	(3,582)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	(812)	-	(1,905)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(16,003)	(1)	4,036	-
	Components of other comprehensive (loss) income that may be reclassified to profit or loss					
8361	Other comprehensive (loss) income, before tax, exchange differences on translation		(252,585)	(9)	557,655	20
8399	Income tax relating to components of other comprehensive income	6(27)	<u>50,517</u>	<u>2</u>	(111,531)	(4)
8360	Components of other comprehensive (loss) income that may be reclassified to profit or loss		(202,068)	(7)	446,124	16
8300	Other comprehensive (loss) income for the year		(\$ 218,071)	(8)	\$ 450,160	16
8500	Total comprehensive income for the year		<u>\$ 159,590</u>	<u>5</u>	<u>\$ 768,165</u>	<u>28</u>
9750	Basic earnings per share	6(28)	\$ 1.24		\$ 1.15	
9850	Diluted earnings per share	6(28)	\$ 1.23		\$ 1.13	

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

ALTEK CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Retained Earnings					Other equity interest				
	Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Currency translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned compensation	Treasury stocks	Total equity
<u>2024</u>											
Balance at January 1, 2024		\$ 2,788,000	\$ 2,046,394	\$ 1,484,678	\$ 515,412	\$ 2,584,914	(\$ 445,272)	(\$ 179,044)	\$ -	(\$ 38,101)	\$ 8,756,981
Profit for the year		-	-	-	-	318,005	-	-	-	-	318,005
Other comprehensive income (loss) for the year	6(19)	-	-	-	-	7,618	446,124	(3,582)	-	-	450,160
Total comprehensive income (loss)		-	-	-	-	325,623	446,124	(3,582)	-	-	768,165
Appropriation of 2023 earnings	6(18)										
Legal reserve		-	-	27,926	-	(27,926)	-	-	-	-	-
Special reserve		-	-	-	108,904	(108,904)	-	-	-	-	-
Cash dividends		-	-	-	-	(193,697)	-	-	-	-	(193,697)
Cash capital increase	6(16)(17)	270,000	449,154	-	-	-	-	-	-	-	719,154
Share-based payment transactions	6(14)(17)	-	38,970	-	-	-	-	-	-	-	38,970
Changes in ownership interest in subsidiaries	6(17)	-	8,385	-	-	-	-	-	-	-	8,385
Balance at December 31, 2024		\$ 3,058,000	\$ 2,542,903	\$ 1,512,604	\$ 624,316	\$ 2,580,010	\$ 852	(\$ 182,626)	\$ -	(\$ 38,101)	\$ 10,097,958
<u>2025</u>											
Balance at January 1, 2025		\$ 3,058,000	\$ 2,542,903	\$ 1,512,604	\$ 624,316	\$ 2,580,010	\$ 852	(\$ 182,626)	\$ -	(\$ 38,101)	\$ 10,097,958
Profit for the year		-	-	-	-	377,661	-	-	-	-	377,661
Other comprehensive income (loss) for the year	6(19)	-	-	-	-	3,245	(202,068)	(19,248)	-	-	(218,071)
Total comprehensive income (loss)		-	-	-	-	380,906	(202,068)	(19,248)	-	-	159,590
Appropriation of 2024 earnings	6(18)										
Legal reserve		-	-	32,563	-	(32,563)	-	-	-	-	-
Reversal of special reserve		-	-	-	(441,690)	441,690	-	-	-	-	-
Cash dividends		-	-	-	-	(305,647)	-	-	-	-	(305,647)
Restricted stocks to employees	6(16)(17)(19)	14,950	52,848	-	-	-	-	-	(67,798)	-	-
Retirement of treasury share	6(16)(17)	(530)	(435)	-	-	-	-	-	-	965	-
Treasury stock transferred to employees	6(16)(17)	-	(92)	-	-	-	-	-	-	37,136	37,044
Share-based payment transactions	6(14)(19)	-	-	-	-	-	-	-	21,187	-	21,187
Changes in ownership interests in subsidiaries	6(17)	-	(8,348)	-	-	(10,922)	-	-	-	-	(19,270)
Treasury shares repurchased	6(16)	-	-	-	-	-	-	-	-	(2,847)	(2,847)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(19)	-	-	-	-	(89,432)	-	89,432	-	-	-
Balance at December 31, 2025		\$ 3,072,420	\$ 2,586,876	\$ 1,545,167	\$ 182,626	\$ 2,964,042	(\$ 201,216)	(\$ 112,442)	(\$ 46,611)	(\$ 2,847)	\$ 9,988,015

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

ALTEK CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 389,475	\$ 338,079
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(9)(25)	44,732	46,086
Amortization	6(10)(25)	5,807	3,888
Expected credit gains	12(2)	(2)	(275)
Net gain on financial assets at fair value through profit	6(2)(23)	8,317	9,278
Interest expense	6(24)	41,110	50,233
Interest income	6(21)	(2,673)	(3,008)
Dividend income	6(22)	(3,814)	(3,052)
Share-based payment compensation cost	6(14)	10,657	17,626
Profit on investments accounted for under the equity method	6(6)	(670,555)	(599,332)
Gain arising from lease modification	6(23)	(2,756)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		8,849	486,221
Accounts receivable-related parties		19,498	(20,678)
Other receivables		(2,370)	1,666
Other receivables-related parties		8,779	27,557
Inventories		41,207	7,774
Prepayments		2,778	(8,608)
Other current assets		-	156
Changes in operating liabilities			
Contract liabilities		(73,530)	(262)
Accounts payable		(5,059)	(70,816)
Accounts payable - related parties		(131,552)	(28,222)
Other payables		16,065	4,636
Other payables-related parties		(1,497)	(5,426)
Provision of liabilities		2,253	(26,595)
Other current liabilities		(12,913)	4,621
Other non-current liabilities		(602)	(7,195)
Cash (outflow) inflow generated from operations		(307,796)	224,352
Interest received		2,632	3,008
Dividend received	7	726,664	290,558
Interest paid		(41,695)	(48,080)
Income tax paid		(1,559)	(130,192)
Net cash flows from operating activities		378,246	339,646

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ALTEK CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant, and equipment	6(29)	(\$ 8,680)	(\$ 8,823)
Proceeds from disposal of property, plant and equipment		2,464	-
Acquisition of intangible assets	6(29)	(8,488)	(4,790)
Decrease in guarantee deposits paid		(1,555)	17
Net cash flows used in investing activities		(16,259)	(13,596)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(30)	8,295,000	6,898,000
Repayment of short-term borrowings	6(30)	(8,315,000)	(7,016,000)
Proceeds from issuance of short-term notes and bills payable	6(30)	-	9,996
Repayment of short-term notes and bills payable	6(30)	-	(10,000)
Proceeds from long-term borrowings	6(30)	176,400	900,000
Repayment of long-term borrowings	6(30)	(900,000)	(900,000)
Decrease in guarantee deposits received	6(30)	25	-
Repayment of principal portion of lease liabilities	6(30)	(6,002)	(7,250)
Cash capital increase	6(16)	-	719,154
Treasury shares transferred to employees	6(16)	37,044	-
Acquisition of treasury stocks	6(16)	(2,847)	-
Cash dividends paid	6(18)	(305,647)	(193,697)
Net cash flows (used in) from financing activities		(1,021,027)	400,203
Net (decrease) increase in cash and cash equivalents		(659,040)	726,253
Cash and cash equivalents at beginning of year	6(1)	1,105,899	379,646
Cash and cash equivalents at end of year	6(1)	<u>\$ 446,859</u>	<u>\$ 1,105,899</u>

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

ALTEK CORPORATION
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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

1. HISTORY AND ORGANISATION

Altek Corporation (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.). The Company is primarily engaged in the research, development, production, manufacturing and sale of AI imaging solutions and related application products such as medical products, and related export and import trade.

The Company was listed in the Taiwan Stock Exchange on December 24, 2002, as approved by the Tai-Tz (91) Letter No. 024976 of the former Securities and Futures Commission, Ministry of Finance, R.O.C., dated September 27, 2002.

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

The parent company only financial statements were authorized for issuance by the Board of Directors on March 11, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

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

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027(Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
2027Amendments to IAS 21, 'Translation to a HyperinflationaryPresentation Currency'	January 1, 2027

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

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

IFRS 18, 'Presentation and disclosure in financial statements'

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

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

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

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company's entities 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 Dollar, which is the Company's functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within “other gains and losses”.

B. Translation of foreign operations

- (a) The operating results and financial position of all the subsidiaries, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.

- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(4) Classification of current and non-current items

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

(5) Cash equivalents

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

(6) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using settlement date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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

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

(8) Accounts receivable

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

(9) Impairment of financial assets

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

(10) Derecognition of financial assets

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

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

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(11) Leasing arrangements (lessor) — operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(12) Inventories

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

(13) Investments accounted for using equity method / associates

- A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity.
- B. Unrealised profit (loss) that occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise its share in the subsidiary's loss proportionately.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- E. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the non-consolidated financial statements shall be equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners' equity in the non-consolidated financial statements shall be equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3 ~ 40 years
Utility equipment	3 ~ 6 years
Other equipment	2 ~ 11 years

(15) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.
The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
 - (a) The amount of the initial measurement of lease liability; and
 - (b) Any initial direct costs incurred by the lessee.
 The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(16) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 10 ~ 35 years.

(17) Intangible assets

Computer software are stated at cost and amortised on a straight-line basis over its estimated useful lives of 1 ~ 5 years.

(18) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(19) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred.

(20) Accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services.
- B. The Company initially measures accounts payable at fair value and subsequently amortises the interest expense in profit or loss over the period of circulation using the effective interest method.

(21) Provisions

Provisions (warranties) are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date.

(22) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

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

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(23) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.
- B. Restricted stocks:
- (a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.
 - (b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Company recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.
 - (c) Employees do not need to pay a price to obtain new shares with restricted employee rights. If the employee leaves the Company within the vesting period, the Company will take back the stock from the employee free of charge. On the grant date, the Company estimated and recognized compensation costs and liabilities based on the issuance terms and conditions.

(24) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(25) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(26) Dividends

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

(27) Revenue recognition

A. Sales of goods

- (a) The Company manufactures and sells AI image technology application products. Sales are recognised when control of the products has transferred, being when the products are delivered to the buyer, the buyer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- (b) Revenue from these sales is recognised based on the price specified in the contract, net of the value-added tax, sales return, volume discounts, sales discounts and allowances.
- (c) The Company's obligation to provide a repair for faulty products under the standard warranty terms is recognised as a provision.
- (d) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Technical service revenue

The Company provides technical support services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the number of delivered report relative to the total number of committed report.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of the parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors.

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company and its subsidiaries (shown as Investments accounted for under the equity method) must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Therefore, there might be material changes to the evaluation.

As of December 31, 2025, the carrying amount of inventories was \$50,197.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand revolving funds	\$ 658	\$ 754
Checking accounts and demand deposits	367,626	1,105,145
Time deposits	78,575	-
Total	<u>\$ 446,859</u>	<u>\$ 1,105,899</u>

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

B. The Company has no cash and cash equivalents pledged to others.

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

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	\$ 10,312	\$ 10,312
Valuation adjustment	61,882	70,199
Total	<u>\$ 72,194</u>	<u>\$ 80,511</u>

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

	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>
Equity instruments	<u>(\$ 8,317)</u>	<u>(\$ 9,278)</u>

B. The Company has no financial assets at fair value through profit or loss as at December 31, 2025 and 2024 pledged to others.

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

Items	December 31, 2025	December 31, 2024
Non-current items:		
Equity instruments		
Unlisted stocks	\$ 100,000	\$ 100,000
Valuation adjustment	(100,000)	(100,000)
Total	\$ -	\$ -

- A. The Company has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments both amounted to \$0 as at December 31, 2025 and 2024.
- B. There were no amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income for the years ended December 31, 2025 and 2024.
- C. The Company has no financial assets at fair value through profit or loss pledged to others as at December 31, 2025 and 2024.

(4) Accounts receivable

	December 31, 2025	December 31, 2024
Accounts receivable (including related parties)	\$ 383,518	\$ 411,864
Less: Allowance for uncollectible accounts	(76)	(78)
	<u>\$ 383,442</u>	<u>\$ 411,786</u>

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

	December 31, 2025	December 31, 2024
Not past due	\$ 337,638	\$ 351,142
Up to 30 days	40,880	52,492
31 to 90 days	5,000	8,230
	<u>\$ 383,518</u>	<u>\$ 411,864</u>

The above ageing analysis was based on past due date.

- B. As at December 31, 2025 and 2024, accounts receivable were all from contracts with customers. And as of January 1, 2024, the balance of accounts receivable from contracts with customers amounted to \$877,407.
- C. None of the Company's accounts receivable were pledged to others as collateral.
- D. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable was \$383,442 and \$411,786, respectively.
- E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

December 31, 2025			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 11,344	(\$ 5,211)	\$ 6,133
Work in progress	38,987	(4,872)	34,115
Finished goods	13,051	(3,102)	9,949
Total	<u>\$ 63,382</u>	<u>(\$ 13,185)</u>	<u>\$ 50,197</u>
December 31, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 13,558	(\$ 4,854)	\$ 8,704
Work in progress	63,665	(5,298)	58,367
Finished goods	26,644	(2,311)	24,333
Total	<u>\$ 103,867</u>	<u>(\$ 12,463)</u>	<u>\$ 91,404</u>

The cost of inventories recognised as expense for the period:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Cost of goods sold and others	\$ 2,656,677	\$ 2,331,582
Loss in market value	722	884
Total	<u>\$ 2,657,399</u>	<u>\$ 2,332,466</u>

(6) Investments accounted for using equity method

	December 31, 2025	December 31, 2024
altek International Investment Co., Ltd.	\$ 8,932,841	\$ 8,812,142
Altek Japan Corporation	9,400	9,790
Altek International Holding (BVI) Co., Ltd.	1,388,392	1,427,003
Altek Investment Corporation	100,540	100,583
Altek Medical Pte. Ltd.	536,857	962,619
	<u>\$ 10,968,030</u>	<u>\$ 11,312,137</u>

- A. For information on the Company's subsidiary, please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2025.
- B. The Company recognised gain on investment in associates amounting to \$670,555 and \$599,332 for the years ended December 31, 2025 and 2024, respectively.

(7) Property, plant and equipment

2025

	Land	Buildings and structures	Test equipment	Others	Construction in progress and prepayment for equipment	Total
At January 1						
Cost	\$ 248,826	\$ 1,053,176	\$ 60,737	\$ 57,523	\$ 9,323	\$ 1,429,585
Accumulated depreciation	-	(432,794)	(53,515)	(54,387)	-	(540,696)
	<u>\$ 248,826</u>	<u>\$ 620,382</u>	<u>\$ 7,222</u>	<u>\$ 3,136</u>	<u>\$ 9,323</u>	<u>\$ 888,889</u>
Opening net book amount	\$ 248,826	\$ 620,382	\$ 7,222	\$ 3,136	\$ 9,323	\$ 888,889
Additions	-	1,492	288	695	4,284	6,759
Disposals	-	-	(2,464)	-	-	(2,464)
Reclassifications	-	8,435	-	152	(8,587)	-
Depreciation charge	-	(27,483)	(2,903)	(2,050)	-	(32,436)
Closing net book amount	<u>\$ 248,826</u>	<u>\$ 602,826</u>	<u>\$ 2,143</u>	<u>\$ 1,933</u>	<u>\$ 5,020</u>	<u>\$ 860,748</u>
At December 31						
Cost	\$ 248,826	\$ 1,063,103	\$ 54,582	\$ 58,370	\$ 5,020	\$ 1,429,901
Accumulated depreciation	-	(460,277)	(52,439)	(56,437)	-	(569,153)
	<u>\$ 248,826</u>	<u>\$ 602,826</u>	<u>\$ 2,143</u>	<u>\$ 1,933</u>	<u>\$ 5,020</u>	<u>\$ 860,748</u>

2024

	Land	Buildings and structures	Test equipment	Others	Construction in progress and to be inspected equipment	Total
At January 1						
Cost	\$ 248,826	\$ 1,052,510	\$ 60,452	\$ 57,129	\$ 792	\$ 1,419,709
Accumulated depreciation	-	(405,881)	(50,785)	(52,173)	-	(508,839)
	<u>\$ 248,826</u>	<u>\$ 646,629</u>	<u>\$ 9,667</u>	<u>\$ 4,956</u>	<u>\$ 792</u>	<u>\$ 910,870</u>
Opening net book amount	\$ 248,826	\$ 646,629	\$ 9,667	\$ 4,956	\$ 792	\$ 910,870
Additions	-	666	1,100	394	8,531	10,691
Depreciation charge	-	(26,913)	(3,545)	(2,214)	-	(32,672)
Closing net book amount	<u>\$ 248,826</u>	<u>\$ 620,382</u>	<u>\$ 7,222</u>	<u>\$ 3,136</u>	<u>\$ 9,323</u>	<u>\$ 888,889</u>
At December 31						
Cost	\$ 248,826	\$ 1,053,176	\$ 60,737	\$ 57,523	\$ 9,323	\$ 1,429,585
Accumulated depreciation	-	(432,794)	(53,515)	(54,387)	-	(540,696)
	<u>\$ 248,826</u>	<u>\$ 620,382</u>	<u>\$ 7,222</u>	<u>\$ 3,136</u>	<u>\$ 9,323</u>	<u>\$ 888,889</u>

- A. For the years ended December 31, 2025 and 2024, there was no capitalisation of borrowing interests attributable to the property, plant and equipment.
- B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(8) Leasing arrangements — lessee

- A. The Company leases various assets including land, buildings and business vehicles. The term of the land lease contract is 20 years, the rest usually ranges from 2 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise buildings and equipment. Low-value assets comprise printers, etc.
- C. The carrying amount of the depreciation charge are as follows:

	Carrying amount	
	December 31, 2025	December 31, 2024
Land	\$ 75,620	\$ 78,854
Buildings	-	1,731
Transportation equipment (Business vehicles)	2,337	-
	<u>\$ 77,957</u>	<u>\$ 80,585</u>

	Depreciation charge	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Land	\$ 3,140	\$ 3,144
Buildings	1,731	3,460
Transportation equipment (Business vehicles)	615	-
	<u>\$ 5,486</u>	<u>\$ 6,604</u>

- D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$2,858 and \$0, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 947	\$ 1,015
Expense on short-term lease contracts	3,594	2,018
Expense on leases of low-value assets	243	342
Gain on sale and leaseback transactions	2,756	-

- F. For the years ended December 31, 2025 and 2024, the Company's total cash outflow for leases were \$9,839 and \$9,610, respectively.

G. Extension and termination options

In determining the lease term, the Company takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(9) Investment property

2025			
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 573,532	\$ 245,411	\$ 818,943
Accumulated depreciation	-	(89,494)	(89,494)
	<u>\$ 573,532</u>	<u>\$ 155,917</u>	<u>\$ 729,449</u>
At January 1	\$ 573,532	\$ 155,917	\$ 729,449
Depreciation charge	-	(6,810)	(6,810)
At December 31	<u>\$ 573,532</u>	<u>\$ 149,107</u>	<u>\$ 722,639</u>
At December 31			
Cost	\$ 573,532	\$ 245,411	\$ 818,943
Accumulated depreciation	-	(96,304)	(96,304)
	<u>\$ 573,532</u>	<u>\$ 149,107</u>	<u>\$ 722,639</u>
2024			
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 573,532	\$ 245,411	\$ 818,943
Accumulated depreciation	-	(82,684)	(82,684)
	<u>\$ 573,532</u>	<u>\$ 162,727</u>	<u>\$ 736,259</u>
At January 1	\$ 573,532	\$ 162,727	\$ 736,259
Depreciation charge	-	(6,810)	(6,810)
At December 31	<u>\$ 573,532</u>	<u>\$ 155,917</u>	<u>\$ 729,449</u>
At December 31			
Cost	\$ 573,532	\$ 245,411	\$ 818,943
Accumulated depreciation	-	(89,494)	(89,494)
	<u>\$ 573,532</u>	<u>\$ 155,917</u>	<u>\$ 729,449</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Rental income from investment property	\$ 27,655	\$ 27,647
Direct operating expenses arising from the investment property that generated rental income during the year	\$ 8,552	\$ 8,723

B. The fair value of the investment property held by the Company as at December 31, 2025 and 2024 were both \$1,051,328, which was valued by independent appraisers. Valuations were made using the comparative method and direct capitalization approach under income approach, which is categorised within Level 3 in fair value hierarchy.

C. There was no capitalisation of borrowing interests attributable to investment property.

D. Information about the investment property that was pledged to others as collaterals is provided in Note 8.

(10) Intangible assets

	2025	2024
At January 1		
Cost	\$ 8,726	\$ 9,246
Accumulated amortisation	(5,048)	(6,629)
	<u>\$ 3,678</u>	<u>\$ 2,617</u>
At January 1	\$ 3,678	\$ 2,617
Additions	9,599	4,949
Amortisation charge	(5,807)	(3,888)
At December 31	<u>\$ 7,470</u>	<u>\$ 3,678</u>
At December 31		
Cost	\$ 17,387	\$ 8,726
Accumulated amortisation	(9,917)	(5,048)
	<u>\$ 7,470</u>	<u>\$ 3,678</u>

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

	For the year ended December 31, 2025	For the year ended December 31, 2024
Operating expense	\$ 5,807	\$ 3,888

B. The Company has no intangible assets pledged to others.

(11) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 1,850,000</u>	1.82%~1.89%	None
<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 1,870,000</u>	1.85%~1.99%	None

(12) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Bank secured borrowings	July 11, 2025 to July 11, 2027.	2.0%~2.1%	Note	\$ 176,400
Less: Current portion				-
				<u>\$ 176,400</u>
<u>Type of borrowings</u>	<u>Borrowing period</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Bank secured borrowings	July 11, 2024 to July 11, 2026.	2.0%~2.1%	Note	\$ 900,000
Less: Current portion				-
				<u>\$ 900,000</u>

Note: For details of the collateral of long-term borrowings, please refer to Note 8.

The Company's medium- and long-term loan contract expired on June 9, 2025. Due to financial planning considerations, the Company has renewed the loan in advance on July 11, 2024.

The Company 's medium- and long-term loan contract expired on July 11, 2026. Due to financial planning considerations, the Company has repaid part of the borrowings in advance on January 3, 2025 and renewed the loan in advance on July 11, 2025.

(13) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. The labor pension reserve accrued by the Company has reached a sufficient amount to cover the labor pension obligations. With the approval of the competent authority, the Company is permitted to suspend the labor pension contributions from January 1, 2026 through December 31, 2026.

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

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	(\$ 40,187)	(\$ 40,143)
Fair value of plan assets	58,269	53,566
Net defined benefit asset	<u>\$ 18,082</u>	<u>\$ 13,423</u>

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

	2025		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit asset
At January 1	(\$ 40,143)	\$ 53,566	\$ 13,423
Interest (expense) income	(642)	857	215
	<u>(40,785)</u>	<u>54,423</u>	<u>13,638</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	3,700	3,700
Change in financial assumptions	(810)	-	(810)
Experience adjustments	<u>1,167</u>	<u>-</u>	<u>1,167</u>
	<u>357</u>	<u>3,700</u>	<u>4,057</u>
Pension fund contribution	-	387	387
Paid pension	<u>241</u>	<u>(241)</u>	<u>-</u>
At December 31	<u>(\$ 40,187)</u>	<u>\$ 58,269</u>	<u>\$ 18,082</u>

	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit asset (liability)
At January 1	(\$ 53,151)	\$ 49,856	(\$ 3,295)
Interest (expense) income	(638)	598	(40)
	(53,789)	50,454	(3,335)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	4,387	4,387
Change in financial assumptions	1,243	-	1,243
Experience adjustments	3,893	-	3,893
	5,136	4,387	9,523
Pension fund contribution	-	1,005	1,005
Paid pension	8,510	(2,280)	6,230
At December 31	(\$ 40,143)	\$ 53,566	\$ 13,423

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

(e) The principal actuarial assumptions used were as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Discount rate	1.30%	1.60%
Future salary increases	4.00%	4.00%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Taiwan life insurance industry after 2025 and 2024.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2025</u>				
Effect on present value of defined benefit obligations	(\$ 676)	\$ 694	\$ 586	(\$ 575)
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligations	(\$ 749)	\$ 770	\$ 662	(\$ 648)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

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

(f) There are no expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2026.

(g) As of December 31, 2025, the weighted average duration of the retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	5,112
2-5 years		11,806
5-10 years		16,797
	\$	<u>33,715</u>

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2025 and 2024, were \$15,743 and \$16,120, respectively, under the above pension scheme.

(14) Share-based payment

A. For the years ended December 31, 2025 and 2024, the Company’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (shares in thousand)	Contract period	Vesting conditions
Treasury shares transferred to employees	November 8, 2024	2,090	-	Immediately vested
Cash capital increase reserved for employee subscription	December 16, 2024	2,700	-	Immediately vested
Plan for restricted shares to employees (2024-1)	August 05, 2025	1,495	2 years	Note

Note : The restricted shares were issued at no consideration to the Company and its domestic and foreign controlled or affiliated company’s existing employees whose service years have reached 1 year and 2 years and who achieved the performance condition as required by the Company. The vested ratio is 50% and 50%, respectively. If employees who are entitled to receive restricted shares do not meet the vesting conditions, the Company will retrieve at no consideration and retire those shares. The shares and dividends distributed to employees during the vesting period shall be given by the Company at no consideration. Employees are not required to return the shares and dividends if they resign during the vesting period.

B. Restricted shares to employees:

The information on restricted shares to employees is as follows (share in thousands):

	2025	2024
Restricted stocks not vested at January 1	-	-
Options granted	1,495	-
Restricted stocks not vested at December 31	1,495	-

C. For information of fair value of the share-based payment transaction given by the Company is as follows:

Type of arrangement	Grant date	Share price (in NT dollar)	Exercise price (in NT dollar)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Weighted average fair value per unit (in NT dollar)
Treasury shares transferred to employees	November 08, 2024	\$ 33.85	\$ 18.24	N/A	-	N/A	N/A	\$ 33.85
Cash capital increase reserved for employee preemption	December 16, 2024	29.15	26.80	N/A	-	N/A	N/A	29.15
Plan for restricted shares to employees (2024-1)	August 05, 2025	45.35	-	N/A	2 years	N/A	N/A	45.35

D. Expenses incurred on share-based payment transactions are shown below:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Equity-settled	\$ 10,657	\$ 17,626

(15) Provisions

	Warranty
At January 1, 2025	\$ 49,482
Additional provisions	2,253
At December 31, 2025	\$ 51,735

	December 31, 2025	December 31, 2024
Current	\$ 51,735	\$ 49,482

The Company provides warranties on AI image-related application products sold. Provision for warranty is estimated based on historical warranty data of digital image technology application products.

(16) Share capital

As of December 31, 2025, the Company's authorized capital was \$5,000,000, consisting of 500,000 thousand shares of ordinary stock, and the paid-in capital was \$3,072,420 with a par value of \$10 (in NT dollars) per share.

A. Movements in the number of the Company's ordinary shares outstanding are as follows (share in thousands):

	2025	2024
At January 1	303,710	276,710
Cash capital increase	-	27,000
Treasury shares transferred to employees	2,037	-
Employee restricted shares	1,495	-
Shares repurchases	(100)	-
At December 31	307,142	303,710

B. Treasury shares

- (a) Reason for share reacquisition and the number of the Company's treasury shares are as follows :

		December 31, 2025	
Name of company holding the shares	Reason for reacquisition	Number of shares (share in thousands)	Carrying amount
The Company	To be reissued to employees	100	\$ 2,847
		December 31, 2024	
Name of company holding the shares	Reason for reacquisition	Number of shares (share in thousands)	Carrying amount
The Company	To be reissued to employees	2,090	\$ 38,101

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired.
- (e) On November 8, 2024, the Company's Board of Directors resolved to transfer treasury shares of 2,090 thousand shares to employees at the current transfer price of NT\$18.24 (in dollars) per share in accordance with the regulations on repurchasing shares and transferring to employees (the actual number of treasury shares transferred to employees was 2,037 thousand shares).
- (f) The first repurchase of treasury shares in 2020 would reach 5 years on March 18, 2025 and the number of treasury shares which were not transferred to employees was 53 thousand shares. On March 14, 2025, the Company's Board of Directors resolved to set an effective date of capital reduction on March 19, 2025 and retire 53 thousand shares. The registration was completed.
- (g) On April 8, 2025, the Company's Board of Directors resolved to transfer treasury shares of 100 thousand shares to employees, with an average repurchase price of 28.47 per share, which has not been transferred to employees.

(17) Capital surplus

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

2025						
	Share premium	Employee stock options	Changes in ownership interests in subsidiaries	Treasury shares transaction	Restricted stocks to employees	Total
At January 1	\$ 2,380,957	\$ 32,625	\$ 8,385	\$ 120,936	\$ -	\$ 2,542,903
Changes in ownership interests in subsidiaries	-	-	(8,348)	-	-	(8,348)
Treasury shares transfer to employees	-	(31,798)	-	31,706	-	(92)
Retirement of treasury shares	(412)	(827)	-	804	-	(435)
Restricted shares to employees	-	-	-	-	52,848	52,848
At December 31	<u>\$ 2,380,545</u>	<u>\$ -</u>	<u>\$ 37</u>	<u>\$ 153,446</u>	<u>\$ 52,848</u>	<u>\$ 2,586,876</u>

2024						
	Share premium	Employee stock options	Changes in ownership interests in subsidiaries	Treasury shares transactions		Total
At January 1	\$ 1,925,458	\$ -	\$ -	\$ 120,936	\$	2,046,394
Cash capital increase	455,499	-	-	-	-	455,499
Changes in ownership interests in subsidiaries	-	-	8,385	-	-	8,385
Treasury shares transfer to employees	-	32,625	-	-	-	32,625
At December 31	<u>\$ 2,380,957</u>	<u>\$ 32,625</u>	<u>\$ 8,385</u>	<u>\$ 120,936</u>	\$	<u>2,542,903</u>

(18) Retained earnings

A. According to the Company's Articles of Incorporation, the annual earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Special reserve shall be set aside in accordance with the rules. The remaining amount plus the unappropriated earnings of prior years were distributed in new shares, which were proposed by the Board of Directors and resolved at the shareholders' meeting.

All or some of the dividends and bonus could, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, be distributed in the form of cash and reported at the shareholders' meeting.

- B. The amount of dividends appropriated is based on the Company's current year's net income and prior years' retained earnings, taking into account the Company's financial structure and future operating plans. The distribution ratio of cash dividends to stock dividends is based on the Company's funding status, diluted earnings per share and other factors. According to the dividend policy adopted by the Board of Directors, cash dividends shall account for at least 20% of the total dividends distributed.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- E. The appropriation of 2024 and 2023 earnings had been resolved at the stockholders' meeting on June 19, 2025 and June 13, 2024, respectively. Details are summarized below:

	2024		2023	
	Amount	Dividends per share (in NT dollars)	Amount	Dividends per share (in NT dollars)
Legal reserve	\$ 32,563		\$ 27,926	
Special reserve	(441,690)		108,904	
Cash dividends	305,647	\$ 1.0	193,697	\$ 0.7

The appropriation of 2024 and 2023 earnings were the same as that approved by the Board of Directors on May 8, 2025 and March 11, 2024, respectively.

F. The appropriation of 2025 earnings had been resolved at the shareholders' meeting on March 11, 2026. Details are summarised below:

		2025	
	Amount	Dividends per share (in NT dollars)	
Legal reserve	\$ 28,055		
Special reserve	131,032		
Cash dividends	307,142	\$ 1.0	

The aforementioned 2025 earnings distribution proposal, except for the cash dividends that were approved by the Board of Directors on March 11, 2026, is still subject to approval by the shareholders' meeting.

(19) Other equity items

	2025			
	Foreign currency translation	Unrealised gains (losses) on valuation	Unearned compensation	Total
At January 1	\$ 852	(\$ 182,626)	\$ -	(\$ 181,774)
Valuation adjustment	-	(19,248)	-	(19,248)
Valuation adjustment to retained earnings				
-Subsidiaries	-	89,432	-	89,432
Currency translation differences-Subsidiaries	(202,068)	-	-	(202,068)
Retirement of restricted shares to employees	-	-	(67,798)	(67,798)
Share-based payment transactions-Restricted Stocks to Employees	-	-	21,187	21,187
At December 31	(\$ 201,216)	(\$ 112,442)	(\$ 46,611)	(\$ 360,269)

	2024		
	Foreign currency translation	Unrealised gains (losses) on valuation	Total
At January 1	(\$ 445,272)	(\$ 179,044)	(\$ 624,316)
Valuation adjustment	-	(3,582)	(3,582)
Currency translation differences-Subsidiaries	446,124	-	446,124
At December 31	\$ 852	(\$ 182,626)	(\$ 181,774)

(20) Operating revenue

	For the year ended December 31, 2025	For the year ended December 31, 2024
Revenue from contracts with customers	<u>\$ 3,007,608</u>	<u>\$ 2,764,952</u>

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major geographical regions:

For the year ended December 31, 2025	Asia	Europe	America	Africa	Taiwan	Total
Revenue from external customer contracts	<u>\$ 2,338,816</u>	<u>\$ 50,610</u>	<u>\$ 522,231</u>	<u>\$ 12,736</u>	<u>\$ 83,215</u>	<u>\$ 3,007,608</u>
Timing of revenue recognition						
At a point in time	\$ 2,320,788	\$ 30,804	\$ 416,895	\$ 12,736	\$ 4,290	\$ 2,785,513
Over time	<u>18,028</u>	<u>19,806</u>	<u>105,336</u>	<u>-</u>	<u>78,925</u>	<u>222,095</u>
Total	<u>\$ 2,338,816</u>	<u>\$ 50,610</u>	<u>\$ 522,231</u>	<u>\$ 12,736</u>	<u>\$ 83,215</u>	<u>\$ 3,007,608</u>

For the year ended December 31, 2024	Asia	Europe	America	Taiwan	Total
Revenue from external customer contracts	<u>\$ 1,914,867</u>	<u>\$ 36,903</u>	<u>\$ 753,765</u>	<u>\$ 59,417</u>	<u>\$ 2,764,952</u>
Timing of revenue recognition					
At a point in time	\$ 1,871,793	\$ 34,785	\$ 703,167	\$ 962	\$ 2,610,707
Over time	<u>43,074</u>	<u>2,118</u>	<u>50,598</u>	<u>58,455</u>	<u>154,245</u>
Total	<u>\$ 1,914,867</u>	<u>\$ 36,903</u>	<u>\$ 753,765</u>	<u>\$ 59,417</u>	<u>\$ 2,764,952</u>

B. Contract liabilities

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

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities	<u>\$ 64,572</u>	<u>\$ 138,102</u>	<u>\$ 138,364</u>

C. Revenue recognised from performance obligations satisfied in previous periods

	Year ended December 31, 2025	Year ended December 31, 2024
Revenue recognised that was included in the contract liability balance at the beginning of the period	<u>\$ 94,797</u>	<u>\$ 56,421</u>

(21) Interest income

	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest income from bank deposits	\$ 2,660	\$ 3,007
Other interest income	13	1
	<u>\$ 2,673</u>	<u>\$ 3,008</u>

(22) Other income

	For the year ended December 31, 2025	For the year ended December 31, 2024
Rent income	\$ 22,831	\$ 23,181
Dividend income	3,814	3,052
Other income - others	6,096	3,284
	<u>\$ 32,741</u>	<u>\$ 29,517</u>

(23) Other income and expenses

	For the year ended December 31, 2025	For the year ended December 31, 2024
Net losses on financial assets at fair value through profit or loss	(\$ 8,317)	(\$ 9,278)
Net currency exchange gains	8,595	11,325
Gain arising from lease modification	2,756	-
Other expenses	-	(1,805)
	<u>\$ 3,034</u>	<u>\$ 242</u>

(24) Finance costs

	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest expense :		
Bank loan	\$ 40,163	\$ 49,214
Lease liabilities	947	1,015
Other	-	4
	<u>\$ 41,110</u>	<u>\$ 50,233</u>

(25) Expenses by nature

	For the year ended December 31, 2025	For the year ended December 31, 2024
Employee benefit expenses	\$ 460,047	\$ 493,180
Depreciation charges on property, plant and equipment	32,436	32,672
Depreciation charges on right-of-use assets	5,486	6,604
Depreciation charges on investment property	6,810	6,810
Amortisation charges on intangible assets	5,807	3,888

(26) Employee benefit expense

	For the year ended December 31, 2025	For the year ended December 31, 2024
Wages and salaries	\$ 398,763	\$ 423,643
Share-based payment compensation costs	10,657	17,626
Labour and health insurance fees	27,003	27,345
Pension costs	15,528	16,160
Other personnel expenses	8,096	8,406
	<u>\$ 460,047</u>	<u>\$ 493,180</u>

- A. According to the Articles of Incorporation of the Company, employees' compensation and directors' remuneration shall be calculated based on current year's earnings, which should first be used to cover accumulated deficit, if any, 5% to 20% for employees' compensation, with no less than 15% of this amount allocated to rank-and-file employees, and no more than 5% for directors' remuneration. Employees' compensation can be distributed in the form of shares or in cash. Employees of subsidiaries that the Company holds more than 50% shareholding are entitled to receive aforementioned shares or cash.

Abovementioned distributable profit of the current period refers to the pre-tax profit before deduction of employees' compensation and directors' remuneration. A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, distribute employees' compensation and directors' remuneration and report such distribution to the shareholders' meeting.

- B. For the years ended December 31, 2025 and 2024, employees' compensation were accrued at \$44,767 and \$63,390, respectively; directors' remuneration were accrued at \$13,430 and \$21,130, respectively. The aforementioned amounts were calculated based on the Articles of Incorporation of the Company and recognised in salary expenses.

Employees' compensation and directors' remuneration for 2024 amounting to \$63,390 and \$21,130, respectively, as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2024 financial statements.

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

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Current tax:		
Income tax arising from current year income	\$ 68,425	\$ 20,753
Charge on unappropriated retained earnings	21,498	1,048
Prior year income tax underestimation	(21,213)	-
Tax paid outside of the territory of the Republic of China	(86,356)	-
Total current tax	(17,646)	21,801
Deferred tax:		
Origination and reversal of temporary differences	29,460	(1,727)
Income tax expense	<u>\$ 11,814</u>	<u>\$ 20,074</u>

(b) The income tax charged to other comprehensive income is as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Translation differences of foreign operations	(\$ 50,517)	\$ 111,531
Remeasurements of defined benefit plans	812	1,905
	<u>(\$ 49,705)</u>	<u>\$ 113,436</u>

B. Reconciliation between income tax expense and accounting profit:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Tax calculated based on profit before tax and statutory tax rate	\$ 77,895	\$ 67,615
Tax exempt income or expenses disallowed by tax regulation	12,121	1,443
Tax on unappropriated retained earnings	21,498	1,048
Effect from investment tax credits	(17,930)	(9,343)
Prior year income tax underestimation	(21,213)	-
Tax paid outside of the territory of the Republic of China	(86,356)	-
Change in assessment of realisation of deferred tax assets	25,799	(40,689)
Income tax expense	<u>\$ 11,814</u>	<u>\$ 20,074</u>

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

2025				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income (loss)	December 31
<u>Deferred tax assets:</u>				
Temporary differences:				
Cost of after-sales service and other estimated expenses	\$ 13,844	(\$ 471)	\$ -	\$ 13,373
Currency translation differences of foreign operations	-	-	20,814	20,814
Subtotal	\$ 13,844	(\$ 471)	\$ 20,814	\$ 34,187
<u>Deferred tax liabilities:</u>				
Temporary differences:				
Gain on foreign investment under equity method	(\$ 453,182)	(\$ 28,869)	\$ -	(\$ 482,051)
Currency translation differences of foreign operations	(29,703)	-	29,703	-
Pension expense	(5,628)	(120)	(812)	(6,560)
Subtotal	(\$ 488,513)	(\$ 28,989)	\$ 28,891	(\$ 488,611)
Total	(\$ 474,669)	(\$ 29,460)	\$ 49,705	(\$ 454,424)
2024				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income (loss)	December 31
<u>Deferred tax assets:</u>				
Temporary differences:				
Cost of after-sales service and other estimated expenses	\$ 18,298	(\$ 4,454)	\$ -	\$ 13,844
Currency translation differences of foreign operations	81,828	-	(81,828)	-
Subtotal	\$ 100,126	(\$ 4,454)	(\$ 81,828)	\$ 13,844
<u>Deferred tax liabilities:</u>				
Temporary differences:				
Gain on foreign investment under equity method	(\$ 460,802)	\$ 7,620	\$ -	(\$ 453,182)
Currency translation differences of foreign operations	-	-	29,703	29,703
Pension expense	(2,284)	(1,439)	(1,905)	(5,628)
Subtotal	(\$ 463,086)	\$ 6,181	(\$ 31,608)	(\$ 488,513)
Total	(\$ 362,960)	\$ 1,727	(\$ 113,436)	(\$ 474,669)

D. Details of the amount the Company is entitled as investment tax credit and unrecognised deferred tax assets are as follows:

December 31, 2025			
Qualifying items	Unused tax credits	Unrecognized deferred tax assets	Expiry Year
Research and development	<u>\$ 1,641</u>	<u>\$ 1,641</u>	2026

December 31 2024: None.

E. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows: None.

F. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows: None.

G. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(28) Earnings per share

	For the year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in NT dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 377,661</u>	305,323	<u>\$ 1.24</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 377,661		
Assumed conversion of all dilutive potential ordinary shares			
Restricted shares to employees	-	383	
Employees' compensation	-	1,421	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 377,661</u>	<u>307,127</u>	<u>\$ 1.23</u>

	For the year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in NT dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 318,005	277,153	\$ 1.15
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 318,005		
Assumed conversion of all dilutive potential ordinary shares			
Restricted shares to employees	-	1,039	
Employees' compensation	-	2,111	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 318,005	280,303	\$ 1.13

(29) Supplemental cash flow information

Investing activities with partial cash payments

	For the year ended December 31, 2025	For the year ended December 31, 2024
Acquisition of property, plant, and equipment	\$ 6,759	\$ 10,691
Add: Property and equipment and construction billings payable at beginning of year	2,181	313
Less: Property and equipment and construction billings payable at end of year	(260)	(2,181)
Cash paid	\$ 8,680	\$ 8,823
	For the year ended December 31, 2025	For the year ended December 31, 2024
Acquisition of intangible assets	\$ 9,599	\$ 4,949
Add: Payables at beginning of year	159	-
Less: Payables at end of year	(1,270)	(159)
Cash paid	\$ 8,488	\$ 4,790

(30) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Guarantee deposits received	Lease liabilities	Total
January 1, 2025	\$ 1,870,000	\$ -	\$ 900,000	\$ 6,436	\$ 83,340	\$ 2,859,776
Changes in cash flow from financing activities	(20,000)	-	(723,600)	25	(6,002)	(749,577)
Interest expenses	-	-	-	-	947	947
Changes in other non-cash items	-	-	-	-	102	102
December 31, 2025	<u>\$ 1,850,000</u>	<u>\$ -</u>	<u>\$ 176,400</u>	<u>\$ 6,461</u>	<u>\$ 78,387</u>	<u>\$ 2,111,248</u>

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Guarantee deposits received	Lease liabilities	Total
January 1, 2024	\$ 1,988,000	\$ -	\$ 900,000	\$ 6,436	\$ 89,575	\$ 2,984,011
Changes in cash flow from financing activities	(118,000)	(4)	-	-	(7,250)	(125,254)
Interest expenses	-	4	-	-	1,015	1,019
December 31, 2024	<u>\$ 1,870,000</u>	<u>\$ -</u>	<u>\$ 900,000</u>	<u>\$ 6,436</u>	<u>\$ 83,340</u>	<u>\$ 2,859,776</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship:

Names of related parties	Relationship with the Company
Altek International Trading Co., Ltd. (AIT)	A subsidiary included in the Group's Consolidated Financial Statements (Note)
Altek Lab Inc.(ALI)	"
Altek Semiconductor Corporation (SEMI)	"
Altek Biotechnology Corporation (BIO)	"
Altek Medical Pte. Co., Ltd. Taiwan Branch (AMP-TW)	"
Altek Investment Corporation (AIC)	"
Altek Medical Pte. Ltd. (AMP)	"
Altek Medical Sdn. Bhd. (AMS)	"
Altek Sdn. Bhd. (ASB)	"
Altek (Kunshan) Co., Ltd. (Caltek)	"

Note: For information on the Company's subsidiary, please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2025.

(2) Significant transactions and balances with related parties:

A. Operating revenue:

	Year ended December 31, 2025	Year ended December 31, 2024
Sales of Goods:		
AMP	\$ 12,806	\$ 20,428
Other	177	8
Subtotal	12,983	20,436
Sales of services:		
SEMI	\$ 2,616	\$ 2,616
BIO	76,300	55,815
Subtotal	78,916	58,431
Total	\$ 91,899	\$ 78,867

Goods are sold based on the prices lists in force and terms that would be available to third parties, and the general collection term was 45~90 days after monthly billings.

B. Purchases:

	Year ended December 31, 2025	Year ended December 31, 2024
Purchases of Goods:		
AIT	\$ 2,096,009	\$ 2,191,381
Caltek	380,004	-
Other	57,386	-
Total	\$ 2,533,399	\$ 2,191,381

Goods are purchased on normal commercial terms and conditions, and the payment terms was 60~120 days after monthly billings.

C. Rent income:

	Year ended December 31, 2025	Year ended December 31, 2024
SEMI	\$ 408	\$ 408
BIO	8,068	8,374
AMP-TW	-	540
AIC	24	24
Total	\$ 8,500	\$ 9,346

D. Service fees and other charges:

	Year ended December 31, 2025	Year ended December 31, 2024
SEMI	\$ 1,120	\$ 1,092
ALI	7,076	17,236
Others	1,261	1,100
Total	<u>\$ 9,457</u>	<u>\$ 19,428</u>

E. Receivables from related parties:

	December 31, 2025	December 31, 2024
Accounts receivable:		
AMS	\$ 681	\$ -
ASB	501	-
AMP	-	20,680
Total	<u>\$ 1,182</u>	<u>\$ 20,680</u>
Other receivables:		
SEMI	\$ 1,672	\$ 2,001
BIO	39,353	37,185
Other	189	277
Total	<u>\$ 41,214</u>	<u>\$ 39,463</u>

F. Payables to related parties:

	December 31, 2025	December 31, 2024
Accounts payable:		
AIT	\$ 116,878	\$ 696,595
Caltek	437,281	-
Other	11,329	445
Total	<u>\$ 565,488</u>	<u>\$ 697,040</u>
Other payables:		
AIT	\$ -	\$ 1,895
ALI	1,405	3,011
ASB	1,138	-
Caltek	757	-
SEMI	417	377
Other	129	60
Total	<u>\$ 3,846</u>	<u>\$ 5,343</u>

G. Dividend revenue:

	December 31, 2025	December 31, 2024
AMP	\$ 722,326	\$ 287,506
Other	524	-
Total	<u>\$ 722,850</u>	<u>\$ 287,506</u>

(3) Key management compensation

	For the year ended December 31, 2025	For the year ended December 31, 2024
Salaries and other short-term employee benefits	\$ 51,186	\$ 51,848
Post-employment benefits	682	552
Share-based payment compensation costs	1,842	1,874
Total	<u>\$ 53,710</u>	<u>\$ 54,274</u>

8. PLEDGED ASSETS

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

Pledged asset	Purpose	Book value	
		December 31, 2025	December 31, 2024
Land, buildings and structures	Medium and long-term loans	\$ 206,235	\$ 208,404
Investment property	Medium and long-term loans	717,201	723,794
		<u>\$ 923,436</u>	<u>\$ 932,198</u>

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENT

The appropriation of 2025 earnings is provided in Note 6(18).

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 72,194</u>	<u>\$ 80,511</u>
Financial assets at fair value through other comprehensive income		
Select designated equity instrument investments	<u>\$ -</u>	<u>\$ -</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 446,859	\$ 1,105,899
Accounts receivable (including related parties)	383,442	411,786
Other receivables (including related parties)	48,798	44,637
Guarantee deposits paid	<u>27,248</u>	<u>25,693</u>
	<u>\$ 906,347</u>	<u>\$ 1,588,015</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 1,850,000	\$ 1,870,000
Accounts payable (including related parties)	601,572	738,183
Other payables (including related parties)	382,092	369,866
Long-term borrowings	176,400	900,000
Guarantee deposits received	<u>6,461</u>	<u>6,436</u>
	<u>\$ 3,016,525</u>	<u>\$ 3,884,485</u>
Lease liabilities	<u>\$ 78,387</u>	<u>\$ 83,340</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are used to hedge certain exchange rate risk, and interest rate swaps are used to fix variable future cash flows. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Exchange rate risk arises when future commercial transactions, recognized assets or liabilities are denominated in a foreign currency that is not the entity's functional currency. The company's management has established a policy to hedge its overall exchange rate risk.
- iii. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Company's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.
- iv. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2025							
					Sensitivity Analysis			
	Foreign Currency Amount (In thousands)	Exchange Rate	Book Value (NTD)		Extent of Variation	Effect on Profit or (Loss)	Effect on Other Comprehensive Income (Loss)	
(Foreign currency: functional currency)								
<u>Financial assets</u>								
<u>Monetary items</u>								
USD:NTD	USD	21,602	31.430	\$	678,951	1%	\$ 6,790	\$ -
<u>Non-monetary items</u>								
USD:NTD	USD	345,469	31.430	\$	10,858,090	1%	\$ -	\$ 108,581
<u>Financial liabilities</u>								
<u>Monetary items</u>								
USD:NTD	USD	19,222	31.430	\$	604,147	1%	(\$ 6,041)	\$ -

December 31, 2024

	Sensitivity Analysis						
	Foreign Currency		Book Value	Extent of	Effect on		Effect on
	Amount	Exchange			Profit or	Other	
	(In thousands)	Rate	(NTD)	Variation	(Loss)	Income	(Loss)
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD:NTD	USD 21,486	32.785	\$ 704,419	1%	\$ 7,044	\$	-
<u>Non-monetary items</u>							
USD:NTD	USD 341,673	32.785	\$ 11,201,764	1%	\$ -	\$	112,018
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD:NTD	USD 22,614	32.785	\$ 741,400	1%	(\$ 7,414)	\$	-

- v. Total exchange gain including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2025 and 2024 amounted to \$ 8,595 and \$11,325, respectively.

Price risk

- The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.
- The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, post-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$7,219 and \$8,051, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$0 and \$0, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Company's interest rate risk mainly comes from long-term and short-term loans. When the loan interest rate rises or falls by 0.25%, and all other factors remain unchanged, the net profit before tax in 2025 and 2024 will decrease or increase by \$5,066 and \$6,925, respectively. Mainly due to changes in interest expenses due to borrowings with floating rates.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Company manages their credit risk taking into consideration the entire company's concern. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Company measured internal operating procedures, past experience of trading customers, and actual transaction status. If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 360 days based on the term, the default has occurred.
- iv. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- v. The Company classifies customers' accounts receivable in accordance with customer types. The Company applies the simplified approach using loss provision matrix to estimate expected credit loss under the provision matrix basis.
- vi. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights.

vii. The Company used the forecastability to adjust historical and timely information to access the default possibility of accounts receivable (included related parties). As of December 31, 2025 and 2024, respectively, the provision matrix is as follows:

	Up to 90 days past due	91~180 days past due	181 to 360 days past due	Over 361 days	Total
<u>December 31, 2025</u>					
Expected loss rate	0.02%	15%	30%	100%	
Total book value	\$ 383,518	\$ -	\$ -	\$ -	\$ 383,518
Loss allowance	\$ 76	\$ -	\$ -	\$ -	\$ 76

	Up to 90 days past due	91~180 days past due	181 to 360 days past due	Over 361 days	Total
<u>December 31, 2024</u>					
Expected loss rate	0.02%	15%	30%	100%	
Total book value	\$ 411,864	\$ -	\$ -	\$ -	\$ 411,864
Loss allowance	\$ 78	\$ -	\$ -	\$ -	\$ 78

viii. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable (included related parties) are as follows:

	2025	2024
At January 1	\$ 78	\$ 353
(Reversal of) impairment loss	(2)	(275)
At December 31	<u>\$ 76</u>	<u>\$ 78</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, and compliance with internal balance sheet ratio targets.
- ii. Surplus cash held by the operating entities over and above the balance required for working capital management are transferred to the Company treasury. Company treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. The Company has the following undrawn borrowing facilities:

	December 31, 2025	December 31, 2024
Fixed rate:		
Expiring within one year	\$ 2,644,000	\$ 3,424,000
Expiring beyond one year	823,600	100,000
	<u>\$ 3,467,600</u>	<u>\$ 3,524,000</u>

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

December 31, 2025	Less than 1 year	1 year to 3 years	Over 3 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 1,855,195	\$ -	\$ -
Accounts payable (including related parties)	601,572	-	-
Other payables (including related parties)	382,092	-	-
Lease liabilities	5,132	8,173	77,082
Guarantee deposits received	-	6,461	-
Long-term borrowings	-	181,918	-
December 31, 2024	Less than 1 year	1 year to 3 years	Over 3 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 1,874,656	\$ -	\$ -
Accounts payable (including related parties)	738,183	-	-
Other payables (including related parties)	369,866	-	-
Lease liabilities	5,519	7,577	83,659
Guarantee deposits received	-	6,436	-
Long-term borrowings	-	928,155	-

(3) Fair value estimation

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

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

- B. Fair value information of investment property at cost is provided in Note 6(9).
- C. Financial instruments was not measured at fair value, including the carrying amounts of cash and cash equivalents, accounts receivable (included related parties), other receivables (included related parties), deposits paid, short-term borrowings, accounts payable (included related parties), other payables (included related parties), long-term borrowings, deposits received and lease liabilities are approximate to their fair values.
- D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:
- (a) The related information of nature of the assets is as follows:

<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through profit or loss				
Unlisted stocks	\$ -	\$ -	\$ 72,194	\$ 72,194
Financial assets at fair value through other comprehensive income				
Unlisted stocks	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,194</u>	<u>\$ 72,194</u>
 <u>December 31, 2024</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through profit or loss				
Unlisted stocks	\$ -	\$ -	\$ 80,511	\$ 80,511
Financial assets at fair value through other comprehensive income				
Unlisted stocks	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,511</u>	<u>\$ 80,511</u>

- (b) The methods and assumptions the Company used to measure fair value are as follows:
- i. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
 - ii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs.
- E. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	2025	2024
At January 1	\$ 80,511	\$ 89,789
Losses recognised in profit or loss	(8,317)	(9,278)
At December 31	<u>\$ 72,194</u>	<u>\$ 80,511</u>

- G. For the years ended December 31, 2025 and 2024, there was no transfer of Level 3.
- H. Accounting Department segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

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

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Financial assets at fair value through profit or loss				
Unlisted shares	\$ 72,194	Market comparable companies	Price to earnings ratio multiple, price to book ratio multiple, discount for lack of marketability, control premium	The higher the multiple and control premium, the higher the fair value
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Financial assets at fair value through profit or loss				
Unlisted shares	\$ 80,511	Market comparable companies	Price to earnings ratio multiple, price to book ratio multiple, discount for lack of marketability, control premium	The higher the multiple and control premium, the higher the fair value

13. SUPPLEMENTARY DISCLOSURES

(4) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 3.

E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more:
Please refer to table 4.

F. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(5) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(6) Information on investments in Mainland China

A. The related information of investments in Mainland China: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 3 ~ table 5.

14. SEGMENT INFORMATION

Not applicable.

ALTEK CORPORATION
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025

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

Item	Description			Amount
Cash				
Cash on hand -New Taiwan Dollar				\$ 500
-Foreign currency	USD	5,043.00	at exchange rate of 31.43	158
				<u>658</u>
Bank deposits				
Demand deposits				151,067
Foreign currency demand deposits	USD	6,888,865.43	at exchange rate of 31.43	216,517
	RMB	4,621.83	at exchange rate of 4.4716	21
	JPY	29,644.00	at exchange rate of 0.2008	6
	HKD	1,031.16	at exchange rate of 4.038	4
	EUR	68.91	at exchange rate of 36.9	2
	SGD	80.17	at exchange rate of 24.45	2
	GBP	160.90	at exchange rate of 42.33	7
				<u>367,626</u>
Time deposits-Foreign currency (Note)	USD	2,500,000.00	at exchange rate of 31.43	78,575
				<u>\$ 446,859</u>

Note : Period for the time deposits is 1 to 3 months.

ALTEK CORPORATION
STATEMENT OF ACCOUNTS RECEIVABLES
DECEMBER 31, 2025

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

Client Name	Description	Amount	Note
Customer:			
A		\$ 209,694	
B		36,478	
C		28,760	
D		26,057	
E		19,521	
			The balance of each
			customer has not
			exceeded 5% of the
			accounts receivable
Other		61,826	
Subtotal		382,336	
Related parties :			
Altek Medical Pte. Ltd.		681	
Altek Sdn. Bhd.		501	
Subtotal		1,182	
Total		383,518	
Less : Allowance for uncollectible accounts		(76)	
		\$ 383,442	

ALTEK CORPORATION
STATEMENT OF INVENTORIES
DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount		Note
		Cost	Net Realisable Value	
Raw material		\$ 11,344	\$ 6,185	Note
Work in progress		38,987	83,282	"
Finished goods		13,051	13,740	"
		63,382	<u>\$ 103,207</u>	
Less : Allowance for valuation loss		(13,185)		
		<u>\$ 50,197</u>		

Note : Provided in Note 4(12).

ALTEK CORPORATION
STATEMENT OF CHANGES IN FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Name of Financial Instrument	Beginning Balance		Addition		Ending Balance				Collateral	Note
	Shares	Book Value	Shares	Amount	Shares	Percentage share holding	Book Value			
Gianta Co., Ltd.	762,876	\$ 80,511	-	(\$ 8,317)	762,876	14.55%	\$ 72,194		None	Note
Hua-chuang Automobile Information Technical Center Co.,Ltd.	2	-	-	-	2	0.00%	-		"	
		<u>\$ 80,511</u>		<u>(\$ 8,317)</u>			<u>\$ 72,194</u>			

Note : Recognise valuation loss.

ALTEK CORPORATION
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Name	Beginning Balance		Addition			Decrease		Ending Balance			Market Value or Net Assets Value			
	Shares	Amount	Shares	Amount		Shares	Amount	Shares	Percentage of		Unit Price	Total Amount	Collateral	
									Ownership	Amount				
altek International Investment Co., Ltd.	87,769,559	\$ 8,812,142	-	\$ 120,699	Note 1	-	\$ -	87,769,559	100.00%	\$ 8,932,841	\$ -	\$ 8,932,841	None	
Altek Japan Corporation	1,000	9,790	-	-		- (	390)	Note 2	1,000	100.00%	9,400	-	9,400	"
Altek International Holding (BVI) Co., Ltd.	12,865,921	1,427,003	-	-		- (	38,611)	Note 1	12,865,921	100.00%	1,388,392	-	1,388,392	"
Altek Investment Corporation	10,000,000	100,583	-	-		- (	43)	Note 3	10,000,000	100.00%	100,540	-	100,540	"
Altek Medical Pte. Ltd.	45,063,684	962,619	-	-		- (	425,762)	Note 4	45,063,684	61.73%	536,857	-	536,857	"
		<u>\$ 11,312,137</u>		<u>\$ 120,699</u>			<u>(\$ 464,806)</u>				<u>\$10,968,030</u>		<u>\$10,968,030</u>	

Note 1 : Including the repatriation of earnings, investment gains and losses recognised under the equity method, changes in cumulative conversion adjustments, and the elimination of unrealised gains and losses adjustments for countercurrent transactions between companies, etc.

Note 2 : Including changes in investment gains and losses recognized under the equity method and cumulative conversion adjustments.

Note 3 : Investment funds and investment losses recognized under the equity method.

Note 4 : It includes changes in income remitted, investment gains and losses recognised under the equity method and accumulated translation adjustments.

ALTEK CORPORATION
STATEMENT OF ACCOUNTS PAYABLES
DECEMBER 31, 2025

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

Client Name	Description	Amount	Note
Non related parties :			
			The balance of each payable account has not exceeded 5% of the accounts payable
Other		\$ 36,084	
Related parties :			
Altek International Trading Co., Ltd.		\$ 116,878	
Altek (Kunshan) Co., Ltd		437,281	
Altek Medical Sdn. Bhd.		17	
Altek Sdn. Bhd.		11,312	
Subtotal		565,488	
Total		\$ 601,572	

ALTEK CORPORATION
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Nature	Description	Ending Balance	Contract Period	Range of Interest		Credit Line	Collateral	Note
				Rate				
Unsecured borrowings	Bank-borrowings	\$ 1,850,000	Expired in 3 months	1.82%~1.89%		\$ 4,500,000	None	-
Secured borrowings	Bank-borrowings	176,400	Expired in 2 years	2.0%~2.1%		1,000,000	Yes(Note)	-
		<u>\$ 2,026,400</u>						

Note : The Company's land and buildings on the 1st to 7th floors of Tiding Building in Taipei and its affiliated parking spaces.

ALTEK CORPORATION
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Item	Volume	Amount	Note
Net operating revenue :			
AI image-related application products and services, etc.		\$ <u>3,007,608</u>	

ALTEK CORPORATION
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Item	Amount
Direct raw materials used	
Raw materials at beginning of year	\$ 13,558
Add: Raw materials purchased	64,623
Raw material surplus	2
Less: Sale of raw materials	(38,265)
Expenses transferred in	(1,632)
Raw materials at end of year	(11,344)
Consumption of raw materials for the year	26,942
Manufacturing expenses	21,407
Manufacturing cost	48,349
Work in progress at beginning of year	63,665
Add: Work in progress purchased	273,631
Less: Expenses transferred in	(10,911)
Sales of work in process	(32,624)
Work in progress at end of year	(38,987)
Cost of finished goods	303,123
Finished goods at beginning at the year	26,644
Add: Finished good purchased	2,238,111
Less: Expenses transferred in	(2,245)
Finished goods at end of year	(13,051)
Total cost of goods sold	2,552,582
Sales of raw materials and work in progress	70,889
Allowance of loss on decline in market	722
Inventory surplus	(2)
Repair cost of after-sales service	2,253
Other operating costs	30,955
Total operating cost	\$ 2,657,399

ALTEK CORPORATION
STATEMENT OF MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Item	Description	Amount	Note
Wages and salaries		\$ 12,377	
Import and export expenses		1,198	
Outsourcing fees		1,714	
Labor and health insurance fees		1,591	
Depreciation expense		1,071	
Other		3,456	The amount of each item in others does not exceed 5% of the account balance
		<u>\$ 21,407</u>	

ALTEK CORPORATION
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Wages and salaries		\$ 26,678	
Import and export expenses		3,031	
Cost of materials used		8,350	
			The amount of each item in others does not exceed 5% of the account balance
Other		12,202	
		<u>\$ 50,261</u>	

ALTEK CORPORATION
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Wages and salaries		\$ 104,396	
Directors' remuneration		18,520	
Depreciation charges		19,899	
Entertainment expense		14,973	
			The amount of each item in others does not exceed 5% of the account balance
Other		79,908	
		<u>\$ 237,696</u>	

ALTEK CORPORATION
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Description	Amount	Note
Wages and salaries		\$ 247,449	
Other		93,223	The amount of each item in others does not exceed 5% of the account balance
		<u>\$ 340,672</u>	

ALTEK CORPORATION
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Function Nature	Year ended December 31, 2025			Year ended December 31, 2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense	\$ 15,270	\$ 444,777	\$ 460,047	\$ 18,077	\$ 475,103	\$ 493,180
Wages and salaries	12,377	378,523	390,900	14,794	400,255	415,049
Labor and health insurance fees	1,591	25,412	27,003	1,755	25,590	27,345
Pension costs	674	14,854	15,528	766	15,394	16,160
Directors' remuneration	-	18,520	18,520	-	26,220	26,220
Other personnel expenses	628	7,468	8,096	762	7,644	8,406
Depreciation charges	1,071	43,661	44,732	1,233	44,853	46,086
Amortisation charges	-	5,807	5,807	-	3,888	3,888

Note:

1. As at December 31, 2025 and 2024, the Company had 234 and 248 employees, including 6 non-employee directors.
2. Average employee benefit expense in current year and previous year is \$1,937 and \$1,930, respectively. (Total employee benefits- directors' remuneration / number of employees - number of non-employee directors)
3. Average employees salaries in current year and previous year is \$1,714 and \$1,715, respectively. (Total employee salaries / number of employees - number of non-employee directors)
4. Adjustments of average employees salaries -0.1%. (Average employee salaries current year - Average employee salaries previous year / Average employee salaries previous year)
5. The supervisors' remuneration for the years ended December 31, 2025 and 2024 were both \$0, due to the establishment of the audit committee.
6. The Company's policies of salary and remuneration were as follows:

The Company's compensation for directors including directors' return, traveling expenses and directors' remuneration. In accordance with the Company's Articles of Incorporation, directors' return was based on the degree of participant in the operation, value of contribution to the Company and common standard of the industry. Traveling expenses were based on the common standard of the industry and the attendance of the Board of Directors. Directors' remuneration shall not be higher than 5% of the profit of current year.

The Company's compensation for managers and employees including salary, award and employees' return were based on the contribution, experience, management performance and responsibility and referred to the standard of the same industry. Managers' performance examination and salary and remuneration have been reviewed by the remuneration committee and the Board of Directors, and will be checked based on the actual management result and related laws accordingly.

Additionally, in accordance with the Company's Articles of Incorporation, employees' compensation shall be distributed based on 5% to 20% of the profit of the current year, with no less than 15% of this amount allocated to rank-and-file employees.

Altek Corporation
Loans to other
For the year ended December 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31,	Balance at December 31,	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted
					2025	2025										
					Item	Value										
1	Altek (Kunshan) Co., Ltd.	Altek Optical Technology (Kunshan) Co. , Ltd.	Other receivables-related party	Yes	\$ 46,258	\$ 44,716	\$ 44,716	2.50%	Reason for short-term financing	-	Operational need	-	N/A	-	\$ 817,329	\$ 1,634,658
2	Altek International Holding (BVI) Co., Ltd.	Altek Medical Pte. Ltd.	Other receivables-related party	Yes	398,460	188,580	188,580	0%	Reason for short-term financing	-	Operational need	-	N/A	-	416,477	1,388,257
3	altek International Investment Co., Ltd.	Altek Medical Pte. Ltd.	Other receivables-related party	Yes	188,580	188,580	188,580	0%	Reason for short-term financing	-	Operational need	-	N/A	-	1,787,677	8,938,384

Note 1: If the amount of NTD in this Note relates to foreign currencies, it is converted to NTD at the exchange rate at the end of the financial reporting period.

Note 2: The "Procedure for Provision of Loans" policy for loans granted by Altek (Kunshan) Co., Ltd. is as follows: the ceiling on total loans is 40% of the net assets value of lender. For a single enterprise, the ceiling on loans is 20% of the net assets value of lender.

Note 3: The "Procedure for Provision of Loans" policy for loans granted by Altek International Holding (BVI) Co., Ltd. is as follows: the ceiling on total loans is 100% of the net assets value of lender. For a single enterprise, the ceiling on loans is 30% of the net assets value of lender.

Note 4: The "Procedure for Provision of Loans" policy for loans granted by altek International Investment Co., Ltd. is as follows: the ceiling on total loans is 100% of the net assets value of lender. For a single enterprise, the ceiling on loans is 20% of the net assets value of lender.

Altek Corporation
Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2025			
				Number of shares (units)	Book value	Ownership (%)	Fair value
Altek Corporation	Gianta Co., Ltd. - Common stock	Director	Financial assets at fair value through profit or loss - non-current	762,876	72,194	14.55%	72,194
Altek Medical Pte. Ltd.	Profusa, Inc. - Common stock	None	Financial assets at fair value through other comprehensive income- non-current	323,834	1,018	0.767%	1,018
Altek (Kunshan) Co., Ltd.	CPEC Huachuang Private Equity (Kunshan) Enterprise (Limited Partnership)	None	"	N/A	38,636	1.00%	38,636
altek International Investment Co., Ltd.	Apple Inc.-Corporate bond	None	Financial assets at amortised cost - non-current	N/A	94,110	N/A	94,110
"	Microsoft Corp-Corporate bond	None	"	N/A	93,284	N/A	93,284
"	Procter & Gamble Company-Corporate bond	None	"	N/A	92,286	N/A	92,286
"	HSBC Holding Plc-Financial Bonds	None	"	N/A	72,710	N/A	72,710
"	UBS Group AG-Financial Bonds	None	"	N/A	75,954	N/A	75,954

Table 2

Altek Corporation
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
For the year ended December 31, 2025

Table 3 Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Altek Corporation	Altek International Trading Co., Ltd.	Parent-subsiary	Purchases	\$ 2,096,009	81%	Net 120 days	Approximately the same price with third parties	Note	(\$ 116,878)	19%	
Altek Corporation	Altek (Kunshan) Co., Ltd.	Parent-subsiary	Purchases	380,004	15%	Net 75 days	"	"	(437,281)	73%	
Altek International Trading Co., Ltd.	Altek (Kunshan) Co., Ltd.	The same ultimate parent company	Purchases	2,133,162	100%	"	"	"	-	0%	
Altek Biotechnology Corporation	Altek Medical (Kunshan) Limited	The same parent company	Purchases	1,566,152	78%	"	"	"	(130,292)	73%	
Altek Biotechnology Corporation	Altek Medical Sdn. Bhd.	The same parent company	Purchases	439,996	22%	"	"	"	(44,784)	25%	
Altek Sdn. Bhd.	Altek (Kunshan) Co., Ltd.	The same ultimate parent company	Purchases	192,631	88%	"	"	"	(146,229)	89%	
Altek Medical Pte. Ltd.	Altek Biotechnology Corporation	Parent-subsiary	Purchases	2,407,372	66%	"	"	"	(157,989)	52%	
Altek Medical Pte. Ltd.	Altek Medical (Kunshan) Limited	Parent-subsiary	Purchases	723,790	20%	"	"	"	(55,908)	19%	
Altek Medical Pte. Ltd.	Altek Medical Sdn. Bhd.	Parent-subsiary	Purchases	442,565	12%	"	"	"	(16,671)	6%	
Altek Medical (Kunshan) Limited	Altek (Kunshan) Co., Ltd.	The same ultimate parent company	Purchases	181,086	7%	"	"	"	(68,353)	12%	
Altek Medical Sdn. Bhd.	Altek Medical (Kunshan) Limited	The same parent company	Purchases	362,481	41%	"	"	"	(97,599)	32%	

Note: The payment term with third parties was net 60~120 days.

Altek Corporation
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
December 31, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2025	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Note
					Amount	Action taken			
Altek International Trading Co., Ltd.	Altek Corporation	Parent-subsiary	\$ 116,878	4.66	\$ -	N/A	\$ 31,435	\$ -	
Altek (Kunshan) Co., Ltd.	Altek Corporation	Parent-subsiary	437,281	7.88	-	N/A	350,987	-	
Altek Medical (Kunshan) Limited.	Altek Biotechnology Corporation	The same ultimate parent company	130,292	7.78	-	N/A	121,711	-	
Altek (Kunshan) Co., Ltd.	Altek Sdn. Bhd.	The same ultimate parent company	146,229	3.44	-	N/A	60,185	-	
Altek Biotechnology Corporation	Altek Medical Pte. Ltd.	Parent-subsiary	157,989	10.92	-	N/A	157,989	-	
Altek International Holding (BVI) Co., Ltd.	Altek Medical Pte. Ltd.	The same ultimate parent company	188,580	-	-	N/A	-	-	Note
altek International Investment Co., Ltd.	Altek Medical Pte. Ltd.	The same ultimate parent company	188,580	-	-	N/A	94,290	-	Note

Note: These represent loans of funds to related parties and are recorded under other receivables.

Altek Corporation
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Company name	Counterparty	Relationship (Note 1)	Transaction			
			General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 2)
Altek Corporation	Altek International Trading Co., Ltd.	(1)	Purchases	\$ 2,096,009	Net 120 days	24%
"	"	(1)	Accounts payable	116,878	"	1%
"	Altek (Kunshan) Co., Ltd.	(1)	Purchases	380,004	Net 75 days	4%
"	"	(3)	Accounts payable	437,281	"	3%
"	Altek Sdn. Bhd.	(3)	Purchases	57,360	"	1%
Altek International Trading Co., Ltd.	Altek (Kunshan) Co., Ltd.	(3)	Purchases	2,133,162	"	25%
Altek Biotechnology Corporation	Altek Medical (Kunshan) Limited	(3)	Purchases	1,566,152	"	18%
"	"	(3)	Accounts payable	130,292	"	1%
"	Altek Medical Sdn. Bhd.	(3)	Purchases	439,996	"	5%
"	"	(3)	Accounts payable	44,784	"	0%
Altek (Kunshan) Co., Ltd.	Altek International Trading Co., Ltd.	(3)	Purchases	25,938	"	0%
"	Altek Optical Technology (Kunshan) Co., Ltd	(3)	Accounts payable	44,716	"	0%
Altek Sdn. Bhd.	Altek (Kunshan) Co., Ltd.	(3)	Purchases	192,631	"	2%
"	"	(3)	Accounts payable	146,229	"	1%
Altek Medical Pte. Ltd.	Altek Biotechnology Corporation	(3)	Purchases	2,407,372	"	28%
"	"	(3)	Accounts payable	157,989	"	1%
"	Altek Medical (Kunshan) Limited	(3)	Purchases	723,790	"	8%
"	"	(3)	Accounts payable	55,908	"	0%
"	Altek Medical Sdn. Bhd.	(3)	Purchases	442,565	"	5%
"	Altek Sdn. Bhd.	(3)	Purchases	70,458	"	1%
"	"	(3)	Accounts payable	71,010	"	0%
Altek Medical (Kunshan) Limited	Altek (Kunshan) Co., Ltd.	(3)	Purchases	181,086	"	2%
"	"	(3)	Accounts payable	68,353	"	0%
Altek Medical Sdn. Bhd.	"	(3)	Purchases	91,748	"	1%
"	"	(3)	Accounts payable	26,281	"	0%
"	Altek Medical (Kunshan) Limited	(3)	Purchases	362,481	"	4%
"	"	(3)	Accounts payable	97,599	"	1%
Altek (Kunshan) Co., Ltd.	Altek Optical Technology (Kunshan) Co., Ltd	(3)	Other receivables	44,716	Scheduled payments and receipts	0%
Altek International Holding (BVI) Co., Ltd.	Altek Medical Pte. Ltd.	(3)	Other receivables	188,580	"	1%
altek International Investment Co., Ltd.	"	(3)	Other receivables	188,580	"	1%

Note 1: Relationship between transaction and counterparty is classified into the following categories:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 2: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 3: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Table 5

Altek Corporation Names, locations and other information of investee companies (not including investees in Mainland China) For the year ended December 31, 2025											
Expressed in thousands of NTD (Except as otherwise indicated)											
Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income(loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Altek Corporation	altek International Investment Co., Ltd.	British Virgin Islands	Investment	\$ 2,886,407	\$ 2,886,407	87,769,559	100	\$ 8,932,841	\$ 332,738	\$ 332,818	Note 1
"	Altek Japan Corporation	Japan	Buying and selling of electronic components	2,869	2,869	1,000	100	9,400	36	36	
"	Altek International Holding (BVI) Co, Ltd.	British Virgin Islands	Investment	415,376	415,376	12,865,921	100	1,388,392	16,468	16,602	Note 1
"	Altek Investment Corporation	Republic of China	Investment	100,000	100,000	10,000,000	100	100,540	482	482	
"	Altek Medical Pte. Ltd.	Singapore	Research and development, sales of medical electronic equipment and investment	755,272	755,272	45,063,684	61.73	536,857	480,772	320,617	Note 1
altek International Investment Co., Ltd.	Altek Lab Inc.	U.S.A.	Collection of American digital imaging technology information and design services	115,654	115,654	11,311,875	100	69,668	816	816	
"	Altek Semiconductor (Cayman) Co., Ltd.	Cayman Islands	Investment	419,503	419,503	43,000,000	100	250,215	127,704	129,206	Note 1
"	Altek Optical Technology (Cayman) Co., Ltd.	Cayman Islands	Investment	416,322	416,322	13,246,000	100	193,483	45,098	45,098	
"	Altek International Trading Co., Ltd.	Republic of Seychelles	Intercompany transactions	314,300	314,300	10,000,000	100	211,540 (	13,577) (	13,577)	
Altek Semiconductor (Cayman) Co., Ltd.	Altek Semiconductor Corporation	Republic of China	Research design and sales of ASIC	500,000	500,000	50,000,000	100	243,108	127,640	127,640	
Altek Medical Pte. Ltd.	Altek Biotechnology Corporation	Republic of China	Research and development, manufacture and sales of medical electronic equipments	25,376	25,376	1,100,000	100	1,037,376	74,206	49,451	
"	Altek Medical (HongKong) Limited	HongKong	Investment	47,145	47,145	N/A	100	124,735	19,532	13,159	
"	Altek Medical Sdn. Bhd.	Malaysia	Production services for medical electronic equipments	157,150	125,720	22,732,000	100	143,592 (	277)	1,125	Note 1
Altek (Kunshan) Co., Ltd.	Altek Technology Co., Ltd.	Republic of China	Production and sales of electronic related product components	28,000	28,000	2,800,000	100	28,156	137	137	
Altek International Holding (BVI) Co., Ltd.	Altek Pte. Ltd.	Singapore	Investment	172,865	-	5,500,000	100	168,634 (	7,805) (	7,805)	Note 2
Altek Pte. Ltd.	Altek Sdn. Bhd.	Malaysia	Production services for digital imaging application	157,150	-	20,820,000	100	153,111 (	7,614) (	7,614)	Note 3

Note 1: The difference between the profit or loss of the investee for the current period and the investment profit or loss recognized in the current period is the unrealized profit and loss adjustments for countercurrent transactions between subsidiaries.

Note 2: It was established by Altek International Holding (BVI) Co., Ltd. at May 2025.

Note 3: It was established by Altek Pte. Ltd. at May 2025.

Altek Corporation
Information on investments in Mainland China
For the year ended December 31, 2025

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net profit (loss) of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025
					Remitted to Mainland China	Remitted back to Taiwan						
Altek (Kunshan) Co., Ltd. (Note 2)	Production service for digital imaging application	\$ 554,111	2	\$ 409,533	\$ -	\$ -	\$ 409,533	\$ 135,935	100	\$ 135,935	\$ 4,086,646	\$ -
Toptek Electronics (Kunshan) Co., Ltd. (Note 3)	Production /sales of electronic product components	157,150	2	285,479	-	-	285,479	9,579	100	9,579	584,698	94,290
Altek Trading (Shanghai) Co., Ltd.	Wholesale and import/export of electronic products and accessories and package products	267,155	2	267,155	-	-	267,155	(3,406)	100	(3,406)	260,021	-
Altek Precision(Kunshan) Co., Ltd.	Production/sales of plastic and mental parts	433,734	2	433,734	-	-	433,734	2,385	100	2,385	169,951	-
Altek Optical Technology(Kunshan) Co., Ltd.	Manufacture and sale of components for electronic related products	440,020	2	418,019	-	-	418,019	60,131	75	45,098	193,480	-
Altek Semiconductor(Shanghai) Co., Ltd.	Research design and sales of imaging technologies, electronic software and hardware	47,145	2	-	-	-	-	(2,874)	100	(2,874)	98,690	-
Altek Medical(Shanghai) Limited	Sales of medical electronic equipment	31,430	2	-	-	-	-	19,719	61.73	13,281	121,843	-
Altek Medical(Kunshan) Limited	Production service for medical electronic equipment	26,830	2	-	-	-	-	41,161	61.73	27,592	110,108	-
Jia Jing Business Management (Kunshan) Co., Ltd. (Note 5)	Business management and non-residential real estate leasing	594,656	2	594,656	-	-	594,656	41,988	100	41,988	732,459	-
Hong Jing Business Management (Kunshan) Co., Ltd. (Note 5)	Business management, housing leasing and property management	410,162	2	410,161	-	-	410,161	(12,483)	100	(12,483)	421,944	-

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1)Directly invest in a company in Mainland China.
- (2)Through investing in an existing company in the third area,which then investeed in the investee in Mainland China.
- (3)Others.

Note 2: Including retained earnings capitalized of US\$4,600 (In thousand of US dollars).

Note 3: Including retained earnings capitalized of US\$3,600 (In thousand of US dollars).

Note 4: Investment income or loss was recognised in the financial statements that are audited by the R.O.C parent company's independent auditors.

Note 5: It was established by Altek (Kunshan) Co., Ltd.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Altek Corporation	\$2,818,737	\$3,148,458	\$5,992,809

Table 7