

Stock Code: 6695

iCatch Technology, Inc.

SEPARATE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS'
REVIEW REPORT
FOR THE YEARS ENDED DECEMBER 31,
2025 AND 2024

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Independent Auditors' Review Report

To the Board of Directors and Stockholders of iCatch Technology, Inc.

Independent Auditors' Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the separate Financial Statements section of our report. We are independent of iCatch Technology, Inc. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of iCatch Technology, Inc. for the year 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our audit opinion thereon. We do not provide a separate opinion on these matters.

The key audit matters identified in our audit of the parent company only financial statements of iCatch Technology, Inc. for the year 2025, are stated as follows:

Authenticity of Revenue from Specific Customers

iCatch Technology, Inc. and its subsidiaries primarily generate revenue from the sale of integrated circuit chips. For the year ended 2025, such revenue amounted to NT\$1,030,258 thousand, representing 91.53% of total revenue. Accordingly, among the customers contributing to sales growth during the current year, we selected specific customers whose sales growth rates exceeded the average sales growth rate of the aforementioned customers and whose transaction amounts were significant. These customers were considered to present potential fraud risks. Therefore, we identified the recognition of the aforementioned revenue as a key audit matter. For the accounting policies and related disclosures on revenue recognition, please refer to Notes 4 and 21.

In response to this key audit matter, we performed the following audit procedures:

1. Obtained an understanding of, and tested, the relevant internal control systems and operating procedures over the sales transaction cycle to confirm and evaluate the effectiveness of internal controls related to the occurrence of sales revenue.
2. Reviewed the customers contributing to sales growth during the current year and selected specific customers whose sales growth rates exceeded the average growth rate of such customers and whose transaction amounts were significant, and assessed whether the transaction terms were in compliance with the approved credit policies of iCatch Technology, Inc. and its subsidiaries.
3. Selected samples from the detailed sales listings and examined original customer purchase orders, electronic sales orders, shipping documents, logistics delivery receipts or export declarations, and sales invoices. We also reviewed the payment transactions of the relevant customers to identify any irregularities, in order to verify the authenticity of the recorded revenue.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of 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 iCatch Technology, Inc.'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 iCatch Technology, Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process of iCatch Technology, Inc.

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with auditing standards 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 financial statements.

In performing our audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of iCatch Technology, Inc.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on iCatch Technology, Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent

company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause iCatch Technology, Inc. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the parent company only financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the components within iCatch Technology, Inc. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

We have also provided those charged with governance with a statement that we and our firm have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and have communicated 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 the key audit matters for the audit of iCatch Technology, Inc.'s parent company only financial statements for the year ended 2025. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or, 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.

Deloitte & Touche

YU, CHENG-CHUAN, CPA

Chang, Ya-Yun, CPA

Securities and Futures Commission, Ministry of
Finance Approval No.:
Chin-Kuan-Cheng-Shen-Tzu No.0930128050

Securities and Futures Bureau Approval No.:
Chin-Kuan-Cheng-Shen-Tzu No.1110348898

February 24, 2026

iCatch Technology, Inc.
Separate Balance Sheet
December 31, 2025 and 2024
(Expressed in thousands of New Taiwan dollars)

Code	Assets	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4, 6 and 28)	\$ 883,524	48	\$ 933,572	48
1136	Current financial assets measured at amortized cost (Notes 4, 9, 28 and 30)	97,106	5	237,077	12
1170	Accounts receivable (Notes 4, 10, 21, 28 and 29)	167,316	9	209,418	11
130X	Inventories (Notes 4, 5 and 11)	198,449	11	179,514	9
1479	Other current assets (Notes 16, 28 and 29)	60,646	3	57,319	3
11XX	Total current assets	<u>1,407,041</u>	<u>76</u>	<u>1,616,900</u>	<u>83</u>
	Non-current assets				
1510	Non-current financial assets measured at fair value through profit or loss (Notes 4, 7 and 28)	46,574	3	23,562	1
1517	Non-current financial assets measured at fair value through other comprehensive income (Notes 4, 8 and 28)	40,937	2	46,866	2
1600	Property, plant and equipment (Notes 4 and 13)	110,846	6	94,856	5
1755	Right of use asset (Notes 4, 14 and 29)	88,235	5	7,938	-
1780	Intangible assets (Notes 4, 15 and 29)	133,865	7	152,406	8
1840	Deferred tax assets (Notes 4 and 23)	1,518	-	1,518	-
1990	Other non-current assets (Notes 16, 28 and 29)	20,351	1	11,231	1
15XX	Total non-current assets	<u>442,326</u>	<u>24</u>	<u>338,377</u>	<u>17</u>
1XXX	Total assets	<u>\$ 1,849,367</u>	<u>100</u>	<u>\$ 1,955,277</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2130	Current contract liabilities (Notes 4 and 21)	\$ 2,255	-	\$ -	-
2170	Accounts payable (Notes 17, 28 and 29)	53,204	3	71,925	4
2280	Current lease liabilities (Notes 4, 14, 28 and 29)	27,027	2	6,234	-
2399	Other current liabilities (Notes 18, 26, 28 and 29)	137,947	7	134,082	7
21XX	Total current liabilities	<u>220,433</u>	<u>12</u>	<u>212,241</u>	<u>11</u>
	Non-current liabilities				
2580	Non-current lease liabilities (Notes 4, 14, 28 and 29)	63,174	3	1,777	-
2640	Net defined benefit liability, non-current (Notes 4 and 19)	7,811	1	9,887	-
2645	Guarantee deposits received (Notes 28)	2,514	-	2,623	-
2630	Other Non-current liabilities (Notes 18 and 26)	-	-	11,360	1
25XX	Total non-current liabilities	<u>73,499</u>	<u>4</u>	<u>25,647</u>	<u>1</u>
2XXX	Total liabilities	<u>293,932</u>	<u>16</u>	<u>237,888</u>	<u>12</u>
	Equity (Notes 20 and 25)				
	Share capital				
3110	Ordinary share	964,597	52	964,698	49
3200	Capital surplus	1,055,377	57	1,044,855	54
3350	Unappropriated earnings	(459,155)	(25)	(284,795)	(15)
3400	Other equity interest	(5,384)	-	(7,369)	-
31XX	Total equity	<u>1,555,435</u>	<u>84</u>	<u>1,717,389</u>	<u>88</u>
	Total liabilities and equity	<u>\$ 1,849,367</u>	<u>100</u>	<u>\$ 1,955,277</u>	<u>100</u>

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

Chairman:

Manager:

Accounting Manager:

iCatch Technology, Inc.
Separate Statement of Comprehensive Income
December 31, 2025 and 2024

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Code		2025		2024	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 4, 21 and 29)	\$ 1,125,645	100	\$ 1,018,746	100
5000	Operating costs (Notes 11, 22 and 29)	<u>684,338</u>	<u>61</u>	<u>588,885</u>	<u>58</u>
5900	Gross profit	<u>441,307</u>	<u>39</u>	<u>429,861</u>	<u>42</u>
	Operating expenses (Notes 22 and 29)				
6100	Selling expenses	81,640	7	71,725	7
6200	General expenses	66,161	6	61,861	6
6300	Research and development expenses	<u>542,380</u>	<u>48</u>	<u>419,210</u>	<u>41</u>
6000	Total	<u>690,181</u>	<u>61</u>	<u>552,796</u>	<u>54</u>
6900	Operating loss	(<u>248,874</u>)	(<u>22</u>)	(<u>122,935</u>)	(<u>12</u>)
	Non-operating revenue and expenses (Notes 14, 22, 26 and 29)				
7100	Interest revenue	20,599	2	23,239	2
7010	Other revenue	40,880	3	30,778	3
7020	Other gains and losses	12,374	1	30,313	3
7050	Finance costs	(<u>892</u>)	-	(<u>308</u>)	-
7000	Total	<u>72,961</u>	<u>6</u>	<u>84,022</u>	<u>8</u>
7900	Profit before tax (loss)	(175,913)	(16)	(38,913)	(4)
7950	Income tax expense (Notes 4 and 23)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8200	Net Profit (Loss) for the Period	(<u>175,913</u>)	(<u>16</u>)	(<u>38,913</u>)	(<u>4</u>)
	Other comprehensive income (Notes 19, 20 and 28)				
8310	Components of other comprehensive income that will not be reclassified to profit or loss:				

<u>Code</u>		<u>2025</u>		<u>2024</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
8311	Gains (losses) on remeasurements of defined benefit plans	\$ 1,553	-	\$ 911	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(5,929)	-	1,866	-
8300	Other comprehensive income (Income After Tax)	(4,376)	-	2,777	-
8500	Total comprehensive income	(\$ 180,289)	(16)	(\$ 36,136)	(4)
	Loss per share (Notes 24)				
9710	Basic	(\$ 1.83)		(\$ 0.41)	
9810	Diluted	(\$ 1.83)		(\$ 0.41)	

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

Chairman:

Manager:

Accounting Manager:

iCatch Technology, Inc.
Separate Statement of Changes in Equity
December 31, 2025 and 2024
(Expressed in thousands of New Taiwan dollars)

Code	Code	Ordinary shares		Capital surplus	Retained earnings	Other equity		Total equity
		Number of shares (in thousands of shares)	Amount			Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Unearned compensation	
A1	Balance, December 31, 2024	95,564	\$ 955,643	\$ 994,692	(\$ 246,793)	\$ -	\$ -	\$ 1,703,542
D1	Loss, January 1 to September 30, 2024	-	-	-	(38,913)	-	-	(38,913)
D3	Other comprehensive income (net of tax), January 1 to September 30, 2024	-	-	-	911	1,866	-	2,777
N1	Common stock issued pursuant to the Employee Stock Option Plan (ESOP)	190	1,895	609	-	-	-	2,504
N1	Compensation cost related to employee stock options	-	-	12,615	-	-	-	12,615
N1	Restricted Stock for Employees	726	7,260	37,457	-	-	(17,886)	26,831
N1	Cancellation of Restricted Employee Shares	(10)	(100)	(518)	-	-	247	(371)
N1	Adjustments for new restricted employee shares payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,404</u>	<u>8,404</u>
Z1	Balance, December 31, 2024	96,470	964,698	1,044,855	(284,795)	1,866	(9,235)	1,717,389
D1	Loss, January 1 to September 30, 2025	-	-	-	(175,913)	-	-	(175,913)
D3	1 Other comprehensive income (net of tax), January 1 to September 30, 2025	-	-	-	1,553	(5,929)	-	(4,376)
N1	Common stock issued pursuant to the Employee Stock Option Plan (ESOP)	55	550	181	-	-	-	731
N1	Compensation cost related to employee stock options	-	-	13,563	-	-	-	13,563
N1	Restricted Stock for Employees	40	400	1,568	-	-	(787)	1,181
N1	Cancellation of Restricted Employee Shares	(105)	(1,051)	(4,790)	-	-	2,336	(3,505)
N1	Adjustments for new restricted employee shares payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,365</u>	<u>6,365</u>
Z1	Balance, December 31, 2025	<u>96,460</u>	<u>\$ 964,597</u>	<u>\$ 1,055,377</u>	<u>(\$ 459,155)</u>	<u>(\$ 4,063)</u>	<u>(\$ 1,321)</u>	<u>\$ 1,555,435</u>

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

Chairman:

Manager:

Accounting Manager:

iCatch Technology, Inc.
Separate Statement of Cash Flows
December 31, 2025 and 2024
(Expressed in thousands of New Taiwan dollars)

Code		2025	2024
	Cash Flows from Operating Activities		
A10000	Loss before tax	(\$ 175,913)	(\$ 38,913)
	Adjustments to reconcile loss:		
A20100	Depreciation expense	69,638	48,706
A20200	Amortization expense	71,605	32,747
A20400	Net (Gain) loss on financial assets and liabilities measured at fair value through profit or loss.	(14,686)	1,081
A20900	Financial cost	892	308
A21200	Interest income	(20,599)	(23,239)
A21900	Share-based payments	19,928	21,019
A23800	Loss (Gain) from price recovery of inventory	(2,348)	(2,834)
A24100	Unrealized foreign exchange gain	(4,118)	(17,825)
A30000	Changes in operating assets and liabilities		
A31150	Accounts Receivable	40,964	(46,667)
A31200	Inventory	(16,587)	153,772
A31240	Other current assets	(1,768)	(42,864)
A32125	Contract liability	2,255	(152)
A32150	Accounts payable	(18,325)	(1,161)
A32230	Other current liability	46,920	9,490
A32240	Net defined benefit liability	(523)	(545)
A32250	Non-current lease liabilities	(11,360)	11,360
A33000	Operating cash flow	(14,025)	104,283
A33100	Interest received	19,031	23,321
A33300	Interest paid	(892)	(308)
AAAA	Net cash flows from operating activities	<u>4,114</u>	<u>127,296</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortised cost	(16,029)	(114,257)
B00050	Proceeds from disposal of financial assets at amortised cost	156,000	-
B00100	Acquisition of financial assets at fair value through other comprehensive income	(8,660)	(19,594)
B02700	Acquisition of property, plant and equipment	(77,913)	(79,829)
B03700	Increase in refundable deposits	(2,789)	(2,270)
B04500	Acquisition of Intangible Assets	(92,831)	(97,337)
BBBB	Cash provided by (used out) investing activities	<u>(42,222)</u>	<u>(313,287)</u>

<u>Code</u>		<u>2025</u>	<u>2024</u>
	Cash flows from financing activities		
C04020	Employee Stock Option	(\$ 14,586)	(\$ 13,486)
C04800	Reversal of Compensation Cost for Restricted Employee Stock	731	2,504
C05800	New restricted employee shares issued	(3,505)	(371)
C09900	Net cash flows from (used in) financing activities	<u>1,181</u>	<u>26,831</u>
CCCC	Net cash (outflow) inflow from financing activities	(<u>16,179</u>)	<u>15,478</u>
DDDD	Effect of change in foreign exchange rates	<u>4,239</u>	<u>12,329</u>
EEEE	Increase (decrease) in cash and cash equivalents	(50,048)	(158,184)
E00100	Cash and cash equivalents at beginning of period	<u>933,572</u>	<u>1,091,756</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 883,524</u>	<u>\$ 933,572</u>

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

Chairman:

Manager:

Accounting Manager:

iCatch Technology, Inc.
Notes to the Separate Financial Statements
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. Company History

iCatch Technology, Inc. (hereinafter referred to as the company) is mainly engaged in the research, development, design, manufacturing, sales, etc. of digital images, automotive images, home security monitoring imaging processing chips, and other relevant products. Sunplus mMedia Inc. (Sunplus mMedia) transferred relevant business value of NT\$ 250,000,000 of relevant DSC product business department to the Company on the base date of division, i.e., December 4, 2009 in accordance with the provisions of the Business Mergers and Acquisitions Act, while the company issued 25,000,000 new shares to the shareholders of Sunplus mMedia at an issue price of NT\$ 10 per share as consideration for accepting relevant business value mentioned above. Also, the formal operation began in December 2009. With the approval from the Taipei Exchange, the company was traded at the Emerging Stock Market of Taipei Exchange in December 2018. The stock listing proposal of the Company was deliberated and approved by the Taiwan Stock Exchange on August 8, 2022, and it was listed for trading on November 4, 2022.

The financial statements of the Company are expressed in New Taiwan Dollar as functional currency.

2. Date and Procedure of Approval of Financial Statements

The financial statements were approved by the Board of Directors and published on February 24, 2026.

3. Application of Newly Issued and Revised Criteria and Interpretation

- (1) International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) interpretations) (hereinafter referred to as “IFRS Accounting Standards” recognized and effectively released by the Financial Supervisory Commission (hereinafter referred to as “SFC”) as initially applied.

The application of amended IFRS Accounting Standards recognized and effectively released by the SFC will not result in any material changes in the Company's accounting policies.

(2) IFRS Accounting Standards approved and effectively released by the SFC in 2026

Newly released/amended/revised criteria and interpretations	Effective date of release by International Accounting Standards Board(IASB)
Amendment to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendment to IFRS 9 and IFRS 7 "Contracts Involving Reliance on Natural Power"	January 1, 2026
IFRS Accounting Standards "Annual Improvements-Volume 11"	January 1, 2026
IFRS 17 Insurance Contracts (including the 2020 and 2021 amendments)	January 1, 2023

As of the approval and issuance date of the financial statements, the Company has assessed that the amendments to the aforementioned standards and interpretations are not expected to have a material impact on its financial position or financial performance.

(3) IFRS Accounting Standards already released by the International Accounting Standards Board) but not yet recognized and effectively released by the SFC

Newly released/amended/revised criteria and interpretations	Effective date of release by IASB (Note 1)
IFRS 10 and "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture", amendment to IAS 28	Undetermined
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures Standard" (including the 2025 amendments)	January 1, 2027
IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless otherwise specified, the aforesaid newly issued/amended/revised criteria or interpretations shall be effective in the reporting period of the years beginning after each of these dates.

Note 2: On September 25, 2025, the Financial Supervisory Commission (FSC) announced that IFRS 18 must be applied by Taiwanese companies from

January 1, 2028. Early adoption will be allowed upon the FSC's endorsement of IFRS 18.

1. IFRS 10 and "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture", amendment to IAS 28

In accordance with the provisions of this amendment, if the consolidated company sells or contributes an asset to an associate (or joint venture), or it loses the control over a subsidiary, but retains its material impact (or joint control) on this subsidiary, and the aforesaid asset or subsidiary complies with the definition of "Business" in IFRS 3 "Business Combinations", the consolidated company will fully recognize the profit or loss resulting from such transaction.

Additionally, if the consolidated company sells or contributes assets to an associate (or joint venture), or it loses the control over a subsidiary, but retains its material impact (or joint control) on this subsidiary in a transaction with an associate (or joint venture), while the aforesaid asset or subsidiary does not comply with the definition of "Business" in IFRS 3, the consolidated company will only recognize the profit or loss resulting from this transaction within a scope of equity of the investor irrelevant to this associate (or joint venture). In other words, the share of this profit or loss attributable to the consolidated company shall be written off.

2. IFRS 18 "Presentation and Disclosure in Financial Statements" and related consequential amendments

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes of this standard include:

- The Company shall assess whether it has specific primary business activities involving investing in particular types of assets and providing financing to customers, and, based on such assessment, classify income and expense items in the statement of profit or loss into operating, investing, financing, income tax, and discontinued operations categories.
- The income statement shall present operating profit or loss, and profit or loss before financing and profit or loss before tax, and subtotals and totals of profit or loss.
- Provide guidelines to strengthen the aggregation and disaggregating provisions: The company shall identify assets, liabilities, equity, income,

expenses, and cash flows resulting from individual transactions or other matters, and classify and summarize them on the basis of common characteristics, to ensure that each single-line item presented in the primary financial statements has at least a similar characteristic. Items with different characteristics shall be disaggregated in the primary financial statements and notes thereto. An item may be marked as “Others” only when the company is unable to find more informative name for it.

- Increase the disclosure of performance measurement defined by the management: When the company conducts public communication beyond the financial statements, and communicates the viewpoint of the management regarding a certain level of its overall financial performance with the users of the financial statements, it shall disclose information related to performance measurement defined by the management in a single note of the financial statements, including description of this measurement, way to calculate it, adjustment of subtotals or totals explicitly determined in IFRS Accounting Standards, as well as effects of income tax of relevant adjustment items and non-controlling interests, etc.

In addition, IAS 7 “Statement of Cash Flows” will be amended as follows:

- When preparing cash flows from operating activities using the indirect method, the Company shall use operating profit or loss as the starting point for reconciliation.
- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Company determines that it has specific primary business activities, it shall consider the categories in which dividend income, interest income, and interest expense are presented in the statement of profit or loss in determining the classification of dividends received, interest received, and interest paid in the statement of cash flows. However, each of the aforementioned cash flows shall be classified into only one category of activities in the statement of cash flows.

As of the date when the financial statements were approved and published, the company still continually evaluated the effects of amendments to the aforesaid criteria and interpretations on the financial position and financial performance. The relevant effects would be disclosed after completion of evaluation.

4. Summary Statement of Principal Accounting Policies

(I) Statement of compliance

The financial statements have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS) recognized and effectively released by the FSC.

(II) Basis of preparation

The financial statements have been prepared on the basis of historical cost except financial instruments measured at fair value as well as net defined benefit liabilities recognized as the amount obtained from the deduction the fair value of planned assets from the present value of the defined benefit obligations.

The measurement of fair value is classified into levels 1-3 according to the observable degree and importance of relevant input values:

1. Level-1 input value: Refer to the quotation of a same asset or liability acquirable on the measurement date in an active market (unadjusted).
2. Level-2 input value: Refer to the input value of an asset or liability observable directly (i.e., price) or indirectly (i.e., deduced from price) other than the quotation at level 1.
3. Level-3 input value: Refer to the unobservable input value of an asset or liability.

In preparing the parent company only financial statements, the Company accounts for its investments in subsidiaries, associates, and joint ventures using the equity method. To ensure that the current year's profit or loss, other comprehensive income, and equity presented in the parent company only financial statements are consistent with those attributable to the owners of the Company as presented in the financial statements, certain accounting differences between the parent company basis and the consolidated basis are adjusted under "Investments accounted for using the equity method," "Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method," "Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method," and related equity items.

(III) Criteria for Classification of Assets and Liabilities into Current and Non-Current

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within twelve months after the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted from being exchanged or used to settle a liability for more than twelve months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due to be settled within twelve months after the balance sheet date; and
3. Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the balance sheet date.

Assets and liabilities that do not meet the definition of current are classified as non-current assets or non-current liabilities, respectively.

(IV) Foreign Currencies

In preparing the financial statements, transactions denominated in currencies other than the Company's functional currency (foreign currencies) are translated into the functional currency at the exchange rates prevailing on the transaction dates.

Monetary items denominated in foreign currencies are retranslated at the closing exchange rate at each balance sheet date. Exchange differences arising from the settlement of such monetary items or from translating such items at the balance sheet date are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the exchange rate on the date the fair value was determined. Exchange differences arising from such translation are recognized in profit or loss, except for those arising from non-monetary items for which changes in fair value are recognized in other comprehensive income, in which case the exchange differences are also recognized in other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the transaction date and are not subsequently retranslated.

(V) Inventory

Inventories include raw materials, finished goods, and work in progress. Inventories are measured at the lower of cost and net realizable value. The

comparison between cost and net realizable value is performed on an item-by-item basis, except for items of the same category. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Inventory cost is determined using the weighted-average method. During the period, inventories are recorded at standard cost and adjusted at the end of the reporting period to approximate the cost calculated under the weighted-average method.

(VI) Investment in Subsidiaries

The Company accounts for investments in subsidiaries using the equity method.

A subsidiary is an entity controlled by the Company.

Under the equity method, the investment is initially recognized at cost. After the acquisition date, the carrying amount of the investment is adjusted to reflect the Company's share of the subsidiary's profit or loss and other comprehensive income, as well as the distribution of earnings. In addition, the Company recognizes its share of changes in the subsidiary's other equity on a proportionate basis.

Changes in the ownership interests of a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the fair value of the consideration paid or received and the carrying amount of the investment is recognized directly in equity.

When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary (including the carrying amount of the investment accounted for under the equity method and any long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues to recognize losses in proportion to its ownership interest.

The excess of the cost of acquisition over the Company's share of the fair value of the identifiable net assets of a business-acquired subsidiary on the acquisition date is recognized as goodwill. This goodwill is included in the carrying amount of the investment and is not amortized. Conversely, if the Company's share of the fair value of the identifiable net assets of the subsidiary exceeds the cost of acquisition, the excess is recognized as a gain in the current period.

For impairment assessment, the Company considers the cash-generating unit as a whole and compares its recoverable amount with its carrying amount. If the recoverable amount subsequently increases, the reversal of the impairment loss is recognized as a gain, provided that the carrying amount after reversal does not

exceed the depreciated carrying amount had no impairment loss been recognized. However, impairment losses related to goodwill are not reversed in subsequent periods.

(VII) Property, Plant and Equipment

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

Depreciation is provided on a straight-line basis over the useful lives of the assets, with each significant component being depreciated separately. The Company reviews the estimated useful lives, residual values, and depreciation methods at the end of each financial year, and the effects of any changes in accounting estimates are applied prospectively.

When property, plant and equipment are derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(VIII) Intangible assets

1. Separate Acquisition

Intangible assets with finite useful lives that are acquired separately are initially measured at cost. Subsequently, they are carried at cost less accumulated amortization and accumulated impairment losses. These assets are amortized on a straight-line basis over their useful lives. The Company reviews the estimated useful lives, residual values, and amortization methods at the end of each financial year, and the effects of any changes in accounting estimates are applied prospectively. Intangible assets with indefinite useful lives are presented at cost less accumulated impairment losses.

2. Internally Generated – Research and Development Expenditures

Expenditures on research activities are recognized as expenses when incurred.

3. Derecognition

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

(IX) Impairment loss recognized in profit or loss, property, plant and equipment

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets, or intangible assets

may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If the recoverable amount of an individual asset cannot be estimated, the Company determines the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. Shared assets are allocated to individual CGUs on a reasonable and consistent basis.

For intangible assets that are not yet available for use, impairment testing is performed at least annually or whenever there is an indication of impairment.

The recoverable amount is the higher of fair value less costs to sell and its value in use. If the recoverable amount of an individual asset or CGU is less than its carrying amount, the carrying amount is reduced to the recoverable amount, and the impairment loss is recognized in profit or loss.

For inventories, property, plant and equipment, and intangible assets recognized in connection with customer contracts, impairment is first recognized according to the impairment policies for inventories and non-financial assets described above. Subsequently, if the carrying amount of contract cost-related assets exceeds the remaining amount of consideration expected to be received in exchange for the related goods or services less the directly related costs, the excess is recognized as an impairment loss. The remaining carrying amount of the contract cost-related assets is then included in the related CGU to assess for impairment at the CGU level.

If an impairment loss is subsequently reversed, the carrying amount of the asset or CGU is increased to its revised recoverable amount. However, the increased carrying amount shall not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years, after adjusting for amortization or depreciation. A reversal of an impairment loss is recognized in profit or loss.

(X) Financial Instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Upon initial recognition, financial assets and financial liabilities not measured at fair value through profit or loss (FVTPL) are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or

issuance of financial assets or financial liabilities measured at FVTPL are recognized immediately in profit or loss.

1. Financial Assets

Regular way purchases and sales of financial assets are accounted for on the trade date.

(1) Measurement Categories

The Company classifies its financial assets into the following categories: Financial assets measured at fair value through profit or loss (FVTPL); financial assets measured at amortized cost; and equity investments measured at fair value through other comprehensive income (FVOCI).

A. Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)

Financial assets classified as FVTPL are those that are mandatorily measured at fair value through profit or loss. These include equity investments not designated as measured at FVOCI, and debt instruments that do not meet the criteria for classification as measured at amortized cost or at FVOCI.

Financial assets at FVTPL are measured at fair value. Dividends and interest income are recognized in “Other income” and “Interest income,” respectively. Gains or losses arising from subsequent remeasurement are recognized in “Other gains and losses.” (Please refer to Notes 28 for the fair value determination method.)

B. Financial Assets Measured at Amortized Cost

Financial assets are classified as measured at amortized cost if they meet both of the following conditions:

- a. The asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b. The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost (including cash and cash equivalents, trade receivables measured at amortized cost, and refundable deposits, etc.) are subsequently measured at amortized cost

using the effective interest method, less any impairment loss. Foreign exchange gains or losses are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.

Credit-impaired financial assets are those where the issuer or debtor is in significant financial difficulty, is in default, is highly likely to file for bankruptcy or financial restructuring, or where an active market for the financial asset has disappeared due to financial difficulties.

Cash equivalents include time deposits with original maturities of three months or less from the date of acquisition, which are highly liquid, readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value. These are held to meet short-term cash commitments.

C. Equity Investments Measured at Fair Value Through Other Comprehensive Income (FVOCI)

At initial recognition, the Company may make an irrevocable election to classify investments in equity instruments (that are not held for trading and not contingent consideration recognized in a business combination) as measured at FVOCI.

These investments are measured at fair value, and subsequent changes in fair value are recognized in other comprehensive income and accumulated in other equity. Upon disposal, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

Dividends from such investments are recognized in profit or loss when the Company's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

(2) Impairment of Financial Assets

The Company assesses impairment losses for financial assets measured at amortized cost (including trade receivables) based on expected credit losses at each balance sheet date.

For trade receivables, the loss allowance is recognized based on lifetime expected credit losses. For other financial assets, the Company first assesses whether there has been a significant increase in credit risk since initial recognition. If not, a loss allowance is recognized based on 12-month expected credit losses. If there has been a significant increase in credit risk, a loss allowance is recognized based on lifetime expected credit losses.

Expected credit losses represent the weighted average of credit losses, with the probability of default as the weight. The 12-month expected credit loss is the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date. Lifetime expected credit losses are those that result from all possible default events over the expected life of a financial instrument.

Impairment losses on all financial assets are recognized through an allowance account to reduce the carrying amount of the asset.

(3) Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when the financial asset is transferred and the transfer qualifies for derecognition by transferring substantially all the risks and rewards of ownership of the asset.

When an entire financial asset measured at amortized cost is derecognized, the difference between its carrying amount and the consideration received is recognized in profit or loss. When an equity investment measured at fair value through other comprehensive income is derecognized, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity Instruments

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issuance costs.

When the Company reacquires its own equity instruments, such instruments are recognized and deducted from equity. The carrying amount of reacquired shares is calculated using the weighted-average cost method by type

of equity instrument. Purchases, sales, issuance, or cancellation of the Company's own equity instruments are not recognized in profit or loss.

3. Financial Liabilities

(1) Subsequent Measurement

The Company measures its financial liabilities at amortized cost using the effective interest method.

(2) Derecognition of Financial Liabilities

When a financial liability is derecognized, the difference between the carrying amount of the liability and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(XI) Revenue Recognition

The Company identifies performance obligations under customer contracts, allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is satisfied. Any advance payments received for the sale of goods are recognized as contract liabilities until the Company fulfills its performance obligations.

For contracts where there is a time interval of less than one year between the transfer of goods or services and receipt of consideration, the transaction price is not adjusted for the effects of a significant financing component.

1. Revenue from Sale of Goods

Revenue from the sale of goods arises from sales of integrated circuit (IC) products. Revenue and accounts receivable are recognized at the point in time when the IC products are shipped or delivered to the customer's designated location, as the customer then obtains the right to use the goods at an agreed price, assumes primary responsibility for resale, and bears the risk of obsolescence.

In the case of consigned processing, ownership and control of the processed products do not transfer to the Company; thus, revenue is not recognized upon receipt of such materials.

2. Revenue from Design Services

Revenue from design services is derived from providing customers with integrated circuit intellectual property (IP) design services. Revenue is recognized upon delivery of the services or IC IP to the customer.

(XII) Leases

The Company assesses whether a contract is or contains a lease at the inception of the contract.

1. As a Lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee. All other leases are classified as operating leases.

When the Company subleases a right-of-use asset, the classification of the sublease is based on the right-of-use asset, not the underlying asset. However, if the head lease is a short-term lease for which the Company applies the recognition exemption, the sublease is classified as an operating lease.

For operating leases, lease payments received, net of lease incentives, are recognized as income on a straight-line basis over the lease term. Any initial direct costs incurred in obtaining the operating lease are added to the carrying amount of the underlying asset and recognized as expenses on a straight-line basis over the lease term.

2. As a Lessee

Except for leases of low-value underlying assets and short-term leases (where lease payments are recognized as expenses on a straight-line basis over the lease term), the Company recognizes a right-of-use asset and a lease liability on the lease commencement date.

The right-of-use asset is initially measured at cost, which includes the initial amount of the lease liability. Subsequently, it is measured at cost less accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Right-of-use assets are presented separately in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

Lease liabilities are initially measured at the present value of the lease payments (including fixed payments). If the interest rate implicit in the lease can be readily determined, that rate is used to discount the lease payments; otherwise, the Company uses its incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. If a change in the lease term results in a change in future lease payments, the Company remeasures the lease liability and adjusts the corresponding right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero, any remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheet.

(XIII) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets, until substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

Investment income earned on the temporary investment of specific borrowings made prior to the expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(XIV) Government Grants

Government grants are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to the grant and that the grant will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the related costs that the grants are intended to compensate are recognized as expenses by the Company.

If the government grant is intended to compensate for expenses or losses already incurred or to provide immediate financial support to the Company with no future related costs, the grant is recognized in profit or loss in the period in which it becomes receivable.

(XV) Employee Benefits

1. Short-term Employee Benefits

Liabilities for short-term employee benefits are measured on an undiscounted basis and are recognized as the expected amount to be paid in exchange for employee services.

2. Post-employment Benefits

Contributions to defined contribution retirement plans are recognized as expenses when the employees have rendered the related service.

For defined benefit retirement plans, the defined benefit cost (including service cost, net interest, and rereasurement) is actuarially determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefit expenses when incurred or when the plan is amended or curtailed. Remeasurements (including actuarial gains and losses and the return on plan assets, excluding interest) are recognized in other comprehensive income when they occur and are included in retained earnings; they are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) is the deficit (surplus) of contributions in the defined benefit plan. The net defined benefit asset is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions.

(XVI) Share-based Payment Arrangements

Employee Stock Options / Restricted Stock Awards Granted to Employees

The cost of employee stock options or restricted stock awards is measured based on the fair value of the equity instruments at the grant date and the best estimate of the number of awards expected to vest. The expense is recognized on a straight-line basis over the vesting period, with a corresponding adjustment to capital surplus – employee stock options / other equity (unearned employee compensation). If the awards vest immediately on the grant date, the full expense is recognized on that date.

When the Company issues restricted stock awards, other equity (unearned employee compensation) is recognized on the grant date with a corresponding adjustment to capital surplus – restricted stock awards. In the case of paid issuances where employees are required to return the payment upon resignation, a corresponding payable is recognized.

At each balance sheet date, the Company revises its estimate of the number of employee stock options or restricted stock awards expected to vest. Any change in the estimate is recognized in profit or loss so that the cumulative expense reflects the

revised estimate, with a corresponding adjustment to capital surplus – employee stock options / capital surplus – restricted stock awards.

(XVII) Income Taxes

Income tax expense comprises current income tax and deferred income tax.

1. Current Income Tax

The Company calculates current income tax payable (recoverable) based on taxable income (loss) determined in accordance with the tax laws of the respective jurisdictions in which it operates.

Additional income tax on undistributed earnings, as required by the Income Tax Act of the Republic of China, is recognized in the year when the shareholders' resolution regarding earnings distribution is passed.

Adjustments to current income tax for prior years are included in current income tax expense for the period.

2. Deferred Income Tax

Deferred income tax is calculated based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases used in calculating taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences, tax loss carryforwards, and tax credits such as research and development expenditures can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. Previously unrecognized deferred income tax assets are also reviewed at each balance sheet date and recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The measurement reflects the tax

consequences expected from the manner in which the Company recovers or settles the carrying amount of its assets and liabilities at the balance sheet date.

3. Current and Deferred Income Tax

Current and deferred income taxes are recognized in profit or loss, except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case they are recognized in other comprehensive income or directly in equity, respectively.

5. Major Sources of Uncertainty in Significant Accounting Judgments, Estimates, and Assumptions

When the company adopts accounting policies, the management must make relevant judgments, estimates, and assumptions regarding relevant information that is difficult to obtain from other sources based on its historical experience and other significant factors. The actual results may differ from the estimates.

When developing principal accounting estimates, the company will include possible impacts into the considerations of relevant major estimates such as cash flow estimation, growth rate, discount rate, and profitability, and the management will continually review the accounting estimates and basic assumptions.

Major Sources of Estimation and Assumption Uncertainty

Inventory Impairment

The net realizable value of inventories is estimated as the expected selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on current market conditions and historical sales experience of similar products. Changes in market conditions may have a significant impact on the outcome of these estimates.

6. Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and working fund	\$ 118	\$ 94
Bank demand deposits	139,106	233,478
Cash equivalents (investments with original due date within 3 months)		
Bank time deposits	<u>744,300</u>	<u>700,000</u>
	<u>\$883,524</u>	<u>\$933,572</u>

The interval of market interest rates of bank deposits on the balance sheet date are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bank deposits	0.03%~4.00%	0.55%~1.65%

7. Financial instruments measured at fair value through profit or loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets - Non-current</u>		
Financial asset or financial liability at fair value through profit or loss		
Non-derivative financial assets		
— Limited Partnership	<u>\$ 46,574</u>	<u>\$ 23,562</u>

8. Financial instruments measured at fair value through other comprehensive income

Equity investment instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Non-current</u>		
Domestic investments		
Stocks not TWSE/TPEX listed		
Teletrx Co.	\$ 23,537	\$ 31,566
eNeural Technologies, Inc.	<u>17,400</u>	<u>15,300</u>
	<u>\$ 40,937</u>	<u>\$ 46,866</u>

The Company invested in the aforesaid companies' ordinary shares per its medium- and long-term strategic purposes, and expects to profit from long-term investments. The management of the Company believes that the inclusion of short-term fluctuation in fair value of such investments into profit or loss does not accord with the aforesaid long-term investment planning. Therefore, the Company has chosen to designate such investments as measured at fair value through other comprehensive income.

9. Financial assets measured at amortized cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Domestic investments		
Time deposits with original due date beyond 3 months	\$ 16,029	\$200,000
Pledged time deposits	<u>81,077</u>	<u>37,077</u>

\$ 97,106

\$237,077

As of December 31, 2025 and 2024, the interest rate intervals of time deposits with original due date beyond 3 months were annual interest rates of 0.685%~2.30% and 0.685%~1.68% respectively.

For information on financial assets measured at amortized cost that have been pledged, please refer to Notes 30.

10. Accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Accounts receivable</u>		
Total carrying amount measured at amortized cost	<u>\$167,316</u>	<u>\$209,418</u>

The average credit extension period of selling of products provided by the Company lasts for 30-90 days through monthly settlement, during which no interest is calculated for the accounts receivable. The Company continually supervises credit risk exposure and counterparties' credit ratings. To mitigate the credit risk, the management of the Company has assigned a dedicated team to determine the limit of credit, approve credit extension, and perform other monitoring procedures to ensure that proper actions have been taken to recover the overdue receivables. Additionally, the Company rechecks the recoverable amount of receivables one by one on the balance sheet to ensure that appropriate impairment losses have already been withdrawn for unrecoverable receivables. Based on the foregoing, the management of the Company believes that the credit risk of the Company has already significantly decreased.

The Company recognizes allowance for losses on receivables according to the expected credit loss in the survival period which is calculated by using a readiness matrix in consideration of the customers' previous default records and present financial position and industrial economic situation as well as GDP forecast and industrial outlook. Since the historical experience of the Company regarding credit loss indicated that the loss types of different customer groups didn't differ significantly, the readiness matrix hasn't been used to further distinguish customer groups, and the number of overdue days of accounts receivable has been adopted to determine the expected credit loss rate.

If evidence indicates that a counterparty faces serious financial difficulties, and the Company cannot reasonably estimate the recoverable amount, the Company will charge against relevant accounts receivable, but will continue the recourse activity. Amount recovered from recourse will be recognised as profit or loss.

The allowance for losses on receivables as measured by the Company per the readiness matrix is as follows:

December 31, 2025

	Not overdue	Overdue by 1~60 days	Overdue by 61~90 days	Overdue by 91~120 days	Overdue by more than 120 days	Total
Total carrying amount	\$ 167,316	\$ -	\$ -	\$ -	\$ -	\$ 167,316
Allowance for losses (expected credit loss in the survival period)	-	-	-	-	-	-
Amortized cost	\$ 167,316	\$ -	\$ -	\$ -	\$ -	\$ 167,316

December 31, 2024

	Not overdue	Overdue by 1~60 days	Overdue by 61~90 days	Overdue by 91~120 days	Overdue by more than 120 days	Total
Total carrying amount	\$ 202,562	\$ 6,856	\$ -	\$ -	\$ -	\$ 209,418
Allowance for losses (expected credit loss in the survival period)	-	-	-	-	-	-
Amortized cost	\$ 202,562	\$ 6,856	\$ -	\$ -	\$ -	\$ 209,418

11. Inventories

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Finished products	\$ 77,691	\$ 73,524
Work in process	110,116	81,897
Raw materials	10,642	24,093
	<u>\$198,449</u>	<u>\$179,514</u>

The Cost of goods sold related to inventories reached NT\$ 631,665,000 and NT\$ 563,996,000 respectively from 2025 and 2024.

The operating costs incurred from 2025 and 2024 include the following items:

	<u>2025</u>	<u>2024</u>
Loss for market price decline and obsolete and slow-moving inventories (Notes)	(\$ 2,348)	(\$ 2,834)
Revenue from sale of scraps	(24)	(23)
	<u>(\$ 2,372)</u>	<u>(\$ 2,857)</u>

Note: The recovery of the net realizable value of inventories is due to inventory liquidation.

12. Investments accounted for using the equity method

As of the balance sheet date, the carrying amounts of the Company's subsidiaries, along with their respective ownership interests and voting rights percentages, are as follows:

Name of investment company	Business nature	Place of incorporation and principal place of business	Carrying amount		Company's ownership interest and voting rights percentage	
			December 31, 2025 (Note)	December 31, 2024 (Note)	December 31, 2025	December 31, 2024
iCatch Global Inc.	Investment	Samoa			100%	100%

Note: iCatch Global Inc. completed establishment registration in March 2020, while the company didn't actually remit any payments.

13. Property, plant and equipment

Self-used

	Instruments and equipment	Furniture and fixtures	Leasehold improvements	Total
<u>Cost</u>				
Balance, January 1, 2025	\$ 229,840	\$ 23	\$ 2,459	\$ 232,322
Increase	66,949	-	2,200	69,149
Decrease	(1,731)	(19)	(479)	(2,229)
Balance, December 31, 2025	<u>\$ 295,058</u>	<u>\$ 4</u>	<u>\$ 4,180</u>	<u>\$ 299,242</u>
<u>Accumulated depreciation</u>				
Balance, January 1, 2025	\$ 135,826	\$ 23	\$ 1,617	\$ 137,466
Depreciation expense	52,671	-	488	53,159
disposals	(1,731)	(19)	(479)	(2,229)
Balance, December 31, 2025	<u>\$ 186,766</u>	<u>\$ 4</u>	<u>\$ 1,626</u>	<u>\$ 188,396</u>
Net amount, December 31, 2025	<u>\$ 108,292</u>	<u>\$ -</u>	<u>\$ 2,554</u>	<u>\$ 110,846</u>
<u>Cost</u>				
Balance, January 1, 2024	\$ 151,873	\$ 23	\$ 2,459	\$ 154,355
Increase	80,042	-	-	80,042
Decrease	(2,075)	-	-	(2,075)
Balance, December 31, 2024	<u>\$ 229,840</u>	<u>\$ 23</u>	<u>\$ 2,459</u>	<u>\$ 232,322</u>
<u>Accumulated depreciation</u>				
Balance, January 1, 2024	\$ 103,295	\$ 23	\$ 1,074	\$ 104,392
Depreciation expense	34,606	-	543	35,149
disposals	(2,075)	-	-	(2,075)
Balance, December 31, 2024	<u>\$ 135,826</u>	<u>\$ 23</u>	<u>\$ 1,617</u>	<u>\$ 137,466</u>
Net amount, December 31, 2024	<u>\$ 94,014</u>	<u>\$ -</u>	<u>\$ 842</u>	<u>\$ 94,856</u>

The depreciation expense is accrued per the following durable years on a straight-line basis:

Instruments and equipment	1-4 years
Furniture and fixtures	4 years
Leasehold improvements	4-11 years

14. Lease agreement

(1) Right-of-use assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of right-of-use assets		
Buildings	\$ 86,911	\$ 5,846
Transportation equipment	<u>1,324</u>	<u>2,092</u>
	<u>\$ 88,235</u>	<u>\$ 7,938</u>
	<u>2025</u>	<u>2024</u>
Addition of right-of-use assets	<u>\$ 96,776</u>	<u>\$ 11,874</u>
Depreciation expense of right-of-use assets		
Buildings	\$ 15,268	\$ 12,349
Transportation equipment	<u>1,211</u>	<u>1,208</u>
	<u>\$ 16,479</u>	<u>\$ 13,557</u>
Income for release of right-of-use assets (recognized as other revenue)	<u>(\$ 67)</u>	<u>(\$ 72)</u>

(2) Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of lease liabilities		
Current	<u>\$ 27,027</u>	<u>\$ 6,234</u>
Non-current	<u>\$ 63,174</u>	<u>\$ 1,777</u>

The discount rate of lease liabilities is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Buildings	1.880%~2.485%	1.380%~2.125%
Transportation equipment	1.985%~2.355%	1.985%~2.005%

(3) Important lease activities and clauses

The Company leases buildings as plants and offices. To be specific, the Company has leased plants and offices from Sunplus Technology Co., Ltd., Hsing

Tech Enterprise Co., Ltd., Hsin Hai Co., Ltd. and Amazing Microelectronic Corp. respectively with lease term is 1 to 5 years.

(4) Sublease

The Company subleases the use right of parking spaces under operating lease with lease term of 2 years. Also, the Company has the option for lease term. When the lessee exercises the right to renew the lease, the Company may adjust the right according to the market rent.

In addition to fixed lease payments, the total payment amount of rent to collect in the future regarding sublease under operating lease is agreed in this sublease contract as follows:

	December 31, 2025	December 31, 2024
Year 1	\$ 12	\$ 72
Year 2	-	12
	<u>\$ 12</u>	<u>\$ 84</u>

(5) Other lease information

	2025	2024
Short-term lease expense	<u>\$ 1,163</u>	<u>\$ 1,491</u>
Total cash (outflows) from lease	<u>(\$ 16,595)</u>	<u>(\$ 15,218)</u>

The Company chooses to apply the exemption of recognition for official cars, and other lease matters that comply with short-term lease standards, and does not recognize relevant right-of-use assets and lease liabilities for such leases.

15. Intangible assets

	Technical license fee	Patent right	Computer software	Total
<u>Cost</u>				
Balance, January 1, 2025	\$ 265,147	\$ 3,451	\$ 11,129	\$ 279,727
Separately acquired	46,426	-	6,638	53,064
Disposal	(38,154)	-	(240)	(38,394)
Balance, December 31, 2025	<u>\$ 273,419</u>	<u>\$ 3,451</u>	<u>\$ 17,527</u>	<u>\$ 294,397</u>
<u>Accumulated amortization</u>				
Balance, January 1, 2025	\$ 119,116	\$ 3,201	\$ 5,004	\$ 127,321
Amortization expenses	67,401	250	3,954	71,605
Disposal	(38,154)	-	(240)	(38,394)
Balance, December 31, 2025	<u>\$ 148,363</u>	<u>\$ 3,451</u>	<u>\$ 8,718</u>	<u>\$ 160,532</u>
Net amount, December 31, 2025	<u>\$ 125,056</u>	<u>\$ -</u>	<u>\$ 8,809</u>	<u>\$ 133,865</u>
<u>Cost</u>				

Balance, January 1, 2024	\$ 139,926	\$ 3,451	\$ 5,254	\$ 148,631
Acquired separately	<u>125,221</u>	<u>-</u>	<u>5,875</u>	<u>131,096</u>
Balance, December 31, 2024	<u>\$ 265,147</u>	<u>\$ 3,451</u>	<u>\$ 11,129</u>	<u>\$ 279,727</u>
<u>Cost</u>				
Balance, January 1, 2024	\$ 88,386	\$ 2,929	\$ 3,259	\$ 94,574
Separately acquired	<u>30,730</u>	<u>272</u>	<u>1,745</u>	<u>32,747</u>
Balance, December 31, 2024	<u>\$ 119,116</u>	<u>\$ 3,201</u>	<u>\$ 5,004</u>	<u>\$ 127,321</u>
Net amount, December 31, 2024	<u>\$ 146,031</u>	<u>\$ 250</u>	<u>\$ 6,125</u>	<u>\$ 152,406</u>

The amortization expenses are accrued per the following durable years on a straight-line basis:

Technical license fee	1-4 years
Patent right	12 years
Computer software	1-4 years

Amortization expenses summarized per function:

	<u>2025</u>	<u>2024</u>
Manufacturing expenses	\$ 24	\$ 15
Selling expenses	9	6
Administrative expenses	1,548	1,129
Research and development expenses	<u>70,024</u>	<u>31,597</u>
	<u>\$ 71,605</u>	<u>\$ 32,747</u>

16. Other assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Other assets		
Other prepaid expenses	\$ 39,862	\$ 37,715
Income tax refund receivable	7,070	6,442
Tax credit carried forward	4,644	1,981
Other receivables	1,690	5,098
prepayments	4,195	4,466
Interest receivable	3,180	1,612
Other	<u>5</u>	<u>5</u>
	<u>\$ 60,646</u>	<u>\$ 57,319</u>
<u>Non-current</u>		
Other assets		
Guaranteed deposits paid	\$ 8,551	\$ 605
Prepayments for intangible assets	6,007	7,622
Payables on equipment	<u>5,793</u>	<u>3,004</u>
	<u>\$ 20,351</u>	<u>\$ 11,231</u>

17. Accounts payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable - From business operations	<u>\$ 53,204</u>	<u>\$ 71,925</u>

The average of credit period of the accounts payable by the Company due to business operations lasts for 30-60 days. The Company has established a financial risk management policy to ensure that all payables are repaid within the predetermined credit period.

18. Other liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Technical service fees payable	\$ 52,415	\$ -
Salaries and bonuses payable	44,730	43,271
Intangible assets payable	-	41,800
Deferred Revenue – current (Notes 26)	13,206	11,705
Royalties Payable	6,715	6,774
Payables on equipment	-	818
Other payables to related parties	99	183
Others	<u>20,782</u>	<u>29,531</u>
	<u>\$137,947</u>	<u>\$134,082</u>
<u>Noncurrent</u>		
Deferred Revenue – noncurrent (Notes 26)	<u>\$ -</u>	<u>\$ 11,360</u>

19. Post-employment benefit plans

(1) Defined Contribution Plan

The retirement system under the Labor Pension Act applicable to the company is a government-managed defined contribution plan. Under this plan, the Company contributes 6% of each employee's monthly salary to the employee's individual pension account with the Bureau of Labor Insurance.

(2) Defined Benefit Plan

As described in Note 1 regarding the business spin-off, on December 4, 2009, Sunplus MMedia Inc. transferred the employees of its DSC (Digital Still Camera) Product Division to the company, which assumed all seniority, retirement terms, and related rights and obligations of these employees.

The Company's retirement plan under the ROC Labor Standards Act is classified as a government-managed defined benefit retirement plan. Retirement benefits are calculated based on years of service and the average salary for the six months prior to the approved retirement date. The Company contributes 2% of the total monthly salaries to a retirement fund, which is deposited in a special account with the Bank of Taiwan under the name of the Supervisory Committee for Labor Retirement Reserve. Before the end of each year, if the estimated balance in the account is insufficient to pay for the retirement of employees expected to qualify in the following year, the Company is required to make a one-time contribution for the shortfall by the end of March of the next year. The fund is managed by the Bureau of Labor Funds, Ministry of Labor, and the Company has no right to influence the investment strategy.

The amounts recognized in the consolidated balance sheet in respect of the defined benefit plan are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 25,240	\$ 27,167
Fair value of plan assets	(<u>17,429</u>)	(<u>17,280</u>)
Net defined benefit liability	<u>\$ 7,811</u>	<u>\$ 9,887</u>

The movements in the net defined benefit liability were as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
January 1, 2025	<u>\$ 27,167</u>	<u>\$ 17,280</u>	<u>\$ 9,887</u>
Service cost	<u>-</u>	<u>-</u>	<u>-</u>
Interest expense (income)	<u>435</u>	<u>282</u>	<u>153</u>
Recognized in profit or loss	<u>435</u>	<u>282</u>	<u>153</u>
Remeasurements			
Return on plan assets (excluding amounts included in net interest income)	-	1,146	(1,146)
Actuarial gains and losses -Accounting policies, changes in accounting estimates and errors	(1,014)	-	(1,014)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
-Experience adjustments	<u>607</u>	<u>-</u>	<u>607</u>
Recognition of Losses through other comprehensive income	(<u>407</u>)	<u>1,146</u>	(<u>1,553</u>)
Contributed by Employer	<u>-</u>	<u>676</u>	(<u>676</u>)
Benefit payments	(<u>1,955</u>)	(<u>1,955</u>)	<u>-</u>
December 31, 2025	<u>\$ 25,240</u>	<u>\$ 17,429</u>	<u>\$ 7,811</u>
January 1, 2024	<u>\$ 26,432</u>	<u>\$ 15,089</u>	<u>\$ 11,343</u>
Service cost	<u>-</u>	<u>-</u>	<u>-</u>
Interest expense (income)	<u>330</u>	<u>193</u>	<u>137</u>
Recognized in profit or loss	<u>330</u>	<u>193</u>	<u>137</u>
Remeasurements			
Return on plan assets (excluding amounts included in net interest income)	<u>-</u>	<u>1,316</u>	(<u>1,316</u>)
Actuarial gains and losses			
-Accounting policies, changes in accounting estimates and errors	(<u>983</u>)	<u>-</u>	(<u>983</u>)
-Experience adjustments	<u>1,388</u>	<u>-</u>	<u>1,388</u>
Recognition of Losses through other comprehensive income	<u>405</u>	<u>1,316</u>	(<u>911</u>)
Contributed by Employer	<u>-</u>	<u>682</u>	(<u>682</u>)
December 31, 2024	<u>\$ 27,167</u>	<u>\$ 17,280</u>	<u>\$ 9,887</u>

The amounts recognized in profit or loss in respect of the defined benefit plan, summarized by function, were as follows:

	2025	2024
Manufacturing expenses	\$ 15	\$ 13
Selling expenses	10	8
Administrative expenses	22	22
Research and development expenses	<u>106</u>	<u>94</u>
	<u>\$ 153</u>	<u>\$ 137</u>

The company is exposed to the following risks under the defined benefit pension plan in accordance with the Labor Standards Act:

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor manages the Labor Pension Fund through self-management and outsourced operations, investing in domestic and foreign equity and debt securities, as well as bank deposits. However, the return on the Company's allocated portion of plan assets is based on an interest rate not lower than the local two-year time deposit rate.
2. Interest rate risk: A decrease in government bond interest rates will increase the present value of defined benefit obligations. However, the returns on debt investments in plan assets may also increase, partially offsetting the effect on the net defined benefit liability.
3. Salary risk: The calculation of the present value of defined benefit obligations considers the future salaries of plan members. Therefore, an increase in employee salaries will result in an increase in the present value of the defined benefit obligations.

The present value of the Company's defined benefit obligations is actuarially determined by a qualified actuary. The significant assumptions used on the measurement date are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.35%	1.60%
Expected rate of salary increases	4.50%	4.50%
Employee turnover rate	0%~29%	0%~29%

The effect on the present value of defined benefit obligations resulting from reasonably possible changes to each significant actuarial assumption, assuming all other assumptions remain constant, is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
Increase by 0.25%	<u>(\$ 607)</u>	<u>(\$ 683)</u>
Decrease by 0.25%	<u>\$ 627</u>	<u>\$ 708</u>
Expected rate of salary increases		
Increase by 1.00%	<u>\$ 2,539</u>	<u>\$ 2,875</u>
Decrease by 1.00%	<u>(\$ 2,278)</u>	<u>(\$ 2,560)</u>

As actuarial assumptions may be interrelated, it is unlikely that changes would occur in isolation. Therefore, the sensitivity analysis presented above may not reflect the actual change in the present value of defined benefit obligations.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expected contributions to the plan within the next year	<u>\$ 678</u>	<u>\$ 685</u>
Weighted average duration of the defined benefit obligation	10.1 years	10.9 years

20. Equity

(1) Share capital of ordinary shares

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Authorized shares (1,000 shares)	<u>150,000</u>	<u>150,000</u>
Share capital authorized	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Number of shares issued and fully paid up (1,000 shares)	<u>96,460</u>	<u>96,470</u>
Publicly offered ordinary shares	<u>\$ 864,597</u>	<u>\$ 864,698</u>
Privately placed ordinary shares	<u>100,000</u>	<u>100,000</u>
Share capital issued	<u>\$ 964,597</u>	<u>\$ 964,698</u>

The face value of ordinary shares already issued is NT\$ 10/share. Each share enjoys a voting right and the right to collect dividends.

The aforesaid privately placed securities shall not be sold again to other objects except the transfer objects stipulated in the Securities and Exchange Act within a 3-year period from the date of delivery.

Except privately placed ordinary shares of the Company that are subject to restrictions of circulation and transfer according to the provisions of the Securities and Exchange Act and may be applied for TPEX listing only after the expiration of 3 years following the date of delivery and the supplementing of public offering formalities, the rights and obligations of the aforesaid privately placed ordinary shares are same as those of ordinary shares already issued by the Company.

The change in other share capital of the company lied in the exercising of stock options by the employees.

(2) Capital surplus

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Used to compensate for losses, pay cash, or enlarge share</u>		

<u>capital (Note)</u>		
Share premium	\$ 1,004,962	\$ 991,770
<u>Not allowed for any purposes</u>		
New restricted employee shares	23,134	36,939
Employee stock options	<u>27,281</u>	<u>16,146</u>
	<u>\$ 1,055,377</u>	<u>\$ 1,044,855</u>

Note: The capital surplus of this category may be used to compensate for losses, or pay cash or enlarge share capital when the Company does not have any losses.

However, the enlarged share capital shall be limited to a certain percent of the paid-in share capital in each year.

(3) Retained earnings and dividend policy

In accordance with the provisions of the surplus distribution policy stipulated in the Articles of Association of the company, if the company makes a surplus after final accounting of revenue and expenditure, it shall pay business income tax and make up the losses in the previous year first, and then set aside 10% of the remaining surplus as statutory surplus reserve. However, it does not apply to the situation in which the statutory surplus reserve already reaches the total capital. Then, the Company may set aside or reserve special surplus reserve according to laws and regulations, or the competent authority's provisions. The remaining surplus together with the accumulated undistributed surplus in the previous period will be used for shareholders' dividends. The Board of Directors will draft a distribution proposal and submit it to the Shareholders' Meeting for resolution before distribution. However, the ratio of surplus provided for distribution and the ratio of shareholders' cash dividends shall be adjusted with relevant resolution made by the Shareholders' Meeting in consideration of the actual profits and capital status in the current year. The total amount of shareholders' dividends distributed using surplus shall not be lower than 10% of the distributable surplus in current year, while that of cash dividends shall not be lower than 10% of the total amount of shareholders' dividends distributable. For the policy stipulated in the Articles of Association of the company regarding distribution of employee compensation and director compensation, please refer to Employee compensation and director compensation in Note 22 (7).

The statutory surplus reserve shall be set aside until its balance reaches the total amount of paid-in share capital of the Company. The statutory surplus reserve may be used to compensate for losses. When the Company does not have any losses, the

part of the statutory surplus reserve beyond the total amount of the paid-in share capital may be used to enlarge the share capital, or be distributed in cash.

The company held a Shareholders Meeting on May 20, 2025 and May 27, 2024 to resolved the loss compensation proposals of 2024 and 2023 as follows respectively:

	<u>2024</u>	<u>2023</u>
Losses to be compensated for in the beginning of the year	(\$246,793)	(\$191,322)
Remeasured amount of defined benefit plan recognized as retained earnings	<u>911</u>	<u>9,027</u>
Losses to be compensated for after adjustment	(245,882)	(182,295)
Net income (loss) for the year	(<u>38,913</u>)	(<u>64,498</u>)
Balance of Unappropriated earnings	(<u>\$284,795</u>)	(<u>\$246,793</u>)

On February 24, 2026, the Board of Directors proposed the following deficit compensation plan for the year 2025:

	<u>2025</u>
Losses to be compensated for in the beginning of the year	(\$284,795)
Remeasured amount of defined benefit plan recognized as retained earnings	<u>1,553</u>
Losses to be compensated for after adjustment	(283,242)
Net loss for the year	(<u>175,913</u>)
Balance of Unappropriated earnings	(<u>\$459,155</u>)

The proposed deficit compensation plan for 2025 is subject to approval by the shareholders at the Annual General Meeting, scheduled to be held on May 26, 2025.

(4) Other equity items

1. Unrealized revaluation gains and losses of financial assets measured at fair value through other comprehensive income

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 1,866	\$ -
Incurred in the current period		
Unrealized gains and losses		
Equity instruments	(<u>5,929</u>)	<u>1,866</u>
Ending balance	(<u>\$ 4,063</u>)	<u>\$ 1,866</u>

2. Unearned employee compensation

The Shareholders' Meeting of the company made a resolution to issue new restricted employee shares on May 3, 2022. For relevant instructions, please refer to Note 25.

	2025	2024
Beginning balance	(\$ 9,235)	\$ -
Issued in the current period	(787)	(17,886)
Retirement in the current period	2,336	247
Recognized share-based payment expenses	6,365	8,404
Ending balance	(\$ 1,321)	(\$ 9,235)

21. Revenue

	2025	2024
Revenue from customer contracts		
Revenue from selling of products	\$ 1,030,258	\$ 957,551
Others	95,387	61,195
	<u>\$ 1,125,645</u>	<u>\$ 1,018,746</u>

(1) Description of customer contracts

Revenue from selling of products

IC products are sold to agents and customers. The Company agrees on product selling prices in orders.

Revenue from design services

Revenue from design services refers to revenue from the provision of integrated circuit IP design services for customers and recognized upon provision of customer services or integrated circuit IP.

(2) Contract balance

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts receivable (Notes 10)	<u>\$ 167,316</u>	<u>\$ 209,418</u>	<u>\$ 155,572</u>
Contract liabilities - Current	<u>\$ 2,255</u>	<u>\$ -</u>	<u>\$ 152</u>

Changes in contract liabilities mainly resulted from the differences between the satisfaction with the time points for performance obligation and customers' payment schedule.

The amount of revenue recognized in the current year that was included in contract liabilities at the beginning of the year is as follows:

	<u>2025</u>	<u>2024</u>
<u>Revenue recognized from contract liabilities at the beginning of the year</u>		
Revenue from sale of goods	\$ <u>-</u>	\$ <u>152</u>

(3) Segmentation of revenue from customer contracts

	<u>2025</u>	<u>2024</u>
<u>Main regional markets</u>		
Asia	\$ 352,012	\$ 472,116
Taiwan	<u>773,633</u>	<u>546,630</u>
	<u>\$ 1,125,645</u>	<u>\$ 1,018,746</u>
<u>Time points for recognition of revenue</u>		
Satisfaction with performance obligation at a time point	\$ 1,123,586	\$ 1,009,115
Gradual satisfaction with performance obligation with the time	<u>2,059</u>	<u>9,631</u>
	<u>\$ 1,125,645</u>	<u>\$ 1,018,746</u>

22. Net losses from continuing operations

(1) Interest income

	<u>2025</u>	<u>2024</u>
Bank deposits	\$ 20,539	\$ 23,155
Others	<u>60</u>	<u>84</u>
	<u>\$ 20,599</u>	<u>\$ 23,239</u>

(2) Other revenue

	<u>2025</u>	<u>2024</u>
Government subsidies (Notes 26)	\$ 30,969	\$ 26,161
Rental income	1,583	794
Others	<u>8,328</u>	<u>3,823</u>
	<u>\$ 40,880</u>	<u>\$ 30,778</u>

(3) Other interests and losses

	<u>2025</u>	<u>2024</u>
Net foreign exchange (loss) gain	(\$ 2,312)	\$ 31,394
Net gain (loss) on financial assets at fair value through	<u>14,686</u>	(<u>1,081</u>)

profit	<u>\$ 12,374</u>	<u>\$ 30,313</u>
(4) Financial cost		
	<u>2025</u>	<u>2024</u>
Interest of lease liabilities	\$ 846	\$ 241
Other Interest	<u>46</u>	<u>67</u>
	<u>\$ 892</u>	<u>\$ 308</u>
(5) Depreciation and amortization		
	<u>2025</u>	<u>2024</u>
Depreciation expenses summarized per function		
Operating costs	\$ 1,200	\$ 999
Operating expenses	<u>68,438</u>	<u>47,707</u>
	<u>\$ 69,638</u>	<u>\$ 48,706</u>
Amortization expenses summarized per function		
Operating costs	\$ 24	\$ 15
Operating expenses	<u>71,581</u>	<u>32,732</u>
	<u>\$ 71,605</u>	<u>\$ 32,747</u>
(6) Employee benefit expenses		
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$328,233	\$311,642
Post-employment benefits (Notes 19)		
Defined contribution plan	13,075	12,589
Defined benefit plan	<u>153</u>	<u>137</u>
	13,228	12,726
Share-based payments		
Equity closing	19,928	21,019
Other employee benefits	<u>1,961</u>	<u>2,009</u>
Total employee benefit expenses	<u>\$363,350</u>	<u>\$347,396</u>
Summarized per function		
Operating costs	\$ 40,157	\$ 42,661
Operating expenses	<u>323,193</u>	<u>304,735</u>
	<u>\$363,350</u>	<u>\$347,396</u>
(7) Employee compensation and director compensation		

According to the company's Articles of Incorporation, no less than 1% and no more than 1.5% of the profit before tax, before deducting employees' and directors'

remuneration, shall be allocated as employees' and directors' remuneration, respectively. However, if the Company still has accumulated losses (including adjustments to undistributed earnings), such losses shall be offset first before calculating the remuneration. In accordance with the amendments to the Securities and Exchange Act in August 2024, Chipbond Technology Corporation approved revisions to its Articles of Incorporation at the shareholders' meeting held on May 20, 2025, stipulating that no less than 1% of the current year's employee compensation shall be allocated to grassroots employees. However, as the Company had accumulated losses in 2025 and 2024, no employee compensation (including that for grassroots employees) or directors' compensation was accrued.

(8) Profit or loss on foreign currency exchange

	<u>2025</u>	<u>2024</u>
Total amount of gains on foreign currency exchange	\$ 45,835	\$ 32,746
Total amount of losses on foreign currency exchange	(<u>48,147</u>)	(<u>1,352</u>)
Net Profit or Loss	(<u>\$ 2,312</u>)	<u>\$ 31,394</u>

23. Income tax of continuing operations

(1) Income tax recognized in profit or loss

Main constituting items of income tax expenses:

	<u>2025</u>	<u>2024</u>
Income tax in the current period		
Tax incurred in the current period	\$ -	\$ -
Deferred income tax		
Tax incurred in the current period	<u>-</u>	<u>-</u>
Income tax expenses recognized as profit or loss	<u>\$ -</u>	<u>\$ -</u>

The reconciliation between accounting income and income tax expense is as follows:

	<u>2025</u>	<u>2024</u>
Pre-tax net loss from continuing operations	(<u>\$175,913</u>)	(<u>\$ 38,913</u>)
Income tax expense calculated based on the statutory tax	(\$ 35,183)	(\$ 7,783)

rate on pre-tax net loss		
Non-deductible expenses for tax purposes	5	-
Unrecognized deductible temporary differences and tax loss carryforwards	<u>35,178</u>	<u>7,783</u>
Income tax expense recognized in profit or loss	<u>\$ -</u>	<u>\$ -</u>

(2) Deferred Tax Assets and Liabilities

The Company offsets certain deferred tax assets and liabilities that meet the offsetting criteria.

The movements in deferred tax assets are as follows:

2025

	<u>Beginning balance</u>	<u>Recognized in profit or loss</u>	<u>Ending balance</u>
Temporary differences			
Unrealized foreign exchange gain or loss	(\$ 454)	(\$ 937)	(\$ 1,391)
Unrealized loss on valuation of financial assets	216	(3,153)	(2,937)
Unrealized inventory loss	1,268	(469)	799
Other	<u>488</u>	<u>4,559</u>	<u>5,047</u>
	<u>\$ 1,518</u>	<u>\$ -</u>	<u>\$ 1,518</u>

2024

	<u>Beginning balance</u>	<u>Recognized in profit or loss</u>	<u>Ending balance</u>
Temporary differences			
Unrealized foreign exchange gain or loss	\$ 3,090	(\$ 3,544)	(\$ 454)
Unrealized loss on valuation of financial assets	-	216	216
Unrealized inventory loss	1,835	(567)	1,268
Other	<u>(3,407)</u>	<u>3,895</u>	<u>488</u>
	<u>\$ 1,518</u>	<u>\$ -</u>	<u>\$ 1,518</u>

(3) Unused Loss Carryforwards for Which Deferred Tax Assets Have Not Been Recognized in the Consolidated Balance Sheet

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Tax loss carryforward		

Maturing in 2028	\$ 46,439	\$ 46,439
Maturing in 2029	72,486	72,486
Maturing in 2030	97,191	97,191
Maturing in 2031	35,622	35,622
Maturing in 2032	70,267	58,382
Maturing in 2035	<u>198,693</u>	<u>-</u>
	<u>\$520,698</u>	<u>\$310,120</u>

(4) Verification and approval of income tax

The income tax declaration cases of the Company as of the year 2023 was already verified and approved by the tax authority.

24. Earnings (loss) per Share

Unit: NT\$ per share

	<u>2025</u>	<u>2024</u>
Basic earnings (loss) per share	(\$ <u>1.83</u>)	(\$ <u>0.41</u>)
Diluted earnings (loss) per share	(\$ <u>1.83</u>)	(\$ <u>0.41</u>)

Net Loss and Weighted Average Number of Ordinary Shares Used in Calculating Loss Per Share Are as Follows:

Net Profit (Loss) for the Period

	<u>2025</u>	<u>2024</u>
Net Profit for the Period		
Net profit (loss) used to calculate basic and diluted earnings (loss) per share	(<u>\$175,913</u>)	(<u>\$ 38,913</u>)

Number of shares

Unit: 1,000 shares

	<u>2025</u>	<u>2024</u>
Weighted average number of ordinary shares used to calculate basic profit (loss) per share	95,943	95,641
Potential effect of ordinary shares with a dilutive effect:		
Restricted shares for employees	-	-
Employee stock options	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares used to calculate earnings (loss) per share	<u>95,943</u>	<u>95,641</u>

If the company chooses to pay employee compensation in stock or cash, it shall be assumed that the employee compensation is paid in stock upon calculation of diluted earnings per share, and the weighted average number of outstanding shares shall be added when this potential ordinary share has a dilutive effect to calculate the diluted earnings per share. When the diluted earnings per share is calculated before a resolution is made on the number of shares issued for employee compensation in the next year, the dilutive effect of such potential ordinary shares will be continuously considered.

The restricted ordinary shares and Employee stock options of the company for the years 2025 and 2024 had anti-dilutive effects and were therefore excluded from the calculation of diluted loss per share.

25. Share-based payments

(1) Employee stock options

The company granted 1,500,000 units and 500,000 units of employee stock options in May 2018 (first issuance of stock option plan in 2018) and July 2018 (second issuance of stock option plan in 2018) respectively. For each unit, 1,000 ordinary shares could be subscribed. The objects for employee stock option granting included employees of the company who complied with specific conditions. The duration of the stock options lasts for 6 years. Certificate holders may exercise a certain ratio of stock options granted since the date after expiration of 2 years from issuance. The exercise price of stock option is NT\$ 10 per share. If the ordinary shares of the company are changed after issuance of stock options, the exercise price of stock option will be adjusted per the stipulated formula.

The company granted 900,000 units and 100,000 units of employee stock options in January 2020 (first issuance of stock option plan in 2019) and October 2020 (second issuance of stock option plan in 2019) respectively. For each unit, 1,000 ordinary shares could be subscribed. The objects for employee stock option granting included employees of the company who complied with specific conditions. The duration of the stock options lasts for 6 years. Certificate holders may exercise a certain ratio of stock options granted since the date after expiration of 2 years from issuance. The exercise price of stock option is NT\$ 14 per share. If the ordinary shares of the company are changed after issuance of stock options, the exercise price of stock option will be adjusted per the stipulated formula.

The company granted 766,000 units of employee stock options in December 2021 (first issuance of stock option plan in 2021). For each unit, 1,000 ordinary shares could be subscribed. The objects for employee stock option granting included employees of the company who complied with specific conditions. The duration of the stock options lasts for 6 years. Certificate holders may exercise a certain ratio of stock options granted since the date after expiration of 2 years from issuance. The exercise price of stock option is NT\$ 14 per share. If the ordinary shares of the company are changed after issuance of stock options, the exercise price of stock option will be adjusted per the stipulated formula.

The company handled capital increase by cash for initial public offering and received enough share capital in November 2022, resulting in the change of the ordinary shares of the Company. The exercise price of stock option was adjusted to NT\$ 13.3/share per the stipulated formula.

The company granted 1,404,000 units of employee stock options in March 2024 (first issuance of stock option plan in 2022). For each unit, 1,000 ordinary shares could be subscribed. The objects for employee stock option granting included employees of the company who complied with specific conditions. The duration of the stock options lasts for 2.5 years. Certificate holders may exercise a certain ratio of stock options granted since the date after expiration of 2 years from issuance. The exercise price of stock option is NT\$ 49.44 per share. If the ordinary shares of the company are changed after issuance of stock options, the exercise price of stock option will be adjusted per the stipulated formula.

The company granted 80,000 units of employee stock options in March 2024 (second issuance of stock option plan in 2022). For each unit, 1,000 ordinary shares could be subscribed. The objects for employee stock option granting included employees of the company who complied with specific conditions. The duration of the stock options lasts for 2.5 years. Certificate holders may exercise a certain ratio of stock options granted since the date after expiration of 2 years from issuance. The exercise price of stock option is NT\$ 49.92 per share. If the ordinary shares of the company are changed after issuance of stock options, the exercise price of stock option will be adjusted per the stipulated formula.

The company granted 80,000 units of employee stock options in April 2025 (third issuance of stock option plan in 2022). For each unit, 1,000 ordinary shares could be subscribed. The objects for employee stock option granting included

employees of the company who complied with specific conditions. The duration of the stock options lasts for 2.5 years. Certificate holders may exercise a certain ratio of stock options granted since the date after expiration of 2 years from issuance. The exercise price of stock option is NT\$ 39.36 per share. If the ordinary shares of the company are changed after issuance of stock options, the exercise price of stock option will be adjusted per the stipulated formula.

The compensation cost recognized from January 1 to December 31 in 2025 and 2024, reached NT\$ 13,563,000 and NT\$ 12,615,000 respectively.

The relevant information on employee stock options is as follows:

2025

Employee stock options	Third time in 2022 Share option plan		Second time in 2022 Share option plan		First time in 2022 Share option plan		First time in 2021 Share option plan		Second time in 2019 Share option plan		First time in 2019 Share option plan	
	Unit	Weighted average exercise price (NT\$ per share)	Unit	Weighted average exercise price (NT\$ per share)	Unit	Weighted average exercise price (NT\$ per share)	Unit	Weighted average exercise price (NT\$ per share)	Unit	Weighted average exercise price (NT\$ per share)	Unit	Weighted average exercise price (NT\$ per share)
Outstanding at beginning of the year	-	-	80	47.92	1,319	49.44	67	13.3	-	-	5	13.3
Granted during the year	10	39.36	-	-	-	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	(50)	13.3	-	-	(5)	13.3
Forfeited/Expired during the year	(10)	39.36	(80)	47.92	(61)	49.44	-	-	-	-	-	-
Outstanding at end of the year	-	-	-	-	1,258	49.44	17	13.3	-	-	-	-
Exercisable at end of the year	-	-	-	-	-	-	17	-	-	-	-	-
Weighted-average fair value of stock options granted in the current period (NT\$)	\$ 20.3		\$ 25.9		\$ 23.7							

2024

Employee stock options	Third time in 2022 Share option plan		Second time in 2022 Share option plan		First time in 2022 Share option plan		First time in 2021 Share option plan		Second time in 2019 Share option plan		First time in 2019 Share option plan	
	Unit	Weighted average exercise price (NT\$ per share)	Unit	Weighted average exercise price (NT\$ per share)	Unit	Weighted average exercise price (NT\$ per share)	Unit	Weighted average exercise price (NT\$ per share)	Unit	Weighted average exercise price (NT\$ per share)	Unit	Weighted average exercise price (NT\$ per share)
Outstanding at beginning of the year	-	-	-	-	238	13.3	11	13.3	15	13.3	6	10
Granted during the year	80	47.92	1,404	49.44	-	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	(164)	13.3	(11)	13.3	(10)	13.3	(6)	10
Forfeited/Expired during the year	-	-	(85)	49.44	(7)	13.3	-	-	-	-	-	-
Outstanding at end of the year	80	47.92	1,319	49.44	67	13.3	-	-	5	13.3	-	-
Exercisable at end of the year	80	-	1,319	-	67	-	-	-	5	-	-	-
Weighted-average fair value of stock options granted in the current period (NT\$)	\$ 25.9		\$ 23.7									

Information related to outstanding employee stock options is as follows:

First issuance of share option plan in 2019

	2025	2024
Range of exercise price	\$ -	\$ 13.3

	2025	2024
executed (NT\$)		
Weighted average remaining contract term (year)	-	1 years

Second issuance of share option plan in 2019

	2025	2024
Range of exercise price executed (NT\$)	\$ 13.3	\$ 13.3
Weighted average remaining contract term (year)	0.8 years	1.8 years

First issuance of share option plan in 2021

	2025	2024
Range of exercise price executed (NT\$)	\$ 13.3	\$ 13.3
Weighted average remaining contract term (year)	1.9 years	2.9 years

First issuance of share option plan in 2022

	2025	2024
Range of exercise price executed (NT\$)	\$ 49.44	\$ 49.44
Weighted average remaining contract term (year)	0.74 years	1.74 years

Second issuance of share option plan in 2022

	2025	2024
Range of exercise price executed (NT\$)	\$ 47.92	\$ 47.92
Weighted average remaining contract term (year)	1.12 years	2.12 years

Third issuance of share option plan in 2022

	2025
Range of exercise price executed (NT\$)	\$ 39.36
Weighted average remaining contract term (year)	1.75 years

The company uses Black-Scholes evaluation model for the granted employee stock options. Parameters used in this model are as follows:

First issuance of share option plan in 2019	Second issuance of share option plan in 2019	First issuance of share option plan in 2021	First issuance of share option plan in 2022	Second issuance of share option plan in 2022	Third issuance of share option plan in 2022
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Equity value on grant date	NT\$ 18.95	NT\$ 18.40	NT\$ 61.43	NT\$ 61.8	NT\$ 59.9	NT\$ 49.2
Exercise price	NT\$ 13.3	NT\$ 13.3	NT\$ 13.3	NT\$ 49.44	NT\$ 47.92	NT\$ 39.36
Expected volatility	29.59%	34.03%	37.20%~38.58%	50.13%	60.57%	54.63%
Expected duration	4 years	4 years	4~4.5 years	2.25 years	2.25 years	2.25 years
Expected dividend rate	-	-	-	-	-	-
Risk-free interest rate	0.57%	0.23%	0.42%~0.43%	1.095%	1.134%	2.25%

(2) New restricted employee shares

A resolution was made at the regular Shareholders' Meeting of the company on May 3, 2022 to issue new restricted employee shares. Later, the Board of Directors made resolutions on the measures for issuance of new restricted employee shares in 2022 on December 19, 2023 and February 27, 2024 respectively. A total of 735,000 new restricted employee shares were issued with issue price of NT\$ 37.08/share. The aforesaid proposal for issuance of new restricted employee shares was effectively registered at Securities and Futures Bureau of the Financial Supervisory Commission on May 3, 2023.

A resolution was made at the regular Shareholders' Meeting of the company on May 3, 2022 to issue new restricted employee shares. Later, the Board of Directors made resolutions on the measures for issuance of new restricted employee shares in 2022 on December 19, 2023 and February 27, 2024 respectively. A total of 35,000 new restricted employee shares were issued with issue price of NT\$ 34.50/share. The aforesaid proposal for issuance of new restricted employee shares was effectively registered at Securities and Futures Bureau of the Financial Supervisory Commission on May 3, 2023.

A resolution was made at the regular Shareholders' Meeting of the company on May 3, 2022 to issue new restricted employee shares. Later, the Board of Directors made resolutions on the measures for issuance of new restricted employee shares in 2022 on December 19, 2023 and February 27, 2024 respectively. A total of 40,000 new restricted employee shares were issued with issue price of NT\$ 29.52/share. The aforesaid proposal for issuance of new restricted employee shares was effectively registered at Securities and Futures Bureau of the Financial Supervisory Commission on May 3, 2023.

The resolutions of the Board of Directors on issuance of new restricted employee shares are as follows:

Unit: 1,000 shares

Grant date	Granted number	Fair value per share	Base date of issuance and capital increase	Number of shares actually issued
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2024.03.28	735	\$	61.8	113.04.30	691
2024.11.05	35		57.5	113.11.20	35
2025.04.01	40		49.2	114.05.20	40

Employees will be entitled to the restricted employee rights shares based on the following vested conditions, provided they are still employed within three years from the capital increase reference date, starting from the date of allocation of the restricted employee rights shares:

Duration	Ratio of vested new restricted employee shares
Expiration for 1 year	30%
Expiration for 2 years	70%

1. General turnover (voluntary/retirement/severance/dismissal): New restricted employee shares failing to fulfill the vesting conditions will be deemed as failure to fulfill the vesting conditions on the date of turnover of relevant employees, and the company will purchase these employees' shares per the original issue price and then handle cancelation according to law.
2. Unpaid leave: New restricted employee shares failing to fulfill the vesting conditions will have their interests recovered since the date of reinstatement of employees. However, the conditions in the vesting period shall be postponed according to the duration of the unpaid leave.
3. General death: New restricted employee shares failing to fulfill the vesting conditions will be deemed as failure to fulfill the vesting conditions on the date of death of relevant employees, and the company will purchase these employees' shares per the original issue price and then handle cancelation according to law.
4. Occupational disasters:
 - (1) The new restricted employee shares failing to fulfill the vesting conditions as granted to employees who become physically disabled due to occupational diseases and cannot continue their employment to the Company will be deemed as fulfilling the vesting conditions according to paragraph (3) of this article.
 - (2) The new restricted employee shares failing to fulfill the vesting conditions as granted to employees who die due to occupational diseases will be deemed as the successors fulfilling the vesting conditions

according to subparagraph (3) of this paragraph since the date when the inherited employees die.

5. Job transfer: If an employee requires a job transfer to an affiliated enterprise or another company (not a subsidiary), his/her new restricted employee shares shall be handled as “General turnover” in the first subparagraph of this paragraph. However, the new restricted employee shares allocated to employees designated by the Company to work for an affiliated enterprise of the company or other companies due to the operational needs of the company will not be affected by such job transfer.
6. Employees or their successors shall, in accordance with the trust agreements, receive shares transferred after the vesting conditions are fulfilled.
7. It is not required to return stock dividends and cash dividends already allocated to employees even if the vesting conditions are not fulfilled during the vesting period.

The restricted rights of employees after being allocated with or subscribing new shares and before fulfilling the investing conditions are as follows:

1. Employees shall not sell, pledge, transfer, bestow to others, establish, or dispose by other means of the new restricted employee shares until the vesting conditions are fulfilled.
2. These new restricted employee shares may still be included in allotment of shares, dividend distribution, and share subscription by capital increase in cash before the vesting conditions are fulfilled.
3. Employees shall immediately deliver new restricted employees shares for trust or custody after issuance, and shall not request returning of the new restricted employee shares from the trustee or custodian on any ground or by any means before the vesting conditions are fulfilled.

Other matters agreed are as follows:

During a period when the new restricted employee shares are delivered for trust for custody, the company will act as a fully authorized agent of employees to engage in relevant matters with the stock trust agency or custodian agency (including but not limited to) negotiation, signing, revision, extension, recession, or termination of trust or custodian contracts, as well as instructions for delivery, application and disposal of trusted or custodied property.

The information of the company regarding new restricted employee shares is as follows:

	Number of shares (1,000 shares)	
	2025	2024
Beginning balance	716	-
Vested during the year	(204)	-
Issued during the year	40	726
Written off during the year	(105)	(10)
Ending balance	<u>447</u>	<u>716</u>

The remuneration expenses recognized for the 2025 and 2024 amounted to NT\$6,365,000 and NT\$ 8,404,000.

26. Government Grants

The Company applied for the “R&D Program for a Vehicle-Mounted Image Processing Driver Assistance Domain Controller System-on-Chip Platform Integrating Computational Expansion Die-to-Die Interconnection Technology” under the Industry Innovation Platform Program (thematic R&D program) of the Ministry of Economic Affairs, which was approved on October 11, 2024, with a total approved subsidy amount of NT\$80,000 thousand. As of December 31, 2025, the Company had cumulatively received subsidies of NT\$64,854 thousand and recognized subsidy income of NT\$51,783 thousand. Subsidy income recognized for the years ended December 31, 2025 and 2024 amounted to NT\$29,848 thousand and NT\$21,935 thousand, respectively (recognized under other income). As of December 31, 2025, the remaining subsidies received of NT\$13,071 thousand were recorded as deferred revenue – current and will be recognized as subsidy income over the useful lives of the related assets. In addition, the Company has established a designated account for subsidy funds in accordance with relevant regulations. Monthly withdrawals are made based on the monthly expenditure summary and shall not exceed the actual expenditures incurred.

The Company applied for the “Development Program of OEM Dash Cam for International Automotive Brands” under the Industry Innovation Platform Program (thematic R&D program) of the Ministry of Economic Affairs, which was approved on October 24, 2024, with a total approved subsidy amount of NT\$5,077 thousand. As of December 31, 2025, the Company had cumulatively received subsidies of NT\$5,073 thousand and recognized subsidy income of NT\$4,938 thousand. Subsidy income recognized for the years ended December 31, 2025 and 2024 amounted to NT\$938

thousand and NT\$4,000 thousand, respectively (recognized under other income). As of December 31, 2025, the remaining subsidies received of NT\$135 thousand were recorded as deferred revenue – current. In addition, the Company has established a designated account for subsidy funds in accordance with relevant regulations. Monthly withdrawals are made based on the monthly expenditure summary and shall not exceed the actual expenditures incurred.

27. Capital risk management

The Company conducts capital risk management to ensure that shareholders' rewards will be maximization through the optimization of debts and equity balance under a premise of continual operation.

The capital structure of the Company comprises its net debts (i.e., loans deducted with cash and cash equivalents) and equity (e.g., Share capital, capital surplus, accumulated deficit, and other equity items).

The Company is not required to abide by other external provisions on capital.

28. Financial instruments

- (1) Information on fair value – Financial instruments measured at fair value on a recurring basis

1. Fair value hierarchies

December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Limited Partnership	\$ -	\$ -	\$ 46,574	\$ 46,574
<u>Financial assets measured at fair value through other comprehensive income</u>				
Equity instrument investments				
- Domestic stocks not TWSE/TPEX listed	\$ -	\$ -	\$ 40,937	\$ 40,937

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Limited Partnership	\$ -	\$ -	\$ 23,562	\$ 23,562

Financial assets measured
at fair value through
other comprehensive
income

Equity instrument

investments

- Domestic stocks not

TWSE/TPEX listed

\$ -

\$ -

\$ 46,866

\$ 46,866

Transfer of measurement of fair value between Level 1 and Level 2 was not involved from January 1 to December 31 in 2025 and 2024 respectively.

2. Adjustment of financial instruments measured at fair value Level 3.

2025

Financial assets	Financial assets measured at fair value through profit or loss Fund beneficiary certificates	Financial assets measured at fair value through other comprehensive income Equity instruments
Beginning balance	\$ 23,562	\$ 46,866
Recognized in other comprehensive income (unrealized revaluation gains and losses of financial assets measured at fair value through other comprehensive income)	-	(5,929)
Recognized in profit or loss (other gains and losses)	14,686	-
Acquisition	8,660	-
Amount affected by exchange rate	(334)	-
Ending balance	<u>\$ 46,574</u>	<u>\$ 40,937</u>

2024

Financial assets	Financial assets measured at fair value through profit or loss Fund beneficiary certificates	Financial assets measured at fair value through other comprehensive income Equity instruments
Beginning balance	\$ 4,606	\$ 45,000
Recognized in other comprehensive income (unrealized revaluation gains and losses of financial assets measured at fair value through other comprehensive income)	-	1,866

Recognized in profit or loss (other gains and losses)	(1,081)	-
Acquisition	19,594	-
Amount affected by exchange rate	<u>443</u>	<u>-</u>
Ending balance	<u>\$ 23,562</u>	<u>\$ 46,866</u>

3. Evaluation technique and input value of measurement at fair value Level 3

The financial instruments measured at fair value Level 3 were domestic stocks not TWSE/TPEX listed and limited partnership Fund and market method was adopted to measure their fair value.

(2) Types of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets measured at fair value through profit or loss		
Measured at fair value mandatorily through profit or loss	\$ 46,574	\$ 23,562
Financial assets measured at fair value through other comprehensive income		
Equity instrument investments	40,937	46,866
Financial assets measured at amortized cost (Note 1)	1,155,429	1,388,169
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	135,729	154,284

Note 1: The balance includes cash and cash equivalents, financial assets measured at amortized cost-current, accounts receivable, other receivables, and refundable deposits, all of which are financial assets measured at amortized cost.

Note 2: Balance includes accounts payable, other current liabilities (not including salaries and bonuses payable and Deferred revenue – current), guarantee deposits received, and other financial liabilities measured at amortized cost.

(3) Purpose and policy of financial risk management

The Company's primary financial instruments include equity investments, beneficiary certificates of investment funds, accounts receivable, accounts payable, borrowings, and lease liabilities. The Company's financial management department

provides services to all business units and centrally coordinates operations in domestic and international financial markets. It monitors and manages financial risks related to the Company's operations through internal risk reports that analyze exposures by degree and magnitude of risk. These risks include market risk (including foreign exchange risk, interest rate risk, and other price risk), credit risk, and liquidity risk.

1. Market risks

The main financial risks caused by the operating activities of the Company, including risk of change in foreign currency exchange rate (Refer to (1)) below for foreign exchange risk, (Refer to (2)) below for interest rate risk, and (Refer to (3)) below for other price risk.). The Company's exposure to market risks of financial instruments and approaches adopted to manage and measure risk exposure haven't changed.

(1) Exchange rate risk

Since some cash inflows and outflows of the Company were implemented in foreign currencies, the effect of natural hedging was realized; the Company management of exchange rate risk aims to avoid risks instead of profiting.

The management strategy of exchange rate risk is to regularly review the net positions of assets and liabilities of various currencies, and conduct risk management for these net positions.

For the carrying amounts of monetary assets and monetary liabilities valued by the Company on the balance sheet date using non-functional currency, please refer to Notes 32.

Sensitivity analysis

The Company is mainly affected by the fluctuation of exchange rate against USD.

The sensitivity analysis of the Company is detailed in the table below given that the exchange rate of NTD (functional currency) against USD is increased or decreased by NT\$ 1. The sensitivity analysis intends to adjust outstanding foreign currency monetary items regarding its translated amounts as of year-end with change in exchange rate by NT\$ 1. The scope of sensitivity analysis includes cash and cash equivalents, accounts receivable, accounts payable, guarantee deposits received, and

other current liabilities. The negative number in the table below indicates the amount of loss before tax increased when NTD is appreciated by NT\$ 1 against USD; when NTD is depreciated by NT\$ 1 against USD, the impact on the loss before tax will be expressed as the positive number of the same amount.

	Effect of USD	
	2025	2024
Profit or loss	(\$ 13,821)	(\$ 3,985)

(2) Interest rate risk

Since the individuals in the Company simultaneously hold assets and liabilities with fixed and floating interest rates, exposure to interest rate risk is thus generated. The Company manages its interest rate risk by maintaining an appropriate portfolio of fixed and floating interest rates. The Company regularly evaluates the risk hedging activities and makes them align with the view on interest rate and the established risk preference, to ensure that hedging strategies complying with the cost effectiveness most are adopted.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Interest rate risk with fair value		
-Financial assets	\$841,406	\$937,077
-Financial liabilities	90,201	8,011
Interest rate risk with cash flow		
-Financial assets	139,106	233,478

Sensitivity analysis

The sensitivity analysis below is determined according to the exposure of non-derivative instruments to interest rate risk on the balance sheet date. For assets with floating rate liabilities, the analysis method adopted is to assume that the amount of outstanding assets on the balance sheet date is outstanding during the reporting period. The rate of change used to report interest rate to the main management of the Company is

0.125% of increased or decreased interest rate, which also represents the management's evaluation of the scope of reasonably possible changes of interest rate.

If the interest rate was increased/decreased by 0.125%, and all other variables remained unchanged, the before-tax net loss of the Company from January 1 to December 31, 2025 and 2024 would be increased /decreased by NT\$ 174,000 and NT\$ 292,000 respectively.

(3) Other Price Risk

The Company is primarily exposed to equity price risk arising from investments in equity securities.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the balance sheet date.

If equity prices had increased/decreased by 1%, profit or loss before tax for the years ended 2025 and 2024 would have increased/decreased by NT\$466 thousand and NT\$236 thousand, respectively, as a result of changes in the fair value of financial assets measured at fair value through profit or loss. In addition, other comprehensive income before tax would have increased/decreased by NT\$409 thousand and NT\$469 thousand, respectively, as a result of changes in the fair value of financial assets measured at fair value through other comprehensive income.

2. Credit risk

Credit risk refer to a risk of financial losses caused to the Company due to the counterparties' delay in performing their contractual obligations. As of the balance sheet date, the exposure of the Company to the maximum credit risk regarding the financial losses possibly resulting from the counterparties' failure to perform their obligations is primarily originated from the carrying amount of financial assets recognized in the balance sheet.

To mitigate the credit risk, the management of the Company has assigned a dedicated team to determine the limit of credit, approve credit extension, and perform other monitoring procedures to ensure that proper actions have been taken to recover the overdue receivables. Additionally, the Company rechecks the recoverable amount of receivables one by one on the balance sheet to

ensure that appropriate impairment losses have already been withdrawn for unrecoverable receivables. Based on the foregoing, the management of the Company believes that the credit risk of the Company has already significantly decreased.

Besides, since the counterparties of the working capital of the Company are most financial institutions and corporate organizations with good credit ratings, this credit risk is limited.

The credit risk of the Company mainly focuses on top-3 customers. As of December 31, 2025 and 2024, the total amount of accounts receivable from the aforesaid customers accounted for 17% and 31% respectively.

3. Liquidity risk

The Company supports its corporate operation and mitigates the influence of fluctuation of cash flows by managing and maintaining enough positions of cash and cash equivalents.

For the limit of short-term bank financing not yet used by the Company of please refer to notes for financing amount in (2) below.

(1) Liquidity of non-derivative financial liabilities and table of interest rate risk

The maturity analysis of non-derivative financial liabilities is based on the earliest date the Company could be required to repay, and is prepared using the undiscounted cash flows of the financial liabilities, which include both interest and principal cash flows.

December 31, 2025

	Payment at demand or less than 1 months as required	1~3 months	3 months~1 year	1~5 years	Over 5 years
Interest-free liabilities	\$ 46,724	\$ 17,760	\$ -	\$ -	\$ -
Lease liabilities	<u>2,726</u>	<u>5,040</u>	<u>21,083</u>	<u>65,479</u>	<u>-</u>
	<u>\$ 49,450</u>	<u>\$ 22,800</u>	<u>\$ 21,083</u>	<u>\$ 65,479</u>	<u>\$ -</u>

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

	Less than 1 year	1~5 years	5~10 years	10~15 years
Lease liabilities	<u>\$ 28,849</u>	<u>\$ 65,479</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2024

	Payment at demand or less than 1 months as required	1~3 months	3 months~1 year	1~5 years	Over 5 years
Interest-free liabilities	\$ 62,368	\$ 16,899	\$ -	\$ -	\$ -
Lease liabilities	<u>1,142</u>	<u>942</u>	<u>4,241</u>	<u>1,787</u>	<u>-</u>
	<u>\$ 63,510</u>	<u>\$ 17,841</u>	<u>\$ 4,241</u>	<u>\$ 1,787</u>	<u>\$ -</u>

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

	Less than 1 year	1~5 years	5~10 years	10~15 years
Lease liabilities	<u>\$ 6,325</u>	<u>\$ 1,787</u>	<u>\$ -</u>	<u>\$ -</u>

(2) Financing amount

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured bank overdraft limit (reviewed gain every year)		
-Amount used	\$ 59,972	\$ 50,070
-Amount not yet used	<u>573,392</u>	<u>584,937</u>
	<u>\$633,364</u>	<u>\$635,007</u>

29. Related Party Transactions

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

(1) Names of related parties and their relations with the Company

<u>Name of related party</u>	<u>Relation with the Company</u>
Sunplus Technology Co., Ltd.	Affiliated enterprise
Sunplus Prof-tek Technology (Shenzhen) Co., Ltd.	Affiliated enterprise
Egis Technology Inc.	Affiliated enterprise
Alcor Micro,Corp. (The former StarRiver Semiconductor Corp. was merged and dissolved on December 31, 2024.)	Affiliated enterprise
Teletrex Co.	Substantial related party

(2) Operating revenue

<u>Recorded item</u>	<u>Category of related party</u>	<u>2025</u>	<u>2024</u>
Revenue from	Affiliated enterprise	<u>\$ -</u>	<u>\$ 2,919</u>

design services

The prices of goods sold by the Company to its related parties are determined according to the conditions negotiated and determined by the two parties, and there are no appropriate transaction objects available for comparison.

(3) Receivables from related parties

<u>Recorded item</u>	<u>Category of related party / Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable	Affiliated enterprise	<u>\$ -</u>	<u>\$ 3,098</u>

Receivables from Related Parties Not Secured. No provision for loss was made for the receivables from related parties for the year 2024.

(4) Payables to related parties

<u>Recorded item</u>	<u>Category of related party / Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable	Affiliated enterprise	<u>\$ -</u>	<u>\$ 63</u>
Other current liabilities	Affiliated enterprise	<u>\$ 99</u>	<u>\$ 183</u>

The outstanding balance of payables to related parties is unsecured.

(5) Prepayments

<u>Category of related party</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Affiliated enterprise	\$ 6,915	\$ 797
Substantial related party	<u>-</u>	<u>6,254</u>
	<u>\$ 6,915</u>	<u>\$ 7,051</u>

(6) Lease agreements

Category of related party / Name	2025	2024
<u>Acquisition of right-of-use assets</u>		
Affiliated enterprise Sunplus Technology Co., Ltd.	<u>\$ 23,371</u>	<u>\$ 934</u>

Recorded item	Category of related party / Name	December 31, 2025	December 31, 2024
Lease liabilities - Current	Affiliated enterprise Sunplus Technology Co., Ltd.	<u>\$ 7,807</u>	<u>\$ 1,061</u>

Lease liabilities - Non-current	Affiliated enterprise Sunplus Technology Co., Ltd.	\$ <u>8,624</u>	\$ <u>33</u>
Refundable deposits	Affiliated enterprise Sunplus Technology Co., Ltd.	\$ <u>1,220</u>	\$ <u>1,220</u>

Category of related party / Name	2025	2024
<u>Financial cost - Interest of lease liabilities</u>		
Affiliated enterprise Sunplus Technology Co., Ltd.	\$ <u>413</u>	\$ <u>73</u>

The Company leased offices from Sunplus and relevant lease prices were determined according to contractual provisions.

(7) Acquisition of other assets

Recorded item	Category of related party	Consideration received	
		2025	2024
Intangible assets – technology licensing cost	Affiliated enterprise	\$ <u>-</u>	\$ <u>10,727</u>

(8) Transactions of other related parties

Recorded item	Category of related party	2025	2024
Manufacturing expenses	Affiliated enterprise	\$ <u>661</u>	\$ <u>625</u>
Operating expenses	Affiliated enterprise Substantial related party	\$ 35,280	\$ 52,693
		<u>6,254</u>	<u>362</u>
		\$ <u>41,534</u>	\$ <u>53,055</u>

The prices of testing fees paid by the Company to the related party as well as transaction conditions were determined according to the conditions negotiated by the two parties. The labor support fees paid by the Company to the related party were determined according to the conditions negotiated by the two parties.

(9) Remuneration for the main management

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 22,256	\$ 19,376
Share-based payment	3,491	-
Post-employment benefits	<u>432</u>	<u>414</u>
	<u>\$ 26,179</u>	<u>\$ 19,790</u>

The remuneration of directors and other main management members have been determined by the Remuneration Committee based on individual performance and market trends.

30. Pledged Assets

The following assets have been provided as collateral for performance guarantees and the purchase of raw materials:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Pledged time deposits (financial assets measured at amortized cost – current)	<u>\$ 81,077</u>	<u>\$ 37,077</u>

31. Subsequent Events

On February 24, 2026, the Company's Board of Directors resolved to conduct a private placement through a cash capital increase by issuing ordinary shares, with a total number of shares not exceeding 10,000 thousand shares. The issuance will be carried out in up to four tranches within one year from the date of the shareholders' meeting resolution. The actual pricing date and the private placement price will be submitted to the shareholders' meeting for approval, with the Board of Directors authorized to determine such terms within a range not lower than the percentage approved by the shareholders' meeting and not lower than the par value of NT\$10 per share, taking into consideration future market conditions and the status of negotiations with specific investors.

32. Information on foreign currency assets and liabilities with a material impact

The information below is summarized and expressed regarding foreign currencies beyond the functional currency of the Company, and the exchanges rates disclosed refer to the exchange rates of such foreign currencies against the functional currency. The foreign currency assets and liabilities with a material impact are as follows:

December 31, 2025

	Foreign currency	Exchange rate	Carrying amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 16,367	31.430	\$ 514,419
CNY	4	4.496	16
GBP	1	42.330	34
JPY	90	0.201	18
HKD	2	4.038	6
EUR	1	36.900	18

<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	2,547	31.430	80,084
EUR	300	36.900	11,070
CNY	11	4.496	49

December 31, 2024

	Foreign currency	Exchange rate	Carrying amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 6,854	32.785	\$ 224,708
CNY	4	4.478	18
GBP	1	41.19	41
JPY	15	0.2099	3
HKD	1	4.222	4
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	\$ 2,869	32.785	\$ 94,060
CNY	22	4.478	99
JPY	65	0.2099	14

Gains and losses (realized and unrealized) on foreign currency exchange with a material impact are as follows:

Foreign currency	2025	Net exchange gain	2024	Net exchange gain
	Exchange rate		Exchange rate	
USD	31.430 (USD: NTD)	(\$ 1,691)	32.785 (USD: NTD)	\$ 31,679
HKD	4.038 (HKD: NTD)	-	4.222 (HKD: NTD)	1
CNY	4.496 (CNY: NTD)	(427)	4.478 (CNY: NTD)	(244)
GBP	42.330 (GBP: NTD)	1	41.19 (GBP: NTD)	2
JPY	0.201 (JPY: NTD)	(8)	0.2099 (JPY: NTD)	(9)
EUR	36.900 (EUR: NTD)	(187)	34.140 (EUR: NTD)	(35)
		(\$ 2,312)		\$ 31,394

33. Note Disclosures

(1) Relevant information of Major transactions and

1. Lending of funds to others: None.
 2. Provision of endorsement guarantee for others: None.
 3. Significant marketable securities held at the end of the period (not including equity in the invested subsidiaries, affiliated enterprises, and joint ventures): Schedule 1.
 4. Amount of goods purchased from and sold to related parties reached NT\$ 100,000,000 or above, or accounted for 20% of paid-in capital or above: None.
 5. Payments received from related parties reached NT\$ 100,000,000 or above, or accounted for 20% of paid-in capital or above: None.
 6. Others: Business relations and major transactions between the parent company and its subsidiaries and between subsidiaries and amount therefore involved: None.
- (2) Information of investees: Schedule 2.
- (3) Information of mainland China investments: None.
1. Names and main business items of companies invested in mainland China, paid-in capital, investment method, capital outflow/inflow, shareholding ratios, investment profits or losses, ending carrying amount of investments, investment profits or losses already repatriated, and investment limit in mainland China: None.
 2. Major transactions conducted directly or indirectly through third regions with companies invested in mainland China, and prices, payment terms and unrealized profits or losses thereof: None.
 - (1) Purchasing amount and percentage, and ending balance and percentage of relevant payables.
 - (2) Sales amount and percentage, and ending balance and percentage of relevant receivables.
 - (3) Property transaction amount as well as the profit or loss amount generated.
 - (4) Ending balance of bill endorsement guarantee or collateral provided and its purpose.
 - (5) Maximum financing balance, ending balance, interest rate range, and total interest incurred in the current period.
 - (6) Other transactions having a material impact on current profits or losses or financial position, e.g., rendering or receipt of labor service, etc.

iCatch Technology, Inc.
Significant marketable securities held at the end of the period
December 31, 2025

Schedule 1

Unit: NT\$ 1,000, unless otherwise specified

Holding company	Type and name of securities	Relation with the issuer of securities	Recorded item	Ending				Remarks
				Number of shares	Carrying amount	Shareholding ratio (%)	Fair value	
iCatch Technology, Inc.	<u>Stocks</u> Teletrx Co.	Related party in substance	Non-current financial assets measured at fair value through other comprehensive income	2,615,243	\$ 23,537	8.00	\$ 23,537	—
	eNeural Technologies, Inc.	None	Non-current financial assets measured at fair value through other comprehensive income	6,000,000	17,400	7.56	17,400	—
	<u>Funds</u> Neo One Capital Fund I L. P.	None	Non-current financial assets measured at fair value through profit or loss	-	28,012	1.54	28,012	—
	Innolux Development II Venture Investment Limited Partnership	None	Non-current financial assets measured at fair value through profit or loss	-	18,562	0.81	18,562	—

iCatch Technology, Inc.
Information of Investees
December 31, 2025

Schedule 2

Unit: NT\$ 1,000, unless otherwise specified

Name of investment company	Name of investee	Region	Main business item	Original investment amount		Holding at the end of period			Current profit (loss) of investee	Investment profit (loss) recognized in the current period	Remarks
				End of the current period	End of last year	Number of shares (1,000 shares)	Ratio (%)	Carrying amount			
iCatch Technology	iCatch Global Inc.	Samoa	Investment	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	Subsidiary
iCatch Global Inc.	iCatch Holdings Inc.	Seychelles	Investment	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	Subsidiary

Note: iCatch Global Inc. and iCatch Holdings Inc. completed establishment registration in March 2020, while the Company didn’t actually remit any payments.

§ Schedule of Significant Accounting Items §

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iCatch Technology, Inc.
Schedule of Cash and Cash Equivalents
December 31, 2025

Schedule 1

Unit: NT\$ thousand, unless otherwise noted

Description	Amount
Bank Deposits	
Cash on Hand (Note 1)	\$ 118
Demand Deposits	85,827
Foreign Currency Deposits (Note 2)	53,279
Time Deposits (Note 3)	<u>744,300</u>
Total	<u>\$883,524</u>

Note 1: Includes JPY90 thousand (exchange rate: JPY1 = NT\$0.201), RMB4 thousand (exchange rate: RMB1 = NT\$4.496), HKD2 thousand (exchange rate: HKD1 = NT\$4.038), US\$1 thousand (exchange rate: US\$1 = NT\$31.430), GBP1 thousand (exchange rate: GBP1 = NT\$42.330), and EUR1 thousand (exchange rate: EUR1 = NT\$36.900).

Note 2: USD 1,695 thousand (exchange rate: USD\$1 = NT\$31.430).

Note 3: Time deposits denominated in New Taiwan dollars amounted to NT\$430,000 thousand, maturing gradually by the end of March 2026, with interest rates ranging from 0.850% to 1.660%. In addition, time deposits denominated in U.S. dollars amounted to US\$10,000 thousand (exchange rate: US\$1 = NT\$31.43), maturing gradually by the end of February 2026, with interest rates ranging from 3.900% to 4.000%.

iCatch Technology, Inc.
Schedule of Accounts Receivable
December 31, 2025

Schedule 2

Unit: NT\$ thousand

Customer Name	Amount
Non-Related Parties	
Customer A	\$ 43,541
Customer B	34,486
Customer C	28,721
Customer D	27,503
Customer E	17,825
Customer F	13,920
Others (Note)	1,320
	<u>\$167,316</u>

Note: The balance of each customer listed under “Others” does not exceed 5% of the total balance of this account.

iCatch Technology, Inc.
Schedule of Inventories
December 31, 2025

Schedule 3

Unit: NT\$ thousand

Item	Amount	
	Cost	Item
Finished Goods	\$ 77,691	\$108,930
Work in Process	110,116	233,504
Raw Materials	<u>10,642</u>	<u>14,177</u>
Total	<u>\$198,449</u>	<u>\$356,611</u>

Note: Net realizable value refers to the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

iCatch Technology, Inc.

Schedule of Financial Assets at Fair Value Through Profit or Loss – Non-current Schedule

December 31, 2025

Schedule 4

Unit: NT\$ thousand / thousand shares

Financial Instrument Name	Shares Held	Book Value	Fair Value	
			Price per Unit (NTD)	Total
Limited Partnership				
Neo One Capital	-	\$ 28,012	\$ -	\$ 28,012
Fund I L.P.				
CDIB Innolux Fund	-	<u>18,562</u>	-	<u>18,562</u>
II Limited				
Partnership		<u>\$ 46,574</u>		<u>\$ 46,574</u>

iCatch Technology, Inc.

Schedule of Financial Assets at Fair Value Through Other Comprehensive Income –

Non-current

December 31, 2025

Schedule 5

Unit: NT\$ thousand / thousand shares

Financial Instrument Name	Shares Held	Book Value	Fair Value	
			Price per Unit (NTD)	Total
Unlisted (OTC)				
Domestic Stocks				
Teletx Co.	2,615	\$ 23,537	\$ 9.00	\$ 23,537
eNeural Technologies, Inc.	6,000	<u>17,400</u>	2.90	<u>17,400</u>
		<u>\$ 40,937</u>		<u>\$ 40,937</u>

iCatch Technology, Inc.

Schedule of Changes in Right-of-Use Assets and Accumulated Depreciation

January 1 to December 31, 2025

Schedule 6

Unit: NT\$ thousand

Item	Buildings	Transportation Equipment	Total
Cost			
Balance, January 1, 2025	\$ 31,607	\$ 3,456	\$ 35,063
Additions	96,333	443	96,776
Disposals	(22,336)	(268)	(22,604)
Balance, December 31, 2025	<u>105,604</u>	<u>3,631</u>	<u>109,235</u>
Accumulated Depreciation			
Balance, January 1, 2025	25,761	1,364	27,125
Depreciation Expense	15,268	1,211	16,479
Disposals	(22,336)	(268)	(22,604)
Balance, December 31, 2025	<u>18,693</u>	<u>2,307</u>	<u>21,000</u>
Net amount, December 31, 2025	<u>\$ 86,911</u>	<u>\$ 1,324</u>	<u>\$ 88,235</u>

iCatch Technology, Inc.
Schedule of Accounts Payable
December 31, 2025

Schedule 7

Unit: NT\$ thousand

Supplier Name	Amount
Non-Related Parties	
Supplier A	\$ 27,382
Supplier B	14,652
Supplier C	6,038
Supplier D	4,393
Others (Note)	<u>739</u>
	<u>\$ 53,204</u>

Note: The balance of each individual supplier under "Others" does not exceed 5% of the total account balance.

iCatch Technology, Inc.
Schedule of Lease Liabilities
December 31, 2025

Schedule 8

Unit: NT\$ thousand unless otherwise
specified

Category	Lease Term	Discount Rate	Amount
Buildings	From 2024.02 to 2030.01	1.880%~2.485%	\$ 88,852
Transportation Equipment	From 2023.10 to 2027.12	1.985%~2.355%	<u>1,349</u>
Total			90,201
Less: Current Portion of Lease Liabilities			(<u>27,027</u>)
Non-Current Lease Liabilities			<u>\$ 63,174</u>

iCatch Technology, Inc.
Schedule of Operating Revenues
January 1 to December 31, 2025

Schedule 9

Unit: NT\$ thousand unless otherwise
specified

Item	Quantity (thousand units)	Amount
Operating Revenue		
IC Revenue	7,668	\$ 1,031,159
Less: Sales Allowances		<u>901</u>
Total		1,030,258
Other Revenues		<u>95,387</u>
Net Sales Revenue		<u><u>\$ 1,125,645</u></u>

iCatch Technology, Inc.
Schedule of Operating Costs
January 1 to December 31, 2025

Schedule 10

Unit: NT\$ thousand

<u>Item</u>	<u>Amount</u>
Beginning Raw Materials	\$ 24,093
Materials Purchased During the Year	415,128
Transferred to Expenses & Other	1,242
Ending Raw Materials	(<u>10,642</u>)
Materials Used During the Year	429,821
Manufacturing Expenses	<u>235,621</u>
Manufacturing Costs	665,442
Beginning Work in Progress	81,897
Transferred to Expenses & Other	(1,041)
Ending Work in Progress	(<u>110,116</u>)
Finished Goods Cost	636,182
Beginning Finished Goods	73,524
Transferred to Expenses & Other	(350)
Ending Finished Goods	(77,691)
Labor Costs	<u>52,673</u>
Total Operating Costs	<u>\$684,338</u>

iCatch Technology, Inc.
Schedule of Operating Expenses
January 1 to December 31, 2025 and 2024

Schedule 11

Unit: NT\$ thousand

Item	Selling Expenses	Administrative Expenses	Research and Development Expenses
After-sales Service Costs	\$ 31,494	\$ -	\$ -
Royalties	29,777	-	-
Salary Expenses	13,573	34,560	228,853
Depreciation Expenses	305	2,958	65,175
Directors' remuneration	-	5,370	-
Labor Costs	912	5,685	4,373
Amortization Expenses	9	1,548	70,024
Technical Service Fees	-	-	84,151
Other (Note)	<u>5,570</u>	<u>16,040</u>	<u>89,804</u>
	<u>\$ 81,640</u>	<u>\$ 66,161</u>	<u>\$ 542,380</u>

Note: The amounts for each item do not exceed 5% of the respective account balances.

iCatch Technology, Inc.
Summary of Employee Benefits, Depreciation, and Amortization Expenses by Function
January 1 to December 31, 2025 and 2024

Schedule 12

Unit: NT\$ thousand

	2025			2024		
	Related to Operating Costs	Related to Operating Expenses	Total	Related to Operating Costs	Related to Operating Expenses	Total
Employee Benefits						
Salary Expenses	\$ 37,697	\$ 276,986	\$ 314,683	\$ 40,266	\$ 261,127	\$ 301,393
Labor & Health Insurance Expenses	1,218	20,608	21,826	1,149	19,430	20,579
Pension Expenses	723	12,505	13,228	684	12,042	12,726
Directors' Compensation	-	5,370	5,370	-	5,214	5,214
Other Employee Benefits	519	7,724	8,243	562	6,922	7,484
Total	<u>\$ 40,157</u>	<u>\$ 323,193</u>	<u>\$ 363,350</u>	<u>\$ 42,661</u>	<u>\$ 304,735</u>	<u>\$ 347,396</u>
Depreciation Expenses	<u>\$ 1,200</u>	<u>\$ 68,438</u>	<u>\$ 69,638</u>	<u>\$ 999</u>	<u>\$ 47,707</u>	<u>\$ 48,706</u>
Amortization Expenses	<u>\$ 24</u>	<u>\$ 71,581</u>	<u>\$ 71,605</u>	<u>\$ 15</u>	<u>\$ 32,732</u>	<u>\$ 32,747</u>

Notes:

- The average number of employees for 2025 and 2024 was 181 and 178, respectively. Among them, the number of directors who are not concurrently employees was 9 for both years.
- For companies whose stocks are listed on the stock exchange or traded on the over-the-counter market, the following information should be disclosed:
 - The average employee benefits expense for the current year is NT\$ 2,034 thousand ("Total Employee Benefits Expense for the Current Year – Total Directors' Compensation") / ("Total Employees for the Current Year – Non-employee Directors").
The average for the previous year was NT\$ 1,989 thousand. ("Total Employee Benefits Expense for the Previous Year – Total Directors' Compensation") / ("Total Employees for the Previous Year – Non-employee Directors").
 - The average salary expense per employee for the current year is NT\$ 1,788 thousand ("Total Salary Expense for the Current Year") / ("Total Employees for the Current Year – Non-employee Directors").
The average for the previous year was NT\$ 1,752 thousand. ("Total Salary Expense for the Previous Year") / ("Total Employees for the Previous Year – Non-employee Directors").
 - The adjustment rate for the average salary expense per employee is 2.05% ("Current Year Average Employee Salary Expense – Previous Year Average Employee Salary Expense") / Previous Year Average Employee Salary Expense.
 - The company does not have any supervisors, so there is no disclosure of compensation, remuneration, or business execution expenses for supervisors.
 - Company salary policy (including directors, supervisors, managers, and employees):
 - The Company's directors' compensation is determined with reference to the overall operating performance of the Company, taking into account each director's level of participation in operations and the results of performance evaluations. In addition, pursuant to the Company's Articles of Incorporation, if the Company reports a profit for the year, no more than 1.5% of such profit shall be allocated as directors' compensation and no less than 1% as employee compensation. Of the employee compensation for the current year, no less than 1% shall be allocated to grassroots employees. However, if the Company has accumulated losses, an amount shall first be reserved to offset such losses.

- B. The company's manager and employee compensation is determined based on work experience, job responsibilities, performance, contribution to company operations, industry standards, and company profitability.