

VIKING TECH CORPORATION
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2025 AND 2024

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25000595

To the Board of Directors and Shareholders of VIKING TECH CORPORATION

Opinion

We have audited the accompanying balance sheets of VIKING TECH CORPORATION (the "Company") as at December 31, 2025 and 2024, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters in relation to the parent company only financial statements for the year ended December 31, 2025 are outlined as follows:

Cut-off risk error of revenue recognition

Description

Refer to Note 4(24) for accounting policy on revenue recognition. The Company is primarily engaged in export and offers different credit terms to their customers. The credit terms for some customers are delivered at place and the timing for transferring the control of goods is based on the customer confirmation documents. Given that the revenue recognition process relies on manual processes and the large volume of daily sales transactions which are material to the financial statements, we thus consider sales cut-off as a key audit matter.

How our audit addressed the matter

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

1. Assessed the reasonableness of the sales recognition accounting policy.
2. Understood and tested the design and effectiveness of relevant internal controls when recognising the sales revenue.
3. Sampled delivery orders and customer confirmation documents during a certain period before and after the balance sheet date to ensure the accuracy of cut-off of sales revenue.

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(11) for accounting policies on inventory, Note 5 for significant accounting estimates and assumptions of inventory, and Note 6(4) for description.

The Company manufactures and sells thick and thin film passive components products. Due to the competitive market in the industry and the fluctuating prices, there is a higher risk of inventory losing value or becoming obsolete. The inventories are stated at the lower of cost and net realisable value and the possible losses arising from aged and obsolete inventories are also assessed. Given that the evaluation on the aged and obsolete inventories involves subjective judgement which results in estimation uncertainty and the impact of aged inventories and allowance for inventory valuation losses are material to the financial statements, we thus consider assessment of allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

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

1. Understood and assessed the reasonableness of allowance for inventory valuation losses policy including the historical sources of inventory clearance process.
2. Obtained the inventory assessment report prepared by the management and checked the completeness of the information on the inventory aging report.
3. Verified the accuracy of the intervals and relevant information used on the inventory aging report, ensured that the allowance loss valuation and the provision policy are consistently applied and further assessed the reasonableness of the estimations of allowance for inventory valuation losses.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

- fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 the Company to cease to continue as a going concern.
 5. Evaluate the overall presentation, structure and content of the 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Shu-Chien Pai

Liu, Chien-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 6, 2026

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

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

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

| Assets | Notes | December 31, 2025 | | December 31, 2024 | | |
|---------------------------|--|-------------------|---------------------|-------------------|---------------------|------------|
| | | AMOUNT | % | AMOUNT | % | |
| Current assets | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 330,067 | 8 | \$ 357,728 | 9 |
| 1110 | Financial assets at fair value through profit or loss - current | 6(2) | 530,653 | 13 | 539,871 | 14 |
| 1150 | Notes receivable, net | 6(3) | 2,348 | - | 2,245 | - |
| 1170 | Accounts receivable, net | 6(3) | 311,728 | 8 | 302,827 | 8 |
| 1180 | Accounts receivable - related parties | 6(3) and 7 | 397,160 | 10 | 286,991 | 8 |
| 1200 | Other receivables | | 8,655 | - | 7,986 | - |
| 1210 | Other receivables - related parties | 7 | 494 | - | 1,010 | - |
| 1220 | Current income tax assets | | 5,744 | - | 5,744 | - |
| 130X | Inventories, net | 6(4) | 633,265 | 16 | 620,733 | 16 |
| 1410 | Prepayments | | 33,719 | 1 | 31,547 | 1 |
| 1479 | Other current assets | 8 | 2,290 | - | 2,103 | - |
| 11XX | Total current assets | | <u>2,256,123</u> | <u>56</u> | <u>2,158,785</u> | <u>56</u> |
| Non-current assets | | | | | | |
| 1550 | Investments accounted for under equity method | 6(5) | 472,702 | 12 | 435,549 | 11 |
| 1600 | Property, plant and equipment | 6(6)(24) and 8 | 1,167,918 | 29 | 1,194,936 | 31 |
| 1755 | Right-of-use assets | 6(7) | 16,577 | 1 | 12,822 | - |
| 1780 | Intangible assets | | 10,998 | - | 5,302 | - |
| 1840 | Deferred income tax assets | 6(22) | 24,762 | 1 | 24,289 | 1 |
| 1900 | Other non-current assets | | 48,241 | 1 | 35,927 | 1 |
| 15XX | Total non-current assets | | <u>1,741,198</u> | <u>44</u> | <u>1,708,825</u> | <u>44</u> |
| 1XXX | Total assets | | <u>\$ 3,997,321</u> | <u>100</u> | <u>\$ 3,867,610</u> | <u>100</u> |

(Continued)

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

| Liabilities and Equity | | Notes | December 31, 2025 | | December 31, 2024 | |
|--------------------------------|--|------------|---------------------|------------|---------------------|------------|
| | | | AMOUNT | % | AMOUNT | % |
| Current liabilities | | | | | | |
| 2170 | Accounts payable | 7 | \$ 177,274 | 4 | \$ 137,978 | 4 |
| 2200 | Other payables | 6(8) and 7 | 283,205 | 7 | 253,794 | 7 |
| 2230 | Current income tax liabilities | | 6,538 | - | 13,421 | - |
| 2280 | Current lease liabilities | | 4,829 | - | 4,821 | - |
| 2320 | Long-term liabilities, current portion | 6(9) and 8 | 20,337 | 1 | 19,931 | - |
| 2399 | Other current liabilities | | 7,985 | - | 3,474 | - |
| 21XX | Total current Liabilities | | <u>500,168</u> | <u>12</u> | <u>433,419</u> | <u>11</u> |
| Non-current liabilities | | | | | | |
| 2540 | Long-term borrowings | 6(9) and 8 | 9,883 | - | 30,221 | 1 |
| 2570 | Deferred income tax liabilities | 6(22) | 4,577 | - | 1,286 | - |
| 2580 | Non-current lease liabilities | | 11,958 | 1 | 8,163 | - |
| 2600 | Other non-current liabilities | | 4,558 | - | 4,754 | - |
| 25XX | Total non-current liabilities | | <u>30,976</u> | <u>1</u> | <u>44,424</u> | <u>1</u> |
| 2XXX | Total Liabilities | | <u>531,144</u> | <u>13</u> | <u>477,843</u> | <u>12</u> |
| Equity | | | | | | |
| | Share capital | 6(11) | | | | |
| 3110 | Ordinary share | | 1,173,408 | 29 | 1,173,408 | 31 |
| | Capital surplus | 6(12) | | | | |
| 3200 | Capital surplus | | 730,121 | 19 | 730,121 | 19 |
| | Retained earnings | 6(13) | | | | |
| 3310 | Legal reserve | | 366,252 | 9 | 342,041 | 9 |
| 3320 | Special reserve | | - | - | 12,391 | - |
| 3350 | Unappropriated retained earnings | | 1,191,696 | 30 | 1,129,666 | 29 |
| | Other equity interest | 6(14) | | | | |
| 3400 | Other equity interest | | 4,700 | - | 2,140 | - |
| 3XXX | Total equity | | <u>3,466,177</u> | <u>87</u> | <u>3,389,767</u> | <u>88</u> |
| | Significant Contingent Liabilities and | 9 | | | | |
| | Unrecognised Contract Commitments | | | | | |
| | Significant events after the balance | 11 | | | | |
| | sheet date | | | | | |
| 3X2X | Total liabilities and equity | | <u>\$ 3,997,321</u> | <u>100</u> | <u>\$ 3,867,610</u> | <u>100</u> |

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

VIKING TECH CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

| | Items | Notes | Year ended December 31 | | | |
|------|---|--------------------|------------------------|-------|--------------|-------|
| | | | 2025 | | 2024 | |
| | | | AMOUNT | % | AMOUNT | % |
| 4000 | Operating revenue | 6(15) and 7 | \$ 2,344,518 | 100 | \$ 2,249,883 | 100 |
| 5000 | Operating costs | 6(4)(20)(21) and 7 | (1,820,845) | (77) | (1,707,116) | (76) |
| 5900 | Gross Profit | | 523,673 | 23 | 542,767 | 24 |
| 5910 | Unrealized profit from sales | | (7,841) | - | (7,509) | - |
| 5920 | Realized profit from sales | | 7,509 | - | 11,822 | - |
| 5950 | Net operating margin | | 523,341 | 23 | 547,080 | 24 |
| | Operating expenses | 6(20)(21) | | | | |
| 6100 | Selling expenses | 7 | (109,605) | (5) | (108,505) | (5) |
| 6200 | General and administrative expenses | | (140,887) | (6) | (143,376) | (6) |
| 6300 | Research and development expenses | | (72,432) | (3) | (73,075) | (3) |
| 6450 | Expected credit gain (loss) | 12(2) | 114 | - | (122) | - |
| 6000 | Total operating expenses | | (322,810) | (14) | (325,078) | (14) |
| 6900 | Operating profit | | 200,531 | 9 | 222,002 | 10 |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(16) | 3,558 | - | 4,000 | - |
| 7010 | Other income | 6(17) and 7 | 16,557 | 1 | 19,117 | 1 |
| 7020 | Other gains and losses | 6(2)(18) | (756) | - | 24,037 | 1 |
| 7050 | Finance costs | 6(19) | (1,085) | - | (2,504) | - |
| 7070 | Share of profit of associates and joint ventures accounted for using equity method, net | 6(5) | 34,925 | 1 | 13,449 | 1 |
| 7000 | Total non-operating income and expenses | | 53,199 | 2 | 58,099 | 3 |
| 7900 | Profit before income tax | | 253,730 | 11 | 280,101 | 13 |
| 7950 | Income tax expense | 6(22) | (35,551) | (2) | (37,981) | (2) |
| 8200 | Profit for the year | | \$ 218,179 | 9 | \$ 242,120 | 11 |
| | Other comprehensive income, net | | | | | |
| | Components of other comprehensive income that will be reclassified to profit or loss | | | | | |
| 8361 | Other comprehensive income, before tax, exchange differences on translation | 6(5)(14) | \$ 2,560 | - | \$ 14,531 | - |
| 8300 | Other comprehensive income for the year | | \$ 2,560 | - | \$ 14,531 | - |
| 8500 | Total comprehensive income for the year | | \$ 220,739 | 9 | \$ 256,651 | 11 |
| | Earnings per share | | | | | |
| 9750 | Basic earnings per share | 6(23) | \$ 1.86 | | \$ 2.06 | |
| 9850 | Diluted earnings per share from continuing operations | 6(23) | \$ 1.85 | | \$ 2.05 | |

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

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

| | Notes | Retained earnings | | | | | Financial statements translation differences of foreign operations | Total equity |
|---|-------|---------------------|-------------------|-------------------|------------------|----------------------------------|--|---------------------|
| | | Ordinary share | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | | |
| <u>Year ended December 31, 2024</u> | | | | | | | | |
| Balance at January 1, 2024 | | \$ 1,173,408 | \$ 730,121 | \$ 315,859 | \$ 6,328 | \$ 1,060,600 | (\$ 12,391) | \$ 3,273,925 |
| Profit for the year | | - | - | - | - | 242,120 | - | 242,120 |
| Other comprehensive income for the year | 6(14) | - | - | - | - | - | 14,531 | 14,531 |
| Total comprehensive income for the year | | - | - | - | - | 242,120 | 14,531 | 256,651 |
| Distribution of retained earnings of 2023 | 6(13) | | | | | | | |
| Legal reserve | | - | - | 26,182 | - | (26,182) | - | - |
| Special reserve | | - | - | - | 6,063 | (6,063) | - | - |
| Cash dividends | | - | - | - | - | (140,809) | - | (140,809) |
| Balance at December 31, 2024 | | <u>\$ 1,173,408</u> | <u>\$ 730,121</u> | <u>\$ 342,041</u> | <u>\$ 12,391</u> | <u>\$ 1,129,666</u> | <u>\$ 2,140</u> | <u>\$ 3,389,767</u> |
| <u>Year ended December 31, 2025</u> | | | | | | | | |
| Balance at January 1, 2025 | | \$ 1,173,408 | \$ 730,121 | \$ 342,041 | \$ 12,391 | \$ 1,129,666 | \$ 2,140 | \$ 3,389,767 |
| Profit for the year | | - | - | - | - | 218,179 | - | 218,179 |
| Other comprehensive income for the year | 6(14) | - | - | - | - | - | 2,560 | 2,560 |
| Total comprehensive income for the year | | - | - | - | - | 218,179 | 2,560 | 220,739 |
| Distribution of retained earnings of 2024 | 6(13) | | | | | | | |
| Legal reserve | | - | - | 24,211 | - | (24,211) | - | - |
| Special reserve | | - | - | - | (12,391) | 12,391 | - | - |
| Cash dividends | | - | - | - | - | (144,329) | - | (144,329) |
| Balance at December 31, 2025 | | <u>\$ 1,173,408</u> | <u>\$ 730,121</u> | <u>\$ 366,252</u> | <u>\$ -</u> | <u>\$ 1,191,696</u> | <u>\$ 4,700</u> | <u>\$ 3,466,177</u> |

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

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

| | Notes | Year ended December 31 | |
|--|-------------|------------------------|-------------|
| | | 2025 | 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | \$ 253,730 | \$ 280,101 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| (Reversal of) provision for expected credit loss | 12(2) | (114) | 122 |
| Depreciation | 6(6)(7)(20) | 204,938 | 206,597 |
| Amortisation of intangible assets | 6(20) | 5,341 | 4,393 |
| Interest income | 6(16) | (3,549) | (3,992) |
| Interest expense | 6(19) | 1,085 | 2,504 |
| Share of profit of associates and joint ventures accounted for under equity method | 6(5) | | |
| Net gain on financial assets at fair value through profit | 6(2)(18) | (34,925) | (13,449) |
| Loss on disposal of property, plant and equipment | 6(6)(18) | (4,677) | (7,329) |
| Unrealized (realized) profit on sale | 6(5) | - | 72 |
| Unrealized (realized) profit on sale | 6(5) | 332 | (4,313) |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Financial assets at fair value through profit or loss | 6(2) | 13,895 | (233,683) |
| Notes receivable | 6(3) | (103) | (493) |
| Accounts receivable | 6(3) | (8,787) | (19,571) |
| Accounts receivable - related parties | 6(3)(7) | (110,169) | (30,844) |
| Other receivables | | (683) | (1,371) |
| Other receivables - related parties | | 516 | 675 |
| Inventories | 6(4) | (12,532) | (94,938) |
| Prepayments | | (2,172) | (15,289) |
| Other current assets-other | | (187) | (273) |
| Changes in operating liabilities | | | |
| Accounts payable | | 39,296 | (19,157) |
| Other payables | 6(8) | 5,992 | 2,776 |
| Other current liabilities-other | | 4,511 | 447 |
| Cash inflow generated from operations | | 351,738 | 315,323 |
| Interest received | | 3,563 | 4,038 |
| Interest paid | | (831) | (2,250) |
| Income tax paid | | (39,616) | (30,837) |
| Net cash flows from operating activities | | 314,854 | 286,274 |

(Continued)

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

| | Notes | Year ended December 31 | |
|--|-------|------------------------|--------------|
| | | 2025 | 2024 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Acquisition of investments accounted for using equity method | 6(5) | \$ - | (\$ 34,490) |
| Acquisition of property, plant and equipment | 6(24) | (160,961) | (165,398) |
| Proceeds from disposal of property, plant and equipment | | - | 30 |
| Acquisition of intangible assets | | (11,037) | (3,740) |
| Increase in refundable deposits | | (342) | (32) |
| Net cash flows used in investing activities | | (172,340) | (203,630) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Increase in short-term borrowings | 6(25) | - | 140,158 |
| Repayments of short-term borrowings | 6(25) | - | (140,158) |
| Repayments of long-term borrowings | 6(25) | (19,932) | (19,543) |
| Repayments of principal portion of lease liabilities | 6(25) | (5,718) | (5,451) |
| (Decrease) increase in guarantee deposits received | 6(25) | (196) | 302 |
| Cash dividends paid | 6(13) | (144,329) | (140,809) |
| Net cash flows used in financing activities | | (170,175) | (165,501) |
| Net decrease in cash and cash equivalents | | (27,661) | (82,857) |
| Cash and cash equivalents at beginning of year | 6(1) | 357,728 | 440,585 |
| Cash and cash equivalents at end of year | 6(1) | \$ 330,067 | \$ 357,728 |

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

VIKING TECH CORPORATION
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

VIKING TECH CORPORATION (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in research and development, manufacturing and sale of thick and thin film passive components.

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

These parent company only financial statements were authorised for issuance by the Board of Directors on March 6, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|--|
| Amendments to IAS 21, ‘Lack of exchangeability’ | January 1, 2025 |

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

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

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Liabilities on cash-settled share-based payment arrangements measured at fair value.

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

(3) Foreign currency translation

The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) Except for the foreign exchanges gains and losses relating to borrowings as well as cash and cash equivalents are presented in the statement of comprehensive income within 'other income and finance costs', others are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- (a) The operating results and financial position of all the company entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
 - (b) Assets that are held primarily for the purpose of trading;
 - (c) Assets that are expected to be realised within twelve months after the reporting period;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled in the normal operating cycle;
- (b) Liabilities that are held primarily for the purpose of trading;
- (c) Liabilities that are due to be settled within twelve months after the reporting period;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using settlement date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using settlement date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

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

(9) Impairment of financial assets

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

(10) Derecognition of financial assets

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

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

(11) Inventories

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

(12) Investments accounted for using equity method / subsidiaries

- A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Company are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- E. In accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, the profit or loss and other comprehensive income or loss presented on the parent company only financial statements are consistent with those presented on the consolidated financial statements. In addition, owner's equity presented on the parent company only financial statements is consistent with equity attributable to owners of parent presented on the consolidated financial statements.

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

| | |
|--------------------------|---------------|
| Buildings and structures | 20 ~ 50 years |
| Machinery and equipment | 1 ~ 25 years |
| Other equipment | 2 ~ 10 years |

(14) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable;
- (b) Variable lease payments that depend on an index or a rate;
- (c) Amounts expected to be payable by the lessee under residual value guarantees;
- (d) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- (e) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date;
 - (c) Any initial direct costs incurred by the lessee; and
 - (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(15) Intangible assets

Computer software expenditures are stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 10 years.

(16) Impairment of non-financial assets

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

(17) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(18) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(20) Employee benefits

A. Short-term employee benefits

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

B. Pensions

Defined contribution plans

For defined contribution plans, the Company has no legal or constructive obligation to make additional contributions after a fixed amount is contributed to a public or privately managed and independent pension fund. The contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequent actual distributed amounts is accounted for as changes in estimates.

(21) Income tax

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

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(22) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(23) Dividends

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

(24) Revenue recognition

Sales of goods

- A. The Company manufactures and sells thick and thin film passive components. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- B. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

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

Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technological innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2025, the carrying amount of inventories was \$633,265.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---------------------------------------|--------------------------|--------------------------|
| Cash on hand and revolving funds | \$ 1,086 | \$ 1,042 |
| Checking accounts and demand deposits | <u>328,981</u> | <u>356,686</u> |
| | <u>\$ 330,067</u> | <u>\$ 357,728</u> |

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

B. Cash and cash equivalents pledged to banks as collateral were classified as other current financial assets-other. Information is provided in Note 8.

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

| <u>Items</u> | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|--|--------------------------|--------------------------|
| Current items: | | |
| Financial assets mandatorily measured at fair value through profit or loss | | |
| Beneficiary certificates | \$ 529,065 | \$ 538,726 |
| Valuation adjustment | <u>1,588</u> | <u>1,145</u> |
| Total | <u>\$ 530,653</u> | <u>\$ 539,871</u> |

A. The Company recognised net gain of \$4,677 and \$7,329 for the years ended December 31, 2025 and 2024, respectively.

B. The Company has no financial assets at fair value through profit or loss pledged to others.

(3) Notes and accounts receivable

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|--|--------------------------|--------------------------|
| Notes receivable | \$ 2,348 | \$ 2,245 |
| Less: Allowance for uncollectible accounts | <u>-</u> | <u>-</u> |
| | <u>\$ 2,348</u> | <u>\$ 2,245</u> |
| Accounts receivable | \$ 709,067 | \$ 594,868 |
| Less: Allowance for uncollectible accounts | <u>(179)</u> | <u>(5,050)</u> |
| | <u>\$ 708,888</u> | <u>\$ 589,818</u> |

A. The ageing analysis of accounts receivable that was past due but not impaired is as follows:

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|----------------|--------------------------|--------------------------|
| Not past due | \$ 692,037 | \$ 584,310 |
| Up to 60 days | 19,139 | 7,741 |
| 61 to 90 days | 6 | 3 |
| 91 to 180 days | 122 | 113 |
| Over 180 days | <u>111</u> | <u>4,946</u> |
| | <u>\$ 711,415</u> | <u>\$ 597,113</u> |

The above ageing analysis was based on past due date.

B. As at December 31, 2025 and 2024, and January 1, 2024, the balances of receivables (including notes receivable) from contracts with customers amounted to \$711,415, \$597,113, and \$585,347, respectively.

C. The Company does not hold any collateral as security.

D. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes receivable were \$2,348 and \$2,245, and accounts receivable were \$708,888 and \$589,818, respectively.

E. Information relating to credit risk is provided in Note 12(2).

(4) Inventories

| | <u>December 31, 2025</u> | | |
|------------------|--------------------------|---|-------------------|
| | <u>Cost</u> | <u>Allowance for valuation loss</u> | <u>Book value</u> |
| Raw materials | \$ 314,108 | (\$ 5,503) | \$ 308,605 |
| Work in progress | 259,898 | (67,479) | 192,419 |
| Finished goods | 152,172 | (32,231) | 119,941 |
| Merchandise | <u>12,921</u> | <u>(621)</u> | <u>12,300</u> |
| | <u>\$ 739,099</u> | <u>(\$ 105,834)</u> | <u>\$ 633,265</u> |

| | December 31, 2024 | | |
|------------------|-------------------|---------------------------------|-------------------|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | \$ 315,393 | (\$ 6,005) | \$ 309,388 |
| Work in progress | 252,872 | (60,686) | 192,186 |
| Finished goods | 141,662 | (34,491) | 107,171 |
| Merchandise | 12,790 | (802) | 11,988 |
| | <u>\$ 722,717</u> | <u>(\$ 101,984)</u> | <u>\$ 620,733</u> |

The cost of inventories recognised as expense for the year:

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|---|---------------------------------|---------------------------------|
| Cost of goods sold | \$ 1,776,865 | \$ 1,674,689 |
| Loss on decline in market price and slow-moving inventories | 49,562 | 36,920 |
| Revenue from sale of scraps | (5,582) | (4,493) |
| | <u>\$ 1,820,845</u> | <u>\$ 1,707,116</u> |

(5) Investments accounted for using equity method

| | 2025 | 2024 |
|--|--------------------------|--------------------------|
| At January 1 | \$ 435,549 | \$ 368,766 |
| Share of profit or loss of investments accounted for using equity method | 34,925 | 13,449 |
| Acquisition of investments accounted for using equity method | - | 34,490 |
| Changes in other equity items (Note 6(14)) | 2,560 | 14,531 |
| (Realized) Unrealized profit on sale | (332) | 4,313 |
| At December 31 | <u>\$ 472,702</u> | <u>\$ 435,549</u> |
| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
| Viking Global Tech Co., Ltd. | \$ 448,243 | \$ 397,794 |
| VIKING TECH EUROPE S.R.L. | 24,459 | 37,755 |
| | <u>\$ 472,702</u> | <u>\$ 435,549</u> |

Details of the Company's subsidiaries are provided in Note 4(3) of the Company's consolidated financial statements as of and for the years ended December 31, 2025 and 2024.

(6) Property, plant and equipment

| | Land | Buildings and structures | Machinery | Equipment under installation | Others | Total |
|---|-------------------|-----------------------------|-------------------|------------------------------------|------------------|---------------------|
| <u>At January 1, 2025</u> | | | | | | |
| Cost | \$ 229,932 | \$ 602,385 | \$ 1,276,752 | \$ 42,672 | \$ 30,396 | \$ 2,182,137 |
| Accumulated depreciation | - | (344,856) | (626,618) | - | (14,758) | (986,232) |
| Accumulated impairment | - | - | (969) | - | - | (969) |
| | <u>\$ 229,932</u> | <u>\$ 257,529</u> | <u>\$ 649,165</u> | <u>\$ 42,672</u> | <u>\$ 15,638</u> | <u>\$ 1,194,936</u> |
| <u>2025</u> | | | | | | |
| Opening net book amount as at January 1 | \$ 229,932 | \$ 257,529 | \$ 649,165 | \$ 42,672 | \$ 15,638 | \$ 1,194,936 |
| Additions | - | 14,166 | 109,074 | 41,281 | 7,897 | 172,418 |
| Reclassifications | - | - | 30,837 | (30,837) | - | - |
| Depreciation charge | - | (25,195) | (166,282) | - | (7,959) | (199,436) |
| Closing net book amount as at December 31 | <u>\$ 229,932</u> | <u>\$ 246,500</u> | <u>\$ 622,794</u> | <u>\$ 53,116</u> | <u>\$ 15,576</u> | <u>\$ 1,167,918</u> |
| <u>At December 31, 2025</u> | | | | | | |
| Cost | \$ 229,932 | \$ 616,551 | \$ 1,270,759 | \$ 53,116 | \$ 32,213 | \$ 2,202,571 |
| Accumulated depreciation | - | (370,051) | (646,996) | - | (16,637) | (1,033,684) |
| Accumulated impairment | - | - | (969) | - | - | (969) |
| | <u>\$ 229,932</u> | <u>\$ 246,500</u> | <u>\$ 622,794</u> | <u>\$ 53,116</u> | <u>\$ 15,576</u> | <u>\$ 1,167,918</u> |

| | Land | Buildings and structures | Machinery | Equipment under installation | Others | Total |
|---|-------------------|-----------------------------|-------------------|------------------------------------|------------------|---------------------|
| <u>At January 1, 2024</u> | | | | | | |
| Cost | \$ 229,932 | \$ 589,367 | \$ 1,349,224 | \$ 67,968 | \$ 31,481 | \$ 2,267,972 |
| Accumulated depreciation | - | (319,155) | (686,595) | - | (14,232) | (1,019,982) |
| Accumulated impairment | - | - | (1,865) | - | - | (1,865) |
| | <u>\$ 229,932</u> | <u>\$ 270,212</u> | <u>\$ 660,764</u> | <u>\$ 67,968</u> | <u>\$ 17,249</u> | <u>\$ 1,246,125</u> |
| <u>2024</u> | | | | | | |
| Opening net book amount as at January 1 | \$ 229,932 | \$ 270,212 | \$ 660,764 | \$ 67,968 | \$ 17,249 | \$ 1,246,125 |
| Additions | - | 13,018 | 108,442 | 22,725 | 6,100 | 150,285 |
| Disposals | - | - | (102) | - | - | (102) |
| Reclassifications | - | - | 48,021 | (48,021) | - | - |
| Depreciation charge | - | (25,701) | (167,960) | - | (7,711) | (201,372) |
| Closing net book amount as at December 31 | <u>\$ 229,932</u> | <u>\$ 257,529</u> | <u>\$ 649,165</u> | <u>\$ 42,672</u> | <u>\$ 15,638</u> | <u>\$ 1,194,936</u> |
| <u>At December 31, 2024</u> | | | | | | |
| Cost | \$ 229,932 | \$ 602,385 | \$ 1,276,752 | \$ 42,672 | \$ 30,396 | \$ 2,182,137 |
| Accumulated depreciation | - | (344,856) | (626,618) | - | (14,758) | (986,232) |
| Accumulated impairment | - | - | (969) | - | - | (969) |
| | <u>\$ 229,932</u> | <u>\$ 257,529</u> | <u>\$ 649,165</u> | <u>\$ 42,672</u> | <u>\$ 15,638</u> | <u>\$ 1,194,936</u> |

A. The significant components of buildings are depreciated over 50 years.

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(7) Leasing arrangements – lessee

- A. The Company leases various assets including land, buildings and business vehicles. Rental contracts are typically made for periods of 2 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|--|-------------------------------------|-------------------------------------|
| | <u>Carrying amount</u> | <u>Carrying amount</u> |
| Land | \$ 6,593 | \$ 718 |
| Buildings | 7,662 | 11,141 |
| Transportation equipment (Business vehicles) | 718 | 788 |
| Other equipment | 1,604 | 175 |
| | <u>\$ 16,577</u> | <u>\$ 12,822</u> |
| | <u>Year ended December 31, 2025</u> | <u>Year ended December 31, 2024</u> |
| | <u>Depreciation charge</u> | <u>Depreciation charge</u> |
| Land | \$ 786 | \$ 799 |
| Buildings | 3,647 | 3,329 |
| Transportation equipment (Business vehicles) | 731 | 820 |
| Other equipment | 338 | 277 |
| | <u>\$ 5,502</u> | <u>\$ 5,225</u> |

The movements of right-of-use assets of the Group during the 2025 and 2024 are as follows:

| | <u>Year ended December 31, 2025</u> | | | | |
|---|-------------------------------------|---------------------------------|------------------|------------------------|------------------|
| | <u>Land</u> | <u>Buildings and structures</u> | <u>Machinery</u> | <u>Other equipment</u> | <u>Total</u> |
| Opening net book amount as at January 1 | \$ 718 | \$ 11,141 | \$ 788 | \$ 175 | \$ 12,822 |
| Additions | 6,661 | 168 | 661 | 1,767 | 9,257 |
| Depreciation charge | (786) | (3,647) | (731) | (338) | (5,502) |
| | <u>\$ 6,593</u> | <u>\$ 7,662</u> | <u>\$ 718</u> | <u>\$ 1,604</u> | <u>\$ 16,577</u> |

| | Year ended December 31, 2024 | | | | Total |
|---|------------------------------|--------------------------|---------------|-----------------|------------------|
| | Land | Buildings and structures | Machinery | Other equipment | |
| Opening net book amount as at January 1 | \$ 1,408 | \$ 13,102 | \$ 1,608 | \$ 452 | \$ 16,570 |
| Additions | - | 1,368 | - | - | 1,368 |
| Adjustment | 109 | - | - | - | 109 |
| Depreciation charge | (799) | (3,329) | (820) | (277) | (5,225) |
| | <u>\$ 718</u> | <u>\$ 11,141</u> | <u>\$ 788</u> | <u>\$ 175</u> | <u>\$ 12,822</u> |

C. The information on profit and loss accounts relating to lease contracts is as follows:

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|---------------------------------------|------------------------------|------------------------------|
| Items affecting profit or loss | | |
| Interest expense on lease liabilities | \$ 265 | \$ 262 |
| Expense on short-term lease contracts | 2,527 | 2,651 |

D. For the years ended December 31, 2025 and 2024, the Company's total cash outflow for leases were \$8,510 and \$8,364, respectively.

(8) Other payables

| | December 31, 2025 | December 31, 2024 |
|------------------------------------|-------------------|-------------------|
| Payable on machinery and equipment | \$ 68,083 | \$ 44,654 |
| Salary payable | 49,491 | 43,461 |
| Bonus payable | 35,546 | 28,518 |
| Payable on employees' compensation | 29,851 | 32,953 |
| Payable on directors' remuneration | 14,925 | 16,477 |
| Others | 85,309 | 87,731 |
| | <u>\$ 283,205</u> | <u>\$ 253,794</u> |

(9) Long-term borrowings

| <u>Type of borrowings</u> | <u>Borrowing period and repayment term</u> | <u>Interest rate range</u> | <u>Collateral</u> | <u>December 31, 2025</u> |
|---------------------------|--|----------------------------|-------------------|--------------------------|
| Long-term bank borrowings | | | | |
| Secured borrowings | Borrowing period is from September 27, 2013 to January 19, 2014, interest is repayable monthly; From January 20, 2014 to January 19, 2027; principal and interest are repayable monthly. | 1.99% | Note | \$ 10,469 |
| Secured borrowings | Borrowing period is from October 25, 2017 to October 25, 2027; principal and interest are repayable monthly. | 2.045% | Note | 9,763 |
| Secured borrowings | Borrowing period is from February 7, 2018 to October 25, 2027; principal and interest are repayable monthly. | 2.045% | Note | <u>9,988</u> |
| | | | | 30,220 |
| Less: Current portion | | | | <u>(20,337)</u> |
| | | | | <u>\$ 9,883</u> |

| <u>Type of borrowings</u> | <u>Borrowing period and repayment term</u> | <u>Interest rate range</u> | <u>Collateral</u> | <u>December 31, 2024</u> |
|---------------------------|--|----------------------------|-------------------|--------------------------|
| Long-term bank borrowings | | | | |
| Secured borrowings | Borrowing period is from September 27, 2013 to January 19, 2014, interest is repayable monthly; From January 20, 2014 to January 19, 2027; principal and interest are repayable monthly. | 1.99% | Note | \$ 19,935 |
| Secured borrowings | Borrowing period is from October 25, 2017 to October 25, 2027; principal and interest are repayable monthly. | 2.05% | Note | 14,936 |
| Secured borrowings | Borrowing period is from February 7, 2018 to October 25, 2027; principal and interest are repayable monthly. | 2.05% | Note | <u>15,281</u> |
| | | | | 50,152 |
| Less: Current portion | | | | <u>(19,931)</u> |
| | | | | <u>\$ 30,221</u> |

Note: Information about the land, buildings and structures that were pledged to others as collaterals is provided in Note 8.

(10) Pensions

- A. There were certain foreign employees of the Company covered by the pension policy in accordance with the “Labor Standards Act”. Monthly contributions to the independent account are based on 2% of total salaries and wages paid and contribute to the Supervisory Committee for deposits and defrayment in accordance with the regulations. The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2025 and 2024 were \$12 and \$0, respectively.
- B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- C. The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2025 and 2024 were \$21,002 and \$21,478, respectively.

(11) Share capital

As of December 31, 2025, the Company’s authorised capital was \$1,500,000, consisting of 150 million shares of ordinary stock (including 15 million shares reserved for employee stock options and convertible bonds issued by the Company), and the amount issued was 1,173,408 thousand shares with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

There was no change in the number of shares for the years ended December 31, 2025 and 2024. Details of the balances at the end of the year are as follows:

| | 2025 | Unit: in thousand shares 2024 |
|-------------------------------|----------------|----------------------------------|
| At January 1 / at December 31 | <u>117,341</u> | <u>117,341</u> |

(12) Capital surplus

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

| | | 2025 | | | | |
|----------------------------------|--|-------------------|--|-------------------------------|-------------------------|-------------------|
| | | Share premium | Recognition of changes in the subsidiary's equity | Donated assets received | Consolidation excess | Total |
| At January 1(and at December 31) | | <u>\$ 423,367</u> | <u>\$ 1,482</u> | <u>\$ 700</u> | <u>\$ 304,572</u> | <u>\$ 730,121</u> |
| | | 2024 | | | | |
| | | Share premium | Recognition of changes in the subsidiary's equity | Donated assets received | Consolidation excess | Total |
| At January 1(and at December 31) | | <u>\$ 423,367</u> | <u>\$ 1,482</u> | <u>\$ 700</u> | <u>\$ 304,572</u> | <u>\$ 730,121</u> |

(13) Retained earnings

- D. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall offset prior years' operating losses. The remaining amount shall be set aside as legal reserve in accordance with the regulations and the special reserve shall be set aside or reversed, if necessary. The remainder along with the previous years' unappropriated retained earnings, if any, to be appropriated shall be proposed by the Board of Directors at its meeting and then resolved by the stockholders at their meeting.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. Under the Company's Articles of Incorporation, dividends to the shareholders can be distributed in cash or share dividends. However, the cash dividends shall not be less than 20% of the total distribution.
- E. (a) The appropriations of 2023 earnings had been resolved at the Board of Directors' and stockholders' meeting on June 25, 2024. Details are summarized below:

| | 2023 | |
|-------------------------------|-------------------|--|
| | Amount | Dividends per share (in dollars) |
| Legal reserve | \$ 26,182 | |
| (Reversal of) special reserve | 6,063 | |
| Cash dividends | <u>140,809</u> | \$ 1.20 |
| Total | <u>\$ 173,054</u> | |

The appropriations of 2023 earnings are in agreement with the Board of Directors' proposals on March 8, 2024.

- (b) The appropriations of 2024 earnings had been resolved at the Board of Directors' and stockholders' meeting on June 17, 2025. Details are summarized below:

| | 2024 | |
|-------------------------------|-------------------|--|
| | Amount | Dividends per share (in dollars) |
| Legal reserve | \$ 24,211 | |
| (Reversal of) special reserve | (12,391) | |
| Cash dividends | <u>144,329</u> | \$ 1.23 |
| Total | <u>\$ 156,149</u> | |

The appropriations of 2024 earnings are in agreement with the Board of Directors' proposals on March 7, 2025.

- (c) The appropriations of 2025 earnings had been resolved at the Board of Directors' and stockholders' meeting on March 6, 2026. Details are summarized below:

| | 2025 | |
|----------------|-------------------|--|
| | Amount | Dividends per share (in dollars) |
| Legal reserve | \$ 21,818 | |
| Cash dividends | <u>129,075</u> | \$ 1.10 |
| Total | <u>\$ 150,893</u> | |

As of March 6, 2026, the appropriations of 2025 earnings had not been approved by the stockholders.

(14) Other equity items

| | 2025 | | 2024 | |
|-----------------------------------|----------------------|-----------------|----------------------|-----------------|
| | Currency translation | Total | Currency translation | Total |
| At January 1 | \$ 2,140 | \$ 2,140 | (\$ 12,391) | (\$ 12,391) |
| Currency translation differences: | | | | |
| –Subsidiary | 2,560 | 2,560 | 14,531 | 14,531 |
| At December 31 | <u>\$ 4,700</u> | <u>\$ 4,700</u> | <u>\$ 2,140</u> | <u>\$ 2,140</u> |

(15) Operating revenue

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|---------------------------------------|------------------------------|------------------------------|
| Revenue from contracts with customers | <u>\$ 2,344,518</u> | <u>\$ 2,249,883</u> |

The Company derives revenue from the transfer of goods at a point in time. Revenue is mainly from single passive components.

(16) Interest income

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|------------------------------------|------------------------------|------------------------------|
| Interest income from bank deposits | \$ 3,549 | \$ 3,992 |
| Other interest income | 9 | 8 |
| | <u>\$ 3,558</u> | <u>\$ 4,000</u> |

(17) Other income

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|-----------------------------|------------------------------|------------------------------|
| Net currency exchange gains | \$ 8,021 | \$ 14,475 |
| Other income-others | 8,536 | 4,642 |
| | <u>\$ 16,557</u> | <u>\$ 19,117</u> |

(18) Other gains and losses

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|---|------------------------------|------------------------------|
| Gain on financial assets at fair value through profit or loss | \$ 4,677 | \$ 7,329 |
| Foreign exchange (loss) gain | (4,276) | 23,511 |
| Loss on disposals of property, plant and equipment | - | (72) |
| Miscellaneous disbursements | (1,157) | (6,731) |
| | <u>(\$ 756)</u> | <u>\$ 24,037</u> |

(19) Finance costs

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|-----------------------|---------------------------------|---------------------------------|
| Interest expense | | |
| Bank interest expense | \$ 820 | \$ 2,242 |
| Lease liabilities | 265 | 262 |
| | <u>\$ 1,085</u> | <u>\$ 2,504</u> |

(20) Expenses by nature

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|--|---------------------------------|---------------------------------|
| Employee benefit expense | \$ 675,139 | \$ 648,495 |
| Depreciation charges on property, plant and equipment | 204,938 | 206,597 |
| Amortisation charges on intangible assets | 5,341 | 4,393 |
| | <u>\$ 885,418</u> | <u>\$ 859,485</u> |

(21) Employee benefit expense

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|----------------------------------|---------------------------------|---------------------------------|
| Wages and salaries | \$ 569,874 | \$ 543,782 |
| Labour and health insurance fees | 57,921 | 55,797 |
| Pension costs | 21,014 | 21,478 |
| Other personnel expenses | 26,330 | 27,438 |
| | <u>\$ 675,139</u> | <u>\$ 648,495</u> |

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 10% for employees' compensation, of which no less than 3% shall be distributed as non-managerial employees' compensation, and shall not be higher than 5% for directors' remuneration. However, annual net income should first be reserved to offset the Company's accumulated deficit prior to the distribution of compensation and remuneration.

B. For the years ended December 31, 2025 and 2024, employees' compensation was accrued at \$29,851 and \$32,953, respectively; while directors' and supervisors' remuneration was accrued at \$14,925 and \$16,477, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 10% and 5% of distributable profit of current year.

Employees' compensation and directors' remuneration of 2025 and 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2025 and 2024 financial statements, respectively.

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

(22) Income tax

A. Income tax expense

(a) Components of income tax expense:

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|---|---------------------------------|---------------------------------|
| Current tax: | | |
| Current tax on profits for the year | \$ 28,533 | \$ 39,820 |
| Tax on undistributed surplus earnings | 4,298 | 4,438 |
| Prior year income tax over estimation | (98) | (7,659) |
| Total current tax | <u>32,733</u> | <u>36,599</u> |
| Deferred tax: | | |
| Origination and reversal of temporary differences | <u>2,818</u> | <u>1,382</u> |
| Total deferred tax | <u>2,818</u> | <u>1,382</u> |
| Income tax expense | <u>\$ 35,551</u> | <u>\$ 37,981</u> |

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows: None.

(c) The income tax charged/(credited) to equity during the period is as follows: None.

B. Reconciliation between income tax expense and accounting profit

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|--|---------------------------------|---------------------------------|
| Tax calculated based on profit before tax and statutory tax rate | \$ 50,746 | \$ 56,020 |
| Expenses and income disallowed by tax regulation | (19,395) | (14,818) |
| Separate taxation | 4,298 | 4,438 |
| Prior year income tax over estimation | (98) | (7,659) |
| Income tax expense | <u>\$ 35,551</u> | <u>\$ 37,981</u> |

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

| | 2025 | | |
|---|-------------------|---------------------------------|-------------------|
| | January 1 | Recognised in profit or loss | December 31 |
| Temporary differences: | | | |
| — Deferred tax assets: | | | |
| Unrealised loss on market value decline and obsolete inventory | \$ 20,397 | \$ 770 | \$ 21,167 |
| Unrealised exchange loss | 887 | (599) | 288 |
| Unused vacation time bonus | 1,310 | 235 | 1,545 |
| Unused gross margin | 1,501 | 67 | 1,568 |
| Unused impairment loss | 194 | - | 194 |
| Subtotal | <u>\$ 24,289</u> | <u>\$ 473</u> | <u>\$ 24,762</u> |
| — Deferred tax liabilities: | | | |
| Unrealised exchange gain | (\$ 1,286) | (\$ 3,291) | (\$ 4,577) |
| Subtotal | <u>(\$ 1,286)</u> | <u>(\$ 3,291)</u> | <u>(\$ 4,577)</u> |
| Total | <u>\$ 23,003</u> | <u>(\$ 2,818)</u> | <u>\$ 20,185</u> |

| | 2024 | | |
|---|------------------|---------------------------------|-------------------|
| | January 1 | Recognised in profit or loss | December 31 |
| Temporary differences: | | | |
| — Deferred tax assets: | | | |
| Unrealised loss on market value decline and obsolete inventory | \$ 17,486 | \$ 2,911 | \$ 20,397 |
| Unrealised exchange loss | 3,215 | (2,328) | 887 |
| Unused vacation time bonus | 1,315 | (5) | 1,310 |
| Unused gross margin | 2,364 | (863) | 1,501 |
| Unused impairment loss | 373 | (179) | 194 |
| Subtotal | <u>\$ 24,753</u> | <u>(\$ 464)</u> | <u>\$ 24,289</u> |
| — Deferred tax liabilities: | | | |
| Unrealised exchange gain | (\$ 368) | (\$ 918) | (\$ 1,286) |
| Subtotal | <u>(\$ 368)</u> | <u>(\$ 918)</u> | <u>(\$ 1,286)</u> |
| Total | <u>\$ 24,385</u> | <u>(\$ 1,382)</u> | <u>\$ 23,003</u> |

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

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

(23) Earnings per share

| | <u>Year ended December 31, 2025</u> | | |
|---|-------------------------------------|--|--|
| | <u>Amount after tax</u> | <u>Weighted average number of ordinary shares outstanding (share in thousands)</u> | <u>Earnings per share (in dollars)</u> |
| <u>Basic earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | <u>\$ 218,179</u> | <u>117,341</u> | <u>\$ 1.86</u> |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 218,179 | 117,341 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | <u>-</u> | <u>664</u> | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | <u>\$ 218,179</u> | <u>118,005</u> | <u>\$ 1.85</u> |

| | <u>Year ended December 31, 2024</u> | | |
|---|-------------------------------------|--|--|
| | <u>Amount after tax</u> | <u>Weighted average number of ordinary shares outstanding (share in thousands)</u> | <u>Earnings per share (in dollars)</u> |
| <u>Basic earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | <u>\$ 242,120</u> | <u>117,341</u> | <u>\$ 2.06</u> |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 242,120 | 117,341 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | <u>-</u> | <u>885</u> | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | <u>\$ 242,120</u> | <u>118,226</u> | <u>\$ 2.05</u> |

(24) Supplemental cash flow information

Investing activities with partial cash payments

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|--|---------------------------------|---------------------------------|
| Purchase of property, plant and equipment | \$ 172,418 | \$ 150,285 |
| Add: Opening balance of payable on equipment | 44,654 | 38,080 |
| Ending balance of prepayment for equipment | 46,194 | 34,222 |
| Less: Ending balance of payable on equipment | (68,083) | (44,654) |
| Opening balance of prepayment on equipment | (34,222) | (12,535) |
| Cash paid during the year | <u>\$ 160,961</u> | <u>\$ 165,398</u> |

(25) Changes in liabilities from financing activities

| | Long-term borrowings | Lease liabilities | Guarantee deposits received | Liabilities from financing activities-gross |
|---|-------------------------|-------------------|--------------------------------|---|
| At January 1, 2025 | \$ 50,152 | \$ 12,984 | \$ 4,754 | \$ 67,890 |
| Changes in cash flow from financing activities | (19,932) | (5,718) | (196) | (25,846) |
| Changes in other non-cash items | - | 9,521 | - | 9,521 |
| At December 31, 2025 | <u>\$ 30,220</u> | <u>\$ 16,787</u> | <u>\$ 4,558</u> | <u>\$ 51,565</u> |

| | Long-term borrowings | Lease liabilities | Guarantee deposits received | Liabilities from financing activities-gross |
|---|-------------------------|-------------------|--------------------------------|---|
| At January 1, 2024 | \$ 69,695 | \$ 16,696 | \$ 4,452 | \$ 90,843 |
| Changes in cash flow from financing activities | (19,543) | (5,451) | 302 | (24,692) |
| Changes in other non-cash items | - | 1,739 | - | 1,739 |
| At December 31, 2024 | <u>\$ 50,152</u> | <u>\$ 12,984</u> | <u>\$ 4,754</u> | <u>\$ 67,890</u> |

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

| Names of related parties | Relationship with the Company |
|--|--|
| Guangdong Fenghua Advanced Technology (Holding) Co.,Ltd. | Entity having significant influence on the Company |
| Viking Electronics (WUXI) CO., LTD. | A second-tier subsidiary under equity method |
| Viking Tech America Corporation | A second-tier subsidiary under equity method |
| VIKING TECH EUROPE S.R.L. | Subsidiary |
| JETBOND TECHNOLOGY CO.,LTD | Other |

(2) Significant related party transactions

A. Operating revenue:

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|-------------------------------------|---------------------------------|---------------------------------|
| Sales of goods: | | |
| Viking Electronics (WUXI) CO., LTD. | \$ 683,413 | \$ 554,969 |
| Subsidiaries | <u>131,538</u> | <u>100,400</u> |
| | <u>\$ 814,951</u> | <u>\$ 655,369</u> |

The above sales were based on the sales prices and terms that were available to the third parties. There was no significant difference in sales price between related parties and the third parties. The credit terms were approximately 60~150 days and were 60~90 days after monthly billings for related parties and the third parties, respectively, and the difference was due to the adjustment in credit term of the subsidiary's ultimate customers.

B. Purchases

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|---|---------------------------------|---------------------------------|
| Purchases of goods: | | |
| Subsidiaries | \$ 13,829 | \$ 12,011 |
| Entities having significant influence on the Company | <u>45,797</u> | <u>47,235</u> |
| Total | <u>\$ 59,626</u> | <u>\$ 59,246</u> |

The above purchases were based on the purchase prices and terms that were available to the third parties. The payment terms were approximately 90 days and were 60~90 days after monthly billings for related parties and the third parties, respectively. There was no significant difference in purchase price between related parties and the third parties.

C. Receivables from related parties

| | December 31, 2025 | December 31, 2024 |
|---|-------------------|-------------------|
| Accounts receivable: | | |
| Viking Electronics (WUXI) CO., LTD. | \$ 341,593 | \$ 261,506 |
| Subsidiaries | <u>55,567</u> | <u>25,485</u> |
| Subtotal | <u>397,160</u> | <u>286,991</u> |
| Other receivables: | | |
| Entities having significant influence on the Company | <u>494</u> | <u>1,010</u> |
| Total | <u>\$ 397,654</u> | <u>\$ 288,001</u> |

D. Payables to related parties

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---|--------------------------|--------------------------|
| Accounts payable: | | |
| Subsidiaries | \$ 5,918 | \$ 3,791 |
| Entities having significant influence on the Company | <u>8,391</u> | <u>6,932</u> |
| Subtotal | <u>14,309</u> | <u>10,723</u> |
| Other payables: | | |
| Subsidiaries | <u>2,560</u> | <u>2,363</u> |
| Subtotal | <u>2,560</u> | <u>2,363</u> |
| Total | <u>\$ 16,869</u> | <u>\$ 13,086</u> |

E. Property transactions:

| | <u>Year ended December 31, 2025</u> | <u>Year ended December 31, 2024</u> |
|---|---|---|
| Acquisition of property, plant and equipment: | | |
| Other | <u>\$ 1,051</u> | <u>\$ 3,632</u> |

F. Others

| | <u>Year ended December 31, 2025</u> | <u>Year ended December 31, 2024</u> |
|---|---|---|
| Commissions expense: | | |
| Subsidiaries | <u>\$ 5,476</u> | <u>\$ 3,845</u> |
| Other income: | | |
| Entities having significant influence on the Company | <u>\$ 3,134</u> | <u>\$ 4,149</u> |

(3) Key management compensation

| | <u>Year ended December 31, 2025</u> | <u>Year ended December 31, 2024</u> |
|---|---|---|
| Salaries and other short-term employee benefits | <u>\$ 37,282</u> | <u>\$ 39,607</u> |

8. PLEDGED ASSETS

| Pledged asset | Book value | | Purpose |
|---|-------------------|-------------------|--|
| | December 31, 2025 | December 31, 2024 | |
| Land | \$ 229,932 | \$ 229,932 | Bank loan(Note) |
| Buildings and structures | 132,320 | 138,723 | Bank loan(Note) |
| Time deposits (shown as other current assets- others) | 1,800 | 1,800 | Customs security deposit for importing raw materials |
| | <u>\$ 364,052</u> | <u>\$ 370,455</u> | |

Note: Pledged to HSINGONG BRANCH of Land Bank of Taiwan and Hsinchu Branch of Chang Hwa Bank as collateral for long-term borrowings.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies: None.

(2) Commitments:

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|-----------|--------------------------|--------------------------|
| Machinery | <u>\$ 50,779</u> | <u>\$ 50,604</u> |

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The information regarding the appropriations of 2025 earnings is provided in Note 6(13).

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital.

During the year ended December 31, 2025, the Company's strategy, which was unchanged from 2024, was to maintain the gearing ratio under 50%.

(2) Financial instruments

A. Financial instruments by category

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|--|--------------------------|--------------------------|
| <u>Financial assets</u> | | |
| Financial assets at fair value through profit or loss | | |
| Financial assets mandatorily measured at fair value through profit or loss | \$ 530,653 | \$ 539,871 |
| Financial assets at amortised cost/ | | |
| Loans and receivables | | |
| Cash and cash equivalents | 330,067 | 357,728 |
| Notes receivable | 2,348 | 2,245 |
| Accounts receivable (including related parties) | 708,888 | 589,818 |
| Other receivables (including related parties) | 9,149 | 8,996 |
| Guarantee deposits paid | 2,046 | 1,704 |
| Other financial assets | 1,800 | 1,800 |
| | <u>\$ 1,584,951</u> | <u>\$ 1,502,162</u> |
| <u>Financial liabilities</u> | | |
| Financial liabilities at amortised cost | | |
| Accounts payable(including related parties) | \$ 177,274 | \$ 137,978 |
| Other accounts payable(including related parties) | 283,205 | 253,794 |
| Long-term borrowings (including current portion) | 30,220 | 50,152 |
| Guarantee deposits received | 4,558 | 4,754 |
| | <u>\$ 495,257</u> | <u>\$ 446,678</u> |
| Lease liability | <u>\$ 16,787</u> | <u>\$ 12,984</u> |

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a finance department (Company finance) under policies approved by the Board of Directors. Company finance identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from various currencies, primarily with respect to the USD, RMB and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to manage its foreign exchange risk against their functional currency. The company subsidiaries are required to hedge their entire foreign exchange risk exposure with the Company treasury. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.
- iii. The Company's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

| | December 31, 2025 | | | |
|---|-------------------------------|---------------|---------------------|------------|
| | Foreign currency amount | Exchange rate | Book value (NTD) | |
| (Foreign currency: functional currency) | | | | |
| <u>Financial assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| RMB:NTD | RMB | 92,575 | 4.50 | \$ 416,215 |
| USD:NTD | USD | 11,025 | 31.43 | 346,528 |
| EUR:NTD | EUR | 1,600 | 36.90 | 59,037 |
| <u>Non-Monetary items</u> | | | | |
| USD:NTD | USD | 14,262 | 31.43 | \$ 448,242 |
| EUR:NTD | EUR | 663 | 36.90 | 24,459 |
| <u>Financial liabilities</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | USD | 1,662 | 31.43 | \$ 52,244 |
| <u>Non-Monetary items</u> : None. | | | | |

| December 31, 2024 | | | | |
|---|-----|-------------------------------|---------------|---------------------|
| | | Foreign currency amount | Exchange rate | Book value (NTD) |
| (Foreign currency: functional currency) | | | | |
| <u>Financial assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | USD | 11,094 | 32.79 | \$ 363,705 |
| RMB:NTD | RMB | 77,383 | 4.48 | 346,521 |
| EUR:NTD | EUR | 1,086 | 34.14 | 37,076 |
| <u>Non-Monetary items</u> | | | | |
| USD:NTD | USD | 12,133 | 32.79 | \$ 397,794 |
| EUR:NTD | EUR | 1,106 | 34.14 | 37,755 |
| <u>Financial liabilities</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | USD | 956 | 32.79 | \$ 31,354 |
| RMB:NTD | RMB | 2,289 | 4.48 | 10,250 |
| <u>Non-Monetary items: None.</u> | | | | |

- iv. The total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024, amounted to \$3,745 and \$37,986, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

| Year ended December 31, 2025 | | | | |
|---|----|------------------------|-----------------------------|--|
| Sensitivity analysis | | | | |
| | | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | | |
| <u>Financial assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| RMB:NTD | 1% | \$ | 4,162 | \$ - |
| USD:NTD | 1% | | 3,465 | - |
| EUR:NTD | 1% | | 590 | - |
| <u>Non-Monetary items</u> | | | | |
| USD:NTD | 1% | \$ | - | \$ 4,482 |
| EUR:NTD | 1% | | - | 245 |
| <u>Financial liabilities</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | 1% | (\$ | 522) | \$ - |

| | Year ended December 31, 2024 | | |
|---|------------------------------|--------------------------|--------------------------------------|
| | Sensitivity analysis | | |
| | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | 1% | \$ 3,637 | \$ - |
| RMB:NTD | 1% | 3,465 | - |
| EUR:NTD | 1% | 371 | - |
| <u>Non-Monetary items</u> | | | |
| USD:NTD | 1% | \$ - | \$ 3,978 |
| EUR:NTD | 1% | - | 378 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | 1% | (\$ 314) | \$ - |
| RMB:NTD | 1% | (102) | |

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.
- ii. The Company's investments in equity securities comprise domestic and foreign stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the years ended December 31, 2025 and 2024 would have increased/decreased by \$5,307 and \$5,399, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2025 and 2024, the Group's borrowings at variable rate were denominated in the New Taiwan Dollars (NTD) and United States Dollars (USD).
- ii. Based on the simulations performed, the impact on post-tax profit of a 1% shift would be a maximum increase or decrease of \$242 and \$401 for the years ended December 31, 2025 and 2024, respectively. The simulation is done on a quarterly basis to verify that the maximum loss potential is within the limit given by the management.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost, at fair value through profit or loss and at fair value through other comprehensive income.
- ii. The Company manages their credit risk taking into consideration the entire Company's concern. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- iv. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Company classifies customers' accounts receivable in accordance with credit rating of customer. The Company applies the modified approach using loss rate methodology to estimate expected credit loss.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights.

viii. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As at December 31, 2025 and 2024, the loss rate methodology is as follows:

| | Not past due | 60 days past due | 61~90 days past due | 91~180 days past due | Over 181 days past due | Total |
|--------------------------|--------------|---------------------|---------------------------|----------------------------|------------------------------|------------|
| <u>December 31, 2025</u> | | | | | | |
| Expected loss rate | 0% | 0.16% | 20.00% | 30.00% | 100.00% | |
| Total book value | \$ 692,037 | \$ 19,139 | \$ 6 | \$ 122 | \$ 111 | \$ 711,415 |
| Loss allowance | - | (30) | (1) | (37) | (111) | (179) |
| <u>December 31, 2024</u> | | | | | | |
| Expected loss rate | 0% | 0.88% | 26.85% | 30% | 100% | |
| Total book value | \$ 584,310 | \$ 7,741 | \$ 3 | \$ 113 | \$ 4,946 | \$ 597,113 |
| Loss allowance | - | (68) | (1) | (35) | (4,946) | (5,050) |

ix. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts and notes receivable are as follows:

| | <u>December 31, 2025</u> | |
|---|----------------------------|-------------------------|
| | <u>Accounts receivable</u> | <u>Notes receivable</u> |
| At January 1 | \$ 5,050 | \$ - |
| Reversal of impairment loss | (114) | - |
| Write-offs of uncollectible receivables | (4,757) | - |
| At December 31 | <u>\$ 179</u> | <u>\$ -</u> |
| <u>December 31, 2024</u> | | |
| | <u>Accounts receivable</u> | <u>Notes receivable</u> |
| At January 1 | \$ 4,928 | \$ - |
| Provision for impairment | 122 | - |
| At December 31 | <u>\$ 5,050</u> | <u>\$ -</u> |

(c) Liquidity risk

i. Cash flow forecasting is performed by the management of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements, for example, currency restrictions.

ii. Surplus cash over and above balance required for company is invested in interest bearing current accounts, time deposits, money market deposits and marketable securities. The chosen instruments have appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

iii. The Group has the following undrawn borrowing facilities:

| | December 31, 2025 | December 31, 2024 |
|--------------------------|-------------------|-------------------|
| Floating rate | 1.85%~2.36% | 1.85%~2.36% |
| Expiring within one year | \$ 280,000 | \$ 280,000 |

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

Non-derivative financial liabilities:

| December 31, 2025 | Less than 60 days | Between 61 days and 90 days | Between 91 days and 180 days | Between 181 days and 360 days | Over 361 days | Total |
|---|----------------------|-----------------------------------|------------------------------------|-------------------------------------|------------------|------------|
| Accounts payable (including related parties) | \$ 108,934 | \$ 41,958 | \$ 26,382 | \$ - | \$ - | \$ 177,274 |
| Other payables (including related parties) | 223,764 | 40,672 | 18,759 | 10 | - | 283,205 |
| Lease liability | 955 | 466 | 1,315 | 2,343 | 12,556 | 17,635 |
| Long-term borrowings (including current portion) | 3,460 | 1,730 | 5,191 | 10,381 | 9,970 | 30,732 |

Non-derivative financial liabilities:

| December 31, 2024 | Less than 60 days | Between 61 days and 90 days | Between 91 days and 180 days | Between 181 days and 360 days | Over 360 days | Total |
|---|----------------------|-----------------------------------|------------------------------------|-------------------------------------|------------------|------------|
| Accounts payable (including related parties) | \$ 85,277 | \$ 32,825 | \$ 19,876 | \$ - | \$ - | \$ 137,978 |
| Other payables (including related parties) | 174,634 | 20,030 | 7,780 | 51,350 | - | 253,794 |
| Lease liability | 910 | 445 | 1,334 | 2,312 | 8,337 | 13,338 |
| Long-term borrowings (including current portion) | 3,460 | 1,730 | 5,191 | 10,381 | 30,732 | 51,494 |

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, long-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The Company's financial assets and liabilities measured at fair value are as follows:

| <u>December 31, 2025</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|-------------------|----------------|----------------|-------------------|
| Assets: | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity securities | <u>\$ 530,653</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 530,653</u> |
| | | | | |
| <u>December 31, 2024</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Assets: | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity securities | <u>\$ 539,871</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 539,871</u> |

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

| | |
|---------------------|----------------------|
| | <u>Open-end fund</u> |
| Market quoted price | Net asset value |

D. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2025 and 2024, there was no transfer into or out from Level 3.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 2.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- F. Significant inter-company transactions during the reporting period: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 5.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 6.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 7.

14. SEGMENT INFORMATION

Not applicable.

VIKING TECH CORPORATION AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31,2025

Table 1

Expressed in thousands of NTD

| Securities held by | Marketable securities and securities | Relationship with the securities issuer | General ledger account | As of December 31, 2025 | | | | Footnote |
|-------------------------|--|---|--|-------------------------|-------------------|-----------|-------------------|----------|
| | | | | Number of shares | Book value | Ownership | Fair value | |
| VIKING TECH CORPORATION | Franklin Templeton SinoAm China A Shares Equity Fund-TWD | None | Financial asset at fair value through profit or loss – current | 361,998 | \$ 3,609 | N/A | \$ 3,609 | |
| VIKING TECH CORPORATION | Union Money Market Fund | None | Financial asset at fair value through profit or loss – current | 10,313,826 | 144,099 | N/A | 144,099 | |
| VIKING TECH CORPORATION | Franklin Templeton Sinoam Money Market Fund | None | Financial asset at fair value through profit or loss – current | 14,084,120 | 154,207 | N/A | 154,207 | |
| VIKING TECH CORPORATION | Fubon Money Market | None | Financial asset at fair value through profit or loss – current | 8,777,570 | 137,884 | N/A | 137,884 | |
| VIKING TECH CORPORATION | Nomura Taiwan Money Market Fund | None | Financial asset at fair value through profit or loss – current | 5,279,310 | 90,854 | N/A | 90,854 | |
| | | | | | <u>\$ 530,653</u> | | <u>\$ 530,653</u> | |

VIKING TECH CORPORATION AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

| Purchaser/seller | Counterparty | Relationship with the counterparty | Transaction | | | Differences in transaction | | | Notes/accounts receivable (payable) | | Footnote |
|-------------------------|-------------------------------------|---------------------------------------|-------------------|------------|--|----------------------------|------------|-------------|-------------------------------------|---|----------|
| | | | Purchases (sales) | Amount | Percentage of total purchases (sales) | Credit term | Unit price | Credit term | Balance | Percentage of total notes/accounts receivable (payable) | |
| VIKING TECH CORPORATION | Viking Electronics (WUXI) CO., LTD. | Subsidiary | Sales | \$ 683,413 | 25.54% | 150 days payment | N/A | N/A | \$ 341,593 | 60.02% | |

VIKING TECH CORPORATION AND SUBSIDIARIES
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
 December 31,2025

Table 3

Expressed in thousands of NTD
 (Except as otherwise indicated)

| Creditor | Counterparty | Relationship with the counterparty | Balance as at December 31, 2025 | | Overdue receivables | | Amount collected subsequent to the balance sheet date | Allowance for Creditor Counterparty doubtful accounts |
|-------------------------|-------------------------------------|---------------------------------------|---------------------------------|------------------------|---------------------|--------------|---|---|
| | | | Amount | Turnover rate (Note) | Amount | Action taken | | |
| VIKING TECH CORPORATION | Viking Electronics (WUXI) CO., LTD. | Subsidiary | \$ 341,593 | 2.27 | \$ - | N/A | \$ 118,339 | \$ - |

VIKING TECH CORPORATION AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
Year ended December 31, 2025

Table 4

Expressed in thousands of NTD

| Number (Note 1) | Company name | Counterparty (Note 2) | Relationship (Note 3) | Transaction | | | Percentage of consolidated total operating revenues or total assets (Note 4) |
|--------------------|-------------------------|-------------------------------------|--------------------------|------------------------|-----------|-------------------|---|
| | | | | General ledger account | Amount | Transaction terms | |
| 0 | VIKING TECH CORPORATION | VIKING TECH EUROPE S.R.L. | 1 | Accounts receivable | \$ 36,069 | 120 days payment | 0.88% |
| 0 | VIKING TECH CORPORATION | VIKING TECH EUROPE S.R.L. | 1 | Sales | 45,937 | 120 days payment | 1.72% |
| 0 | VIKING TECH CORPORATION | Viking Electronics (WUXI) CO., LTD. | 1 | Accounts receivable | 341,593 | 150 days payment | 8.34% |
| 0 | VIKING TECH CORPORATION | Viking Electronics (WUXI) CO., LTD. | 1 | Sales | 693,413 | " | 25.54% |
| 0 | VIKING TECH CORPORATION | Viking Electronics (WUXI) CO., LTD. | 1 | Cost of sales | 13,829 | 90 days payment | 0.69% |
| 0 | VIKING TECH CORPORATION | Viking Tech America Corporation | 1 | Accounts receivable | 19,498 | 60 days payment | 0.48% |
| 0 | VIKING TECH CORPORATION | Viking Tech America Corporation | 1 | Sales | 85,601 | " | 3.20% |

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- 1.Parent company is '0'.
- 2.The subsidiaries are numbered in order starting from '1'.

Note 2 : Relationship between transaction company and counterparty is classified into the following categories:

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

Note 3 : Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4 : Only disclose the transaction amount over 10 million.

VIKING TECH CORPORATION AND SUBSIDIARIES
Information on investees(not including investees in Mainland China)
Year ended December 31, 2025

Table 5

Expressed in thousands of NTD

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at December 31, 2025 | | | Net profit (loss) of the investee for the year ended December 31, 2025 | Investment income (loss) recognised by the Company for the year ended December 31, 2025 | Footnote |
|-----------------------------------|-----------------------------------|--------------------------|--------------------------------------|---------------------------------|---------------------------------|-------------------------------------|-----------|------------|--|---|----------|
| | | | | Balance as at December 31, 2025 | Balance as at December 31, 2024 | Number of shares | Ownership | Book value | | | |
| VIKING TECH CORPORATION | Viking Global Tech Co., Ltd. | British Virgin Islands | Broad businesses and investments | \$ 111,311 | \$ 111,311 | 7,000 | 100 | \$ 448,243 | \$ 50,491 | \$ 50,491 | Note 1 |
| VIKING TECH CORPORATION | VIKING TECH EUROPE S.R.L | Italy | Sale of thin film passive components | 68,994 | 68,994 | - | 100 | 24,459 (| 15,566 (| 15,566 | Note 4 |
| Viking Global Tech Co., Ltd. | Lead Brand Co., Ltd. | St. Vincent | Sale of thin film passive components | - | - | - | 100 | 2 (| 50) (| 50) | Note 3 |
| Viking Global Tech Co., Ltd. | Viking Tech Electronics Limited | Hong Kong | Manufacturing and sale of passive | 122,456 | 122,456 | - | 100 | 382,130 | 39,231 | 39,231 | |
| Viking Global Tech Co., Ltd. | Grand Barry International Limited | British Virgin Islands | Manufacturing and sale of passive | 23,766 | 23,766 | - | 100 | 73,952 | 11,310 | 11,310 | |
| Grand Barry International Limited | Viking Tech America Corporation | United States of America | Sale of thin film passive components | 22,680 | 22,680 | 750,000 | 76 | 72,679 | 14,937 | 11,316 | Note 2 |

Note 1 : Viking Tech Corporation invested in Viking Global Tech Co., Ltd. with its ownership in Viking Tech Group L.L.C. and Taitec Technology (Samoa) Co., Ltd. as capital contribution amounting to \$91,196 thousand.

Note 2 : In July 2013, Grand Barry International Limited increased its investments in the amount of \$3,001 thousand in Viking Tech America Corporation. Its ownership of the investee declined to 76% since it did not participate in the investee's capital increase in proportion to its previous ownership, and Grand Barry International Limited did not lose its control over the subsidiaries. The difference between carrying amount and net acquisition value were adjusted in equity amounting to \$1,482 thousand.

Note 3 : In December 2022, Viking Global Tech Co., Ltd. increased its investments in the amount of USD 1,490 thousand in Viking Tech Electronics Limited.

Note 4 : In September 2023 and January 2024, Viking Tech Corporation increased its investments in the amount of EUR 1,000 thousand in VIKING TECH EUROPE S.R.L.

VIKING TECH CORPORATION AND SUBSIDIARIES

Information on investments in Mainland China

Year ended December 31, 2025

Table 6

Expressed in thousands of NTD

| Investee in Mainland China | Main business activities | Paid-in capital (Note1) | Investment method (Note 2) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025 | Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2025 | | Accumulated amount of remittance from Taiwan as of December 31, 2025 | Net income of investee for the year ended December 31, 2025 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note5.(2).B) | Book value of investments in Mainland China as of December 31, 2025 | Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025 | Footnote |
|-------------------------------------|---|---|---|--|--|-------------------------|--|---|--|---|---|---|----------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| Viking Electronics (WUXI) CO., LTD. | Manufacturing and sale of passive and thermistors | \$ 235,411 | 2 | \$ 188,580 | \$ - | \$ - | \$ 188,580 | \$ 39,232 | 100 | \$ 39,232 | \$ 382,115 | \$ - | Note 6 |
| Viking Electronics (Nantong) CO.LTD | Manufacturing and sale of passive and thermistors | 8,992 | 3 | - | - | - | - | - | 100 | - | 2,698 | - | Note 7 |
| <u>Company name</u> | | <u>Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025</u> | <u>Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)</u> | | | | <u>Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA</u> | | | | | | |
| VIKING TECH CORPORATION | | \$ 188,580 | \$ | \$ 235,411 | \$ | | \$ 2,093,661 | | | | | | |

Note 1: The paid-in capital was translated into NTD from USD 7,490 thousand and RMB 2,000 thousand at the exchange rate on reporting date.

Note 2: Investment methods are classified into the following four categories; fill in the number of category each case belongs to:

- (1)Directly invest in a company in Mainland China.
- (2)through investing in an existing company and its subsidiaries in the third area, which then invested in the investee in Mainland China.
- (3)Others: Through investing in investees in Mainland China, which then invested in the investee in Mainland China.

Note 3: Viking Tech Electronics Limited acquired a subsidiary accounted for using equity method, Viking Tech Wuxi TMTEC Electronics Co., Ltd., from Taitec Electronics (Samoa) Co., Ltd. on July 1, 2009. The original investments approved by the Investment Commission of MOEA were USD 6,000 thousand. The acquiree became a subsidiary of the Company thereafter.

Note 4: Viking Electronics (WUXI) CO., LTD. became an indirect investee of the Company after surviving the merger with Viking Tech Wuxi TMTEC Electronics Co., Ltd. on the merger effective date. The original investments by Viking Tech Wuxi TMTEC Electronics Co., Ltd. approved by the Investment Commission of MOEA were USD 6,000 thousand.

Note 5: Recognition methods of investment income (loss) are classified into two categories as follows:

- (1)It should be indicated if the company is in the process of incorporation and have no profit or loss yet.
- (2)Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 - A.The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - B.The financial statements that are audited and attested by R.O.C. parent company's CPA.
 - C.The financial statements that are audited and attested by company.

Note 6: In December 2022, Viking Tech Electronics Limited increased its investments by USD 1,490 thousand in a subsidiary accounted for using equity method.

Note 7: In August 2023, Viking Electronics (WUXI) CO., LTD. increased its investments by RMB 2,000 thousand in Viking Electronics (Nantong) CO.LTD.

VIKING TECH CORPORATION AND SUBSIDIARIES

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Year ended December 31, 2025

Table 7

Expressed in thousands of NTD

| Investee in Mainland China | Sale (purchase) | | Property transaction | | Accounts receivable (payable) | | Provision of endorsements/guarantees or collaterals | | Financing | | | | Others | | |
|-------------------------------------|-----------------|--------|----------------------|---|-------------------------------|--------|---|---------|---|------------------------------|---------------|--|--------|------|---|
| | Amount | % | Amount | % | Balance at December 31, 2025 | % | Balance at December 31, 2025 | Purpose | Maximum balance during the year ended December 31, 2025 | Balance at December 31, 2025 | Interest rate | Interest during the year ended December 31, 2025 | | | |
| Viking Electronics (WUXI) CO., LTD. | \$ 683,413 | 25.54% | \$ - | - | \$ 341,593 | 62.28% | \$ - | - | \$ - | - | - | \$ - | - | \$ - | - |
| Viking Electronics (WUXI) CO., LTD. | (13,829) | 0.69% | - | - | (5,918) | 2.69% | - | - | - | - | - | - | - | - | - |

VIKING TECH CORPORATION
CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025

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

Statement 1

| Item | Description | Amount |
|----------------------------|---|-------------------|
| Cash : | | |
| Cash on hand | | \$ 1,086 |
| Cash in banks | | |
| Checking accounts deposits | | 383 |
| Demand deposits | | |
| –TWD | | 174,131 |
| –RMB | RMB 16,597,398.55 at exchange rate of 4.496 | 74,622 |
| –USD | USD 2,207,811.61 at exchange rate of 31.43 | 69,392 |
| –EUR | EUR 272,658.51 at exchange rate of 36.90 | 10,061 |
| –HKD | HKD 96,959.24 at exchange rate of 4.038 | 392 |
| | | <u>\$ 330,067</u> |

VIKING TECH CORPORATION
ACCOUNTS RECEIVABLE
DECEMBER 31, 2025

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

Statement 2

| Customer name | Description | Amount | Footnote |
|-------------------------------------|-------------|-------------------|--|
| General customers : | | | |
| A | | \$ 30,936 | |
| B | | 26,720 | |
| C | | 18,390 | |
| Others | | 235,861 | None of the balances of each remaining item is greater than 5% of this account balance. The amount of over a year past due was \$111. |
| | | 311,907 | |
| Less: Allowance for bad debts | | (179) | |
| | | <u>311,728</u> | |
| Related parties : | | | |
| Viking Electronics (WUXI) CO., LTD. | | 341,593 | |
| Viking Tech America Corporation | | 19,498 | |
| VIKING TECH EUROPE S.R.L. | | <u>36,069</u> | |
| | | <u>397,160</u> | |
| | | <u>\$ 708,888</u> | |

VIKING TECH CORPORATION
INVENTORIES
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 3

| <u>Item</u> | <u>Description</u> | <u>Amount</u> | | <u>Footnote</u> |
|---|--------------------|-------------------|-----------------------------|-----------------|
| | | <u>Cost</u> | <u>Net realisable value</u> | |
| Raw materials | | \$ 314,108 | \$ 411,714 | |
| Work in progress | | 259,898 | 296,830 | |
| Finished goods | | 152,172 | 188,592 | |
| Merchandise | | 12,921 | 17,811 | |
| | | <u>739,099</u> | <u>\$ 914,947</u> | |
| Less: Allowance for valuation loss and obsolete and slow-moving inventories | | (105,834) | | |
| | | <u>\$ 633,265</u> | | |

VIKING TECH CORPORATION
CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 4

| Investee | Balance at January 1, 2025 | | Additions | | Deductions | | Balance at December 31, 2025 | | | Market value or net equity value | | Collateral | Footnote |
|------------------------------|-------------------------------|-------------------|-----------|------------------|------------|--------------------|---------------------------------|-----------|-------------------|-------------------------------------|-------------------|------------|----------|
| | Shares | Amount | Shares | Amount (Note) | Shares | Amount (Note) | Shares | Ownership | Amount | Unit | Total | | |
| Viking Global Tech Co., Ltd. | 7,000 | \$ 397,794 | - | \$ 50,781 | - | (\$ 332) | 7,000 | 100% | \$ 448,243 | 64.0346 | \$ 448,243 | None | |
| Viking TECH EUROPE S.R.L. | - | <u>37,755</u> | - | <u>-</u> | - | <u>(13,296)</u> | - | 100% | <u>24,459</u> | - | <u>24,459</u> | None | |
| | | <u>\$ 435,549</u> | | <u>\$ 50,781</u> | | <u>(\$ 13,628)</u> | | | <u>\$ 472,702</u> | | <u>\$ 472,702</u> | | |

It included share of investment income of subsidiaries accounted for using equity method, exchange differences on translation valuated by subsidiaries accounted for using equity method and realised (unrealised) profit from sales.

VIKING TECH CORPORATION
MOVEMENT ON PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 5

| Item | Balance at January 1, 2025 | Additions | Deductions | Reclassifications | Balance at December 31, 2025 | Collateral | Footnote |
|------------------------------|-------------------------------|-------------------|---------------------|-------------------|------------------------------------|------------|----------|
| Land | \$ 229,932 | \$ - | \$ - | \$ - | \$ 229,932 | Note 1 | |
| Buildings and structures | 602,385 | 14,166 | - | - | 616,551 | Note 1 | |
| Machinery | 1,276,752 | 109,074 | (145,904) | 30,837 | 1,270,759 | | |
| Equipment under installation | 42,672 | 41,281 | - | (30,837) | 53,116 | | |
| Others | 30,396 | 7,897 | (6,080) | - | 32,213 | | |
| | <u>\$ 2,182,137</u> | <u>\$ 172,418</u> | <u>(\$ 151,984)</u> | <u>\$ -</u> | <u>\$ 2,202,571</u> | | |

Note 1: Land, buildings and structures amounting to \$362,252 at book value were pledged to Land Bank of Taiwan and Chang Hwa Bank as collateral for the borrowings.

VIKING TECH CORPORATION
MOVEMENT ON ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 6

| Item | Balance at January 1, 2025 | Additions | Deductions | Balance at December 31, 2025 | Footnote |
|--------------------------|-------------------------------|-------------------|---------------------|---------------------------------|----------|
| Buildings and structures | \$ 344,856 | \$ 25,195 | \$ - | \$ 370,051 | |
| Machinery | 626,618 | 166,282 | (145,904) | 646,996 | |
| Others | 14,758 | 7,959 | (6,080) | 16,637 | |
| | <u>\$ 986,232</u> | <u>\$ 199,436</u> | <u>(\$ 151,984)</u> | <u>\$ 1,033,684</u> | |

VIKING TECH CORPORATION
STATEMENT OF TRADE PAYABLES
DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars)

Statement 7

| Client Name | Description | Amount | Note |
|--|-------------|-------------------|---|
| General customers : | | | |
| S | | \$ 10,475 | |
| AA | | 9,506 | |
| U | | 9,321 | |
| AD | | 9,172 | |
| Others | | | None of the balances of each remaining item is greater than 5% of this account balance. |
| | | <u>124,491</u> | |
| Subtotal | | <u>162,965</u> | |
| Related parties : | | | |
| Guangdong Fenghua Advanced Technology (Holding) Co.,Ltd. | | 8,391 | |
| Viking Electronics (WUXI) CO., LTD. | | <u>5,918</u> | |
| Subtotal | | <u>14,309</u> | |
| | | <u>\$ 177,274</u> | |

VIKING TECH CORPORATION
LONG-TERM BORROWINGS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 8

| Creditor | Description | Amount | Borrowing period | Interest rate range | Collateral | Footnote |
|---------------------------|-------------|-----------------|-----------------------|---------------------|------------------|----------|
| Land Bank of Taiwan | | \$ 10,469 | 2013.9.27~2027.1.19 | 1.99% | Land 、 Buildings | |
| Chang Hwa Commercial Bank | | 9,763 | 2017.10.25~2027.10.25 | 2.045% | Land 、 Buildings | |
| Chang Hwa Commercial Bank | | 9,988 | 2018.02.07~2027.10.25 | 2.045% | Land 、 Buildings | |
| Subtotal | | 30,220 | | | | |
| Less: Current portion | | (20,337) | | | | |
| | | <u>\$ 9,883</u> | | | | |

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

Statement 9

| <u>Items</u> | <u>Quantity</u> | <u>Amount</u> | <u>Footnote</u> |
|--|----------------------------|---------------------|-----------------|
| Sale Revenue : | | | |
| Thick and thin film passive components | 16,655,239 thousand pieces | \$ 2,351,063 | |
| Less: Sales returns, discounts, and allowances | 18,495 thousand pieces | (6,545) | |
| | | <u>\$ 2,344,518</u> | |

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

Statement 10

| Items | Description | Amount |
|--|-------------|---------------------|
| The cost of sales | | |
| Beginning merchandise | | \$ 12,790 |
| Add: Purchased during the year | | 218,999 |
| Less: Ending balance of merchandise at December 31 | | (12,921) |
| Merchandise scrapped | | (5) |
| Transferred to expenses | | (13,312) |
| Cost of sales | | <u>205,551</u> |
| Cost of goods sold | | |
| Beginning raw materials | | 315,393 |
| Add: Purchased during the year | | 583,093 |
| Less: Ending balance of raw materials at December 31 | | (314,108) |
| Transferred to expenses | | (159,231) |
| Raw materials scrapped | | (297) |
| Direct materials used | | 424,850 |
| Direct labour | | 286,435 |
| Manufacturing expense | | <u>916,086</u> |
| Manufacturing costs | | 1,627,371 |
| Add: Work in progress at beginning of year | | 252,872 |
| Less: Work in progress at end of year | | (259,898) |
| Work in progress scrapped | | (29,898) |
| Transferred to expenses | | (6,129) |
| Finished goods cost | | 1,584,318 |
| Add: Finished goods at beginning of year | | 141,662 |
| Less: Finished goods at end of year | | (152,172) |
| Finished goods scrapped | | (15,512) |
| Transferred to expenses | | <u>5,200</u> |
| Cost of goods sold | | 1,563,496 |
| Inventory valuation loss | | 49,562 |
| Revenue from sale of scraps | | (5,582) |
| Other operating costs | | <u>7,818</u> |
| Total operating costs | | <u>\$ 1,820,845</u> |

VIKING TECH CORPORATION
MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 11

| <u>Item</u> | <u>Description</u> | <u>Amount</u> | <u>Footnote</u> |
|----------------------|--------------------|-------------------|---|
| Depreciation expense | | \$ 171,483 | |
| Wages and salaries | | 146,168 | |
| Indirect material | | 159,952 | |
| Utilities expense | | 134,706 | |
| Repair fee | | 52,746 | |
| Insurance expense | | 49,111 | |
| Other expenses | | <u>201,920</u> | None of the balances of each remaining item is greater than 5% of this account balance. |
| | | <u>\$ 916,086</u> | |

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

Statement 12

| <u>Item</u> | <u>Description</u> | <u>Amount</u> | <u>Footnote</u> |
|-----------------------------------|--------------------|-------------------|---|
| Wages and salaries | | \$ 46,570 | |
| Import / export (customs) expense | | 24,191 | |
| Insurance expense | | 7,811 | |
| Commissions expense | | 6,274 | |
| Other expenses | | <u>24,759</u> | None of the balances of each remaining item is greater than 5% of this account balance. |
| | | <u>\$ 109,605</u> | |

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

Statement 13

| <u>Item</u> | <u>Description</u> | <u>Amount</u> | <u>Footnote</u> |
|----------------------|--------------------|-------------------|---|
| Wages and salaries | | \$ 74,884 | |
| Depreciation expense | | 24,923 | None of the balances of each remaining item is greater than 5% of this account balance. |
| Other expenses | | <u>41,080</u> | |
| | | <u>\$ 140,887</u> | |

VIKING TECH CORPORATION
RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 14

| <u>Item</u> | <u>Description</u> | <u>Amount</u> | <u>Footnote</u> |
|----------------------|--------------------|------------------|---|
| Wages and salaries | | \$ 36,832 | |
| Laboratory fee | | 12,278 | |
| Depreciation expense | | 8,405 | |
| Insurance expense | | 3,657 | |
| Other expenses | | <u>11,260</u> | None of the balances of each remaining item is greater than 5% of this account balance. |
| | | <u>\$ 72,432</u> | |

VIKING TECH CORPORATION
DETAILS OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 15

| By nature \ By function | 2025 | | | 2024 | | |
|----------------------------------|-------------------------------|----------------------------------|------------|-------------------------------|----------------------------------|------------|
| | Classified as operating costs | Classified as operating expenses | Total | Classified as operating costs | Classified as operating expenses | Total |
| Employee benefit expense | | | | | | |
| Wages and salaries | \$ 417,277 | \$ 130,522 | \$ 547,799 | \$ 387,030 | \$ 133,022 | \$ 520,052 |
| Labour and health insurance fees | 45,907 | 12,014 | 57,921 | 43,288 | 12,509 | 55,797 |
| Pension costs | 15,325 | 5,689 | 21,014 | 15,358 | 6,120 | 21,478 |
| Directors' remuneration | - | 22,075 | 22,075 | - | 23,730 | 23,730 |
| Others | 21,363 | 4,967 | 26,330 | 21,967 | 5,471 | 27,438 |
| Depreciation | 171,483 | 33,455 | 204,938 | 175,206 | 31,391 | 206,597 |
| Amortisation | 12 | 5,329 | 5,341 | - | 4,393 | 4,393 |

Note:

1. As of December 31, 2025 and 2024, the Company had 809 and 812 employees. Both are including 9 non-employee directors, respectively.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :
 - (1) Average employee benefit expense in current year is 816 thousand dollars ('total employee benefit expense for the current year - total directors' remuneration for the current year' / 'the number of employees in the current year - the number of non-employee directors in the current year').
Average employee benefit expense in previous year is 778 thousand dollars ('total employee benefit expense for the previous year - total directors' remuneration for the previous year' / 'the number of employees in the previous year - the number of non-employee directors in the previous year'). □
 - (2) Average employees salaries in current year is 685 thousand dollars (total salaries and wages for the current year / 'the number of employees in the current year - the number of non-employee directors in the current year').
Average employees salaries in previous year is 648 thousand dollars (total salaries and wages for the previous year / 'the number of employees in the previous year - the number of non-employee directors in the previous year').
 - (3) Adjustments of average employees salaries is 6%('the average employee salaries and wages for the current year - the average employee salaries and wages for the previous year' / the average employee salaries and wages for the previous year).
 - (4) The Company has no supervisor.

VIKING TECH CORPORATION
DETAILS OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 15

(5) Under the Company's Articles of Incorporation, the profit of the current year shall be distributed 10% as employees' compensation, of which no less than 3% shall be distributed as non-managerial employees' compensation, and distributed at no higher than 5% as directors' remuneration. Except for the basic salary, the Company distributed bonus to employees based on operating condition to strengthen coherence and encourage employees participating in the Company's operation whereby they can jointly share the operating results of the Company. Directors' remuneration was distributed from earnings, the remuneration was determined based on the participation frequency and contribution in the Company's operation during the fiscal year when distributing directors' remuneration. When the Company's directors executing on position of one's own, the determination of remuneration was authorised to the Board of Directors based on the standard within the foreign and domestic industries. Directors' and managers' remunerations were proposed by the remuneration committee and reported to and approved by the Board of Directors in accordance with the regulations.