

**SCIENTECH CORPORATION
and Subsidiaries**

**Consolidated Financial Statements
and Independent Auditors' Report
For the years ended December 31, 2025
and 2024**

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For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

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Declaration of Consolidated Financial Statements of Affiliated Companies

Considering that the companies to be included into the consolidated financial statements of affiliates under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” were the same as those to be included into the consolidated financial statements of the parent and subsidiaries under International Financial Reporting Standards (IFRS) No. 10 in 2025 (from 1 January 2025 to 31 December 2025) and the related information to be disclosed in the Consolidated Financial Statements were already disclosed in said Consolidated Financial Statements, no Consolidated Financial Statements were prepared separately.

Hereby declare

Company Name: SCIENTECH CORPORATION

Chairman of the Board: HUNG-LIANG HSIEH

March 10, 2026

Independent Auditors' Report

SCIEN TECH CORPORATION:

Audit opinion

SCIEN TECH CORPORATION and its subsidiaries (collectively referred to as the SCIEN TECH Group) as of 31 December 2025 and 2024, and the Consolidated Balance Sheets, for the period from 1 January to 31 December 2025 and 2024, and the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and the Notes on Consolidated Financial Statements (including the summary of significant accounting policies), have been audited by our accountants.

In our opinion, the aforementioned Consolidated Financial Statements fairly present, in all material respects, the consolidated financial position of the SCIEN TECH Group as of 31 December 2025 and 2024, and the consolidated financial performance and consolidated cash flows for the periods from 1 January to 31 December 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations, and Statement on Internal Control (SIC) approved and promulgated by the Financial Supervisory Commission.

Basis of Audit Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Consolidated Financial Statements section of our report. The personnel of our affiliated firm subject to independence regulations have

maintained independence from the SCIENTECH Group in accordance with the International Code of Ethics for Professional Accountants (IESBA Code), and fulfilled other responsibilities under that code. 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 refer to matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the SCIENTECH Group for the year 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these issues.

The Key Audit Matters for the SCIENTECH Group's 2025 Consolidated Financial Statements are stated as follows:

Revenue recognition

The SCIENTECH Group's Sales revenue from agency and manufacturing of machinery for the year 2025 is material to the financial statements as a whole (accounting for 69% of the total Sales revenue). Recognition of Sales revenue for machinery occurs when performance obligations are satisfied. Since the Company may recognize Sales revenue before the criteria for revenue recognition from the sale of machinery are met, this is identified as a key audit matter.

Our main audit procedures to address the said matter included understanding and testing the effectiveness of the design and implementation of the internal control system pertaining to the recognition of machinery sale and discussing with the management about whether the accounting policy for Sales revenue recognition is appropriate and consistently adopted; we also sampled sales documents to verify the Terms and conditions on the order or sale contract and check the acceptance certificate signed off by customers, so as to assess whether the Sales revenue recognition is appropriate.

Other Matters

SCIENTECH CORPORATION has prepared its parent-company-only financial reports for the years 2025 and 2024, on which we have issued unqualified opinions audit reports for reference.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The management was responsible for fairly presenting these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations, and SIC interpretations that were approved and promulgated by the Financial Supervisory Commission, and for maintaining the necessary internal control related to the preparation of these consolidated financial statements to ensure that these consolidated financial statements were free of material misstatements, whether due to fraud or errors.

During preparation of these consolidated financial statements, the management was also responsible for evaluating The Group's ability to continue as a going concern, disclosing going concern matters, and applying the going concern basis of accounting, unless the management intended either to liquidate The Group or to terminate its operations, or had no feasible alternatives but to do so.

The Group's governance body (including the Audit Committee) was responsible for supervising the financial reporting procedures.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives in auditing the Consolidated Financial Statements are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but an audit conducted in accordance with the Auditing Standards cannot guarantee that a material misstatement in the Consolidated Financial Statements will always be detected. Misstatements can arise from fraud or error. Misstatements 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 consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express

an opinion on the consolidated financial statements. We are responsible for directing, supervising, and executing the group's audit engagements and for forming the group's 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 determined the key audit matters for the audit of the SCIENTECH Group's 2025 consolidated financial statements. 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.

Deloitte & Touche

Accountant HSIU-MING HSU

Accountant YU-CHENG HSIN

Securities and Futures Commission
Approval Document No.
Tai-Tsai-Cheng-Liu-Tzu
0920123784

No.

Approval No. from the Financial Supervisory
Commission
Jin-Guan-Zheng-Shen-Zi
1120349008

No.

March 13, 2026

SCIENTECH CORPORATION and Subsidiaries
Consolidated Balance Sheets
31 December 2025 and 2024

Unit: NT\$ thousand

Code	Assets	31 December 2025		31 December 2024	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 6,687,823	27	\$ 7,014,917	30
1110	Current financial assets at fair value through profit or loss(Notes 4 and 7)	458	-	2,480	-
1170	Notes and accounts receivable (Notes 4, 9, and 21)	887,952	3	590,216	3
130X	Inventories (Notes 4 and 10)	11,948,477	48	11,625,770	50
1410	Prepayments	557,058	2	792,137	3
1470	Other current assets(Notes 15, 32, and 33)	76,432	-	68,762	-
11XX	Total current assets	<u>20,158,200</u>	<u>80</u>	<u>20,094,282</u>	<u>86</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income (Notes 4 and 8)	708,268	3	279,028	1
1550	Investments accounted for using equity method (Notes 4 and 12)	400,876	2	636,932	3
1600	Property, plant and equipment(Notes 4, 13, and 33)	2,663,333	11	1,634,599	7
1755	Right-of-use assets (Notes 4 and 14)	83,003	-	86,515	-
1780	Intangible assets (Notes 4 and 26)	47,771	-	693	-
1840	Deferred tax assets (Notes 4 and 23)	223,852	1	241,777	1
1915	Prepayments for equipment (Note 13)	706,416	3	455,810	2
1975	Net defined benefit assets (Notes 4 and 19)	2,366	-	1,764	-
1990	Other non-current assets (Note 15)	68,417	-	52,341	-
15XX	Total non-current assets	<u>4,904,302</u>	<u>20</u>	<u>3,389,459</u>	<u>14</u>
1XXX	Total assets	<u>\$ 25,062,502</u>	<u>100</u>	<u>\$ 23,483,741</u>	<u>100</u>
	Liability and equity				
	Current liabilities				
2100	Short-term borrowings(Notes 16 and 33)	\$ 346,246	1	\$ 563,221	2
2130	Contract liabilities (Notes 4, 21, and 32)	14,169,314	56	14,006,118	60
2170	Notes payable and accounts payable	1,460,667	6	1,487,448	6
2200	Other payables(Notes 13, 18, and 32)	734,681	3	639,991	3
2230	Current tax liabilities (Notes 4 and 23)	186,782	1	159,652	1
2252	Short-term warranty provision (Note 4)	100,427	-	85,579	-
2280	Lease liabilities (Notes 4, 14, and 32)	16,704	-	17,011	-
2321	Current portion of Bonds payable (Note 4 and 17)	1,166,768	5	-	-
2399	Other current liabilities	28,766	-	28,248	-
21XX	Total current liabilities	<u>18,210,355</u>	<u>72</u>	<u>16,987,268</u>	<u>72</u>
	Non-current liabilities				
2530	Bonds payable (Note 4 and 17)	-	-	1,145,654	5
2570	Deferred tax liabilities (Notes 4 and 23)	371,094	2	315,374	2
2580	Lease liabilities (Notes 4, 14, and 32)	70,607	-	73,440	-
2600	Other non-current liabilities	143	-	-	-
25XX	Total non-current liabilities	<u>441,844</u>	<u>2</u>	<u>1,534,468</u>	<u>7</u>
2XXX	Total liabilities	<u>18,652,199</u>	<u>74</u>	<u>18,521,736</u>	<u>79</u>
	Equity attributable to owners of the company (Notes 4, 17, 20 and 28)				
3110	Ordinary share	803,313	3	803,280	3
3200	Capital surplus	918,806	4	917,777	4
	Retained earnings				
3310	Legal reserve	531,898	2	439,166	2
3350	Unappropriated retained earnings	3,292,552	13	2,641,716	11
3300	Total retained earnings	<u>3,824,450</u>	<u>15</u>	<u>3,080,882</u>	<u>13</u>
	Other equity				
3410	Exchange differences on translation of foreign financial statements	10,633	-	55,395	-
3420	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	501,841	2	104,671	1
3400	Total other equity interests	<u>512,474</u>	<u>2</u>	<u>160,066</u>	<u>1</u>
31XX	Owners of the CompanyTotal equity	<u>6,059,043</u>	<u>24</u>	<u>4,962,005</u>	<u>21</u>
36XX	Non-controlling interests	351,260	2	-	-
3XXX	Total equity	<u>6,410,303</u>	<u>26</u>	<u>4,962,005</u>	<u>21</u>
	Total Liabilities and Equity	<u>\$ 25,062,502</u>	<u>100</u>	<u>\$ 23,483,741</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

Chairman of the Board: HUNG-LIANG HSIEH

Manager: HUNG-YI LI

Accounting Manager: SHAO-CHE CHUANG

SCIENTECH CORPORATION and Subsidiaries
Consolidated Statement of Comprehensive Income
1 January to 31 December 2025 and 2024

Unit: NT\$ thousand, except
Earnings per share is dollars

Code		2025		2024	
		Amount	%	Amount	%
	Operating revenue(Notes 4, 21, and 32)				
4100	Sales revenue	\$ 10,895,501	96	\$ 9,400,488	97
4600	Service revenue	433,223	4	277,278	3
4800	Other operating revenue	<u>42,644</u>	-	<u>10,514</u>	-
4000	Total operating revenue	<u>11,371,368</u>	<u>100</u>	<u>9,688,280</u>	<u>100</u>
5000	Operating costs (Notes 10 and 22)	<u>7,562,989</u>	<u>66</u>	<u>6,787,607</u>	<u>70</u>
5900	Gross profit from operations	3,808,379	34	2,900,673	30
5920	Realized gains on transactions with associates (Note 4 and 12)	<u>5,472</u>	-	<u>5,154</u>	-
5950	Realized operating gross profit	<u>3,813,851</u>	<u>34</u>	<u>2,905,827</u>	<u>30</u>
	Operating expenses(Notes 9, 22, and 32)				
6100	Selling expenses	1,462,752	13	1,202,243	13
6200	Administrative expenses	306,458	3	215,263	2
6300	Commissions expense	463,325	4	377,553	4
6450	Expected credit loss (gain)	<u>5,736</u>	-	<u>(4,781)</u>	-
6000	Total operating expenses	<u>2,238,271</u>	<u>20</u>	<u>1,790,278</u>	<u>19</u>
6900	Operating Income	<u>1,575,580</u>	<u>14</u>	<u>1,115,549</u>	<u>11</u>
	Non-operating income and expenses				
7010	Other income(Note 4, 8, and 32)	38,750	-	23,093	-

(Continued)

(Continued)

Code		2025		2024	
		Amount	%	Amount	%
7020	Other gains and losses (Notes 11 and 12)	\$ 8,179	-	(\$ 5,698)	-
7050	Finance costs (Notes 4, 22, and 32)	(28,464)	-	(17,875)	-
7060	Share of profit or loss of associates accounted for using equity method (Notes 4 and 12)	(24,324)	-	(22,717)	-
7100	Income from interests(Notes 4)	142,969	1	166,676	2
7630	Exchange (losses) gains (Notes 4 and 35)	(170,807)	(1)	14,882	-
7635	Net (loss) gain on financial assets at fair value through profit or loss	(2,020)	-	2,794	-
7000	Total non-operating income and expenses	(35,717)	-	161,155	2
7900	Profit before tax	1,539,863	14	1,276,704	13
7950	Tax expense (Notes 4 and 23)	397,812	4	349,721	3
8200	Net profit in the current year	1,142,051	10	926,983	10
	Other comprehensive income (Note 4)				
	Items that will not be reclassified subsequently to profit or loss				
8311	Re-measurements of defined benefit plans (Note 19)	949	-	426	-

(Continued)

(Continued)

Code		2025		2024	
		Amount	%	Amount	%
8316	Unrealized valuation gains or losses on investment in equity instruments at fair value through other comprehensive income	397,170	3	68,892	1
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss(Note 23)	(190)	-	(86)	-
8310		<u>397,929</u>	<u>3</u>	<u>69,232</u>	<u>1</u>
	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(\$ 54,288)	-	\$ 66,196	-
8370	Share of other comprehensive income of associates accounted for using the equity method (Note 12)	1,009	-	16,270	-
8399	Income tax related to items that might be reclassified (Note 23)	<u>11,191</u>	<u>-</u>	<u>(16,493)</u>	<u>-</u>
8360		<u>(42,088)</u>	<u>-</u>	<u>65,973</u>	<u>-</u>
8300	Other comprehensive income (net after tax)	<u>355,841</u>	<u>3</u>	<u>135,205</u>	<u>1</u>
8500	Total comprehensive income for the year	<u>\$ 1,497,892</u>	<u>13</u>	<u>\$ 1,062,188</u>	<u>11</u>

(Continued)

(Continued)

Code		2025		2024	
		Amount	%	Amount	%
	Profit, attributable to:				
8610	Owners of parent company	\$ 1,109,812	10	\$ 926,983	10
8620	Non-controlling interests	<u>32,239</u>	<u>-</u>	<u>-</u>	<u>-</u>
8600		<u>\$ 1,142,051</u>	<u>10</u>	<u>\$ 926,983</u>	<u>10</u>
	Comprehensive income attributable to:				
8710	Owners of parent company	\$ 1,462,979	13	\$ 1,062,188	11
8720	Non-controlling interests	<u>34,913</u>	<u>-</u>	<u>-</u>	<u>-</u>
8700		<u>\$ 1,497,892</u>	<u>13</u>	<u>\$ 1,062,188</u>	<u>11</u>
	Earnings per share (Note 24)				
9710	Basic	<u>\$ 13.82</u>		<u>\$ 11.54</u>	
9810	Diluted	<u>\$ 13.38</u>		<u>\$ 11.36</u>	

The accompanying notes are an integral part of the consolidated financial statements.

Chairman of the Board:
HUNG-LIANG HSIEH

Manager:
HUNG-YI LI

Accounting Manager:
SHAO-CHE CHUANG

SCIENTECH CORPORATION and Subsidiaries
Consolidated Statement of Changes in Equity
1 January to 31 December 2025 and 2024

Unit: NT\$ thousand

Code		Ordinary share		Retained earnings			Other equity		Total	Non-controlling interests	Total equity	
		Shares in thousands	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements				Unrealized valuation gains or losses on investment in equity instruments at fair value through other comprehensive income
A1	Balance as of 1 January 2024	80,328	\$ 803,280	\$ 685,901	\$ 375,378	\$ 33,380	\$ 2,066,113	(\$ 10,578)	\$ 35,779	\$ 3,989,253	\$ -	\$ 3,989,253
	2023 Earning appropriation											
B1	Legal reserve	-	-	-	63,788	-	(63,788)	-	-	-	-	-
B3	Special reserve appropriated	-	-	-	-	(33,380)	33,380	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(321,312)	-	-	(321,312)	-	(321,312)
C5	Issuance of convertible corporate bonds recognized as part of the equity item	-	-	231,876	-	-	-	-	-	231,876	-	231,876
D1	Net profit for 2024	-	-	-	-	-	926,983	-	-	926,983	-	926,983
D3	2024 Other comprehensive income (loss), net of income tax	-	-	-	-	-	340	65,973	68,892	135,205	-	135,205
Z1	Balance as of 31 December 2024	80,328	803,280	917,777	439,166	-	2,641,716	55,395	104,671	4,962,005	-	4,962,005
	2024 Earning appropriation											
B1	Legal reserve	-	-	-	92,732	-	(92,732)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(361,476)	-	-	(361,476)	-	(361,476)
O1	Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	312,202	312,202
O1	Change in non-controlling interests	-	-	-	-	-	-	-	-	-	27,546	27,546
M5	Acquisition of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(28,928)	(28,928)
I1	Conversion of convertible bonds	3	33	1,029	-	-	-	-	-	1,062	-	1,062
M7	Changes in percentage of ownership interest in subsidiaries	-	-	-	-	-	(5,527)	-	-	(5,527)	5,527	-
D1	Net profit for 2025	-	-	-	-	-	1,109,812	-	-	1,109,812	32,239	1,142,051
D3	2025 Other comprehensive income (loss), net of income tax	-	-	-	-	-	759	(44,762)	397,170	353,167	2,674	355,841
Z1	Balance as of 31 December 2025	<u>80,331</u>	<u>\$ 803,313</u>	<u>\$ 918,806</u>	<u>\$ 531,898</u>	<u>\$ -</u>	<u>\$ 3,292,552</u>	<u>\$ 10,633</u>	<u>\$ 501,841</u>	<u>\$ 6,059,043</u>	<u>\$ 351,260</u>	<u>\$ 6,410,303</u>

The accompanying notes are an integral part of the consolidated financial statements.

Chairman of the Board: HUNG-LIANG HSIEH

Manager: HUNG-YI LI

Accounting Manager: SHAO-CHE CHUANG

SCIEN TECH CORPORATION and Subsidiaries

Consolidated Statement of Cash Flows

1 January to 31 December 2025 and 2024

Unit: NT\$ thousand

Code		2025	2024
	Cash flow from operating activities		
A10000	Profit before tax	\$ 1,539,863	\$ 1,276,704
A20010	Reconcile profit item		
A20100	Depreciation expense	190,566	135,480
A20200	Amortization expense	16,636	259
A20300	Expected credit loss(Reversal gain)	5,736	(4,781)
A20400	Net loss (gain) of financial assets at fair value through profit or loss	2,020	(2,794)
A20900	Finance costs	28,464	17,875
A21200	Interest revenue	(142,969)	(166,676)
A21300	Dividend revenue	(4,000)	(4,045)
A21900	Share-based payments	2,068	-
A22300	Share of profit or loss of associates accounted for using equity method	24,324	22,717
A22500	(Gain) loss on disposal and retirement of property, plant, and equipment	8,274	(4)
A23700	Impairment loss on non-financial assets	213,250	353,180
A24000	Realized gains on transactions with associates	(5,472)	(5,154)
A24100	Unrealized foreign exchange (gain) loss	(15,317)	35,865
A29900	Gain on derecognition of subsidiaries	(31,941)	-
A29900	Proceeds from disposal of subsidiaries loss	4,059	-
A29900	Defined benefit cost	572	599
A30000	Net changes in operating assets and liabilities		
A31150	notes and accounts receivable	(163,533)	208,155
A31160	Accounts receivable - related parties	-	12,443
A31200	Inventories	(478,331)	(2,288,733)
A31230	Prepayments	240,573	380,048
A31240	Other current assets	(5,150)	98,046
A32125	Contract liabilities	6,165	2,053,672

(Continued)

(Continued)

Code		2025	2024
A32150	Notes payable and accounts payable	(78,633)	(442,092)
A32180	Other payables	99,379	135,132
A32200	Short-term warranty provision	15,127	31,436
A32230	Other current liabilities	(2,766)	12,317
A32240	Net defined benefit liabilities	(225)	(159)
A33000	Cash flow from operating activities	1,468,739	1,859,490
A33100	Interest received	\$	\$
		142,969	166,676
A33300	Interest paid	(6,313)	(5,122)
A33500	Income taxes paid	(284,964)	(295,413)
AAAA	Net cash flows from operating activities	<u>1,320,431</u>	<u>1,725,631</u>
	Cash flows from (used in) investing activities		
B00100	Acquisition of financial assets at fair value through profit or loss	(32,070)	-
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	-	7,385
B01800	Acquisition of long-term equity investments accounted for using the equity method	-	(215,133)
B02300	Proceeds from disposal of subsidiaries net cash inflow	2,172	-
B02700	Acquisition of property, plant and equipment	(1,093,952)	(546,820)
B02800	Proceeds from disposal of property, plant and equipment	3,040	125
B04500	Acquisition of intangible assets	(1,744)	-
B05000	Net cash inflows from business combination	201,515	-
B06700	Increase in other non-current assets	(14,914)	(10,703)
B07600	Dividends received	<u>4,000</u>	<u>4,045</u>
BBBB	Net cash flows used in investing activities	<u>(931,953)</u>	<u>(761,101)</u>
	Cash flows from financing activities		
C00200	Short-term borrowings net (decrease) increase	(291,402)	255,847
C01200	Proceeds from issuing bonds	-	1,365,243
C04020	Payments of lease liabilities	(19,865)	(17,593)
C04300	Increase in other non-current liabilities	130	-
C04500	Cash dividends paid	(361,476)	(321,312)
C05400	Acquisition of ownership interests in subsidiaries	(28,928)	-

(Continued)

(Continued)		2025	2024
<u>Code</u>		<u></u>	<u></u>
C05800	Change in non-controlling interests	<u>25,877</u>	<u>-</u>
CCCC	Net cash flows from (used in) financing activities	<u>(675,664)</u>	<u>1,282,185</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(39,908)</u>	<u>107,225</u>
EEEE	Cash and cash equivalentsNet (decrease) increase	<u>(327,094)</u>	<u>2,353,940</u>
E00100	Cash and cash equivalents at the beginning of the year	<u>7,014,917</u>	<u>4,660,977</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 6,687,823</u>	<u>\$ 7,014,917</u>

The accompanying notes are an integral part of the consolidated financial statements.

Chairman of the Board:
HUNG-LIANG HSIEH

Manager:
HUNG-YI LI

Accounting Manager:
SHAO-CHE CHUANG

SCIENTECH CORPORATION and Subsidiaries
Notes to the Consolidated Financial Statements
1 January to 31 December 2025 and 2024
(All amounts are in NT\$ thousand unless otherwise specified)

1. Company History

SCIENTECH CORPORATION (the “Company”) was established in October 1979. Mainly engaged in the research and development, production, sales, and maintenance of process equipment for semiconductors, liquid crystal displays (LCDs), light-emitting diodes (LEDs), and solar power generation; wafer reclaim; and general import and export, the Company was listed on the Taiwan Stock Exchange (TWSE) in March 2013.

The consolidated financial statements are stated in the functional currency of the Company, which is New Taiwan Dollars.

2. Date and procedures of approval of the financial statements

The Consolidated Financial Statements were approved at the Board meeting on 10 March 2026.

3. Application of New Standards, Amendments, and Interpretations

- (1) First-time application of the International Financial Reporting Standards (IFRS) (IFRS), International Accounting Standards (IAS) (IAS), IFRIC interpretations (IFRIC), and Statement on Internal Control (SIC) (SIC) (IFRSs) approved and promulgated by the Financial Supervisory Commission (hereinafter referred to as "FSC")

Amendments to IAS 21 “Lack of Exchangeability”

The application of the amendments to IAS 21 “Lack of Exchangeability” will not result in a significant change in the accounting policies of the Group.

(II) IFRSs endorsed by FSC applicable in 2026

<u>Application of New Standards, Amendments, and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7, "Amendments to Classification and Measurement of Financial Instruments"	1 January 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	1 January 2026
"Annual Improvements to IFRS Accounting Standards - Volume 11"	1 January 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments)	1 January 2023

Up to the release date of the Consolidated Financial Statements, the Group continues to assess the effects of various amendments on the financial position and performance. The relevant effects will be disclosed after the assessment.

(III) IFRS Accounting Standards issued by the IASB but not yet approved and promulgated by the FSC

<u>Application of New Standards, Amendments, and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 18 "Presentation and Disclosure in Financial Statements"	1 January 2027 (Note 2)
IFRS 19 "Disclosure of Non-publicly Accountable Subsidiaries: Disclosure" (including 2025 amendments)	1 January 2027
Amendments to IAS 21 "Translation to the Presentation Currency of a Hyperinflationary Economy"	1 January 2027

Note 1: Unless specified, the above-mentioned new/amended/revised standards or interpretation shall become effective in the annual reporting periods beginning on or after each effective date.

Note 2: FSC announced on September 25, 2025 that enterprises in our country shall apply IFRS 18 starting from January 1, 2028, and may also elect to early adopt after FSC has endorsed IFRS 18.

IFRS 18 “Presentation and Disclosure in Financial Statements” and related consequential amendments

IFRS 18 will replace IAS 1, “Presentation of Financial Statements,” with the main changes including:

1. The Group shall assess whether it has specific primary operating activities of investing in specific types of assets and providing financing to customers, and accordingly classify the income and expense items in the statement of comprehensive income into operating, investing, financing, income tax, and discontinued operations categories.
2. The income statement should report operating profit and loss, pre-tax profit before financing, as well as subtotals and totals of profit and loss.
3. Provide guidance to enhance aggregation and disaggregation requirements: The Group must identify the assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics so that each line item reported in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. The Group only labels these item as "Others" when no more informative designation can be identified.
4. Increase disclosure of management-defined performance measures: When the Group engages in public communication outside of financial statements and communicates management’s perspective on a specific aspect of the Group’s overall financial performance to financial statement users, it should disclose relevant information about management-defined performance measures in a single note to the financial statements. This includes a description of the measure, how it is calculated, its reconciliation with subtotals or totals specified by IFRS accounting standards, and the impact of

related reconciliation items on income tax and non-controlling interests.

In addition, the following consequential amendments were made to IAS 7 “Statement of Cash Flows” :

- When the Group prepares Cash flow from operating activities using the indirect method, operating profit or loss shall be used as the starting point for reconciliation.
- The Group's Interest received and dividends shall be classified as investing activities, while Interest paid and dividends shall be classified as financing activities. If the Group has assessed that it has specific primary operating activities, it shall consider the types of Dividend revenue, Interest revenue, and Interest expense presented in the statement of comprehensive income to determine the classification of dividends received, interest received, and interest paid in the statement of cash flows; provided, however, that each of the aforementioned cash flows may only be classified into a single activity in the statement of cash flows.

Except for the aforementioned effects, up to the Consolidated Financial Statements release date, the Group continues to assess the other effects of various amendments to the standards and interpretations on the financial position and performance. The relevant effects will be disclosed after the assessment.

4. Summary of significant accounting policies

(I) Compliance statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS Accounting Standards approved and promulgated by the FSC.

(II) Basis of preparation

Except for the financial instruments measured at fair value and the net defined benefit asset recognized at the present value of defined benefit obligations less the fair value of the plan assets, the consolidated financial statements were prepared on the basis of historical cost.

Fair value measurements are classified into Level 1, 2, and 3 based on the degree to which an input is observable and the significance of the input:

1. Level 1 inputs: The quoted price in an active market for identical assets or liabilities that is accessible on the measurement date (before adjustment).
2. Level 2 inputs: Other than quoted prices included in Level 1, the inputs that are observable for assets or liabilities directly (i.e. the price) or indirectly (i.e. inferred from the price).
3. Level 3 inputs: The inputs that are not observable for assets or liabilities.

(III) Criteria for classification of assets and liabilities as current or non-current

Current assets include:

1. Assets that are held mainly for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash or cash equivalents (excluding those that are restricted for being used for exchange or settlement of liabilities within 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities that are held mainly for trading purposes;
2. Liabilities that will be settled within 12 months after the balance sheet date; and
3. Liabilities for which there is no substantive right to extend the due date to more than 12 months after the balance sheet date.

Assets or liabilities that are not the above-mentioned current assets or current liabilities are classified as non-current assets or non-current liabilities.

(IV) Basis of consolidation

Entities covered by the consolidated financial statements include the Company and the entities controlled by the Company (i.e., subsidiaries). The consolidated statement of comprehensive income includes the operating results of the acquired or Proceeds from disposal

of subsidiaries entities for the current period from the acquisition date or up to the disposal date. The financial statements of the subsidiaries are adjusted to have their accounting policies be consistent with those of Group. All the transactions, account balances, profits, and expenses/losses between entities are eliminated during preparation of the consolidated financial statements. The Total comprehensive income (loss) of a subsidiary is attributed to the owners of the Company and Non-controlling interests, even if this results in Non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group and Non-controlling interests have been adjusted to reflect the changes in their relative interests in the subsidiaries. The difference between the adjustment amount of Non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal is the difference between: (1) the aggregate of the fair value of the consideration received and the fair value of any retained investment in the former subsidiary at the date when control is lost, and (2) the aggregate of the carrying amount of the former subsidiary's assets (including Goodwill) and liabilities and Non-controlling interests at the date when control is lost. The Group's accounting treatment for all amounts recognized in Other comprehensive income related to that subsidiary is on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The remaining investment in a former subsidiary is measured at its fair value on the date when control is lost as the amount for initial recognition of an investment in an associate or a financial asset.

For details of subsidiaries, shareholding percentage and business item, refer to Note 11 and Appendix Tables 4 and 5.

(V) Business combinations

Business combinations are accounted for using the acquisition method. Acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received.

Goodwill is measured as the excess of the sum of the fair value of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree at the acquisition date over the net amount of the identifiable assets acquired and the liabilities assumed at the acquisition date.

The Group measures Non-controlling interests on a transaction-by-transaction basis, either at fair value or at the Non-controlling interests's proportionate share of the acquiree's identifiable net assets. Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at the proportionate share of the recognized amounts of the acquiree's identifiable net assets. Other Non-controlling interests are measured at fair value.

A business combination achieved in stages is accounted for by remeasuring the Group's previously held equity interest in the acquiree at its acquisition-date fair value, and any resulting gain or loss is recognized in profit or loss. The amount previously recognized in Other comprehensive income due to the equity interest in the acquiree held prior to the acquisition date is recognized on the same basis as would be required if the Group had directly disposed of its previously held equity interest.

If the measurement of identifiable assets acquired and liabilities assumed in a business combination is incomplete, such items are recognized at provisional amounts as of the balance sheet date. During the measurement period, retrospective adjustments are made or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

(6) Foreign currency

Entities preparing their own financial statements translated the transactions denominated in currencies other than their functional currency (i.e., foreign currencies) into their functional currency by applying the exchange rate prevailing on the transaction date.

Monetary items in foreign currencies are translated at the closing exchange rate on each balance sheet date. Exchange differences arising from settlement or translation of the monetary items are recognized in the profit or loss of the period.

Non-monetary items in foreign currencies measured at fair value are translated at the exchange rate prevailing on the date the fair value was determined. The exchange differences resulting therefrom are recognized in profit or loss of the period, or in other comprehensive income when changes in fair value of such items were designated to be recognized in other comprehensive income.

Non-monetary items in foreign currencies measured at historical cost are translated at the exchange rate on the date of transaction and are not retranslated.

During preparation of the consolidated financial statements, the assets and liabilities of foreign operations (including the subsidiaries, associates, or branch companies of which the countries they operate or the currencies they use are different from those of the Group) are translated into NTD at the exchange rate prevailing on each balance sheet date. The income and expense items are translated at the average exchange rate of the period, and the exchange differences resulting therefrom are recognized in other comprehensive income.

(7) Inventories

Inventories include raw materials, work-in-progress, finished goods, and products. Inventories are measured at the lower of cost and net realizable value. Cost and net realizable values are compared on an item by item basis, except inventories of the same category. Net realizable value refers to the estimated selling price in a normal situation less the estimated cost needed to complete the work and the

estimated cost needed to complete the sale. The weighted average method is used to calculate the inventory cost.

(VIII) Investment in associates

An associate refers to a company over which the Group has a significant influence, but it is not a subsidiary or joint venture.

The consolidated company accounts for investments in associates using the equity method.

Under the equity method, the investment in associates is initially recognized at its costs and the amount of increase or decrease in the carrying amount of such investment after the date of acquisition depends on the Group's shares of profit/loss and other comprehensive income in the associates and joint ventures and the distributed profits. In addition, changes to the Group's equity in the associates are recognized based on our shareholding ratio.

When an associate issues new shares, if the Group does not subscribe in proportion to its shareholding, resulting in a change in the shareholding proportion and thereby causing an increase or decrease in the net equity value of the investment, the amount of such increase or decrease is adjusted to Capital surplus—Changes in Net Equity Value of Associates Accounted for Using the Equity Method and Investments accounted for using equity method. However, if the failure to subscribe or acquire in proportion to the shareholding results in a decrease in the ownership interest in the associate, the amount recognized in Other comprehensive income related to that associate is reclassified in proportion to the decrease, on the same basis as would be required if the associate had directly disposed of the related assets or liabilities; if the aforementioned adjustment should be debited to Capital surplus, and the balance of Capital surplus arising from Investments accounted for using equity method is insufficient, the difference is debited to Retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes the carrying amount of the investment in the associate under the equity method and any other long-

term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing further losses. The Group recognizes additional losses and liabilities only when any legal obligation or constructive obligation is incurred or the Group made payment on behalf of the associates.

For impairment evaluation, the Group tests the entire investment book value for impairment as a single asset by comparing the recoverable amount and book value of the investment. Any recognized impairment loss is also part of the investment book value. Any reversal of the impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increased.

The Consolidated Company ceases to adopt the equity method from the date its investment ceases to be an affiliate, and its retained interest in the former affiliate is measured at fair value. The difference between the fair value and the price of disposal and the carrying amount of the investment on the date of cessation of the equity method is stated as included in the current year's profit or loss. In addition, all amounts recognized in other comprehensive income related to the affiliated enterprise shall be accounted for on the same basis as the basis for the direct disposal of the relevant assets or liabilities by the affiliated enterprise.

The profit or loss generated from the upstream, downstream, and side stream transactions between the Group and the associates is recognized in the consolidated financial statements only when such profit or loss is irrelevant to the Group's equity in the associates.

(9) Property, plant and equipment

Property, plant, and equipment are initially recognized at cost and subsequently at cost net of accumulated depreciation and accumulated impairment.

Except for the self-owned land, which is not depreciated, each significant part of the property, plants, and equipment is separately depreciated on the straight-line basis over their useful life. The Consolidated Company reviews the estimated useful life, residual value,

and method of depreciation at least once before the end of each year and prospectively recognizes the effect from changes in accounting estimates.

When property, plant, and equipment is disposed of, the difference between the net disposal proceeds and the asset book value is recognized in profit or loss.

(X) Goodwill

Goodwill acquired in a business combination is measured at cost based on the amount of Goodwill recognized on the acquisition date, and is subsequently measured at cost less accumulated Impairment loss.

For the purpose of impairment testing, Goodwill is allocated to each of the cash-generating units or groups of cash-generating units (referred to as “cash-generating units”) that are expected to benefit from the synergies of the combination.

The cash-generating unit to which Goodwill has been allocated is tested for impairment annually (and whenever there is an indication that the unit may be impaired) by comparing the carrying amount of the unit, including the Goodwill, with its recoverable amount. If the Goodwill allocated to a cash-generating unit was acquired in a business combination during the current year, that unit shall be tested for impairment before the end of the current year. If the recoverable amount of the cash-generating unit to which Goodwill is allocated is lower than its carrying amount, Impairment loss is first reduced from the carrying amount of Goodwill allocated to that cash-generating unit, and then the carrying amounts of other assets in the unit are reduced pro rata based on the carrying amount of each such asset. Any Impairment loss is recognized directly as a loss for the current period. Goodwill Impairment loss may not be reversed in subsequent periods.

When disposing of an operation within a cash-generating unit to which Goodwill has been allocated, the Goodwill amount related to the operation being disposed of is included in the carrying amount of the operation to determine the gain or loss on disposal.

(XI) Intangible assets

1. Acquired separately

Acquired separately with finite useful lives are Intangible assets initially measured at cost, and subsequently measured at cost less accumulated amortization and accumulated Impairment loss. Intangible assets are amortized on the straight-line basis over their useful life. The Group reviews the estimated useful life and method of amortization at least once before the end of each year and prospectively recognizes the effects of changes in accounting estimates.

2. Acquired through business combinations

Intangible assets acquired in a business combination are recognized at fair value at the acquisition date and are recognized separately from Goodwill; the subsequent measurement method is the same as that for Intangible assets of Acquired separately.

3. Derecognition

Intangible assets Upon derecognition, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss for the current period.

(XII) Impairments of Property, plant and equipment, Right-of-use assets, and Intangible assets (except Goodwill)

The Group assesses whether there are any signs indicating that any property, plant, and equipment, right-of-use assets, or intangible assets might be impaired on each balance sheet date. If any such indication exists, then the asset's recoverable amount is estimated. When the recoverable amount of individual assets cannot be estimated, the Group estimates the recoverable amount of the cash-generating unit to which the assets belong. Corporate assets are allocated on a reasonable and consistent basis to the smallest group of cash-generating units

The recoverable amount is the higher of the fair value less costs of sale and the value in use. When the recoverable amount of any individual assets or cash-generating units is less than the book value, the book value of the individual assets or cash-generating units is

adjusted down to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is reversed subsequently, the book value of the asset or cash-generating unit is adjusted up to the revised recoverable amount. However, the increased book value shall not exceed the book value that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in prior years. The reversal of the impairment loss is recognized in profit or loss.

(XIII) Financial instruments

Financial assets and financial liabilities are initially recognized in the balance sheet when the Group becomes a party to the financial instrument contract.

Financial assets or financial liabilities other than those measured at fair value through profit or loss are initially recognized at the fair value plus the transaction costs that can be directly attributed to acquisition or issuance of such financial assets or liabilities. Any transaction cost directly attributable to the acquisition or issuance of the financial assets or financial liabilities measured at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

Regular transactions of financial assets are recognized and derecognized on the trade date accounting.

(1) Type of measurement

The Group's financial assets include financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, and investment in equity instrument measured at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss refer to those mandatorily measured at fair value through profit and loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments not designated to be

measured at fair value through other comprehensive profit or loss, and investments in debt instruments not qualified for classification as measured at amortized cost or at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value; the dividends and interest derived therefrom are recognized in other income and interest income, respectively. Gains or losses from re-measurement are recognized in other gains and losses.

B. Financial assets at amortized cost

When the Group's invested financial assets meet both of the following two conditions, they are classified as financial assets measured at amortized cost:

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

After the initial recognition, the financial assets measured at amortized cost (including cash and cash equivalents and receivables [including those due from related party]) are measured at the amortized cost equal to the total book value determined under the effective interest method less any impairment losses, and any gain or loss from foreign currency translation is recognized in profit or loss.

Interest income is calculated as the effective interest rate times the total book value of financial assets, except under the following two circumstances:

- a. For purchased or originated credit-impaired financial assets, the interest income is calculated as the credit-adjusted effective interest rate times the amortized cost of the financial assets.

b. For financial assets that are not purchased or originated credit-impaired but subsequently become credit-impaired, the interest income is calculated as the effective interest rate times the amortized cost of the financial assets, in all subsequent periods following the period in which the impairment occurred.

Financial assets are deemed to be credit-impaired upon the occurrence of significant financial difficulties confronting the issuer or debtor; default; or the circumstance that the debtor is likely to file for bankruptcy or other financial reorganization.

Cash equivalents include time deposits that are highly liquid, readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value, and that mature within three months after the acquisition date; cash equivalents are used to meet short-term cash commitments.

C. Investment in equity instruments at fair value through other comprehensive income

At initial recognition, the Group may make an irrevocable election to measure the investment in equity instruments that are held not for trading, that are not recognized by the acquirer in a business merger, and that have no consideration, at fair value through other comprehensive income.

Investment in equity instruments measured at fair value through other comprehensive income is measured at fair value. Subsequent changes in the fair value are recognized in other comprehensive income and accumulated in other equity.

The dividends derived investment in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive dividends is determined, except

under the circumstance that such dividends apparently represent a partial return of the investment cost.

(2) Impairment of financial assets

The Group assesses impairment losses on the financial assets (including accounts receivable [including those due from related parties]) measured at amortized cost based on the expected credit losses on each balance sheet date.

Receivables (including those due from related parties) are recognized as loss allowances based on lifetime ECLs. The Group first assess whether the credit risk on other financial assets significantly has increased after the initial recognition. When the increase is not significant, the loss allowance for the financial assets is recognized at the 12-month expected credit losses; when the increase is significant, the loss allowance is recognized at the lifetime expected credit losses.

Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight. 12-month expected credit losses represent the expected credit losses on financial instruments from any potential default within 12 months after the reporting date. Lifetime expected credit losses represent the expected credit losses on financial instruments from any potential default during the expected lifetime.

For the purpose of internal credit risk management, financial assets are deemed to be defaulted when any of the following circumstance occurs, without consideration of the collaterals held:

A. Any internal or external information indicates that a debtor is impossible to pay off the debts.

B. Any contractual payment is overdue, unless any reasonable and supportable information demonstrates that a more lagging default criterion is more appropriate.

The impairment loss on all financial assets is deducted from the book value of the financial assets through their allowance account.

(3) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred to other entities.

For derecognition of the entire financial assets measured at amortized cost, the differences between the book value and the received consideration are recognized in profit or loss. For derecognition of the entire investments in equity instruments measured at fair value through other comprehensive income, the cumulative gain or loss is directly transferred to retained earnings and not reclassified as profit or loss.

2. Equity instruments

Equity instruments issued by the Group are recognized as the amount of consideration received, less the direct cost of issuance.

When a reacquired equity instrument is originally owned by the Company, the re-acquisition is recognized as a deduction to equity. Purchase, sale, issuance, or cancelation of the equity instruments owned by the Company are not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

For derecognition of financial liabilities, the differences between the book value and the consideration paid are recognized in profit or loss.

4. Corporate bonds

The compound financial instruments (convertible bonds) issued by the Group are classified into their component parts as financial liability and equity at initial recognition based on the substance of the contractual agreement and the definitions of financial liability and equity instruments.

At initial recognition, the fair value of the components of liabilities is estimated using the market rate of similar non-convertible instruments at that time, and is measured at amortized cost calculated using the effective interest method prior to conversion or maturity. The component of liabilities embedded in non-equity derivative instruments is measured at fair value.

The conversion rights classified as equity are recognized as the residual amount equal to the overall fair value of the compound instrument less the fair value of the liabilities component determined separately, after deducting the impact of income tax, and are subsequently not remeasured as equity. Upon the exercise of the conversion right, the relevant portion of the liabilities and the amount in equity will be reclassified into share capital and capital surplus—share premium. If the conversion rights of the convertible bonds remain unexercised at the maturity date, the amount recognized in equity will be transferred to capital surplus—share premium.

The transaction costs related to the issuance of convertible bonds are allocated according to the proportion of the total price to the liabilities (included in the book value of liabilities) and the equity component (included in equity).

(XIV) Short-term warranty provision

The warranty obligation that ensures agreement between products and agreed specifications is management's best estimate of the expenditure to settle the Group's obligations, and is recognized at the time when revenue is recognized for underlying products.

(XV) Revenue recognition

After identifying the performance obligations under a contract with customers, the Group allocates the transaction price to each performance obligation and recognizes the allocated amount as revenue after each performance obligation is fulfilled. The Group's revenue comes from equipment trading and wafer reclamation, and is recognized when products are accepted by customers; or when they are shipped or delivered to the place designated by customers, depending on the Terms and conditions. Before being recognized as revenue, advance receipts are recognized as contract liability.

(XVI) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1. The Consolidated Company as the lessor

It is classified as operating lease. Lease payments from an operating lease are recognized as revenue on a straight line basis over the lease term.

2. The Consolidated Company is a lessee

Lease payments for leases of low-value underlying assets and short-term leases to which the recognition exemption applies are recognized as expenses on a straight-line basis over the lease term, while other leases are recognized as right-of-use assets and lease liabilities at the commencement date of the lease.

The right-of-use assets are initially measured at cost (including the initial recognized amount of lease liabilities), and subsequently measured at the cost net of accumulated depreciation and accumulated impairment losses, adjusted for remeasurements of lease liabilities. Right-of-use assets are separately presented in the consolidated balance sheet.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

Lease liabilities is initially measured at the present value of lease payment (fixed payments). If the interest rate implicit in a lease can be readily determined, the lease payments are discounted at the interest rate. When such interest rate cannot be readily determined, the lessee's incremental borrowing rate of interest is used.

Subsequently, the lease liabilities are measured at amortized cost under the effective interest method, and the interest expenses are amortized over the lease term. When future lease payments change as a result of a change in the lease term, the Group re-measures the lease liabilities and adjust the right-of-use assets accordingly. However, the residual remeasurements are recognized in profit or loss when the book value of right-of-use assets is reduced to zero. Lease liabilities are separately presented in the consolidated balance sheet.

(XVII) Government grants

Government grants may be recognized only when it is reasonable to ensure that the Group will comply with the conditions incidental to the government grants and the subsidies may be received affirmatively.

Government grants related to any gains are recognized in other income on a systematic basis within the period when the costs to be subsidized by the government are recognized in expenses by the Group. Government grants with a condition by which the Group is required to acquire non-current assets through acquisition, construction, or by other means are initially recognized as deferred revenue and subsequently transferred to profit or loss on a reasonable and systematic basis over the useful live of the underlying assets.

If the government grants are intended to make up the expenses or losses that have occurred, or immediately finance the Group without incurring any future cost, such subsidies are recognized in profit or loss during the period when they can be received.

(XVIII) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at non-discounted amount expected to be paid in exchange for the services to be provided by the employees.

2. Post-employment benefits

The pension contributed under the Defined Contribution Pension Plan is recognized in expenses during the period when employees provide services.

Defined benefit cost under the Defined Benefit Pension Plan is calculated actuarially using the projected unit credit method. Service costs and net interest on net defined benefit liabilities are recognized as employee benefit expenses when they are incurred. Remeasurements are recognized in other comprehensive income and presented in retained earnings when they occurred, and are not reclassified to profit or loss in subsequent periods.

The net defined benefit assets represent the appropriation surplus of the defined benefit pension plan. The net defined benefit assets shall not exceed the present value of the refundable contributions from the plan or the reduced future contributions.

(XIX) Share-based payments agreement

The stock options are recognized as an expense on a straight-line basis over the vesting period, based on the fair value of the equity instruments at the grant date and the best estimate of the number of options expected to vest, with a corresponding adjustment to Capital surplus, employee share options and Non-controlling interests. If they vest immediately on the grant date, the expenses shall be recognized in full on the grant date.

The Group revises the estimated number of expected vested employee stock options at each balance sheet date. If the original estimated quantity is revised, the impact thereof is recognized in profit or loss, such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to Capital surplus, employee share options and Non-controlling interests.

(XX) Income tax

Tax expenses are the total of current income tax and deferred income tax.

1. Current income tax

The Group determines the income (loss) for the current period in accordance with the laws and regulations prevailing in each taxation jurisdiction and, based this, calculates the income tax payable (recoverable).

The additional income tax on undistributed earnings that is calculated according to the Income Tax Act of the Republic of China is recognized in the year when the related resolution is made at the shareholders' meeting.

The adjustments to the income tax payable in the previous year are recognized in the current income tax.

2. Deferred income tax

Deferred income tax is calculated based on the temporary difference between the book value of assets and liabilities and the tax basis for calculation of taxable income.

Deferred income tax liabilities are generally recognized based on all taxable temporary differences; deferred income tax assets are recognized when taxable income sufficiently enough to offset the deductible temporary differences is highly likely in the future.

Taxable temporary differences related to investment in subsidiaries and associates are recognized in deferred income tax liabilities except that the Group can control the timing of reversal of the taxable temporary differences and that such differences are not likely to be reversed in the foreseeable future. Deductible temporary differences related to such investments are recognized as deferred tax assets only to the extent that they are likely to have sufficient taxable income to realize the temporary differences and are expected to reverse within the foreseeable future.

The book value of deferred income tax assets is reviewed at each balance sheet date. When any of the deferred income tax assets is not likely to have adequate taxable income necessary for

the recovery of all or part of the assets anymore, the book value thereof is reduced. Those that are not originally recognized in deferred income tax assets are reviewed at each balance sheet date. When any of those is likely to generate taxable income necessary for the recovery of all or part of the assets in the future, the book value thereof is increased.

Deferred income tax assets and liabilities are measured at the tax rate of the period in which the liabilities or assets are expected to be settled or realized. The tax rate is subject to the tax rate and tax law legislated or substantively legislated on the balance sheet date. The deferred income tax liabilities and assets are measured to reflect the tax consequence on the balance sheet date arising from the method that the Group expects to use to recover or settle the book value of the liabilities and assets.

3. Current and deferred income taxes

Current and deferred income taxes are recognized in profit or loss, or in other comprehensive income if they are related to the current and deferred income taxes designated to be recognized in other comprehensive income.

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

For adoption of the accounting policies, the management, based on historical experience and other relevant factors, must make judgments, estimates and assumptions related to the information that cannot be readily acquired from other sources. The actual results may differ from those estimates.

When the Consolidated Company develops significant accounting estimates, it takes the potential effects of climate change and related government policies and regulations into account when making significant accounting estimates for cash flows, growth rate, discount rate, and profitability. The management will continue to review the estimates and basic assumptions.

Through an assessment, the management of the Group does not think an uncertainty exists in material accounting judgments, estimates, or assumptions.

6. Cash and cash equivalents

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cash on hand and working capital	\$ 584	\$ 372
Bank check and demand deposit	4,367,107	3,808,813
Cash equivalents		
Time deposit whose initial maturity date will be due within 3 months	<u>2,320,132</u>	<u>3,205,732</u>
	<u>\$ 6,687,823</u>	<u>\$ 7,014,917</u>

The annual interest rates of bank time deposits with original maturities within 3 months as of December 31, 2025 and 2024 were 1.58% – 4.02% and 1.55% – 4.80%, respectively.

7. Current financial assets at fair value through profit or loss

	<u>31 December 2025</u>	<u>31 December 2024</u>
Mandatorily measured at fair value through profit or loss		
Derivative instruments (not designated as hedges)		
- Convertible Bond Redemption and Put Option	<u>\$ 458</u>	<u>\$ 2,480</u>

8. Financial assets at fair value through other comprehensive income

	<u>31 December 2025</u>	<u>31 December 2024</u>
Investment in equity instruments measured at fair value through other comprehensive income		
Domestic investments		
Private placement shares of listed companies		
Spirox Corporation	\$ 267,196	\$ 218,098
Emerging company stocks		
ALLIANCE MATERIAL CO., LTD.	389,445	-
Overseas investments		
Shares not traded on an exchange or OTC		
INFINITESIMA LIMITED	<u>51,627</u>	<u>60,930</u>
	<u>\$ 708,268</u>	<u>\$ 279,028</u>

The Group invested in the common shares of the aforementioned companies according to its medium-term and long-term strategies, and expected to gain profits through long-term investment. Since the Group's management deemed that the recognition of short-term changes in the investment's fair value in profit or loss was not consistent with the said long-term investment plan, they opted to have the investment measured at fair value through other comprehensive income.

The Consolidated Company recognized Dividend revenue of NT\$4,000 thousand and NT\$4,045 thousand in 2025 and 2024, respectively, (presented under Other income), related to the shares held as of 31 December 2025 and 2024.

9. Notes receivable and accounts receivable (including those due from related parties)

	<u>31 December 2025</u>	<u>31 December 2024</u>
Notes receivable	\$ 16,883	\$ 2,260
Accounts receivable (including those due from related parties)	<u>931,695</u>	<u>634,552</u>
	948,578	636,812
Less: loss allowance	<u>(60,626)</u>	<u>(46,596)</u>
	<u>\$ 887,952</u>	<u>\$ 590,216</u>

The Group's average credit period for sales of goods is 120 days on average. Accounts receivable paid within 60 days after the invoice date or the sale date won't be charged any interest. If accounts receivable are not paid within 60 days, the Group will assess the credit status of each individual transaction party on a business month to measure possible gains or losses and reduce possible losses.

The Group recognizes the loss allowance for notes receivable and accounts receivable (including those due from related parties) based on the lifetime expected credit losses. The lifetime expected credit losses are calculated by considering the customer's default record and current financial position, and the industrial and economic conditions. When there is any evidence showing that the trading counterparty is facing serious financial difficulties and the Group cannot estimate a reasonable recoverable amount, the Group directly writes off related notes receivable

and accounts receivable, but will continue recourse activities. Any recovered amount through the recourse activities is recognized in profit or loss.

The Group recognizes the loss allowance for notes receivable and accounts receivable (including those due from related parties) as follows:

31 December 2025

	<u>0-180 days</u>	<u>181-273 days</u>	<u>274-365 days</u>	<u>366-540 days</u>	<u>541-730 days</u>	<u>More than 731 days</u>	<u>Total</u>
Total book value	\$ 743,248	\$ 72,937	\$ 35,910	\$ 23,513	\$ 51,357	\$ 21,613	\$ 948,578
Allowance for loss (Lifetime ECLs)	-	(3,582)	(3,157)	(4,322)	(29,975)	(19,590)	(60,626)
Amortized cost	<u>\$ 743,248</u>	<u>\$ 69,355</u>	<u>\$ 32,753</u>	<u>\$ 19,191</u>	<u>\$ 21,382</u>	<u>\$ 2,023</u>	<u>\$ 887,952</u>

31 December 2024

	<u>0-180 days</u>	<u>181-273 days</u>	<u>274-365 days</u>	<u>366-540 days</u>	<u>541-730 days</u>	<u>More than 731 days</u>	<u>Total</u>
Total book value	\$ 436,775	\$ 83,280	\$ 41,667	\$ 64,451	\$ 4,589	\$ 6,050	\$ 636,812
Allowance for loss (Lifetime ECLs)	-	(4,164)	(4,167)	(29,003)	(3,212)	(6,050)	(46,596)
Amortized cost	<u>\$ 436,775</u>	<u>\$ 79,116</u>	<u>\$ 37,500</u>	<u>\$ 35,448</u>	<u>\$ 1,377</u>	<u>\$ -</u>	<u>\$ 590,216</u>

Notes and accounts receivable (including those due from related parties) information on changes in loss allowance is as follows:

	<u>2025</u>	<u>2024</u>
Opening balance	\$ 46,596	\$ 50,264
Provision (reversal) for the current year Impairment loss	5,736	(4,781)
Actual amount written off in the year	-	(13)
Acquired through merger for the current year	6,813	-
Proceeds from disposal of subsidiaries impact	(89)	-
Differences from translation of foreign currencies	<u>1,570</u>	<u>1,126</u>
Closing balance	<u>\$ 60,626</u>	<u>\$ 46,596</u>

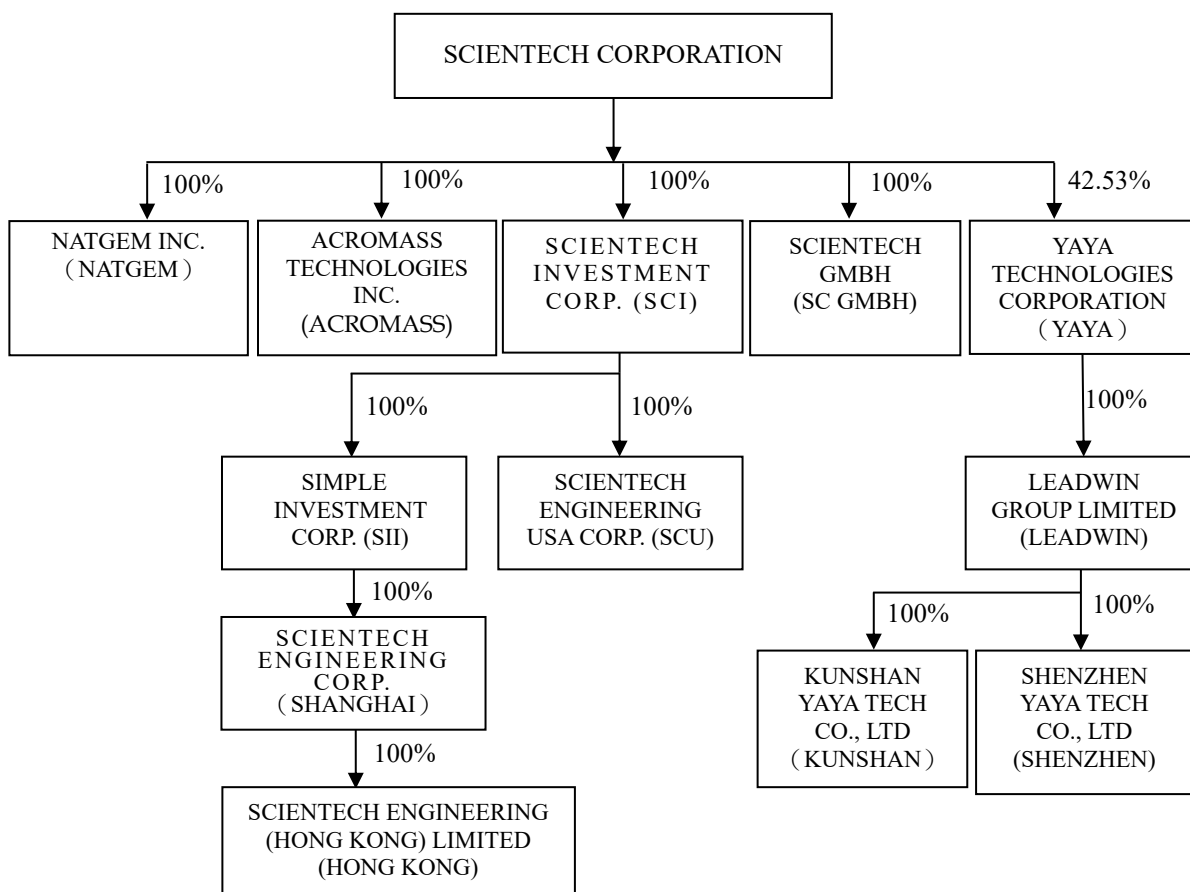
The Group did not hold any collateral against the balance of notes receivables and accounts receivables (including those due from related parties).

Customers who individually account for 10% of the Group's total accounts receivable (including those due from related parties) are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
	Company A	Company A
10. Inventories		
	<u>31 December 2025</u>	<u>31 December 2024</u>
Products	\$ 8,973,870	\$ 9,624,440
Finished-goods	1,169,633	614,282
Work-in-process	1,080,434	735,288
Raw materials	<u>724,540</u>	<u>651,760</u>
	<u>\$ 11,948,477</u>	<u>\$11,625,770</u>
	<u>2025</u>	<u>2024</u>
Cost of sales related to inventories	<u>\$ 7,562,989</u>	<u>\$ 6,787,607</u>
Loss on inventory devaluation	<u>\$ 206,575</u>	<u>\$ 353,180</u>

11. Subsidiary

Entities in the consolidated financial statements are as follows:



Investor	Name of subsidiary	Main business activities	Percentage of ownership		Description
			2025 31 December	2024 31 December	
SCIENTECH CORPORATION	SCI	Investment	100.00	100.00	
SCIENTECH CORPORATION	ACROMASS	General instrument and precision instrument manufacturing	100.00	100.00	
SCIENTECH CORPORATION	NATGEM	Sale of food and supplies	100.00	100.00	
SCIENTECH CORPORATION	SCIENTECH MATERIALS	Manufacturing and sale of energy-efficient products	-	-	(Notes 1 and 2)
SCIENTECH CORPORATION	SC GMBH	International trade	100.00	100.00	
SCIENTECH CORPORATION	TRANSCEND CAPITAL CORP.	Investment	-	100.00	(Note 3)
SCIENTECH CORPORATION	YAYA	Trading of semiconductor equipment and peripherals	42.53	-	(Notes 4 and 5)
SCI	SII	Investment	100.00	100.00	
SCI	SCU	Trading of semiconductor equipment and peripherals	100.00	100.00	
SII	SHANGHAI	Trading and maintenance of semiconductor equipment and peripherals	100.00	100.00	
SHANGHAI YAYA	HONG KONG MAESTROGEN	International trade General instrument and precision instrument manufacturing	100.00 -	100.00 -	(Note 6)
YAYA	LEADWIN	Investment	100.00	-	
LEADWIN	KUNSHAN	Trading of semiconductor equipment and peripherals	100.00	-	
LEADWIN	SHENZHEN	Trading of semiconductor equipment and peripherals	100.00	-	

Note 1: SCIENTECH MATERIALS CORPORATION was dissolved through a resolution reached at the Board of Directors meeting dated 31 August 2021, and the liquidation was completed in May 2024.

Note 2: The profit or loss from 1 January 2024 to 31 May 2024 was computed based on the financial statements that were not audited by CPAs. The management of the Group did not think that not having the financial statements of SCIENTECH MATERIALS CORPORATION audited by CPAs would cause any material impact.

Note 3: TRANSCEND CAPITAL CORP. completed liquidation in May 2025, and a gain on derecognition of a subsidiary of NT\$31,941 thousand was recognized (recorded under Other gains and losses).

Note 4: In January 2025, the Group obtained a majority of the board seats of YAYA TECHNOLOGIES CORPORATION (YAYA). It was determined that the Group has substantive control over YAYA, thereby establishing a parent-subsiidiary relationship.

Note 5: Due to business planning considerations, the Group further acquired 5.30% and 0.12% equity interests in YAYA TECHNOLOGIES CORPORATION from the shareholders of YAYA TECHNOLOGIES CORPORATION in March and July 2025, resulting in an increase in the Company's shareholding ratio in YAYA TECHNOLOGIES CORPORATION from 40.34% to 45.76%. In September 2025, YAYA TECHNOLOGIES CORPORATION exercised employee stock options, resulting in a decrease in the shareholding ratio to 42.53%.

Note 6: The Group disposed of all equity interests in MAESTROGEN INC. in December 2025, and recognized a loss on Proceeds from disposal of subsidiaries of NT\$4,059 thousand (recorded under Other gains and losses).

12. Investments accounted for using equity method

	<u>31 December 2025</u>	<u>31 December 2024</u>
Significant associates		
XTEK SEMICONDUCTOR (HUANGSHI) CO., LTD.	\$ -	\$ 416,994
Individually insignificant associates	<u>400,876</u>	<u>219,938</u>
	<u>\$ 400,876</u>	<u>\$ 636,932</u>

(I) Associates with significant influence

Company name	Main business activities	Main business premises	Equity interest held and Voting rights ratio 31 December 2024
XTEK SEMICONDUCTOR (HUANGSHI) CO., LTD.	Manufacturing and sale of semiconductor equipment and peripherals	China	17.21%

The Group's share of profits/ losses and other comprehensive income in associates under the equity method were recognized based on the financial statements for the same period that were audited by CPAs.

The following financial information summary is prepared based on the associates' IFRS Accounting Standards of individual financial statements, and has reflected the adjustments required for adoption of the equity method.

XTEK SEMICONDUCTOR (HUANGSHI) CO., LTD.

	<u>31 December 2024</u>
Current assets	\$ 364,569
Non-current assets	3,742,055
Current liabilities	(168,200)
Non-current liabilities	(1,263,009)
Equity	<u>\$ 2,675,415</u>
The Group's shareholding ratio	17.21%
Interests held by the Group	\$ 460,560
Unrealized gains on downstream transactions	(45,789)
Others	<u>2,223</u>
Investment book value	<u>\$ 416,994</u>
	<u>2024</u>
The Company's share	
Net profit (loss) for the year	(\$ 122,037)
Other comprehensive income	<u>-</u>
Total comprehensive income (loss)	(\$ 122,037)

As the overall operations of the Group grew, the degree of influence of XTEK SEMICONDUCTOR (Huangshi) Co., Ltd. in Consolidated Financial Statements has relatively decreased; therefore, it has been reclassified as an individually immaterial associate starting from the year 2025.

Although the Group's shareholding in the significant associate did not reach 50%, the Group was individually the largest shareholder. After considering the number and dispersion of voting shares held by other shareholders, the Group found the shareholdings are not diffuse. As a result, the Group is not yet able to direct the company's relevant activities and thus does not have control over it. The Group thinks that it has only significant influence over the company and thus regards the company as an associate accounted for using the equity method.

For information regarding the nature of business, principal place of business, and country of incorporation of the aforementioned associates, please refer to Table 4 "Information on Investees, Location ... and Other Relevant Information" and Table 5 "Information on Investment in Mainland China" .

(II) Individually insignificant associates

The Consolidated Company subscribed to 6,723 thousand shares of common stock of YAYA TECHNOLOGIES CORPORATION in December 2024 for a cash consideration of 215,133 thousand, representing a shareholding ratio of 40.34%. The Group's shareholding ratio in YAYA TECHNOLOGIES CORPORATION is less than 50%, but it is the single largest shareholder. After considering the size and distribution of voting rights held by other shareholders relative to each other, the other shareholdings are not extremely dispersed. The Group assessed that it is not yet able to direct the relevant activities of said company and only has significant influence over said company; therefore, it is classified as an associate and accounted for using the equity method.

In January 2025, the Group obtained a majority of the seats on the board of directors of YAYA TECHNOLOGIES CORPORATION. After assessment, it was determined that the Group has substantive control over YAYA TECHNOLOGIES CORPORATION, thereby constituting a parent-subsidary relationship.

Although holding less than 20% of the shares of some individually insignificant associates, the Group has a representative in their board of directors and thus has significant influence over them.

The Group's share of profit or loss and Other comprehensive income in some individually insignificant associates were computed based on the financial statements not reviewed by CPAs; however, the management of the Group believes that the fact that the financial statements of the aforementioned investee companies have not been reviewed by CPAs would not result in any material impact.

Based on the assessment of the future recoverable amount, the Group recognized an Impairment loss of NT\$3,527 thousand in 2025 (recorded under Other gains and losses).

13. Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Other facilities	Unfinished construction	Total
<u>Cost</u>						
Balance as of 1 January 2025	\$ 582,262	\$1,086,373	\$ 562,714	\$ 83,789	\$ 19,736	\$2,334,874
Increase	-	411,438	148,677	27,970	204,869	792,954
Decrease	-	(12,903)	(43,306)	(11,580)	-	(67,789)
Acquired through business combinations	219,593	75,219	7,571	8,151	-	310,534
Proceeds from disposal of subsidiaries	-	-	(2,672)	(492)	-	(3,164)
Reclassification	-	-	137,567	-	-	137,567
Net exchange differences	-	5,990	-	91	-	6,081
Balance as of 31 December 2025	<u>\$ 801,855</u>	<u>\$1,566,117</u>	<u>\$ 810,551</u>	<u>\$ 107,929</u>	<u>\$ 224,605</u>	<u>\$3,511,057</u>
<u>Accumulated depreciation</u>						
Balance as of 1 January 2025		\$ 439,991	\$ 222,428	\$ 37,856	\$ -	\$ 700,275
Reversal Impairment loss		-	(916)	-	-	(916)
Depreciation expense		65,515	87,633	17,158	-	170,306
Decrease		(4,159)	(41,915)	(10,401)	-	(56,475)
Acquired through business combinations		23,932	7,183	6,080	-	37,195
Proceeds from disposal of subsidiaries		-	(2,645)	(485)	-	(3,130)
Net exchange differences		444	-	25	-	469
Balance as of 31 December 2025		<u>\$ 525,723</u>	<u>\$ 271,768</u>	<u>\$ 50,233</u>	<u>\$ -</u>	<u>\$ 847,724</u>
Balance as of 31 December 2025	<u>\$ 801,855</u>	<u>\$1,040,394</u>	<u>\$ 538,783</u>	<u>\$ 57,696</u>	<u>\$ 224,605</u>	<u>\$2,663,333</u>
<u>Cost</u>						
Balance as of 1 January 2024	\$ 582,262	\$1,022,559	\$ 498,780	\$ 73,527	\$ 19,736	\$2,196,864
Increase		67,770	97,070	21,296	-	186,136
Decrease		(6,155)	(64,016)	(11,591)	-	(81,762)
Reclassification		-	30,880	-	-	30,880
Net exchange differences		2,199	-	557	-	2,756
Balance as of 31 December 2024	<u>\$ 582,262</u>	<u>\$1,086,373</u>	<u>\$ 562,714</u>	<u>\$ 83,789</u>	<u>\$ 19,736</u>	<u>\$2,334,874</u>
<u>Accumulated depreciation</u>						
Balance as of 1 January 2024		\$ 405,430	\$ 223,257	\$ 34,574	\$ -	\$ 663,261
Depreciation expense		39,777	63,187	14,416	-	117,380
Decrease		(6,155)	(64,016)	(11,470)	-	(81,641)
Net exchange differences		939	-	336	-	1,275
Balance as of 31 December 2024		<u>\$ 439,991</u>	<u>\$ 222,428</u>	<u>\$ 37,856</u>	<u>\$ -</u>	<u>\$ 700,275</u>
Balance as of December 31, 2024	<u>\$ 582,262</u>	<u>\$ 646,382</u>	<u>\$ 340,286</u>	<u>\$ 45,933</u>	<u>\$ 19,736</u>	<u>\$1,634,599</u>

The Group's property, plant, and equipment is solely for own use.

Depreciation is provided on a straight line basis over the following useful lives:

Buildings and structures	
Plant and main structures	20 – 50 years
Electrical, plumbing & air conditioning equipment	3 – 10 years
Machinery and equipment	5 – 10 years
Other facilities	3 – 5 years

The Group assessed the useful life of each significant component of property, plant, and equipment, and depreciated them individually.

Proceeds for acquisition of property, plant, and equipment include prepayments for equipment and equipment payables;

	<u>2025</u>	<u>2024</u>
Increase in property, plant and equipment	\$ 792,954	\$ 186,136
Increase in prepayments for business facilities	250,606	388,292
Payable on machinery and equipment (presented under Other payables) decrease (increase)	<u>50,392</u>	(<u>27,608</u>)
	<u>\$ 1,093,952</u>	<u>\$ 546,820</u>

14. Lease agreement

(I) Right-of-use assets

	<u>31 December 2025</u>	<u>31 December 2024</u>
Right-of-use assets, net		
Land	\$ 60,893	\$ 67,190
Buildings and structures	22,110	19,325
Other facilities	<u>-</u>	<u>-</u>
	<u>\$ 83,003</u>	<u>\$ 86,515</u>
	<u>2025</u>	<u>2024</u>
Increase in right-of-use assets	<u>\$ 17,072</u>	<u>\$ 23,369</u>
Depreciation expenses - Right-of-use assets		
Land	\$ 6,296	\$ 5,508
Buildings and structures	13,964	11,651
Other facilities	<u>-</u>	<u>941</u>
	<u>\$ 20,260</u>	<u>\$ 18,100</u>

Except for the additions and recognized Depreciation expense listed above, there was no significant sublease or impairment of the Consolidated Company's Right-of-use assets in 2025 and 2024.

(II) Lease liabilities

	<u>31 December 2025</u>	<u>31 December 2024</u>
Book value of lease liabilities		
Current	<u>\$ 16,704</u>	<u>\$ 17,011</u>
Non-current	<u>\$ 70,607</u>	<u>\$ 73,440</u>

The range of discount rates for lease liabilities is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Land	2.00% - 3.00%	2.00% - 3.00%
Buildings and structures	1.32% - 3.00%	1.50% - 3.00%

(III) Material lease activities and terms

The Group leased land from Chairman Hung-Liang Hsieh to construct buildings as offices under a lease contract that has a lease term of 5 years, will automatically renew upon expiration of a lease term, and gives the Company the option right to rent and buy the buildings. The Group may not sublease or consign the underlying assets of the lease, in whole or in part, unless otherwise agreed by the Lessor.

(IV) Other lease information

	<u>2025</u>	<u>2024</u>
Short-term lease expense	<u>\$ 38,482</u>	<u>\$ 17,313</u>
Total cash outflows for leases	<u>\$ 60,181</u>	<u>\$ 36,783</u>

The Group elected to apply the recognition exemption to property, plant and equipment leases which qualify as a short-term lease, and thus did not recognize right-of-use assets and lease liabilities for them.

15. Other assets

	<u>31 December 2025</u>	<u>31 December 2024</u>
Restricted assets	\$ 56,977	\$ 45,313
Long-term prepaid expenses	47,310	31,260
Guarantee deposits paid	19,274	19,249
Other financial assets (Note)	6,029	5,578
Other receivables	2,526	7,924
Others	<u>12,733</u>	<u>11,779</u>
	<u>\$ 144,849</u>	<u>\$ 121,103</u>

	<u>31 December 2025</u>	<u>31 December 2024</u>
Current	\$ 76,432	\$ 68,762
Non-current	<u>68,417</u>	<u>52,341</u>
	<u>\$ 144,849</u>	<u>\$ 121,103</u>

Note: This refers to bank time deposits with an initial maturity date exceeding 3 months up to 1 year, with an annual interest rate of 3.85% as of 31 December 2025 and 31 December 2024.

16. Short-term borrowings

	<u>31 December 2025</u>	<u>31 December 2024</u>
<u>Secured borrowings (Note 33)</u>		
Bank loan	\$ 20,000	\$ -
<u>Unsecured loans</u>		
Loans against letter of credits	106,246	163,221
Credit loans	<u>220,000</u>	<u>400,000</u>
	<u>326,246</u>	<u>563,221</u>
	<u>\$ 346,246</u>	<u>\$ 563,221</u>
Annual interest rate	0% ~ 2.095%	1.525% ~ 1.58%

The terms pertaining to the credit limits of some of the Group's bank borrowings mentioned above stipulate financial restrictions, with which the Group fully complied.

17. Bonds payable

	<u>31 December 2025</u>	<u>31 December 2024</u>
Domestic unsecured convertible bonds		
2024 First Issue	\$ 200,000	\$ 200,000
2024 Second Issue	<u>998,900</u>	<u>1,000,000</u>
	1,198,900	1,200,000
Less: Corporate bond discount	(32,132)	(54,346)
Less: Current portion (Note)	<u>(1,166,768)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 1,145,654</u>

Note: Creditors may, on the second anniversary of issuance, require the Company to redeem the bonds at par value; therefore, the convertible bonds are reclassified to Current liabilities.

2024 First Domestic Unsecured Convertible Bonds

On February 29, 2024, the Company, through a resolution approved by the Board of Directors, decided to raise and issue the first domestic unsecured convertible bonds. This case was declared effective by the Financial Supervisory Commission on May 21, 2024, under the FSC Securities Issuance No. 1130342373, and was issued on June 7, 2024, at par value. The total face value issued is 200,000 thousand, with a coupon rate of 0%, a term of three years, and a total issuance amount of 200,000 thousand, fully paid on June 5, 2024.

Bondholders may, from the day following the completion of three months after the issuance of these convertible bonds until the maturity date, request the Company to convert their bonds into the Company's common shares at a conversion price of NTD 359.7 per share, in accordance with the conversion method regulations. The conditions for the conversion price of this convertible bond include that when the Company distributes cash dividends of ordinary share, the conversion price should be adjusted downward on the ex-dividend date according to the percentage of the market price per share.

Due to the distribution of Cash dividends from the company's earnings, the conversion price should be adjusted according to the regulations of bond issuance and conversion; therefore, starting from 11 July 2025, the conversion price will be adjusted to NTD 349.3 per share.

From the day following the completion of three months from the issuance date of these convertible bonds until 40 days before the expiration of the issuance period, if the closing price of the company's common stock at the securities firm's business premises exceeds the then conversion price by 30% (inclusive) or more for 30 consecutive business days, or if the outstanding balance of these convertible bonds falls below 10% of the original total issuance amount, the company may notify bondholders to redeem all outstanding convertible bonds in cash at face value.

The repurchase base date for bondholders to sell back the convertible bonds is the date marking two years since the issuance of the convertible bonds. Bondholders may request the Company to redeem their convertible bonds at 100% of the bond's face value.

This convertible bond includes liability and equity components, with the equity component expressed under equity as capital surplus, share options. Liabilities component originally recognized effective interest rate is 1.9553%. Redemption rights and put options derivatives are measured at fair value through profit or loss.

	<u>Amount</u>
Issuance proceeds (less transaction costs of 915 thousand)	\$ 199,085
Redemption option derivative instruments	(160)
Equity component (net of allocated transaction costs of 47 thousand)	(<u>10,212</u>)
Issue date liabilities component (less apportioned transaction costs of 868 thousand)	188,713
Interest calculated at an effective interest rate of 1.9553%	<u>2,144</u>
31 December 2024 liabilities components	190,857
Interest calculated at an effective interest rate of 1.9553%	<u>3,732</u>
31 December 2025 liabilities components	<u>\$ 194,589</u>

2024 Second Domestic Unsecured Convertible Bonds

On 29 February 2024, the Company, through a resolution approved by the Board of Directors, decided to raise and issue the second domestic unsecured convertible bonds. This case was declared effective by FSC on 21 May 2024, under the FSC Securities Issuance No. 11303423731, and was issued on 19 June 2024. The total face value issued is 1,000,000 thousand, with a coupon rate of 0% and a term of 3 years. The bonds were issued at 117.07% of the par value, with a total issuance amount of 1,170,733 thousand, and were fully paid on 17 June 2024.

Bondholders may, from the day following the completion of three months after the issuance of these convertible bonds until the maturity date, request the Company to convert their bonds into the Company's common stock at a conversion price of NTD 347.5 per share, in accordance with the conversion method regulations. The conditions for the conversion price of this convertible bond include that when the Company distributes cash dividends of ordinary share, the conversion price should be adjusted

downward on the ex-dividend date according to the percentage of the market price per share.

Due to the distribution of Cash dividends from the company's earnings, the conversion price should be adjusted in accordance with the provisions of the corporate bond issuance and conversion method. Therefore, from 11 July 2025, the conversion price will be adjusted to NTD 337.4 per share.

The convertible bonds may be redeemed in cash at their face value for all outstanding convertible bonds by the Company, upon notifying the bondholders, from the day following three months after the issuance date to 40 days before the end of the issuance period, if the closing price of the Company's common stock at the securities firm's business premises exceeds the then conversion price by 30% (inclusive) or more for 30 consecutive business days, or if the outstanding balance of the convertible bonds is less than 10% of the original total face value issued.

The redemption date for bondholders to sell back the convertible bonds to the Company at face value is the second anniversary of the issuance of these convertible bonds. Bondholders may request the Company to redeem the convertible bonds they hold at face value.

This convertible bond includes liability and equity components, with the equity component expressed under equity as capital surplus, share options. Liabilities component initially recognized at an effective interest rate of 1.9325%. Redemption rights and put options derivatives are measured at fair value through profit or loss.

	<u>Amount</u>
Issuance proceeds (less transaction costs of 4,575 thousand)	\$ 1,166,158
Redemption option derivative instruments	(298)
Equity component (net of allocated transaction costs of 870 thousand)	(<u>221,664</u>)
Issue date liabilities components (net of allocated transaction costs 3,705 thousand)	944,196
Interest calculated at an effective interest rate of 1.9325%	<u>10,601</u>
31 December 2024 liabilities components	954,797
Interest calculated using the effective interest method	18,446
Bonds payable conversion into common shares (conversion of 3 thousand shares)	(<u>1,064</u>)
31 December 2025 liabilities components	<u>\$ 972,179</u>

18. Other payables

	<u>31 December 2025</u>	<u>31 December 2024</u>
Wages, salaries, and bonuses payable	\$ 257,649	\$ 200,129
Remuneration payable to employees and directors	142,500	122,700
Payable on machinery and equipment	43,749	94,141
Others	<u>290,783</u>	<u>223,021</u>
	<u>\$ 734,681</u>	<u>\$ 639,991</u>

19. Post-employment benefit plan

(I) Defined contribution plan

The retirement scheme under the “Labor Pension Act” to which the Company and all subsidiaries in the territory of the Republic of China apply are the defined contribution pension plan managed by the government. A pension equal to 6% of employee’s monthly wage shall be contributed to the personal labor pension account with the Bureau of Labor Insurance.

Employees of subsidiaries in China are members of the retirement benefit plan managed by the Chinese local government. Such subsidiaries are required to fund the retirement benefit plan by contributing a certain percentage of salary cost to the plan. The Group’s obligation under such a government-run retirement benefit plan is limited to contributing a certain monetary amount.

(II) Defined benefit plan

The pension system adopted by the Company according to the “Labor Standards Act” is the defined benefit pension plan managed by the government. The years of service rendered and the average wage of six months prior to the approved retirement date shall be the reference for calculation of the pension to be paid to the employee. The Company appropriates 3% of the total monthly wage of an employee as the pension and remits the amount to the Labor Pension Fund Supervisory Committee, which will deposit the amount in a dedicated account under its name with the Bank of Taiwan. Before the end of each

year, if the assessed balance in the account is inadequate to make a full payment of pensions to the employees who may meet the retirement conditions in the next year, the Company will make up the difference in one appropriation before the end of March in the following year. The account is managed by the Bureau of Labor Funds, Ministry of Labor, so the Company does not have the right to influence the investment management strategies.

The amounts of the defined benefit plan included in the consolidated balance sheet are listed as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Present value of defined benefit obligations	\$ 6,658	\$ 6,346
Fair value of plan assets	(<u>9,024</u>)	(<u>8,110</u>)
Net defined benefit liabilities (assets)	(<u>\$ 2,366</u>)	(<u>\$ 1,764</u>)

Changes in net defined benefit liabilities (assets) are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities (assets)</u>
Balance as of 1 January 2025	\$ <u>6,345</u>	(\$ <u>8,109</u>)	(\$ <u>1,764</u>)
Service cost			
Current service cost	602	-	602
Interest expense (income)	<u>100</u>	(<u>130</u>)	(<u>30</u>)
Recognized in profit or loss	<u>702</u>	(<u>130</u>)	<u>572</u>
Remeasurements			
Return on plan assets (excluding the amount included in net interest)	-	(560)	(560)
Actuarial gain - change in financial assumption	117	-	117
Actuarial loss - change in demographic assumption	(4)	-	(4)
Actuarial loss - experience adjustment	(<u>502</u>)	<u>-</u>	(<u>502</u>)
Recognized in other comprehensive income	(<u>389</u>)	(<u>560</u>)	(<u>949</u>)
Contribution by employer	<u>-</u>	(<u>225</u>)	(<u>225</u>)
Balance as of 31 December 2025	<u>\$ 6,658</u>	(<u>\$ 9,024</u>)	(<u>\$ 2,366</u>)
Balance as of 1 January 2024	\$ <u>5,444</u>	(\$ <u>7,222</u>)	(\$ <u>1,778</u>)
Service cost			

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
Current service cost	620	-	620
Interest expense (income)	<u>62</u>	(<u>83</u>)	(<u>21</u>)
Recognized in profit or loss	<u>682</u>	(<u>83</u>)	<u>599</u>
Remeasurements			
Return on plan assets (excluding the amount included in net interest)	-	(645)	(645)
Actuarial gain - change in financial assumption	(222)	-	(222)
Actuarial loss - change in demographic assumption	6	-	6
Actuarial loss - experience adjustment	<u>435</u>	<u>-</u>	<u>435</u>
Recognized in other comprehensive income	<u>219</u>	(<u>645</u>)	(<u>426</u>)
Contribution by employer	<u>-</u>	(<u>159</u>)	(<u>159</u>)
Balance as of 31 December 2024	<u>\$ 6,345</u>	(<u>\$ 8,109</u>)	(<u>\$ 1,764</u>)

The Company is exposed to the following risks due to the pension system under the “Labor Standards Act” :

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor separately has invested the labor pension fund in domestic (foreign) equity and debt securities, and bank deposits. The investment is conducted at the discretion of the Bureau or under the mandated management. However, the profit generated from the Group’s plan assets shall be calculated with an interest rate not below the interest rate for a 2-year time deposit with local banks.
2. Interest rate risk: A decrease in the interest rates of government bonds leads to an increase in the present value of the defined benefit obligation, and the return on debt investment of the plan assets will be increased accordingly. The net defined benefit liabilities may be partially offset by both increases.
3. Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salary of the plan participants. Therefore, the present value of the defined benefit

obligation would be increased by an increase in the plan participants' salary.

The Company's present value of the defined benefit obligation was calculated actuarially by a qualified actuary. The major assumptions on the date of measurement are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Discount rate	1.35%	1.60%
Rate of expected salary increase	3.00%	3.00%

If there was any reasonably possible change to the major actuarial assumptions separately, the resulting increase (decrease) in the present value of the defined benefit obligation in the situation where all the other assumptions remained the same is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Discount rate		
Increase by 0.25%	(\$ <u>117</u>)	(\$ <u>116</u>)
Decrease by 0.25%	<u>\$ 123</u>	<u>\$ 121</u>
Rate of expected salary increase		
Increase by 0.25%	<u>\$ 118</u>	<u>\$ 115</u>
Decrease by 0.25%	(<u>\$ 112</u>)	(<u>\$ 110</u>)

Since the actuarial assumptions might be correlated to each other and it is unlikely that a single assumption changes alone, the aforesaid sensitivity analysis might not reflect the actual changes in the present value of the defined benefit obligation.

	<u>31 December 2025</u>	<u>31 December 2024</u>
Expected contribution within 1 year	<u>\$ 162</u>	<u>\$ 181</u>
Average maturity of defined benefit obligations	7 years	7 years

20. Equity

(I) Common shares

	<u>31 December 2025</u>	<u>31 December 2024</u>
Number of authorized shares (thousand shares)	<u>100,000</u>	<u>100,000</u>
Authorized share capital	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of issued shares fully paid (thousand shares)	<u>80,331</u>	<u>80,328</u>
Share capital of issued shares	<u>\$ 803,313</u>	<u>\$ 803,280</u>

A share of issued common stock had a par value of NTD 10 and was entitled to one voting right and dividends.

(II) Capital surplus

	<u>31 December 2025</u>	<u>31 December 2024</u>
<u>1. The portion that may be used to offset deficits, distributed as cash dividends, or transferred to share capital</u>		
Share premium	\$ 465,302	\$ 464,029
Consolidation excess	<u>29,831</u>	<u>29,831</u>
	495,133	493,860
<u>2. May only be used to make up for losses</u>		
Changes in the equity of associates recognized using the equity method	192,041	192,041
<u>3. Must not be used for any purpose</u>		
Convertible Bond Warrants	<u>231,632</u>	<u>231,876</u>
	<u>\$ 918,806</u>	<u>\$ 917,777</u>

- These capital reserves may be used to make up losses, to distribute cash dividends, or to be transferred into the capital if the Company is not in the red. However, the amount of the transfer into the capital shall be limited to a certain percentage of the paid-in capital in every year.
- This type of capital surplus is recognized due to changes in the equity of associates when the Company has not actually acquired or disposed of the equity in associates, or due to the impact of

equity transactions, or adjustments made by the Company for equity method recognition of associates' capital surplus.

(III) Retained earnings and dividend policy

According to the earnings distribution policy of these Articles of Incorporation, if there is a surplus in the annual final accounts, after paying taxes according to law and offsetting accumulated losses, 10% shall be set aside as Legal reserve; however, when the Legal reserve has reached the Company's Paid-in capital, no further allocation may be required. The remainder shall be allocated or reversed as Special reserve in accordance with laws and regulations; if there is still a balance, it shall be combined with the accumulated Unappropriated retained earnings, and the Board of Directors shall draft a Earning appropriation proposal. The Board of Directors is authorized, by a special resolution, to distribute all or part of the dividends and bonuses payable in the form of cash and report such distribution to the shareholders' meeting. However, dividend distribution in the form of new shares shall be subject to a resolution of the Shareholders' Meeting. For the distribution policy governing employee and director remunerations that is prescribed in the Articles of Incorporation, please refer to Note 22(IV) Remuneration to employees and directors.

To cope with future capital requirements and long-term financial planning while maintaining shareholder interests and a balanced dividend policy, shareholder dividends will be distributed in shares or in cash, as appropriate, based on future capital expenditure requirements and the extent of dilution effect on earnings per share. Of the shareholder dividends distributed, no less than 10% shall be in cash. The actual distribution percentage shall be determined by the Board of Directors by considering the Company's business planning, investment plan, capital planning, and the changes in internal and external environment.

Legal reserves may be used to make up for losses. Where the Company does not sustain loss, the part of the legal reserves that exceeds the total paid-in capital by no greater than 25% may be appropriated as capital or distributed in cash.

According to the Financial Supervisory Commission's letter No. 1090150022, the Company allocates and reverses the special reserve.

The Company's Earnings appropriation proposals for 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Legal reserve	<u>\$ 92,732</u>	<u>\$ 63,788</u>
Provision (reversal) Special reserve	<u>\$ -</u>	<u>(\$ 33,380)</u>
Cash dividends	<u>\$ 361,476</u>	<u>\$ 321,312</u>
Cash dividends per share (NT\$)	<u>\$ 4.50</u>	<u>\$ 4.00</u>

The said Cash dividends were distributed through resolutions at the Board meetings in February 2025 and March 2024, and the remaining Earning appropriation items were also resolved at the Shareholders' Meetings in May 2025 and June 2024 respectively.

The Board of Directors of the Company proposed the 2025 Earnings appropriation proposals on March 10, 2026 as follows:

	<u>2025</u>
Legal reserve	<u>\$ 110,504</u>
Cash dividends	<u>\$ 481,988</u>
Cash dividends per share (NT\$)	<u>\$ 6.00</u>

The said cash dividends had been approved through a resolution at a Board of Directors meeting. Other distribution items are still pending a resolution at the Shareholders' Meeting to be held in June 2026.

(4) Non-controlling interests

	<u>1 January to 31 December 2025</u>
Balance as of 1 January 2025	\$ -
Acquisition of subsidiaries	312,202
Acquisition of ownership interests in subsidiaries	(28,928)
Change in non-controlling interests	27,546
Changes in percentage of ownership interest in subsidiaries	5,527
Net profit for the period	32,239
Other comprehensive income (loss), net of income tax	<u>2,674</u>
Balance as of 31 December 2025	<u>\$ 351,260</u>

21. Revenue

	<u>2025</u>	<u>2024</u>
Sales revenue		
Agency	\$ 6,264,276	\$ 6,078,159
Manufacturing	<u>4,631,225</u>	<u>3,322,329</u>
	<u>10,895,501</u>	<u>9,400,488</u>
Service revenue		
Commission	137,233	86,222
Maintenance	266,247	167,750
Others	<u>29,743</u>	<u>23,306</u>
	<u>433,223</u>	<u>277,278</u>
Other operating revenue	<u>42,644</u>	<u>10,514</u>
	<u>\$ 11,371,368</u>	<u>\$ 9,688,280</u>

Contract balance

	<u>31 December 2025</u>	<u>31 December 2024</u>	<u>1 January 2024</u>
Notes and accounts receivable (including those due from related parties) (Notes 9 and 32)	<u>\$ 887,952</u>	<u>\$ 590,216</u>	<u>\$ 787,381</u>
Contract liabilities	<u>\$ 14,169,314</u>	<u>\$ 14,006,118</u>	<u>\$ 11,818,592</u>

Changes in contract liabilities mainly come from the difference between the points in time when the Company fulfills obligations and when customers make payments.

The amount that comes from the contract liabilities at the beginning of the year and the amount that comes from the revenue recognized in the year in which performance obligations were fulfilled are as follows:

	<u>2025</u>	<u>2024</u>
Goods sales	<u>\$ 4,641,124</u>	<u>\$ 4,128,543</u>

22. Net profit

(I) Financial cost

	<u>2025</u>	<u>2024</u>
Interest on convertible bonds	\$ 22,178	\$ 12,745
Interest on bank borrowings	4,452	3,215
Interest on lease liabilities	1,834	1,877
Others	<u>-</u>	<u>38</u>
	<u>\$ 28,464</u>	<u>\$ 17,875</u>

(II) Depreciation and amortization

	<u>2025</u>	<u>2024</u>
Property, plant and equipment	\$ 170,306	\$ 117,380
Right-of-use assets	<u>20,260</u>	<u>18,100</u>
	<u>\$ 190,566</u>	<u>\$ 135,480</u>
Summary of depreciation expenses by function		
Operating costs	\$ 87,552	\$ 47,198
Operating expenses	<u>103,014</u>	<u>88,282</u>
	<u>\$ 190,566</u>	<u>\$ 135,480</u>
Summary of amortization by function		
Administrative expenses	<u>\$ 16,636</u>	<u>\$ 259</u>

(III) Employee benefit expenses

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	<u>\$ 1,433,673</u>	<u>\$ 1,185,045</u>
Post-employment benefits		
Defined contribution plan	55,019	48,221
Defined benefit plan	<u>572</u>	<u>599</u>
	<u>55,591</u>	<u>48,820</u>
Share-based payments	<u>2,068</u>	<u>-</u>
	<u>\$ 1,491,332</u>	<u>\$ 1,233,865</u>
Summary by function		
Operating costs	\$ 348,953	\$ 272,995
Operating expenses	<u>1,142,379</u>	<u>960,870</u>
	<u>\$ 1,491,332</u>	<u>\$ 1,233,865</u>

(IV) Remuneration to employees and directors

According to its Articles of Incorporations, the Company shall take the pre-tax profits inclusive of employee remuneration and director remuneration and allocate 5% - 15% of such profits as employee remuneration and another 2% or less as director remuneration. The estimated employee remuneration and directors' remuneration for 2025 and 2024 were resolved by the Board of Directors in March 2026 and February 2025, respectively, as follows:

Amount

	<u>2025</u>	<u>2024</u>
Employee remuneration	\$ 126,500	\$ 108,700
Directors' remuneration	16,000	14,000

Any amount that changes after the approval and publication date of the annual consolidated financial statements is accounted for as changes in accounting estimates, and will be adjusted and recognized in the following year.

The actually distributed amount of employee remuneration and director remuneration for 2024 and 2023 tallied with the amount recognized in Consolidated Financial Statements for 2024 and 2023.

The information about remuneration to employees and directors determined by the Board of Directors may be viewed at TWSE's Market Observation Post System (MOPS).

23. Income tax

(I) Income tax recognized in profit or loss

Major components of income tax expenses:

	<u>2025</u>	<u>2024</u>
Current income tax		
Generated during the current year	\$ 356,228	\$ 308,782
Adjustments for prior-year overestimation (underestimation)	(<u>40,140</u>)	(<u>38,091</u>)
	<u>316,088</u>	<u>270,691</u>
Deferred income tax		
Generated during the current year	51,220	79,290
Adjustments for prior-year overestimation (underestimation)	<u>30,504</u>	(<u>260</u>)
	<u>81,724</u>	<u>79,030</u>
Income tax expenses recognized in profit or loss	<u>\$ 397,812</u>	<u>\$ 349,721</u>

Reconciliation of accounting income and income tax expenses is as follows:

	<u>2025</u>	<u>2024</u>
Profit before tax	<u>\$ 1,539,863</u>	<u>\$ 1,276,704</u>
Income tax expense derived from applying the pre-tax profit to the statutory tax rate	\$ 407,288	\$ 461,058
Expense and loss not deductible from tax	7,170	5,403
Tax exempt income	(6,426)	(1,140)
Additional levy on undistributed earnings	23,656	14,308
Unrecognized loss carryforwards and deductible temporary differences	27,319	(90,785)
Adjustments for prior-year overestimation (underestimation)	(9,636)	(38,091)
Realized Investment losses on subsidiaries accounted for using equity method	(53,981)	(2,166)
Others	<u>2,422</u>	<u>1,134</u>
Income tax expenses recognized in profit or loss	<u>\$ 397,812</u>	<u>\$ 349,721</u>
 (II) Income tax benefits (expenses) recognized in other comprehensive income		
	<u>2025</u>	<u>2024</u>
<u>Deferred income tax</u>		
Arising during the current year		
— Translation of foreign operations	\$ 11,191	(\$ 16,493)
— Re-measurements of defined benefit plans	(190)	(86)
	<u>\$ 11,001</u>	<u>(\$ 16,579)</u>
 (III) Current income tax liabilities		
	<u>31 December 2025</u>	<u>31 December 2024</u>
Income tax liabilities for the current period		
Income tax payable	<u>\$ 186,782</u>	<u>\$ 159,652</u>

- (V) Amount of deductible temporary difference and loss carryforwards of deferred income tax assets unrecognized in the consolidated balance sheet

	<u>31 December 2025</u>	<u>31 December 2024</u>
Loss carryforwards		
Maturing in 2025	\$ -	\$ 29,534
Maturing in 2026	28,838	28,838
Maturing in 2027	25,343	25,343
Maturing in 2028	19,840	19,840
Maturing in 2029	18,434	18,434
Maturing in 2030	15,697	15,607
Maturing in 2031	21,760	21,760
Maturing in 2032	34,705	34,705
Maturing in 2033	535	535
Maturing in 2034	39	39
Maturing in 2035	<u>378</u>	<u>-</u>
	<u>\$ 165,569</u>	<u>\$ 194,725</u>
Deductible temporary differences	<u>\$ 380,252</u>	<u>\$ 165,264</u>

- (VI) Information on unused loss carryforwards

As of December 31, 2025, information regarding the Group's loss carryforwards is as follows:

<u>Unused balance</u>	<u>Latest year of deduction</u>
28,838	115
25,343	116
19,840	117
18,434	118
15,697	119
21,760	120
34,705	121
535	122
39	123
<u>378</u>	124
<u>\$ 165,569</u>	

- (VII) Authorization of income tax

The Company's and subsidiaries' profit-seeking business income tax filings have been approved by the tax authority through the year specified as follows:

<u>Company name</u>	<u>Latest year of approval</u>
The Company	112
ACROMASS	112
NATGEM	112
YAYA	112

24. Earnings per share

	Unit: NT\$	
	<u>2025</u>	<u>2024</u>
Basic earnings per share	<u>\$ 13.82</u>	<u>\$ 11.54</u>
Diluted earnings per share	<u>\$ 13.38</u>	<u>\$ 11.36</u>

Net profit in the current year

	<u>2025</u>	<u>2024</u>
Net profit attributable to owners of the Company	\$ 1,109,812	\$ 926,983
Effect of dilutive potential ordinary shares :		
Convertible bonds interest after tax	<u>17,743</u>	<u>10,196</u>
Net profit used for calculating diluted earnings per share of continuing operations	<u>\$ 1,127,555</u>	<u>\$ 937,179</u>

Shares

	Unit: Thousand shares	
	<u>2025</u>	<u>2024</u>
Weighted-average number of outstanding ordinary shares used in the computation of diluted EPS	80,329	80,328
Effect of dilutive potential ordinary shares :		
Convertible bonds	3,535	1,880
Employee remuneration	<u>427</u>	<u>317</u>
Weighted-average number of outstanding ordinary shares used in the computation of basic EPS	<u>84,291</u>	<u>82,525</u>

Where the Group may elect to distribute employee remuneration in shares or in cash, when calculating the diluted EPS, the Group assumes

that all employee remuneration is distributed in shares and counts the potentially dilutive common shares - when deemed dilutive - in the weighted average number of shares outstanding. In the following year, before calculating the diluted earnings per share for the number of shares distributed as employee remuneration, the dilutive effect of these potential common shares is also considered in the resolution.

25. Share-based payments Agreement

Subsidiary Employee Stock Option Plan — YAYA TECHNOLOGIES CORPORATION

In April 2025, the subsidiary's Board of Directors resolved to issue 1,666,700 units of employee stock options, where each unit entitles the holder to subscribe for 1 share of common stock. The grantees are employees who meet specific conditions. The exercise price per share is NT\$20, and the duration of the stock options is 4 months. Option holders may exercise their stock options after 1 month has elapsed from the date the employee stock option certificates were granted. After the issuance of the stock options, in the event of changes in the subsidiary's issued common shares, the exercise price of the stock options shall be adjusted according to the agreed formula.

Information regarding compensatory employee stock options issued in May 2025 is as follows:

<u>Employee stock options</u>	<u>Unit (shares)</u>	<u>Exercise Price (NT\$)</u>
May 2025 Grant	<u>1,666,700</u>	<u>\$ 20</u>
Weighted-average fair value of stock options granted in May 2025 (NT\$)	<u>\$ 1.24</u>	

<u>Warrants</u>	1 January to 30 September 2025	
	<u>Unit (shares)</u>	<u>Exercise Price (NT\$)</u>
Outstanding at the beginning of the year	-	
Granted during the current year	1,666,700	
Exercised during the current year	(1,267,000)	
Expired during the current year	(<u>399,700</u>)	
Outstanding at the end of the year	<u>-</u>	
Exercisable at the end of the year	<u>-</u>	<u>\$ 20</u>

The subsidiary adopts the Black-Scholes-Merton option pricing model, and the parameters used in the model are as follows:

Share price on the grant date	\$ 18.47 元
Exercise Price	\$ 20 元
Expected volatility (%)	53.97
Expected duration (Year)	0.208
Risk-free interest rate (%)	1.4

The compensation cost recognized for 2025 was NT\$2,068 thousand.

26. Business Combinations

In January 2025, the Group obtained a majority of the seats on the board of directors of YAYA TECHNOLOGIES CORPORATION. After assessment, it was determined that the Group has substantive control over YAYA TECHNOLOGIES CORPORATION, thereby constituting a parent-subsidiary relationship.

(I) Acquisition of subsidiaries

	<u>Principal operating activities</u>	<u>Acquisition date</u>	<u>Voting ownership interests/Acqui sition percentage (%)</u>	<u>Consideration transferred</u>
YAYA TECHNOL OGIES CORPORA TION	Trading of semiconductor equipment and peripherals	January 2025	40.34%	<u>\$ -</u>

(II) Assets acquired and liabilities assumed as of the acquisition date

	<u>YAYA TECHNOLOGIES CORPORATION</u>
Current assets	
Cash and cash equivalents	\$ 201,515
Accounts receivable and Other receivables	147,725
Inventories	230,886
Prepayments	4,948
Other current assets	393
Non-current assets	
Property, plant and equipment	273,340
Patent rights	39,419
Customer relationships	17,778
Computer software	4,773
Other non-current assets	45,067
Current liabilities	
Short-term borrowings	(74,000)
Accounts payable and Other payables	(125,575)
Contract liabilities	(191,952)
Other current liabilities	(3,380)
Non-current liabilities	
Other non-current liabilities	(<u>47,667</u>)
	<u>\$ 523,270</u>

(III) Non-controlling interests

Non-controlling interests is measured at the proportionate share of the acquiree's identifiable net assets at the recognized amounts.

(IV) Goodwill arising from acquisition Goodwill

	YAYA TECHNOLOGIES CORPORATION
Consideration transferred	\$ -
Fair value of the equity interest previously held by the Group at the acquisition date	215,133
Non-controlling interests	312,202
Fair value of identifiable net assets acquired at the acquisition date	(<u>523,270</u>)
Goodwill arising from acquisition (recorded under Intangible assets)	<u>\$ 4,065</u>

The Goodwill arising from the merger is not expected to be deductible for tax purposes.

The Group assessed the impairment of Goodwill in 2025. As the recoverable amount of the cash-generating unit was lower than its carrying amount, an impairment loss of Goodwill Impairment loss NT\$4,065 thousand was recognized.

(V) Net cash inflow from acquisition of subsidiaries

	1 January to 31 December 2025
	YAYA TECHNOLOGIES CORPORATION
Consideration paid in cash	\$ -
Less: Balance of Cash and cash equivalents acquired	<u>201,515</u>
	<u>\$ 201,515</u>

(VI) Impact of business combinations on operating results

From the acquisition date, the operating results from the acquired company are as follows:

	YAYA TECHNOLOGIES CORPORATION
Operating revenue	<u>\$ 442,410</u>
Net profit for the period	<u>\$ 75,413</u>

27. Proceeds from disposal of subsidiaries

The Group disposed of its entire equity interest in MAESTROGEN INC. in December 2025, derecognizing the related assets and liabilities due to the loss of control.

(I) Consideration received

	MAESTROGEN INC.
Cash	<u>\$ 4,000</u>

(II) Analysis of assets and liabilities over which control was lost

	MAESTROGEN INC.
Current assets	
Cash	\$ 1,828
Accounts receivable	889
Inventories	4,451
Other current assets	40
Non-current assets	
Property, plant and equipment	34
Current liabilities	
Accounts payable	(285)
Other payables	(404)
Other current liabilities	(130)
Non-current liabilities	
Other non-current liabilities	(\$ 33)
Net assets disposed of	<u>\$ 6,390</u>

(III) Loss of Proceeds from disposal of subsidiaries

	MAESTROGEN INC.
Consideration received	\$ 4,000
Derecognition of net assets	(6,390)
Non-controlling interests	(1,669)
Proceeds from disposal of subsidiaries loss (recognized under Other gains and losses)	<u>(\$ 4,059)</u>

(IV) Net cash inflows from Proceeds from disposal of subsidiaries

	MAESTROGEN INC.
Consideration received in cash	\$ 4,000
Less: Cash balance on disposal	(1,828)
	<u>\$ 2,172</u>

28. Equity transactions with Non-controlling interests

The Group purchased 5.30% and 0.12% equity interests from other shareholders of YAYA TECHNOLOGIES CORPORATION in March and July 2025, and its shareholding ratio increased from 40.34% to 45.76%.

	<u>YAYA TECHNOLOGIES CORPORATION</u>
Consideration paid in cash	(\$ 28,928)
Amount to be transferred to Non-controlling interests based on the change in relative equity in the carrying amount of the subsidiary's net assets	<u>29,617</u>
Difference on equity transactions - adjustment	
Retained earnings	<u>\$ 689</u>

29. Non-cash transactions

The Group transferred inventories for its own use to Property, plant and equipment in the amounts of NT\$137,567 thousand and NT\$30,880 thousand for the years 2025 and 2024, respectively (refer to Note 13).

30. Capital Risk Management

The Group conducts capital management to ensure the Group can continue as a going concern while maximizing shareholders' return by optimizing the liability and equity balances.

The Group's capital structure is composed of its net debt and its equity.

The key management of the Group reviews its capital structure every year in terms of the cost and risks of each capital category. Based on the recommendation of the key management, the Group will balance its capital structure by paying dividends and issuing new debts or paying existing debts.

31. Financial Instruments

(I) Fair value information – financial instruments not measured at fair value

31 December 2025

	<u>Book value</u>	<u>Fair value</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
- Convertible Bonds	<u>\$1,166,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,171,545</u>	<u>\$1,171,545</u>

31 December 2024

	<u>Book value</u>	<u>Fair value</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
- Convertible Bonds	<u>\$1,145,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,147,560</u>	<u>\$1,147,560</u>

(II) Fair value information – financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

31 December 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Derivative Instruments - Convertible Bond Redemption and Put Option	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 458</u>	<u>\$ 458</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investment in equity instruments				
Private placement shares of domestic listed companies	<u>\$ -</u>	<u>\$ 267,196</u>	<u>\$ -</u>	<u>\$ 267,196</u>
Domestic emerging company stocks	<u>389,445</u>	<u>-</u>	<u>-</u>	<u>389,445</u>
Foreign shares not traded on an exchange or OTC	<u>-</u>	<u>-</u>	<u>51,627</u>	<u>51,627</u>
	<u>\$ 389,445</u>	<u>\$ 267,196</u>	<u>\$ 51,627</u>	<u>\$ 708,268</u>

31 December 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Derivative Instruments - Convertible Bond Redemption and Put Option	\$ -	\$ -	\$ 2,480	\$ 2,480
<u>Financial assets at fair value through other comprehensive income</u>				
Investment in equity instruments				
Private placement shares of domestic listed companies	\$ -	\$ 218,098	\$ -	\$ 218,098
Foreign shares not traded on an exchange or OTC	-	-	60,930	60,930
	<u>\$ -</u>	<u>\$ 218,098</u>	<u>\$ 60,930</u>	<u>\$ 279,028</u>

For the years 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

2. Reconciliation of the financial instruments measured at Level 3 fair value

2025

	<u>Financial assets</u>	<u>Financial assets at fair value through other comprehensive income</u>
		<u>Equity instruments</u>
Opening balance		\$ 60,930
Recognized in other comprehensive income		(9,303)
Closing balance		<u>\$ 51,627</u>
		<u>Fair value through profit or loss</u>
	<u>Financial assets</u>	<u>Derivative instruments</u>
Opening balance		\$ 2,480
Recognized in profit or loss		(2,020)
Conversion of convertible bonds		(2)
Closing balance		<u>\$ 458</u>

2024

	Financial assets at fair value through other comprehensive income
	<u>Equity instruments</u>
<u>Financial assets</u>	
Opening balance	\$ 53,125
Recognized in other comprehensive income	<u>7,805</u>
Closing balance	<u>\$ 60,930</u>

	Fair value through profit or loss
	<u>Derivative instruments</u>
<u>Financial assets</u>	
Opening balance	\$ -
Recognized in profit or loss	<u>2,480</u>
Closing balance	<u>\$ 2,480</u>

3. Level 2 fair value valuation techniques and inputs

If there is no quoted price for the common shares issued by domestic TWSE-listed companies through a private placement, such common shares are evaluated by using valuation techniques. The assumptions and estimates used by the Group for the valuation techniques are the same as the assumptions and estimates accessible to the Company that are used by market participants for quoting a price for financial products.

The valuation technique the Group used for measuring the fair value is the Black-Scholes pricing model.

4. Level 3 fair value valuation techniques and inputs

(1) The redemption and put options of the convertible bonds issued by the Group are evaluated for fair value using the two trees convertible bond pricing model. The significant unobservable inputs adopted are stock price volatility. When the volatility of stock prices increases, the fair value of such derivatives will change. The stock price volatilities adopted as of 31 December 2025 and 2024 were 45.62% and 56.31%, respectively.

(2) When valuing the foreign shares not traded on an exchange or OTC, the Group used the income approach by which the present

value of benefits expected to be derived from such investment is calculated by discounting the cash flows. Significant unobservable inputs are as follows. When liquidity discount decreases, the fair value of such investment will increase.

	<u>31 December 2025</u>	<u>31 December 2024</u>
Liquidity discount	32.27%	32.26%

If the following inputs are changed to reflect reasonably possible alternative assumptions while other inputs are held constant, the amount of the fair value of equity investment will increase (decrease) by:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Liquidity discount		
Increase by 1%	(\$ <u>762</u>)	(\$ <u>900</u>)
Decrease by 1%	<u>\$ 762</u>	<u>\$ 900</u>

(III) Type of financial instruments

	<u>31 December 2025</u>	<u>31 December 2024</u>
<u>Financial assets</u>		
Financial assets mandatorily measured at fair value through profit or loss	\$ 458	\$ 2,480
Financial assets at amortized cost (Note 1)	7,660,581	7,683,197
Financial assets at fair value through other comprehensive income	708,268	279,028
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	3,708,362	3,836,314

Note 1: The balance included financial assets measured at amortized cost such as Cash and cash equivalents, notes and accounts receivable (including those due from related parties), Other receivables (presented under Other current assets), restricted assets (presented under Other current assets), other financial assets (presented under Other current assets), and Guarantee deposits paid (presented under Other non-current assets).

Note 2: The balance included Short-term borrowings, Bonds payable (including those due within one year), Notes payable, and accounts payable and Other payables, which are financial liabilities measured at amortized cost.

(IV) Financial risk management purpose and policy

The Group's financial instruments mainly comprise equity investment, receivables, payables, Bonds payable, borrowings, and lease liabilities. The financial management department of the Group provides services for each type of business and supervises and manages the financial risks incidental to the Group's operations by referencing the internal risk report in which risk exposure is analyzed based on the extent and extensiveness of risks. Such risks include market risk, credit risk, and liquidity risk.

The financial management department provides a report to the key management quarterly to reduce risk exposure.

The Group did not adopt hedge accounting.

1. Market risk

(1) Exchange rate risk

Some subsidiaries of Group are engaged in sales and purchase denominated in foreign currency, thus exposing the Group to the exchange rate fluctuation risk.

For the book value of the Group's monetary assets and monetary liabilities denominated in a currency other than the functional currency on the balance sheet date, refer to Note 35.

Sensitivity analysis

The Group is affected primarily by fluctuation in the exchange rate of USD.

The sensitivity analysis includes only the foreign currency monetary items outstanding, which are translated at the end of year by using an exchange rate that could be adjusted by a maximum of 1%. When the functional currency of each entity appreciates/depreciates by 1% against the USD,

the effects on the consolidated Profit before tax for 2025 and 2024 will be NT\$34,218 thousand and NT\$32,231 thousand, respectively.

The exchange rate fluctuation mainly affects the Group's bank deposits, as well as the payables and receivables denominated in USD that were still outstanding and were not hedged with a cash flow hedge on the balance sheet date.

(2) Interest rate risk

The interest rate risk facing the Group mainly comes from the Group's floating-rate bank deposits.

The book value of the financial assets and liabilities of the Group that were exposed to the interest rate risk on the balance sheet date is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
With cash flow interest rate risk		
- Financial assets	\$ 4,367,107	\$ 3,808,813
- Financial liabilities	240,000	400,000
With fair value interest rate risk		
- Financial assets	2,383,138	3,255,745
- Financial liabilities	106,246	1,308,875
- Lease liabilities	87,311	90,451

Sensitivity analysis

The following sensitivity analysis is based on the interest risk exposure of non-derivatives on the balance sheet date. Floating-rate liabilities are analyzed based on the assumption that the liability amount outstanding on the balance sheet date remains outstanding throughout the reporting period.

If interest rate increases/decreases by 1%, held other variables constant, the Group's consolidated Profit before tax in 2025 and 2024 will change by 41,271 thousand and 34,088 thousand, respectively.

2. Credit risk

The credit risk means the risk of causing financial loss to the Group because the trading counterparty defaults on contractual obligations. As of the balance sheet date, the Group's maximum credit exposure to the financial loss caused by a trading counterparty's defaulting on his/her performance obligations mainly lies in the book value of the financial assets recognized on the consolidated balance sheet.

According to its policy, the Group only trades with reputational counterparties and requires provision of collateral where necessary to reduce the risk of financial loss due to default.

The Group exposes to the credit risk, which mainly comes from the customers who individually account for 10% or more of the Group's total accounts receivables (including those due from related parties). Refer to Note 9 for details.

3. Liquidity risk

The Group manages and maintains sufficient cash to support business operations and reduce the effect of the fluctuating cash flow. The management of the Group monitors the use of bank financing facilities and ensures compliance with the terms of the loan contract.

Bank loans are one of the Group's important sources of liquidity. For the bank financing facility that the Group has not used, refer to relevant descriptions in (2) below.

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

The maturity analysis of other non-derivative financial liabilities is compiled based on the agreed repayment date.

31 December 2025

	<u>1 – 3 months</u>	<u>4 months – 1 year</u>	<u>More than 1 year</u>
<u>Non-derivative financial liabilities</u>			
Non-interest-bearing liabilities	\$ 2,299,925	\$ 1,669	\$ -
Bonds payable	-	1,198,900	-
Instruments with a floating rate	240,000	-	-
Lease liabilities	<u>5,195</u>	<u>12,210</u>	<u>77,190</u>
	<u>\$ 2,545,120</u>	<u>\$ 1,212,779</u>	<u>\$ 77,190</u>

More information on the maturity analysis of lease liabilities:

	<u>Less than 1 year</u>	<u>2–5 years</u>	<u>6–10 years</u>	<u>11–15 years</u>	<u>16–20 years</u>
Lease liabilities	<u>\$ 17,405</u>	<u>\$ 36,530</u>	<u>\$ 22,800</u>	<u>\$ 17,860</u>	<u>\$ -</u>

31 December 2024

	<u>1 – 3 months</u>	<u>4 months – 1 year</u>	<u>More than 1 year</u>
<u>Non-derivative financial liabilities</u>			
Non-interest-bearing liabilities	\$ 2,288,101	\$ 2,531	\$ -
Bonds payable	-	-	1,200,000
Instruments with a floating rate	400,762	-	-
Lease liabilities	<u>5,159</u>	<u>12,712</u>	<u>82,054</u>
	<u>\$ 2,694,022</u>	<u>\$ 15,243</u>	<u>\$ 1,282,054</u>

More information on the maturity analysis of lease liabilities:

	<u>Less than 1 year</u>	<u>2–5 years</u>	<u>6–10 years</u>	<u>11–15 years</u>	<u>16–20 years</u>
Lease liabilities	<u>\$ 17,871</u>	<u>\$ 36,834</u>	<u>\$ 22,800</u>	<u>\$ 22,420</u>	<u>\$ -</u>

(2) Credit limit of financing facilities

	31 December 2025	31 December 2024
Unsecured bank loan limit (extendable upon mutual agreement)		
– Employed capital	\$ 418,047	\$ 613,011
– Unused amount	<u>1,280,953</u>	<u>966,989</u>
	<u>\$ 1,699,000</u>	<u>\$ 1,580,000</u>
Committed Secured bank loans limit (extendable upon mutual agreement)		
– Employed capital	\$ 20,000	\$ -
– Unused amount	<u>70,000</u>	<u>-</u>
	<u>\$ 90,000</u>	<u>\$ -</u>

32. Related Party Transactions

All transactions, account balance, profits, and expenses/losses between the Company and its subsidiaries are entirely eliminated upon consolidation, and therefore not disclosed in this note. In addition to those disclosed in other notes, significant transactions between the Group and other related parties are described as follows:

(I) Name and relationship of related party

<u>Name of related party</u>	<u>Relationship with the Group</u>
HUNG-LIANG HSIEH	Chairperson
XTEK SEMICONDUCTOR (HUANGSHI) CO., LTD. (XTEK SEMICONDUCTOR)	Associates
FORWARD SCIENCE PTE.LTD.	Associates
HONG LUN CULTURAL CREATIVITY FOUNDATION	Same key management

(II) Operating revenue

<u>Account item</u>	<u>Related party category</u>	<u>2025</u>	<u>2024</u>
Sales revenue	Associates	<u>\$ 1,871</u>	<u>\$ 9,437</u>
Service revenue	Associates	<u>\$ 564</u>	<u>\$ 2,119</u>
Other operating revenue	Associates	<u>\$ 80</u>	<u>\$ -</u>

The price and payment terms for a sale transaction between the Group and related parties are determined based on the terms mutually agreed upon.

(III) Contract liabilities

<u>Related party category</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Associates	<u>\$ -</u>	<u>\$ 1,843</u>

(IV) Receivables

<u>Account item</u>	<u>Related party category</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Other receivables (presented under current assets)	Same key management	<u>\$ 6</u>	<u>\$ 4</u>

No guarantee was requested for the outstanding receivables due from related parties. The allowance for loss recognized (reversed) for accounts receivable from related parties for the years 2025 and 2024 was NT\$0 thousand and NT\$(828) thousand, respectively.

(V) Payables

<u>Account item</u>	<u>Related party category</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Other payables	Associates	<u>\$ 67</u>	<u>\$ 58</u>

The outstanding balance of the payables due to related parties was not secured against collateral.

(VI) Lease agreements

<u>Account item</u>	<u>Related party category</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Lease liabilities	Chairperson	<u>\$ 55,446</u>	<u>\$ 58,868</u>

<u>Related party category</u>	<u>2025</u>	<u>2024</u>
Interest expenses (presented under financial cost)		
Chairperson	<u>\$ 1,139</u>	<u>\$ 1,206</u>

The lease contracts between the Group and related parties are negotiated with reference to market conditions, and follow standard payment terms.

(VII) Others

<u>Account item</u>	<u>Related party category</u>	<u>2025</u>	<u>2024</u>
Rental income (presented under other income)	Same key management	<u>\$ 24</u>	<u>\$ 24</u>
Operating expenses	Associates	<u>\$ 624</u>	<u>\$ 646</u>

(IX) Remuneration to key management

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 123,924	\$ 89,210
Post-employment benefits	1,456	976
Share-based payments	<u>285</u>	<u>-</u>
	<u>\$ 125,665</u>	<u>\$ 90,186</u>

The remuneration to directors and other key management was decided by the Remuneration Committee according to personal performance and market trends.

33. Pledged and Mortgaged Assets

The following assets were provided to the Custom Office as collateral against the bonded goods, borrowings, and the payments and performance obligation of manufacturers:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Pledged certificates of deposits (presented under other current assets)	\$ 56,977	\$ 44,435
Property, plant and equipment	278,469	-

34. Significant Commitments

As of 31 December 2025 and 2024, the unused letter of credit amounts opened by the Consolidated Company for the purchase of goods, machinery and equipment, and as performance guarantees were 105,779 thousand and 41,435 thousand, respectively.

35. Information on foreign currency assets and liabilities with significant effects

The following information is summarized and stated based on the foreign currencies other than the functional currency of the Group's parent company only entities. Foreign currency assets and liabilities with significant effects are as follows:

31 December 2025

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Book value</u>
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 70,354	31.43 (USD:TWD)	\$ 2,211,237
USD	34,616	6.991 (USD:CNY)	1,087,980
USD	26,802	7.784 (USD: HKD)	842,397
EUR	4,344	36.90 (EUR:TWD)	160,282
JPY	197,840	0.201 (JPY:TWD)	39,726
 <u>Non-monetary items</u>			
Associates accounted for using the equity method			
CNY	89,163	4.496 (CNY:TWD)	400,876
 <u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	17,288	31.43 (USD:TWD)	441,193
USD	5,848	6.991 (USD:CNY)	183,790
JPY	226,425	0.201 (JPY:TWD)	45,466
EUR	813	36.9 (EUR:TWD)	30,017

31 December 2024

	Foreign currency	Exchange rate	Book value
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 75,374	32.785 (USD:TWD)	\$ 2,471,149
USD	27,618	7.321 (USD:CNY)	905,464
USD	26,195	7.765 (USD: HKD)	858,801
CNY	10,723	4.478 (CNY:TWD)	48,020
EUR	3,946	34.140 (EUR:TWD)	134,718
EUR	1,335	7.624 (EUR:CNY)	45,564
JPY	568,880	0.210 (JPY:TWD)	119,408
 <u>Non-monetary items</u>			
Associates accounted for using the equity method			
CNY	102,849	4.478 (CNY:TWD)	460,560
 <u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	22,480	32.785 (USD:TWD)	737,009
USD	7,848	7.321 (USD:CNY)	257,285
USD	728	7.765 (USD: HKD)	23,856
JPY	225,214	0.210 (JPY:TWD)	47,272
EUR	1,563	34.140 (EUR:TWD)	53,369

The Group's realized and Unrealized foreign exchange gain (losses) for 2025 and 2024 were NT\$(170,807) thousand and NT\$14,882 thousand, respectively. Due to the wide variety of foreign currency transactions and functional currencies of the group entities, the exchange gains and losses cannot be disclosed by each foreign currency with significant influence.

36. Supplementary Disclosures

Except those disclosed in Appendix Table 1 through 5, there were no required disclosures.

37. Segment Information

Information provided for the operating decision makers to allocate resources and evaluate segment performance focuses on the type of products or services delivered or provided. The reportable segments of the Group are as follows:

(I) Segment revenue and operating outcome

The revenue and operation outcome of the Group are analyzed by reportable segment as follows:

	<u>Segment revenue</u>		<u>Segment profit or loss</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Agency	\$ 6,696,424	\$ 6,377,351	\$ 960,354	\$ 845,147
Manufacturing	<u>4,724,963</u>	<u>3,360,574</u>	<u>765,807</u>	<u>450,083</u>
Reportable segments - total	11,421,387	9,737,925	1,726,161	1,295,230
Headquarters Administrative costs and non-operating income and expenses			(<u>186,298</u>)	<u>18,526</u>
Subtotal	11,421,387	9,737,925		
Inter-segment sales revenue	(<u>50,019</u>)	(<u>49,645</u>)		
Net sales revenue	<u>\$ 11,371,368</u>	<u>\$ 9,688,280</u>		
Profit before tax			<u>\$ 1,539,863</u>	<u>\$ 1,276,704</u>

Segment profits mean the profits earned by each segment, excluding the following items that should be allocated among them: administrative cost of the headquarters, director remuneration, non-operating income and expenses, and income tax expenses. Such measurements serve as a basis for main operational decision makers to allocate resources to segments and evaluate their performance.

(II) Segment assets and liabilities

The Group disclosed the measurements of total assets and liabilities of reportable segments as a whole instead of individually because the measurements of assets and liabilities had yet to be provided to the operational decision makers.

(III) Geographic information

The Group mainly operates in the two regions: Taiwan and China.

(IV) Information on major customers

In 2025 and 2024, Operating revenue was NT\$3,166,293 thousand and NT\$2,036,490 thousand, respectively, from customers who individually account for more than 10% of the Group's consolidated revenue; except for such customers, there were no other customers whose revenue individually accounted for more than 10% of the Group's total revenue.

SCIENTECH CORPORATION and its subsidiaries

Loans to others
For the Year 2025

Appendix Table 1

Unit: Unless otherwise specified, in NTD ONE THOUSAND

No.	Lending company Borrowing company	Borrower	Business Account name	Related party (Y/N)	Highest balance during the year (Note 3)	Closing balance (Note 3)	Actual amount drawn down (Note 3 and 4)	Interest rate range (%)	Nature of loan	Transaction amount	Reason for short- term financing	Amount of allowance for doubtful accounts provided	Collateral		Limit on loans to a single borrower(Notes 1 and 3)	Total limit on loans to others (Notes 2 and 3)
													Name	Value		
0	The Company	NATGEM INC.	Other receivables due from related parties	Yes	\$ 2,000	\$ 2,000	\$ 500	1.5	Short-term financing	\$ -	Working capital	\$ -	-	\$ -	\$ 605,904	\$ 2,423,617
1	SCIENTECH ENGINEERING CORP. (SHANGHAI)	The Company	Other receivables due from related parties	Yes	202,320 (RMB 45,000 thousand)	202,320 (RMB 45,000 thousand)	121,392 (RMB 27,000 thousand)	1.5	Short-term financing	-	Working capital	-	-	-	202,320 (RMB 45,000 thousand)	784,402 (RMB 174,467 thousand)

Note 1: The limit of loans to a single borrower is as follows:

1. For companies having business transactions with the Company, the limit shall not exceed the transaction amount between both parties. The term 'transaction amount' refers to the higher of the purchase or sales amount between the parties.
2. Limit of loaning of funds to a company in need of short-term financing should not exceed 10% of the Company's net worth.
3. Limit of loaning of funds to a foreign operation whose voting shares are fully held by the Company, either directly or indirectly, should exceed neither the amount approved by the Board of Directors nor the amount equal to 80% of the lending company's net worth.

Note 2: The limit of total funds loaned to others is as follows:

1. Limit of the Company should not exceed 40% of the Company's net worth.
2. Foreign companies in which SCIENTECH ENGINEERING CORP. (SHANGHAI) directly or indirectly holds the voting shares or directly or indirectly holds 100% of the voting shares of SCIENTECH ENGINEERING CORP. (SHANGHAI) via the Company should not exceed 40% of the foreign operation's net worth.

Note 3: Converted based on the exchange rate of RMB 1=\$4.496 as of December 31, 2025.

Note 4: The said transactions had been eliminated during the preparation of the consolidated financial statements.

SCIENTECH CORPORATION and its subsidiaries
 Making endorsements/guarantees for others
 For the Year 2025

Appendix Table 2

Unit: Unless otherwise specified, in NTD ONE THOUSAND

No.	Endorser/guarantor	Counterparty		Limit on endorsements/guarantees for a single enterprise (Notes 1 and 2)	Highest balance of endorsements/guarantees during the year (Note 2)	Balance of endorsements/guarantees at year-end (Note 2)	Actual amount drawn down(Note 2)	Amount of endorsements/guarantees collaterally secured by property(Note 2)	Percentage of accumulated amount of endorsements/guarantees to net value on the latest financial statements (%)	Aggregate limit on endorsements/guarantees(Notes 2 and 3)	Endorsements/guarantees by parent company for subsidiary	Endorsements/guarantees by subsidiary for parent company	Endorsements/guarantees for a company in Mainland China
		Company name	Relationship										
0	The Company	SCIENTECH ENGINEERING (HONG KONG) LIMITED	Subsidiary	\$ 3,029,522	\$ 47,145 (USD 1,500 thousand)	\$ 47,145 (USD 1,500 thousand)	\$ -	\$ -	0.8%	\$ 6,059,043	Y	N	N

Note 1: The Company and its subsidiaries should not exceed 50% of each respective company's net worth for a single enterprise.

Note 2: Based on the exchange rate as of December 31, 2025: USD 1=\$31.43.

Note 3: Should not exceed 100% of the Company's or a subsidiary's net worth stated on the financial statements.

SCIENTECH CORPORATION and its subsidiaries
Significant securities held at year-end
31 December 2025

Appendix Table 3

Unit: NT\$ thousand

Holder	Type and name of securities	Relationship with issuer	Account name	End of year				Note
				Shares	Book value	Shareholding Percentage (%)	Fair value	
SCIENTECH CORPORATION	<u>Shares</u> INFINITESIMA LIMITED	—	Non-current financial assets at fair value through other comprehensive income	6,111,111	\$ 51,627	9.3	\$ 51,627	—
	SPIROX CORP.	—	Non-current financial assets at fair value through other comprehensive income	4,000,000	267,196	3.5	267,196	—
	ALLIANCE MATERIAL CO., LTD.	—	Non-current financial assets at fair value through other comprehensive income	1,282,800	389,445	3.7	389,445	—

Note 1: For information on investment in subsidiaries and associates, refer to Appendix Tables 4 and 5.

Note 2: This table includes securities that the Company has determined must be disclosed based on the principle of materiality.

SCIENTECH CORPORATION and its subsidiaries
Name and Territory of Investees and Other Relevant Information
1 January to 31 December 2025

Appendix Table 4

Unit: Unless otherwise specified, in NTD ONE THOUSAND

Investor	Investee	Location	Main business line	Initial investment amount		Held at the end of the year			Profit (loss) of investee for the current period	Investment income (loss) recognized for the current period	Note
				31 December 2025	1 January 2025	Shares	Percentage (%)	Book value			
SCIENTECH CORPORATION	SCIENTECH INVESTMENT CORP.	Mauritius	Investment	\$ 171,775	\$ 171,775	5,540,000	100	\$ 1,951,917	\$ 337,887	\$ 337,887	(Note 3)
	YAYA TECHNOLOGIES CORPORATION	Hsinchu City	Trading of semiconductor equipment and peripherals	244,061	215,133	7,626,905	43	259,945	75,551	24,442	(Note 3)
	SCIENTECH GMBH	Austria	International trade	10,672	10,672	-	100	17,386	(3,964)	(3,964)	(Note 3)
	ACROMASS TECHNOLOGIES INC.	Taipei City	General instrument and precision instrument manufacturing	270,000	270,000	436,200	100	3,384	27	27	(Note 3 and 5)
	NATGEM INC.	Taipei City	Sale of food and supplies	33,000	33,000	800,000	100	281	(326)	(326)	(Note 3)
	TRANSCEND CAPITAL CORP.	British Virgin Islands	Investment	-	417,289	-	-	-	781	781	(Note 3 and 4)
	RENORIGIN INNOVATION INSTITUTE CO., LTD.	Taipei City	Sale of biotech products	14,030	14,030	1,121,000	20	-	(16,040)	(1,725)	(Note 1)
	FORWARD SCIENCE PTE. LTD.	Singapore	Trading and maintenance of semiconductor equipment and peripherals	11,944	11,944	500,000	21	-	-	-	(Note 1)
SCIENTECH INVESTMENT CORP.	SIMPLE INVESTMENT CORP.	Mauritius	Investment	154,180 (USD 4,906 thousand)	154,180 (USD 4,906 thousand)	4,905,500	100	1,960,428 (USD 62,374 thousand)	337,841 (USD 10,835 thousand)	337,841 (USD 10,835 thousand)	(Note 2 and 3)
	SCIENTECH ENGINEERING USA CORP.	California, US	Trading of semiconductor equipment and peripherals	9,429 (USD 300 thousand)	9,429 (USD 300 thousand)	300,000	100	29,131 (USD 927 thousand)	33 (USD 1 thousand)	33 (USD 1 thousand)	(Note 2 and 3)
SCIENTECH ENGINEERING CORP. (SHANGHAI)	SCIENTECH ENGINEERING (HONG KONG) LIMITED	Hong Kong	International trade	6,088 (RMB 1,354 thousand)	6,088 (RMB 1,354 thousand)	-	100	848,458 (RMB 188,714 thousand)	75,912 (RMB 17,520 thousand)	75,912 (RMB 17,520 thousand)	(Note 2 and 3)
YAYA TECHNOLOGIES CORPORATION	MAESTROGEN INC.	Hsinchu City	General instrument and precision instrument manufacturing	-	25,000	-	-	-	(1,867)	(1,729)	(Note 1、3 and 6)
	LEADWIN GROUP LIMITED	Samoa	Investment	9,445 (USD 301 thousand)	9,445 (USD 301 thousand)	300,500	100	67,669 (USD 2,153 thousand)	22,039 (USD 707 thousand)	22,039 (USD 707 thousand)	(Note 2 and 3)

Note 1: It was calculated based on financial statements in the same period that were not audited by CPAs.

Note 2: The amount was converted using the exchange rate of USD 1 = \$31.43 and RMB 1 = \$4.496 on 31 December 2025; investment gains or losses were converted using the average exchange rate of USD 1 = \$31.18 and RMB 1 = \$4.333 from 1 January 2025 to 31 December 2025.

Note 3: It is a subsidiary. The said transactions had been eliminated during the preparation of the Consolidated Financial Statements.

Note 4: TRANSCEND CAPITAL CORP. Liquidation was completed in May 2025.

Note 5: ACROMASS TECHNOLOGIES INC. resolved by the Board of Directors in May 2025 to Capital reduction to offset accumulated deficits.

Note 6: YAYA TECHNOLOGIES CORPORATION disposed of all its equity interests in MAESTROGEN INC. in December 2025.

SCIENTECH CORPORATION and its subsidiaries
Information on Investment in Mainland China
1 January to 31 December 2025

Appendix Table 5

Unit: Unless otherwise specified,
As NTD ONE THOUSAND

Investee	Main business line	Paid-in capital(Note 1)	Method of investment	Accumulated amount of investments remitted from Taiwan at the beginning of the year (Note 1)	Amount of investments remitted or recovered in current year		Accumulated amount of investments remitted from Taiwan at year-end (Note 1)	Profit (loss) of investee for the current year	Direct or indirect shareholding ratio (%)	Investment income (loss) recognized for the current period	Carrying amount of investment at year-end	Investment income repatriated as of the current year
					R e m i t t e d	R e c o v e r e d						
SCIENTECH ENGINEERING CORP. (SHANGHAI)	Trading and maintenance of semiconductor equipment and peripherals	\$ 153,064 (USD 4,870 thousand)	Investment in a company established in a third region for re-investment in a Mainland China company (Note 3)	\$ 153,064 (USD 4,870 thousand)	\$ -	\$ -	\$ 153,064 (USD 4,870 thousand)	\$ 337,841 (Note 2 and 8)	100	\$ 337,841 (Note 2 and 8)	\$ 1,961,006 (Note 2 and 8)	\$ -
XTEK SEMICONDUCTOR (HUANGSHI) CO., LTD.	Trading of semiconductor equipment and peripherals	2,605,108 (USD 82,886 thousand)	Investment in a company established in a third region for re-investment in a Mainland China company (Note 4)	448,455 (USD 14,268 thousand)	-	-	448,455 (USD 14,268 thousand)	(131,279) (Note 2)	17.21	(22,599) (Note 2)	400,876 (Note 2)	-
KUNSHAN YAYA TECH CO., LTD	Trading of semiconductor equipment and peripherals	6,600 (USD 210 thousand)	Investment in a Mainland China company through a company established in a third region (Note 5)	6,600 (USD 210 thousand)	-	-	6,600 (USD 210 thousand)	1,981 (Note 2 and 8)	100	1,981 (Note 2 and 8)	51,811 (Note 2 and 8)	-
YAYA PCB EQUIPMENT (SHENZHEN) CO., LTD.	Trading of semiconductor equipment and peripherals	2,860 (USD 91 thousand)	Investment in a Mainland China company through a company established in a third region (Note 6)	2,860 (USD 91 thousand)	-	-	2,860 (USD 91 thousand)	20,058 (Note 2 and 8)	100	20,058 (Note 2 and 8)	21,298 (Note 2 and 8)	-

Accumulated amount of investments from Taiwan to Mainland China at the end of current period (Note 1)	Investment amount approved by the Investment Commission, MOEA (Note 1)	Upper Limit on investment in Mainland China stipulated by the Investment Commission, MOEA
\$610,979 (USD 19,439 thousand)	\$610,979 (USD 19,439 thousand)	\$3,635,426

Note 1: Converted based on the exchange rate of USD 1 = \$31.43 as of December 31, 2025.

Note 2: It was calculated based on financial statements in the same period that were audited by CPAs.

Note 3: Through SIMPLE INVESTMENT CORP. Investment in SCIENTECH ENGINEERING CORP. (SHANGHAI).

Note 4: It represents the investment in XTEK SEMICONDUCTOR (HUANGSHI) CO., LTD. through SCIENTECH ENGINEERING CORP.(SHANGHAI).

Note 5: Representing investment in KUNSHAN YAYA TECH CO., LTD through LEADWIN GROUP LIMITED.

Note 6: Investment in YAYA PCB EQUIPMENT (SHENZHEN) CO., LTD. was made through LEADWIN GROUP LIMITED.

Note 7: The balance of unrealized gains as of 31 December 2025 arising from the sale of machinery and equipment and provision of services to XTEK SEMICONDUCTOR (HUANGSHI) CO., LTD. was 40,317 thousand. Realized gross profit during 1 January 2025 and 31 December 2025 was 5,472 thousand.

Note 8: The said transactions had been eliminated during the preparation of the consolidated financial statements.