

Stock Code: 6223

MPI CORPORATION
Parent Company Only
Financial Statements for the Years Ended
December 31, 2025 and 2024
And Independent Accountants' Audit Report

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MPI CORPORATION

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Independent Accountants' Audit Report

To the Board of Directors and Stockholders of MPI Corporation

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters on the financial statements for the year ended December 31, 2025 were as follows:

1. Revenue Recognition

Matter Description

Regarding the accounting policy of revenue recognition, please refer to (27) of Note 4 of the

Individual Financial Statements. Regarding relevant disclosure, please refer to (20) of Note 6 and Note 9 Statement of major accounting items - Statement of operating revenue.

Sales revenue is the major index for investors and the management to evaluate the finance or performance of MPI Corporation. As the point in time for revenue recognition and the amount of recognized revenue can make a big difference on the financial statements, the CPA(s) has also reviewed the accuracy of these two key factors during the audit.

Audit Procedures in Response

The CPA(s) has implemented audit procedures in response as summarized below:

- (1) Understood and tested the design and implementation efficiency of sales and receiving circulation control system.
- (2) Understood the major revenue type and trading terms of MPI Corporation to assess if the accounting policy of point in time for revenue recognition is appropriate.
- (3) Understood the product type and sales of the top 10 customers; sampled and reviewed the orders; assessed the influence of trading terms to revenue recognition; and confirmed if MPI Corporation has handled accounting relevant activities appropriately.
- (4) Evaluated if the number of days for turning over the sales revenue and payables; and analyzed changes to customers of this and last year at the same time point to see if there is any abnormality.
- (5) Implemented the detail test, where transactions of sales revenue before and after the financial statements within a specified period have been sampled to carry out the cut-off test and verify relevant certificates. Changes to the inventory in account books and transferred sales costs have been recorded during an appropriate period of period to evaluate the correctness of the period of recognizing the revenue, ensure if there is any abnormal revenue journal voucher, and understand if there is any grave refund or return after the period.

2. Inventory Valuation

Matter Description

Regarding the accounting policy of inventory valuation, please refer to (15) of Note 4 of Individual Financial Statements. Regarding significant accounting judgments, estimations, and assumptions of inventory valuation, please refer to Note 5 of Individual Financial Statements. Regarding descriptions of inventory accounting items, please refer to (5) of Note 6 of Individual Financial Statements. The Company recognize inventories amounting to NT\$5,165,762 thousand and allowance for inventories amounting to NT\$576,317 thousand. The book value of the Company's inventories as December 31, 2025 was NT\$4,589,445 thousand and accounted 20% of the total

assets in the parent company only balance sheet.

MPI Corporation mainly engages in the manufacturing and sales of semiconductor production and testing equipment. Due to rapid technological changes, short life cycle and intense market competition of electronic products, there is a high tendency for inventory valuation loss and losses caused by outdated inventory. The inventory is evaluated by either the cost or net realizable value, depending on which one has the lower value. Inventories that exceed specific inventory age or are evaluated as outdated during individual assessment shall have the inventory loss evaluation conducted also based on the inventory age and future product demand during specific period of time. The information comes from the management's judgement on each product's net realizable value based on the inventory sales, age and quality conditions. As the amount of MPI Corporation's inventory is great; a number of items are included on the inventory list; and the valuation of inventories that have exceeded specific age or are outdated relies heavily on the management's subjective judgement and involves a high degree of uncertainty, the CPA(s) believes that the inventory valuation and obsolescence loss is one of the key audit matters of the year.

Audit Procedures in Response

The CPA(s) has implemented the audit procedures in response as summarized below:

- (1) With the CPA's knowledge of the industry and MPI Corporation's operations, evaluated the soundness of the Corporation's policies concerning the allowance for inventory valuation loss and doubtful debts.
- (2) Understood MPI Corporation's inventory management procedures, reviewed its annual inventory plan, and participated in its annual inventory check to evaluate the management's judgement and control efficiency of outdated inventories.
- (3) Acquired the list of product inventory age, verified the appropriateness of reporting system logic, and confirmed the consistency of report information and adopted policies.
- (4) Evaluated the appropriateness of the methods of calculating inventory valuation impairment, including deciding the inventory classification based on the net realizable value, checking individual material number to verify the basic assumption of the calculation in relevant supporting document, and verify the accuracy of calculation.

Other Matter-Making Reference to the Audits of Component Auditors

As stated in the individual financial statements (6) of Note 6, Certain investments, which were accounted for under the equity method based on the financial statements of the investees, were audited by other independent accountants. Respectively, the related shares of investment income from the

subsidiaries amounted to NT\$(29,425) thousand and NT\$101,553 thousand. Insofar as it related to the investments accounted for under the equity method balances of NT\$647,675 thousand and NT\$179,584 thousand as of December 31, 2025 and December 31, 2024.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Accountants' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an accountants' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our accountants' 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.



NEXIA SUN RISE CPAs & COMPANY

日正聯合會計師事務所

Certified Public Accountants

Sun Rise CPAs & Company

NEXIA Sun Rise CPAs & Company

Taipei, Taiwan, Republic of China

March 11, 2026

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent accountants' report and the accompanying 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 accountants' report and financial statements shall prevail.

MPI CORPORATION
BALANCE SHEETS (ASSETS)
DECEMBER 31, 2025 AND 2024

(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ASSETS	Note	December 31, 2025		December 31, 2024	
		Amounts	%	Amounts	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 3,125,790	14	\$ 1,899,201	12
Accounts receivable, net	6(4)	624,962	3	478,860	3
Accounts receivable -related parties, net	6(4).7	3,033,210	13	2,246,291	14
Other receivables		56,665	-	38,663	-
Other receivables -related parties	7	44,204	-	37,853	1
Inventories, net	6(5)	4,589,445	20	3,267,206	20
Prepayments		146,071	1	117,653	1
Non-current assets (or disposal group) held for sale, net	6(6)	14,221	-	23,174	-
Other current assets		2,718	-	2,925	-
Total Current Assets		<u>11,637,286</u>	<u>51</u>	<u>8,111,826</u>	<u>51</u>
NONCURRENT ASSETS					
Financial assets at fair value through profit or loss – non-current	6(2)	33,980	-	-	-
Financial assets at fair value through other comprehensive income – non-current	6(3)	611,486	3	311,926	2
Investments accounted for using equity method	6(7)	1,966,216	8	1,437,520	9
Property, plant and equipment	6(8).7.8	7,313,215	32	4,403,709	28
Right-of-use assets	6(9)	364,796	1	103,827	1
Investment properties, net	6(10)	56,234	-	59,297	-
Intangible assets	6(11)	62,507	-	52,847	-
Deferred income tax assets	6(22)	144,952	1	146,263	1
Prepayments for equipment	6(8)	432,102	2	1,170,919	7
Prepayments for investment	6(2)	-	-	17,500	-
Other noncurrent assets	6(12).8	381,180	2	190,741	1
Total Noncurrent Assets		<u>11,366,668</u>	<u>49</u>	<u>7,894,549</u>	<u>49</u>
TOTAL ASSETS		<u>\$ 23,003,954</u>	<u>100</u>	<u>\$ 16,006,375</u>	<u>100</u>

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

MPI CORPORATION
BALANCE SHEETS (LIABILITIES AND EQUITY)
DECEMBER 31 ,2025 AND 2024

(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

LIABILITIES AND EQUITY	Note	December 31, 2025		December 31, 2024	
		Amounts	%	Amounts	%
CURRENT LIABILITIES					
Short-term loans	6(13)	\$ 1,350,000	6	\$ 660,000	4
Contract liabilities – current	6(20).7	1,067,449	5	1,065,157	7
Notes payable		-	-	462	-
Accounts payable		1,274,884	6	736,993	5
Accounts payable-related parties	7	13,490	-	10,244	-
Payables on equipment		465,976	2	645,743	4
Other payables	6(14)	2,004,090	9	1,558,659	10
Other payables-related parties	7	21,526	-	17,068	-
Income tax payable		343,604	1	258,965	2
Provisions-current	6(15)	20,034	-	20,286	-
Lease liabilities – current	6(9)	96,233	-	51,577	-
Current portion of long-term loans	6(17)	16,016	-	197,814	1
Other current liabilities		26,036	-	17,672	-
Total Current Liabilities		<u>6,699,338</u>	<u>29</u>	<u>5,240,640</u>	<u>33</u>
NONCURRENT LIABILITIES					
Corporate bonds payable	6(16)	-	-	-	-
Long-term loans	6(17)	1,336,164	6	1,304,948	8
Provisions-non-current	6(15)	1,693	-	985	-
Deferred income tax liabilities	6(22)	107,652	1	82,793	1
Lease liabilities – non-current	6(9)	271,141	1	53,794	-
Net defined benefit liability	6(18)	7,850	-	18,894	-
Other noncurrent liabilities		1,513	-	1,591	-
Total Noncurrent Liabilities		<u>1,726,013</u>	<u>8</u>	<u>1,463,005</u>	<u>9</u>
TOTAL LIABILITIES		<u>8,425,351</u>	<u>37</u>	<u>6,703,645</u>	<u>42</u>
EQUITY					
6(19)					
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
Capital common stock		979,813	4	942,311	6
Capital surplus		5,165,644	22	1,744,545	11
Retained earnings					
Appropriated as legal capital reserve		1,264,247	6	1,032,876	7
Appropriated as special capital reserve		-	-	9,089	-
Unappropriated earnings		6,947,461	30	5,501,738	34
Total Retained Earnings		<u>8,211,708</u>	<u>36</u>	<u>6,543,703</u>	<u>41</u>
Other					
Foreign currency translation adjustments		(22,102)	-	(26,919)	-
Unrealized gain(loss) on financial assets at fair value through other comprehensive income-parent company	6(2)	241,746	1	102,886	-
Unrealized gain(loss) on financial assets at fair value through other comprehensive income-subsidiaries accounted for using equity method		1,794	-	(3,796)	-
Total others		<u>221,438</u>	<u>1</u>	<u>72,171</u>	<u>-</u>
TOTAL EQUITY		<u>14,578,603</u>	<u>63</u>	<u>9,302,730</u>	<u>58</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 23,003,954</u>	<u>100</u>	<u>\$ 16,006,375</u>	<u>100</u>

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

MPI CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

From January 1 to December 31, 2025 and 2024

(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	Note	January 1 ~ December 31,2025		January 1 ~ December 31,2024	
		Amounts	%	Amounts	%
OPERATING REVENUE, NET	6(20),7				
Sales revenue		\$ 11,633,170	100	\$ 8,728,584	100
Less: sales returns		(4,988)	-	(7,881)	-
sales discounts and allowances		(555)	-	(314)	-
Operating Revenue, net		11,627,627	100	8,720,389	100
OPERATING COSTS	6(5),7	(5,412,893)	(47)	(4,226,470)	(49)
GROSS PROFIT		6,214,734	53	4,493,919	51
Unrealized Gross profit on sales to subsidiaries and associates		(71,020)	(1)	(33,280)	-
Realized Gross profit on sales to subsidiaries and associates		59,468	1	27,796	-
GROSS PROFIT, NET		6,203,182	53	4,488,435	51
OPERATING EXPENSES					
Selling expenses		(811,968)	(7)	(799,331)	(9)
General & administrative expenses		(679,340)	(6)	(504,441)	(6)
Research and development expenses	6(11)	(1,164,183)	(10)	(996,606)	(11)
Expected Credit (losses) gains	6(4)	3,463	-	(2,215)	-
Operating expenses, net		(2,652,028)	(23)	(2,302,593)	(26)
OPERATING INCOME		3,551,154	30	2,185,842	25
NON-OPERATING INCOME AND EXPENSES					
Other gains and losses,net	6(21)	(4,996)	-	143,410	2
Finance costs	6(21)	(66,485)	(1)	(27,763)	(1)
Share of profits of subsidiaries and associates	6(6)	147,979	1	241,512	3
Interest income	6(21)	65,637	1	23,399	-
Rent income	6(9)	24,106	-	34,161	-
Dividend income		7,000	-	7,080	-
Other non-operating revenue-other items		88,986	1	148,843	2
Total Non-operating Income and Expenses		262,227	2	570,642	6
INCOME BEFORE INCOME TAX		3,813,381	32	2,756,484	31
INCOME TAX EXPENSE	6(22)	(630,492)	(5)	(449,236)	(5)
NET PROFIT FOR CONTINUING OPERATIONS		3,182,889	27	2,307,248	26
GAIN (LOSSES) ON DISCONTINUED OPERATIONS	6(6)	(6,241)	-	(5,889)	-
NET INCOME		3,176,648	27	2,301,359	26
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that are not to be reclassified to profit or loss					
Re-measurements from defined benefit plans		16,106	-	12,350	-
Unrealized gain(losses) on valuation of equity instruments at fair value through other comprehensive income	6(2)	138,861	1	47,898	1
Share of Unrealized gain(losses) on valuation of equity instruments at fair value through other comprehensive income of subsidiaries and associates	6(6)	5,454	-	(2,818)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operations		4,817	-	36,179	-
Unrealized gains or losses on debt instrument investments in associates and joint ventures measured at fair value through other comprehensive income		(3)	-	-	-
Other comprehensive income (loss) for the year, net of income tax		165,235	1	93,609	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 3,341,883	28	\$ 2,394,968	27
EARNINGS PER COMMON SHARE(NTD)	6(23)				
Basic earnings per share		\$ 33.49		\$ 24.42	
Diluted earnings per share		\$ 33.44		\$ 24.35	

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

MPI CORPORATION
STATEMENTS OF CHANGES IN EQUITY
From January 1 to December 31 ,2025 and 2024

(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	Capital		Retained Earnings			Others		Treasury Stock	Total Equity
	Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Unrealised gain(losses) on financial assets at fair value through other comprehensive income		
BALANCE, JANUARY, 1, 2024	\$ 942,311	\$ 1,744,545	\$ 901,088	\$ 79,853	\$ 3,955,786	\$ (63,098)	\$ 54,010	\$ -	\$ 7,614,495
Legal capital reserve			131,788		(131,788)				-
Special reserve				(70,764)	70,764				-
Cash Dividends of Common Stock					(706,733)				(706,733)
Net Income in 2024					2,301,359				2,301,359
Other comprehensive income (loss) in 2024, net of income tax					12,350	36,179	45,080		93,609
Total comprehensive income (loss) in 2024	-	-	-	-	2,313,709	36,179	45,080	-	2,394,968
BALANCE, DECEMBER, 31, 2024	\$ 942,311	\$ 1,744,545	\$ 1,032,876	\$ 9,089	\$ 5,501,738	\$ (26,919)	\$ 99,090	\$ -	\$ 9,302,730
BALANCE, JANUARY, 1, 2025	\$ 942,311	\$ 1,744,545	\$ 1,032,876	\$ 9,089	\$ 5,501,738	\$ (26,919)	\$ 99,090	\$ -	\$ 9,302,730
Legal capital reserve			231,371		(231,371)				-
Special reserve				(9,089)	9,089				-
Cash Dividends of Common Stock					(1,507,698)				(1,507,698)
Capital Reserve From Stock Warrants		126							126
Changes in other capital surplus		(175)							(175)
Net Income in 2025					3,176,648				3,176,648
Other comprehensive income (loss) in 2025, net of income tax					16,106	4,817	144,312		165,235
Total comprehensive income (loss) in 2025	-	-	-	-	3,192,754	4,817	144,312	-	3,341,883
Convertible Bonds Transferred To Common Stock	38,302	3,479,949							3,518,251
Decrease (increase) in treasury stock								(62,525)	(62,525)
Cancellation of treasury shares	(800)	(58,801)			(2,924)			62,525	-
Difference between the actual acquisition or disposal price of a subsidiary's equity and its book value					(13,989)				(13,989)
Disposal of equity investments measured at fair value through other comprehensive income					(138)		138		-
BALANCE, DECEMBER, 31, 2025	\$ 979,813	\$ 5,165,644	\$ 1,264,247	\$ -	\$ 6,947,461	\$ (22,102)	\$ 243,540	\$ -	\$ 14,578,603

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

MPI CORPORATION
STATEMENTS OF CASH FLOWS

From January 1 to December 31, 2025 and 2024

(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	Jan 1 ~ Dec 31, 2025	Jan 1 ~ Dec 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (losses) before income tax of continuing operations	\$ 3,813,381	\$ 2,756,484
Income (losses) before tax of discontinued operations	(6,241)	(5,889)
Income before income tax	3,807,140	2,750,595
Adjustments to reconcile net income to net cash		
Depreciation	571,813	370,333
Amortization	124,156	73,909
Expected credit loss(gain)	(3,463)	2,215
(Gain) loss on Financial Assets (Liabilities) at Fair Value through Profit or Loss	(45,783)	-
Interest expense	66,485	27,763
Interest revenue	(65,637)	(23,399)
Dividend income	(7,000)	(7,080)
Loss (gain) on equity-method investments	(141,738)	(235,623)
(Gain) loss on disposal of property, plant and equipment	20,714	(868)
Unrealized gross profit on sales to subsidiaries and associates	71,020	33,280
Realized gross profit on sales to subsidiaries and associates	(59,468)	(27,796)
(Gain) loss on lease modification	(4)	(10)
Other items-gain (loss) on redemption of convertible bonds	116	-
Net changes in operating assets and liabilities		
Net changes in operating assets		
Decrease (Increase) in accounts receivable	(142,640)	(59,583)
Decrease (Increase) in accounts receivable-related parties	(786,919)	(1,074,006)
Decrease (Increase) in other receivables	(14,895)	(14,875)
Decrease (Increase) in other receivables-related parties	(6,351)	10,288
Decrease (Increase) in inventories	(1,322,239)	(649,257)
Decrease (Increase) in prepayments	(28,417)	(982)
Decrease (Increase) in other current assets	206	(1,012)
Net changes in operating liabilities		
(Decrease) Increase in contract liabilities	2,291	472,350
(Decrease) Increase in notes payable	(463)	463
(Decrease) Increase in accounts payable	537,892	206,549
(Decrease) Increase in accounts payable-related parties	3,246	(1,393)
(Decrease) Increase in other accounts payable	444,165	506,840
(Decrease) Increase in other accounts payable-related parties	4,458	(3,581)
(Decrease) Increase in provision of liabilities	455	1,861
(Decrease) Increase in other current liabilities	8,364	1,343
(Decrease)Increase in net defined benefit liability	5,063	5,112
Cash generated from operations	3,042,567	2,363,436
Interest received	62,530	23,577
Interest paid	(6,403)	(25,997)
Cash dividends paid	(1,507,698)	(706,733)
Income taxes paid	(519,682)	(367,849)
Net cash Provided By Operating Activities	1,071,314	1,286,434

(Continue)

MPI CORPORATION
STATEMENTS OF CASH FLOWS
From January 1 to December 31, 2025 and 2024
(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	Jan 1 ~ Dec 31, 2025	Jan 1 ~ Dec 31, 2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(160,700)	-
Acquisition of financial assets at fair value through profit or loss - non-current	(35,000)	-
Acquisition of investments accounted for using equity method	(507,166)	-
Increase in prepaid investment	-	(17,500)
Decrease in prepaid investment	17,500	-
Proceeds from capital return of investments accounted for using equity method	85,158	-
Acquisition to property, plant and equipment	(3,597,171)	(174,285)
Proceeds from disposal of property, plant and equipment	7,702	908
Acquisition of Intangible assets	(66,725)	(49,994)
Increase in other financial assets	(7,000)	-
Increase in other non-current assets	(250,530)	(64,899)
Increase in prepayments for equipment	-	(1,009,567)
Decrease in prepayments for equipment	738,817	-
Cash dividends received	30,357	44,570
Net cash Provided By (Used In) Investing Activities	<u>(3,744,758)</u>	<u>(1,270,767)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	690,000	660,000
Issuance of corporate bonds	3,511,806	-
Repurchase of convertible bonds	(1,300)	-
Repayments of long-term loans	(150,583)	(174,839)
Cash payments for the principal portion of the lease liability	(87,112)	(58,839)
Decrease in Guarantee Deposits Received	(78)	(13,242)
Cost of repurchase treasury stock	(62,525)	-
Other financing activities	(175)	-
Net cash Provided By (Used In) Financing Activities	<u>3,900,033</u>	<u>413,080</u>
Net increase (decrease) in cash and cash equivalents	1,226,589	428,747
Cash and cash equivalents at beginning of year	1,899,201	1,470,454
Cash and cash equivalents at end of year	<u>\$ 3,125,790</u>	<u>\$ 1,899,201</u>

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

MPI CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in NT\$1,000, Unless Otherwise Noted)

1. Company profile

- (1) MPI Corporation (hereinafter referred to as the "Company") was founded according to the Company Law and other related laws on July 25, 1995. Upon capital increase for several times, the Company's paid-in capital has been NT\$979,813 thousand and outstanding stock has been 97,981,309 shares until December 31, 2025. Upon resolution of the general shareholders' meeting on June 12, 2018, the Company raised the authorized capital as NT\$1,200,000,000, divided into 120,000,000 shares at par value of NT\$10 per share. The board of directors is authorized to issue the stock in lots. NT\$50,000 thousand is withheld from the gross capital referred to in the preceding paragraph, divided into 5,000,000 shares at par value of NT\$10 per share, available for the subscription by exercise of stock warrants and issued upon resolution of a directors' meeting.
- (2) The Company primarily engage in manufacturing, processing, maintenance, import/export and trading of semi-conductor production process and testing equipments.
- (3) The Company was approved to initiate the IPO in July 2001, and started to trade on Taiwan Stock Exchange as of January 6, 2003.

2. Date and procedure for ratification of financial report

The parent company only financial statement have been approved and released by the Board of Directors on March 11, 2026.

3. Application of new standards, amendments and interpretations

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

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

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

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

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

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

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

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

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

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

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

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally,

entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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

IFRS 18, 'Presentation and disclosure in financial statements'

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

4. Summary of Significant Accounting Policies

The parent company only accounting policies applied by the financial statements are summarized as follows: Unless otherwise provided, the following accounting policies have been applied during the presentation period of the parent company only financial statements.

(1) Statement of compliance

This parent company only financial statement is prepared in accordance with the "Criteria for the Compilation of Financial Statements by Securities Issuers".

(2) Basis for preparation

A. Basis for measurement

Except the following important items in the balance sheet, the financial statement was prepared based on the historical cost:

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

B. Functional currency and presentation of currency

The functional currency of each of the Company entities shall be subject to the currency applicable in the main economic environment in which its business place is situated. The parent company only financial statements should be presented based on the Company's functional currency, NTD. Unless otherwise noted, all of the financial information presented in NTD should be held presented in NTD 1,000 as the currency unit.

(3) Foreign currency

A. Foreign currency transactions

The foreign currency exchange shall be stated at the functional currency translated at the exchange rate prevailing on the date of transaction. The monetary items denominated in the foreign currency on the reporting date shall be stated at the functional currency translated at the exchange rate on the same day. The exchange gain or loss refers to the difference between the amounts upon adjustment of the valid interest, payment on the same period based on the amortized cost denominated in the functional currency, the amount translated from the amortized cost denominated in foreign currency at the exchange rate on the reporting date. The non-monetary items at fair value denominated in foreign currency shall be stated at the functional currency re-translated at the exchange rate prevailing on the same date of fair value measurement, while the non-monetary items at historical cost denominated in foreign currency shall be stated at the functional currency translated at the exchange rate on the date of transaction. Other than the foreign currency exchange difference generated from the translation of the application of IFRS 9 foreign currency items which in the process of applying the financial instrument accounting policies, financial liabilities designated as net investment hedge for foreign operations or qualified cash flow hedging, which shall be stated as other comprehensive income, any difference shall be stated as income.

B. Foreign operations

Assets and liabilities of foreign operations, including the goodwill and fair value adjustment generated at the time of acquisition, shall be translated into functional currency at the exchange rate prevailing on the reporting date. Unless in the case of inflation, the income and expense & loss items shall be translated into functional currency at the average exchange rate in the current period, and the exchange different generated therefore shall be stated as other comprehensive income.

When disposition of foreign operations results in loss of control, common control or any material effect, the accumulated exchange difference related to the foreign operations shall be reclassified into income in whole. If the disposition involves any subsidiary of the foreign operations, the relevant accumulated exchange difference shall be reclassified into the non-controlling interests on a pro rata basis. If the disposition involves any affiliate or joint venture of the foreign operations, the relevant accumulated exchange difference shall be reclassified into income on a pro rata basis.

If no repayment program is defined with respect to receivable or payable items of foreign operations denominated in currency and it is impossible to repay the same in the foreseeable future, the foreign currency exchange gain or loss generated therefore shall be held a part of the net investment in the foreign operations and

stated as other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(4) Current and non-current assets and liabilities

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

(5) Cash and cash equivalent

Cash or cash equivalent include cash on hand, demand deposits, and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The bank time deposits to initially expire within one year are intended to satisfy the short-term cash commitment instead of investment or others, which may be readily convertible to known amounts of cash and subject to an insignificant risk of changes in value and, therefore, are stated as cash or cash equivalent.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

- C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:
 - (a) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
 - (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(8) Accounts and notes receivable

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

(9) Impairment of financial assets

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

(10) Derecognition of financial assets

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

(11) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading-if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges, or financial liabilities at fair value through profit or loss. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:
 - (a) Hybrid (combined) contracts; or
 - (b) They eliminate or significantly reduce a measurement or recognition inconsistency; or
 - (c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.
- B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(12) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(13) Convertible bonds payable

Convertible bonds or issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Company classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds or are initially recognized at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortized in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognized in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(14) Derecognition of financial liabilities

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

- B. Where there has been a renegotiation or modification of the terms of an existing financial liability and resulted in an insignificant discrepancy which is less than ten percent of the estimated cash flows, the carrying amount of the liability is recalculated based on the modified cash flows discounted at the original effective interest rate. The gain or loss arising from the carrying amount after modification less the initial recognition of the financial liability is recognized in profit or loss.
- C. Where there has been a substantial renegotiation or modification of the terms of an existing financial liability and resulted in a significant discrepancy which is at least ten percent of the estimated cash flows, the carrying amount of the liability is recalculated based on the modified cash flows discounted at the original effective interest rate. The gain or loss arising from the carrying amount after modification less the initial recognition of the financial liability is recognized in profit or loss.

(15) Inventory

The inventories shall be stated at the lower of cost and net realizable present value. The cost should include the costs of acquisition, production or processing or others incurred when the inventory is sellable or producible and at the location where the inventory is sellable or producible, and calculated under weighted average method. The costs of inventories for finished goods and work in process include the manufacturing expenses amortized based on the normal productivity on a pro rata basis.

Net realizable value is the estimated selling price of inventories less all estimated costs of completion and necessary selling costs under the normal operation.

(16) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell and stop arranging the depreciation.

(17) Investment accounted for using equity method/associates

An affiliate means an entity in which the Company has major influence over the financial and operating policies but has no control over the same. The Company will be assumed having major influence when it holds 20%~50% of the voting right in the investee.

Under the equity method, the investment is stated at cost at time of acquisition initially. The investment includes trading cost. The book value of investment in affiliates includes the goodwill identified at the time of initial investment less any accumulated impairment loss.

The parent company only financial statements shall include the income from the invested affiliates recognized subject to the shareholdings and other comprehensive income upon adjustment made in line with the Company's accounting policy, from the date when the Company has major influence until the date when the Company loses the major influence.

The unrealized gains from transactions between the Company and affiliates have been derecognized from the Company's equity in the investees. The unrealized loss shall be derecognized in the same manner applicable to unrealized gains; provided that the unrealized loss is limited to that arises under no impairment evidence is available.

When the Company's share of loss from any affiliate to be recognized on a pro rata basis is equivalent to or more than its equity in the affiliate, it shall stop recognizing the loss, but shall recognize the additional loss and relevant liabilities only when legal obligation or constructive obligation is incurred or the Company makes payment on behalf of the investee.

Where the Company forfeits its material influence over an affiliate when the Company disposes of the affiliate, the capital surplus related to the affiliate will be stated as income, provided that where it still has material influence over the affiliate, the capital surplus shall be stated as income based on the proportion of disposition.

(18) Investment in subsidiaries

In compiling the financial statements for the individual entities, the company shall value the investee of which the company has dominant control under the equity method. Under the equity method, income of current period and other comprehensive incomes as presented in the financial statement of the individual entity shall be identical with the income of current period and other comprehensive incomes attributable to the proportion allocated to the parent shareholder as presented in the financial statement prepared on the basis of consolidation. The shareholders' equity as presented in the financial statement of the individual entities shall be identical with the parent shareholders' equity as presented in the financial statement prepared on the basis of consolidation.

If the change in all shareholders' equities of the subsidiaries does not cause the loss of dominant control of the company, handled as equity transactions with the shareholders. The subsidiary's financial statement shall be included into the consolidated financial statements as of the date of acquisition of the control is acquired, until the date of loss of the control.

(19) Property, plant and equipment

A. Recognition and measurement

Property, plant and equipment shall be recognized and measured using a cost model, and measured at the cost less accumulated depreciation and accumulated impairment. The costs include the expenses directly attributable to the acquisition

of assets. The costs of self-built assets include the costs of raw materials and direct labor, any other costs directly attributable to usable status of investment assets, costs of dismantling and removal of the items and recovery of premises, and loan cost that meets the requisite asset capitalization. Meanwhile, the costs also include the purchase of property, plant and equipment denominated in foreign currency.

When property, plant and equipment consist of various components, and the total cost for the item is significant and it is advisable to apply different depreciation ratio or methods, the property, plant and equipment should be treated separately (for major components).

The gain or loss on disposal of property, plant and equipment shall be decided based on the price difference between the book value of property, plant and equipment and proceeds on disposal of the same and recognized as the “other gains and losses” in the income statement on a net basis.

B. After cost

If the future economic effect expected to be generated from the after expenses of property, plant and equipment is very likely to flow into the Company and the amount thereof may be measured, the expenses shall be stated as a part of the book value and the relocated book value should be derecognized. The routine maintenance and repairs of property, plant and equipment shall be stated as income when incurred.

C. Depreciation

The depreciation shall be calculated at the cost of assets less residual value using the straight-line method over the estimated useful years, and evaluated based on the various major components of the assets. If the useful years for any component are different from those of other components, the component shall be depreciated separately. The depreciation shall be stated as income.

No depreciation of land is required.

The estimated useful years in the current period and comparative period are stated as follows:

Item	Useful years
House and building	
Plant and dormitory	20-50
Clean room	18-20
Electrical and mechanical facilities	5-20
Others	1-20
Machine and equipment	1-9
Furniture and fixtures	3-6
Research equipment	1-6
Other equipments	2-6

- D. Depreciation, useful years and residual value shall be reviewed at the end of each fiscal year. If the expected value is different from the previous estimate, adjustment should be made if necessary, and the changes shall be treated as changes in accounting estimates.

(20) Leasing arrangements (lessor) – lease receivables/ operating leases

- A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.
- (a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as ‘lease receivables’ at an amount equal to the net investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognized as ‘unearned finance income of finance lease’.
- (b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor’s net investment in the finance lease.
- (c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.
- B. Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

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

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.
- Lease payments are comprised of the following:
- (a) Fixed payments, less any lease incentives receivable;
- (b) Variable lease payments that depend on an index or a rate;
- (c) Amounts expected to be payable by the lessee under residual value guarantees;
- (d) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- (e) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

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

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(22) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 years.

(23) Intangible assets

A. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 5 years.

B. Internally generated intangible assets—research and development expenses

- (a) Research expenditures are recognized as an expense as incurred.
- (b) Development expenditures that do not meet the following criteria are recognised as expenses as incurred, but are recognised as intangible assets when the following criteria are met:

Ⓐ It is technically feasible to complete the intangible asset so that it will be

available for use or sale;

- ⓑ An entity intends to complete the intangible asset and use or sell it;
- ⓒ An entity has the ability to use or sell the intangible asset;
- ⓓ It can be demonstrated how the intangible asset will generate probable future economic benefits;
- ⓔ Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; And
- ⓕ The expenditure attributable to the intangible asset during its development can be reliably measured.

C. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(24) Impairment of non-financial assets

- A. The Company will estimate the recoverable amount of the assets which show signs of impairment on the balance sheet date, and impairment loss would be recognized if the recoverable amount falls below the asset's face value. The recoverable amount means the higher of fair value of one asset less its disposition cost, or its useful value. Impairment loss recognized in previous years on assets other than goodwill may be reversed if the basis of impairment no longer existed or is reduced. Notwithstanding, the increase in book value of the asset resulting from the reversal must not exceed the face value of the asset less depreciation or amortization without impairment.
- B. The recoverable amount of goodwill, intangible assets with indefinite useful years and intangible assets not available for use shall be estimated periodically. Impairment loss would be recognized if the recoverable amount falls below the face value. The impairment loss on goodwill shall not be reversed in following years.
- C. Goodwill shall be amortized to cash generation unit for the purpose of testing impairment. The amortization is identified by operations to amortize goodwill into cash generation unit or cash generation unit Company expected to benefit from the merger of businesses generating the goodwill.

(25) Reserve for liabilities

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

The Company's reserve for liabilities for warranty shall be recognized when the goods or services are sold. The reserve for liabilities shall be measured under weighted method based on the historical warranty information and potential results subject to the

relevant possibility.

(26) Treasury stock

The issued stock recalled by the Company is stated based on the consideration paid for repurchase (including direct vested cost), recognized as "treasury stock" at the net after tax and presented as a deduction from equity. Where the gain on disposal of treasury stock is higher than the book value, the difference shall be credited under the title "additional paid-in capital-transaction of treasury stock". Where the gain is lower than the book value, the difference is offset against the additional paid-in capital generated from the transactions of treasury stock under the same type. Any deficits thereof shall be debited as retained earnings. The book value thereof is calculated based on the weighted average method according to the type of stock (common stock or special shares) and causes for the withdrawal.

Cancellation of treasury stock shall be credited under the title "treasury stock", and debited as "additional paid-in capital-stock premium" and "capital stock". Where the book value of treasury stock is higher than the total of the book value and stock premium, the balance is offset against the additional paid-in capital generated from the transactions of treasury stock under the same type. Any deficits thereof shall be debited as retained earnings. Where the book value of treasury stock is lower than the total of the book value and stock premium, the difference should be credited as the additional paid-in capital generated from the transactions of treasury stock under the same type.

(27) Revenue recognition

A. Sales of goods

- (a) The Company manufactures and sells a range of semi-conductor production process and testing equipments in the market. Sales are recognized when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. The sales usually are made with a credit term of 60-210 days after inspection. The term is consistent with market practice, therefore determining that the contract does not include a significant financing component.
- (b) The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognized as a provision.

(c) A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Labor service

The Company provides semi-conductor production process and testing equipments proxy services. Revenue from providing services is recognized in the accounting period in which the services are rendered. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

C. Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

D. Incremental costs of obtaining a contract

The Company recognizes an asset (shown as 'Prepayments ') the incremental costs (mainly comprised of sales commissions) of obtaining a contract with a customer if the Company expects to recover those costs. The recognized asset is amortized on a systematic basis that is consistent with the transfers to the customer of the goods or services to which the asset relates. The Company recognizes an impairment loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration that the Company expects to receive less the costs that have not been recognized as expenses.

(28) Borrowings

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

(29) Government subsidies

The government subsidies shall be stated at fair value when it is reasonable to ensure that an enterprise will comply with the conditions incident to the government subsidies and the subsidies may be received affirmatively. If the government subsidies, in nature, are intended to compensate the expenses incurred by the Company, the government subsidies shall be stated as the current income on a systematic basis when the related expenses are incurred.

(30) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at non-discounted amount expected to be paid, and stated as expenses when the relevant services are provided.

B. Pension

(a) Defined contribution plan

Under the defined contribution plan, every contribution made to the pension fund is recognized as pension cost in the period occurred using the accrual basis. The prepaid contribution may be stated as assets, insofar as it may be refunded in cash or the future payment is reduced.

(b) Defined benefit plan

- Ⓐ The net obligation under the defined benefit pension plan is converted to the present value based on the future benefit earned from the services provided by the employees under various benefit plans in the current period or in the past, and the present value of defined benefit obligations on the balance sheet date less the fair value of the planned assets. An actuary using the Projected Unit Credit Method estimates defined benefit obligations each year. The discount rate shall be based on the market yield rate of corporate bonds of high credit standing that have the same currency exposure and maturity date as the obligations on the balance sheet date, but the market yield rate of government bonds (on the balance sheet date) shall apply in the country where no market of corporate bonds of high credit standing is available.
- Ⓑ The re-measurement generated from the defined benefit plan is stated as other comprehensive income in the period when it is incurred, and presented in the retained earnings.
- Ⓒ The expenses related to the service cost in the previous period shall be recognized as income immediately.
- Ⓓ The interim pension cost applied the pension cost ratio decided upon actuation at the end of the previous fiscal year, and was calculated from the beginning of year until the end of the current period. In the case of material changes in market and material reduction, repayment or other important event at the end, it shall be adjusted and related information shall be disclosed pursuant to said policies.

C. Resignation benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination

of employment. The Company will not state the benefits as expenses until the offer of benefits cannot be withdrawn or the related reorganization cost is stated, whichever earlier. It is not expected that benefits falling due more than 12 months after balance sheet date are discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

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

(31) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(32) Income tax

- A. The tax expenses for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or

liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.
- G. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- H. If a change in tax rate is enacted or substantively enacted in an interim period, the Company recognizes the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognized outside profit or loss is recognized in other comprehensive income or equity while the effect of the change on items recognized in profit or loss is recognized in profit or loss.

(33) Business combination

- A. The Company adopts the acquisition method to proceed with business combination. The consideration for combination is calculated at the fair value of the assets to be transferred or liabilities to be derived or borne and the equity instruments to be issued. The consideration for the transfer includes the fair value of any assets and liabilities generated from the contingent consideration agreement. The cost related to acquisition is stated as expense when it is incurred. The identifiable assets and liabilities acquired from the business combination shall be measured at the fair value on the day of acquisition. Based on individual acquisition transaction, the elements of non-controlling equity which refer to the current ownership, of which the holder is entitled to the business's net assets on a pro rata basis at the time of liquidation may choose to measure the fair value based on the fair value on the date of acquisition or subject to proportion of non-controlling equity in the acquired identifiable net assets. The other elements of non-controlling equity shall be measured at the fair value on the date of acquisition.
- B. Goodwill arises when the transfer consideration, non-controlling equity of the acquiree, and the total fair value of the acquiree's equity already held exceeds the fair value of identifiable assets and liabilities. The price difference shall be stated as income on the date of acquisition if the fair value of identifiable assets and liabilities as acquired exceeds the transfer consideration, non-controlling equity of the acquiree, and the total fair value of the acquiree's equity already held.

(34) EPS

The Company will enumerate the basic and diluted EPS vested in the Company's common stock holders. The Company's EPS is calculated based on the income vested in the Company's common stock holders dividing by the number of shares of the weighted average outstanding common stock. The diluted EPS is calculated upon adjustment of the effect of all potential diluted common stocks based on the income vested in the common stock holders and the number of shares of the weighted average outstanding common stock. The Company's potential diluted common stock includes the stock options granted to employees.

(35) Information by department

The company has already disclosed the information on the segments in the consolidated financial statements and no disclosure of segments will be made in the financial statement of individual entities.

5. Significant accounting judgments, estimations, and major sources of hypotheses of uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

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

Revenue recognition on a net/gross basis

- A. The Company determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Company is a principal) or to arrange for the other party to provide those goods or services (i.e. the Company is an agent) based on the transaction model and its economic substance. The Company is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Company recognises revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Company is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Company recognises revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.
- B. Indicators that the Company controls the good or service before it is provided to a customer include the following:
 - (a) The Company is primarily responsible for the provision of goods or services;
 - (b) The Company assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.
 - (c) The Company has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

A. Allowance for uncollectible of receivable accounts

The Company evaluates and estimates the collectible receivable accounts and allowance for uncollectible accounts according to the loan quality and collection of debt from customers and based on the past experience in collecting allowance for uncollectible accounts. If some event or change resulting in failure to collect the debt shows, it is necessary to estimate the allowance for uncollectible accounts. If

the projected collected cash is different from the estimation, the difference will affect the book value of receivable accounts and expected credit loss in the year in which the estimation is changed. Until December 31, 2025, the book value of receivable accounts has been NT\$3,658,172 thousand (exclusive of the allowance for uncollectible accounts, NT\$1,524 thousand).

B. Evaluation of inventory

The inventories shall be stated at the lower of cost and net realizable present value. Therefore, the Company has to decide the net realizable present value of the inventory on the balance sheet date based on judgment and estimation. Due to the rapid transformation of technology, the Company evaluates the value of inventories after excluding the torn and worn, out-of-fashion or unmarketable ones on the balance sheet date, and offset the cost of inventories against net realizable value. Until December 31, 2025, the book value of the Company's inventories has been NT\$4,589,445 thousand (exclusive of the allowance for inventory devaluation and obsolescence loss, NT\$576,317 thousand).

C. Realizability of deferred income tax assets

Deferred income tax assets shall be recognized only when it is very likely that there will be sufficient taxable income afford to deduct temporary difference. To evaluate the realizability of deferred income tax assets, the management has to exert judgment and estimation, including the hypotheses about expectation toward growth and profit rate of future sale revenue, applicable income tax credit and taxation planning. The transformation of global economic environments and industrial environments and changes in laws and regulations, if any, might result in material adjustment on deferred income tax assets. As of December 31, 2025, the deferred income tax assets recognized by the Company have been NT\$146,952 thousand.

D. Recognition of revenue

In principle, sale revenue is recognized at the time the earning process. The related reserve for liabilities is provided based on the estimated after-sale warranty cost potentially incurred due to historical experience and other known causes, and stated as the sale cost in the period in which the product is sold. The reasonableness of estimation is also reviewed periodically. As of December 31, 2025, the reserve for liabilities recognized by the Company have been NT\$21,727 thousand.

E. Calculation of net defined benefit liability

When calculating the present value of defined pension obligations, the Company must apply judgements and estimates to determine the actuarial assumptions on balance sheet date, including discount rates and future salary growth rate. Any changes in these assumptions could significantly impact the carrying amount of defined pension obligations. As of December 31, 2025, the carrying amount of net

defined liabilities was NT\$7,850 thousand.

6. Notes to Major Accounting Titles

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash:		
Cash on hand	\$ 5,246	\$ 5,067
Bank deposit:		
Foreign currency deposit	289,088	388,574
Demand deposit	1,155,802	1,159,231
Time deposit	1,675,654	346,329
Total	<u>\$ 3,125,790</u>	<u>\$ 1,899,201</u>

The bank deposits provided by the Company as specific or restricted use have been re-stated as other non-current assets. Please see Note 8.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current Items :	\$ —	\$ —
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
-CDIB-TEN Capital Limited Partnership	35,000	—
Valuation adjustment	(1,020)	—
Total	<u>\$ 33,980</u>	<u>\$ —</u>

- A. The Company invested in the Shui Mu Development Fund in October 2024. The Fund is planned to be externally raised and established by China Development Capital Management Consulting Co., Ltd. and Shui Mu Capital Co., Ltd. as general partners. The Company, as a limited partner, has committed an investment amount of NT\$50,000 thousand, representing 1.81% of the total committed capital. As of December 30, 2024, the Company has contributed NT\$17,500 thousand, which is recorded under the “Prepaid Investment”, the limited partnership was established in January 2025 and was reclassified as a financial asset at fair value through profit or loss, measured using the net asset value method.
- B. The Company invested in Shui Mu Development Fund, which increased its subscribed capital contribution in December 2025. Based on the Group’s committed contribution of NT\$17,500 thousand, the Group’s paid-in capital contribution increased to NT\$35,000 thousand after this capital contribution, representing 1.50% of the total committed capital.

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

	<u>Jan 1~ Dec.31, 2025</u>	<u>Jan 1~ Dec.31, 2024</u>
Financial assets at fair value through profit or loss		
Fair value change recognized in profit or loss	\$ (1,020)	\$ —

D. As of December 31, 2025, financial assets at fair value through profit or loss were not pledged as collateral.

E. Information relating to risk of financial assets at fair value through profit or loss is provided in Note 12(2).

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current Items :	\$ —	\$ —
Non-current items :		
Equity instruments		
Stock in domestic listed company through private placement		
-Spirox Corporation	168,000	168,000
Domestic innovation board common stock		
-PlayNitride Inc.	46,289	41,040
FJScaler	155,451	—
Valuation adjustment	241,746	102,886
Total	<u>\$ 611,486</u>	<u>\$ 311,926</u>

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

The purpose that the Company invests in the equity instruments is for long-term strategies, but rather for trading purpose. Therefore, those equity instruments are designated as financial assets at fair value through other comprehensive income.

B. In March 2025, PlayNitride Inc., in which the Company has invested, conducted a cash capital increase. The Company subscribed in full according to its shareholding ratio, acquiring 27,920 shares and increasing its investment cost by NT\$ 5,249 thousand.

C. In December 2025, the Company subscribed for 2,500 thousand foreign common shares of FJScaler for a total consideration of NT\$155,451 thousand.

D. The amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below :

	<u>2025</u>	<u>2024</u>
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	\$ 138,861	\$ 47,898

E. As of December 31, 2025 and December 31, 2024, financial assets at fair value through other comprehensive income were not pledged as collateral.

F. Information relating to risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Notes and accounts receivable, net

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ —	\$ —
Less: Allowance for uncollectible accounts	—	—
Notes receivable, net	<u>\$ —</u>	<u>\$ —</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable	\$ 626,486	\$ 481,667
Less: Allowance for uncollectible accounts	(1,524)	(2,807)
Accounts receivable, net	<u>\$ 624,962</u>	<u>\$ 478,860</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable -related party	\$ 3,033,210	\$ 2,246,291
Less: Allowance for uncollectible accounts	—	—
Accounts receivable -related party, net	<u>\$ 3,033,210</u>	<u>\$ 2,246,291</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Overdue receivable (stated as other non-current assets)	\$ —	\$ 2,180
Less: Allowance for uncollectible accounts	—	(2,180)
Overdue receivable, net	<u>\$ —</u>	<u>\$ —</u>

A. The Company's receivable accounts were incurred for business and never been provided as collateral.

B. For the information about the changes of allowance for uncollectible accounts provided for the impairment on receivable notes and accounts and account age analysis on loans (for the disclosure of credit risk, please see Note 12(2)):

	<u>Group provision</u>	<u>Individual provision</u>	<u>Total</u>
At January 1,2025	\$ 4,987	—	\$ 4,987
Provision for impairment	—	—	—
Reversal of impairment	(3,463)	—	(3,463)
Write-offs during the period	—	—	—
At December 31, 2025	<u>\$ 1,524</u>	<u>—</u>	<u>\$ 1,524</u>

At January 1,2024	\$	2,772	—	\$	2,772
Provision for impairment		2,215	—		2,215
Reversal of impairment		—	—		—
Write-offs during the period		—	—		—
At December 31, 2024	\$	<u>4,987</u>	<u>—</u>	\$	<u>4,987</u>

C. The ageing analysis of notes receivable and accounts receivable is stated as follows:

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Total</u>	<u>Impairment</u>	<u>Total</u>	<u>Impairment</u>
Neither past due nor impaired	\$ 3,641,887	\$ —	\$ 2,696,433	\$ —
Overdue for 1~90 days	15,851	1,109	26,555	1,859
Overdue for 91~180 days	1,573	236	2,947	442
Overdue for 181~360 days	55	14	2,023	506
Overdue for 1~2 years	330	165	—	—
Overdue for more than 2 years	—	—	2,180	2,180
Total	<u>\$ 3,659,696</u>	<u>\$ 1,524</u>	<u>\$ 2,730,138</u>	<u>\$ 4,987</u>

D. As of December 31, 2025 and December 31, 2024, accounts receivable were all from contracts with customers.

(5) Inventories

	<u>December 31, 2025</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw material	\$ 1,121,949	\$ (336,407)	\$ 785,542
Supplies	392,700	(68,872)	323,828
Work in progress	1,067,544	(34,407)	1,033,137
Semi-finished goods	613,480	(109,105)	504,375
Finished goods	1,921,073	(27,459)	1,893,614
Commodity	249	(67)	182
Materials and supplies in transit	48,767	—	48,767
Inventory, net	<u>\$ 5,165,762</u>	<u>\$ (576,317)</u>	<u>\$ 4,589,445</u>

	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw material	\$ 919,632	\$ (338,056)	\$ 581,576
Supplies	226,265	(75,385)	150,880
Work in progress	696,469	(33,681)	662,788
Semi-finished goods	470,715	(130,843)	339,872
Finished goods	1,506,031	(13,922)	1,492,109
Commodity	399	(67)	332
Materials and supplies in transit	39,649	—	39,649
Inventory, net	<u>\$ 3,859,160</u>	<u>\$ (591,954)</u>	<u>\$ 3,267,206</u>

A. Expenses and losses related to inventory recognized in the current period:

	2025	2024
Cost of inventories sold	\$ 5,184,082	\$ 4,018,412
Loss on market price decline inventories (gain from price recovery)	(15,637)	36,190
Loss on obsolescence of inventory	20,326	8,049
Other operating costs- employees' bonus	213,795	150,126
Estimated warranty liabilities	10,327	13,693
Operating Cost	<u>\$ 5,412,893</u>	<u>\$ 4,226,470</u>

B. As of December 31, 2025 and 2024, the inventory was not pledged as collateral.

(6) Non-current assets held for sale and disposal group

A. Discontinued operations

For the market situation and business strategy adjustment, the Company has passed the disposal of total share capital of the 80% ownership subsidiary – Megtas Co., Ltd. and BH equipment, by the Board of Directors meeting in May 11, 2023. Due to the expected selling price was higher than the carrying amount of the related net assets, there was no impairment loss when the units classified as held for sale. Until the date of the accountant's report, the related assets and liabilities was classified as held for sale as the disposal has not completed. The Company considered Megtas Co., Ltd. as a single significant cash-generating unit, and classified the cash-generating unit as discontinued operation.

The profit or loss of the discontinued operation-subsiary-MEGTAS CO., LTD. were as follows:

	2025	2024
Investment income (loss) recognized under equity method	\$ (6,241)	\$ (5,889)

There were no income tax gains or losses generated by the gains (losses) on discontinued operations.

B. Disposal group held for sale

	December 31, 2025	December 31, 2024
Investments accounted for using equity method	\$ 12,886	\$ 16,466
Property, plant and equipment	1,335	6,708
Non-current assets (or disposal group) held for sale, net	<u>\$ 14,221</u>	<u>\$ 23,174</u>

C. Regarding the Company's disposal of its entire 80% shareholding in its subsidiary MEGTAS CO., LTD. and the related BH equipment, the original sales agreement was signed with the buyer. However, the buyer has not yet fulfilled their commitment under the share and equipment sales contract and the letter of commitment to remit the acquisition funds to the designated custodian bank. As a result, the Company, through its attorney, has terminated the share and equipment sales contract and confiscated the performance bond of RMB 3 million (equivalent to NTD 13,203

thousand), which has been recorded under other income in March 2024. On March 12, 2025 and March 7, 2024, respectively, the Company's Board of Directors resolved to continue the search for a new buyer. For overall operational planning, the Company submitted a proposal to the Board of Directors on October 8, 2025, to liquidate and process the dissolution registration of its subsidiary MEGTAS CO., LTD. Liquidation procedures remained incomplete as of the date of the audit report.

(7) Investments accounted for using equity method

The investment of the company accounted for under the equity method on the ending day of the financial reporting period:

Investee	December 31, 2025		December 31, 2024	
	Book value	Ratio of shareholding %	Book value	Ratio of shareholding %
Subsidiaries:				
MPI TRADING CORP.	\$ 57,609	100 %	\$ 59,115	100 %
MMI HOLDING CO., LTD.	963,336	100 %	976,930	100 %
Chain-Logic International Corp.	313,616	100 %	243,585	100 %
Allstron Corporation	638	100 %	729	100 %
MPA TRADING CORP.	130,556	100 %	157,161	100 %
ATV Systems GmbH	500,461	100 %	—	—
Total	<u>\$1,966,216</u>		<u>\$1,437,520</u>	
Transfer to Non-current assets held for sale and disposal group:				
MEGTAS CO.,LTD.	<u>\$ 12,886</u>	100 %	<u>\$ 16,466</u>	80 %

A. Changes in investment under equity method:

	2025	2024
Balance, beginning	\$ 1,437,520	\$ 1,204,459
Increase in investment in the current period	507,166	—
Cash dividend distributed by subsidiaries	(23,357)	(37,490)
Investment income (loss) recognized under equity method	141,738	235,623
Exchange difference arising from translation of the financial statement of foreign operations	4,817	36,179
Realized (unrealized) income from downstream transactions with investees	(11,552)	(5,484)
Return of capital from capital reduction of equity-accounted investees -MMI HOLDING CO., LTD.	(85,158)	—
Difference between the actual acquisition or disposal price of a subsidiary's equity and its book value - MEGTAS CO.,LTD.	(13,989)	—
Other comprehensive income—Unrealized gain(loss) on financial assets at fair value through other comprehensive income	5,451	(2,818)
Reclassification of non-current assets and disposal groups held for sale	3,580	7,051
Balance, ending	<u>\$ 1,966,216</u>	<u>\$ 1,437,520</u>

B. The information about subsidiaries important to the consolidated companies is stated as following:

Refer to the consolidated financial statements of FY2025.

C. Book value and share of operating result of the affiliates not important to the Company individually : None.

D. The Company recognized the income of these investees on the basis of their respective audited financial statements in proportion to the investment by the company accounted for under the equity method in 2025 and 2024.

E. The financial statements of subsidiary MEGTAS CO., LTD. in FY2025 and FY2024 were audited by other certified public accountants. We did not audit these statements and based on the statements audited by other certified public accountants to recognize investment gain (loss) amounting to NT\$(6,241) thousand and NT\$(5,889) thousand, respectively.

The financial statements of subsidiary MPI AMERICA INC. (include Celadon Systems Inc.) in FY2025 and FY2024 were audited by other certified public accountants. We did not audit these statements and based on the statements audited by other certified public accountants to recognize investment gain (loss) amounting to NT\$(22,465) thousand and NT\$107,442 thousand, respectively.

The financial statements of subsidiary ATV Systems GmbH in FY2025 was audited by other certified public accountants. We did not audit these statements and based on the statements audited by other certified public accountants to recognize investment gain (loss) amounting to NT\$(719) thousand.

F. The Company acquired 100% of the shares of Allstron Corporation in March 2014 and controlled the company in whole.

Goodwill Impairment

Upon the discussion of the management and report to the Board of Directors in 2016, the Company has, according to the forecasted cash flow of the subsidiary of the Group - Allstron Probing Solution, recognized the difference between the investment cost of the original investment day and the net equity value in the goodwill impairment loss with a value of NT\$45,533 thousand on December 2016.

G. Information of increase and decrease in investment in the current period please refer to Note 13(2).

H. Guarantee

As of December 31, 2025 and 2024, the company had not pledged its investment accounted for under the equity method as collaterals.

(8) Property, plant and equipment

A. The cost, depreciation, and impairment of the property, plant and equipment of the Company were as follows:

	<u>Land</u>	<u>House and building</u>	<u>Machine and equipment</u>	<u>Furniture and fixtures</u>	<u>Research equipment</u>	<u>Other equipments</u>	<u>Construction in progress</u>	<u>Total</u>
Cost:								
January 1, 2025	\$1,512,801	\$ 2,545,046	\$1,275,924	\$ 104,529	\$ 341,425	\$ 5,353	\$ 192,536	\$ 5,977,614
Additions	620,436	94,249	314,141	56,123	47,246	1,775	1,240,183	2,374,153
Disposals	-	(25,460)	(80,100)	(20,466)	(85,153)	(2,292)	-	(213,471)
Transfer	-	98,650	1,133,398	-	45,221	-	(216,285)	1,060,984
Reclassify to disposal group held for sale	-	-	-	-	-	-	-	-
December 31, 2025	<u>\$2,133,237</u>	<u>\$ 2,712,485</u>	<u>\$2,643,363</u>	<u>\$ 140,186</u>	<u>\$ 348,739</u>	<u>\$ 4,836</u>	<u>\$1,216,434</u>	<u>\$ 9,199,280</u>
Cost:								
January 1, 2024	\$ 778,661	\$ 2,489,301	\$ 821,341	\$ 78,187	\$ 341,519	\$ 4,630	\$ 26,641	\$ 4,540,280
Additions	-	4,800	103,150	30,896	12,889	858	163,885	316,478
Disposals	-	(25,400)	(6,889)	(4,661)	(13,955)	(135)	-	(51,040)
Transfer	734,140	76,345	358,322	107	972	-	2,010	1,171,896
Reclassify to disposal group held for sale	-	-	-	-	-	-	-	-
December 31, 2024	<u>\$1,512,801</u>	<u>\$ 2,545,046</u>	<u>\$1,275,924</u>	<u>\$ 104,529</u>	<u>\$ 341,425</u>	<u>\$ 5,353</u>	<u>\$ 192,536</u>	<u>\$ 5,977,614</u>
Depreciation and impairment:								
January 1, 2025	\$ -	\$ 773,337	\$ 513,160	\$ 45,589	\$238,657	\$ 3,162	\$ -	\$ 1,573,905
Additions	-	105,430	307,347	27,331	45,351	703	-	486,162
Disposals	-	(5,268)	(71,876)	(20,466)	(85,153)	(2,292)	-	(185,055)
Transfer	-	788	10,762	-	(497)	-	-	11,053
Reclassify to disposal group held for sale	-	-	-	-	-	-	-	-
December 31, 2025	<u>\$ -</u>	<u>\$ 874,287</u>	<u>\$ 759,393</u>	<u>\$ 52,454</u>	<u>\$198,358</u>	<u>\$ 1,573</u>	<u>\$ -</u>	<u>\$ 1,886,065</u>
Depreciation and impairment:								
January 1, 2024	\$ -	\$ 697,203	\$ 372,899	\$ 29,167	\$212,650	\$ 2,867	\$ -	\$ 1,314,786
Additions	-	101,795	147,110	21,083	39,962	430	-	310,380
Disposals	-	(25,400)	(6,849)	(4,661)	(13,955)	(135)	-	(51,000)
Transfer	-	(261)	-	-	-	-	-	(261)
Reclassify to disposal group held for sale	-	-	-	-	-	-	-	-
December 31, 2024	<u>\$ -</u>	<u>\$ 773,337</u>	<u>\$ 513,160</u>	<u>\$ 45,589</u>	<u>\$238,657</u>	<u>\$ 3,162</u>	<u>\$ -</u>	<u>\$ 1,573,905</u>
Book value								
December 31, 2025	<u>\$2,133,237</u>	<u>\$ 1,838,198</u>	<u>\$ 1,883,970</u>	<u>\$ 87,732</u>	<u>\$ 150,381</u>	<u>\$ 3,263</u>	<u>\$ 1,216,434</u>	<u>\$ 7,313,215</u>
December 31, 2024	<u>\$1,512,801</u>	<u>\$ 1,771,709</u>	<u>\$ 762,764</u>	<u>\$ 58,940</u>	<u>\$ 102,768</u>	<u>\$ 2,191</u>	<u>\$ 192,536</u>	<u>\$ 4,403,709</u>

B. The Company, by resolution of the Board of Directors on May 8, 2024, approved the demolition and self-construction of a new factory at the original Hukou plant site. In July 2024, the book value of the original buildings and structures of the Hukou original plant was transferred to "Construction in Progress," amounting to NT\$78,139 thousand.

C. The Company signed a construction and electromechanical engineering contract for the Hukou plant with a non-related party in August 2024. The total contract value is approximately NT\$2,031,190 thousand, of which NT\$733,271 thousand has been

- invested and recorded under "Construction in Progress".
- D. In March 2025, the Company purchased land and buildings located in Xinxing Subsection, Zhongxing Section, Hukou Township from a non-related party for a contract price of NT\$700,000 thousand, and completed the title transfer registration in April 2025.
- E. The Company signed electromechanical engineering and structural reinforcement works contracts with unrelated parties for the Hukou Plant II in August and September 2025. The total contract value is approximately NT\$499,469 thousand, of which NT\$154,219 thousand has been invested and recorded under "Construction in Progress".
- F. The Company signed electromechanical engineering contracts with unrelated parties for Zhubei Plant V in July and August 2025. The total contract value is approximately NT\$218,850 thousand, of which NT\$186,335 thousand has been invested and recorded under unfinished "Construction in Progress".
- G. In November 2025, the Company signed an electromechanical engineering contract for its Zhubei Plant 3 with a non-related party. The total contract amount was approximately NT\$87,000 thousand. As of the reporting date, NT\$17,400 thousand has been invested and recorded under "Construction in Progress".
- H. Guarantee
- For details about the secured bank loan and facility as for December 31, 2025 and 2024, please see Note 8.
- I. For the capitalized interest, please see Note 6(21) B Financial cost.
- J. The Company signed the contract with the non-related party about the equipment construction between August and December in 2024. The total contract value is approximately NT\$879,553 thousand. The investment amount has now been fully contributed. Some parts have been inspected, and the remaining NT\$160,840 thousand has been recorded under prepaid equipment payment

(9) Right-of-use assets and Lease liabilities

A. Leasing arrangements – lessee

- (a) The Company leases various assets including land, buildings, Machine and equipment, and business vehicles. Rental contracts are typically made for periods within 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

(b) The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2025</u>	<u>Jan.1~Dec. 31, 2025</u>	<u>December 31, 2024</u>	<u>Jan.1~Dec. 31, 2024</u>
	Book value	Depreciation	Book value	Depreciation
Land	\$ 37,065	\$ 11,033	\$ 13,976	\$ 9,632
Buildings	290,060	47,733	48,410	24,094
Machine and equipment	430	240	188	73
Transportation (Business vehicles)	37,241	24,887	41,253	23,729
Total	\$ 364,796	\$ 83,893	\$ 103,827	\$ 57,528

(c) For the year ended in 2025 and 2024, the additions to right-of-use assets were NT\$347,064 thousand and NT\$70,069 thousand respectively.

(d) The information on income and expense accounts relating to lease contracts is as follows:

	<u>Jan.1~ Dec. 31, 2025</u>	<u>Jan.1~ Dec. 31, 2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 4,257	\$ 1,788
Expense on short-term lease contracts	\$ 2,544	\$ 2,070
Gains(losses) on lease modification	\$ 4	\$ 10

(e) For the 2025 and 2024, the Company's total cash outflow for leases were NT\$87,112 thousand and NT\$58,839 thousand respectively.

B. Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current	\$ 96,233	\$ 51,577
Noncurrent	271,141	53,794
Total	\$ 367,374	\$ 105,371

(a) Please refer to Note 6(21) B. for the interest expense of lease liabilities.

(b) The Company calculated the present value of lease liabilities by using the weighted average incremental borrowing interest rate range are 2.005%~3.05% and 1.88%~2.37% for the 2025 and 2024.

C. Leasing arrangements – lessor

(a) The Company leases various assets including machine and equipment, part of office buildings and plant. Rental contracts are typically made for periods within 6 months to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.

(b) For the 2025 and 2024, the Company recognized rent income in the amount of NT\$24,106 thousand and NT\$34,161 thousand respectively, based on the operating lease agreement, which does not include variable lease payments.

(10) Investment properties

A. The cost, depreciation, and impairment of the investment properties of the Company were as follows:

		2025		
		Land	House and building	Total
At January 1				
Cost	\$	—	\$ 90,336	\$ 90,336
Accumulated depreciation and impairment		—	(31,039)	(31,039)
	\$	—	\$ 59,297	\$ 59,297
At January 1				
At January 1	\$	—	\$ 59,297	\$ 59,297
Additions		—	—	—
Transfer		—	(1,305)	(1,305)
Depreciation expenses		—	(1,758)	(1,758)
At December 31	\$	—	\$ 56,234	\$ 56,234
At December 31				
Cost	\$	—	\$ 88,242	\$ 88,242
Accumulated depreciation and impairment		—	(32,008)	(32,008)
	\$	—	\$ 56,234	\$ 56,234
		2024		
		Land	House and building	Total
At January 1				
Cost	\$	734,140	\$ 170,305	\$ 904,445
Accumulated depreciation and impairment		—	(30,182)	(30,182)
	\$	734,140	\$ 140,123	\$ 874,263
At January 1				
At January 1	\$	734,140	\$ 140,123	\$ 874,263
Additions		—	—	—
Transfer		(734,140)	(78,401)	(812,541)
Depreciation expenses		—	(2,425)	(2,425)
At December 31	\$	—	\$ 59,297	\$ 59,297
At December 31				
Cost	\$	—	\$ 90,336	\$ 90,336
Accumulated depreciation and impairment		—	(31,039)	(31,039)
	\$	—	\$ 59,297	\$ 59,297

B. In April 2023, the Company purchase the land and building located in Zhongxing section, Hukou Township, Hsinchu County from an unrelated party for NT\$814,109

thousand including the necessary cost. The transfer of rights registration was completed in June 2023. The land and building were leased to unrelated party after the acquisition. The rental period was from June 21, 2023 to March 31, 2025. The land and building was recognized as investment properties and measured subsequently using cost model. The investment properties were terminated early in May 2024 and have been transferred to the property, plant, and equipment account.

C. For details about the investment properties pledged as collateral, please see Note 8.

(11) Intangible assets

The costs, amortization, and the impairment loss of intangible assets of the Company as of and for the ended of December 31, 2025 and 2024 were as follows:

	<u>Computer software</u>		<u>Computer software</u>
January 1, 2025	\$ 52,847	January 1, 2024	\$ 47,534
Addition	66,725	Addition	49,994
Reclassification	—	Reclassification	—
Amortization	(57,065)	Amortization	(44,681)
December 31, 2025	<u>\$ 62,507</u>	December 31, 2024	<u>\$ 52,847</u>

A. Recognized amortization and impairment

The amortization expenses for intangible assets and other deferred expenses (stated as other non-current assets) 2025 and 2024, respectively, were stated as the following items in the comprehensive income statement:

	<u>2025</u>	<u>2024</u>
Operating cost	\$ 46,522	\$ 16,253
Operating expense	77,634	57,656
Total amortization expenses	<u>\$ 124,156</u>	<u>\$ 73,909</u>

B. R&D expenditure

In FY2025 and FY2024, the R&D spending deriving from intangible assets internally developed amounted to NT\$1,164,183 thousand and NT\$996,606 thousand, respectively, recognized under the title of “Operating expenses – R&D expenses” in the comprehensive income statement.

(12) Other non-current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Refundable deposit	\$ 127,465	\$ 115,979
Deferred Charges	243,715	71,762
Other financial assets- non-current	10,000	3,000
Total	<u>\$ 381,180</u>	<u>\$ 190,741</u>

A. About the refundable deposit as follows:

Some of the former employees of the company were being prosecuted for stealing the trade secret of the company to WinWay Technology Co., Ltd. They were prosecuted by the

Hsinchu District Prosecutors Office and the criminal justices were currently judged by Taiwan Hsinchu District Court.

The company was asking for civil compensation from the defendants. For the case, the company applied for provisional seizure and deposited the guarantee amount of NT\$80,550 thousand to Intellectual Property and Commercial Court and Taiwan Hsinchu District Court. After the preliminary investigation, there were still a large number of exhibits waiting for identification. The civil justices were currently judged by Taiwan High Court and the Supreme Court.

The above cases have no significant impact on the company's financial condition and operating result. On the position of protecting fair competition and intellectual property rights, the company had engaged the attorney to prosecute the civil and criminal legal liability.

As of December 31, 2025 and December 31, 2024, the Company has deposited the guarantee of processing fee NT\$80,550.

B. The costs, amortization, and the impairment loss of Deferred Charges of the Company as of and for the ended of December 31, 2025 and 2024 were as follows:

	<u>Deferred Charges</u>			<u>Deferred Charges</u>	
January 1, 2025	\$	71,762	January 1, 2024	\$	55,603
Addition		117,977	Addition		45,387
Reclassification		—	Reclassification		—
Amortization expenses		(67,091)	Amortization expenses		(29,228)
Transfer		121,067	Transfer		—
Impairment		—	Impairment		—
December 31, 2025	\$	243,715	December 31, 2024	\$	71,762

C. The other non-current financial assets are mainly restricted bank deposits. Please refer to Note 8 for details of the pledge and guarantee.

(13) Short-term loan

<u>Nature</u>	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Amount</u>	<u>Interest rate</u>	<u>Amount</u>	<u>Interest rate</u>
Credit loan	\$ 590,000	1.85%	\$ 200,000	1.88%
Secured borrowings	760,000	1.85%	460,000	1.88%-1.91%
Total	<u>\$ 1,350,000</u>		<u>\$ 660,000</u>	

A. For the information about exposure of the Company's interest rate and liquidity risks, please refer to Note 12(2).

B. Pledged assets for bank loan

For bank loans secured by the Company's assets, please refer Note 8.

(14) Other accounts payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expenses payable	\$ 1,155,712	\$ 1,203,984
Employees' remuneration payable	341,842	249,429
Short-term employee benefits	70,230	42,689

Others (less than 5%)	436,306	62,557
Total	<u>\$ 2,004,090</u>	<u>\$ 1,558,659</u>

(15) Reserve for liabilities

	<u>Warranty</u>		<u>Warranty</u>
At January 1, 2025	\$ 21,271	At January 1, 2024	\$ 19,410
Increase (decrease)	456	Increase (decrease)	1,861
At December 31, 2025	<u>\$ 21,727</u>	At December 31, 2024	<u>\$ 21,271</u>
Current	\$ 20,034	Current	\$ 20,286
Non-current	1,693	Non-current	985
At December 31, 2025	<u>\$ 21,727</u>	At December 31, 2024	<u>\$ 21,271</u>

The Company's reserve for warranty and liabilities in 2025 and 2024 was primarily related to the sales of semi-conductor production process and test equipment. The reserve for warranty and liabilities was estimated based on the historical warranty information.

(16) Corporate bonds-payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total amount of 5th domestic unsecured convertible corporate bond	\$ 3,500,000	\$ —
Less: Conversion amount	(3,498,700)	—
Less : Buy back from open market	—	—
Less: Exercise redemption	(1,300)	—
Corporate bond payable, net	<u>\$ —</u>	<u>\$ —</u>
Current	\$ —	\$ —
Non-current	—	—
Total	<u>\$ —</u>	<u>\$ —</u>
Financial (assets) liabilities designated as at fair value through profit or loss-Non-current	\$ —	\$ —
Capital Reserve-Warrants (Equity Component of Convertible Bonds)	<u>\$ —</u>	<u>\$ —</u>

A. The Company, by resolution of the Board of Directors on November 12, 2024, approved the issuance of the fifth domestic unsecured convertible bonds. The proceeds from the issuance will be used to repay bank loans and strengthen working capital. The issuance has been filed through effective registration and approved by the Financial Supervisory Commission in letter No.1130366455, dated December 23, 2024. The terms of the issuance are as follows:

(a) Total issued amount:

The par value of each convertible bond is NT\$100,000, with a total par value of NT\$3.5 billion. The bonds were issued at 100.5% of the par value, for a total of 35,000 bonds issued.

(b) Issuance Period:

Five years (from January 8, 2025 to January 8, 2030).

(c) Coupon rate: 0%

(d) Duration: The day following expiration of three month after the date of issuance (April 9, 2025) until the expiry date (January 8, 2030).

(e) Conversion price and adjustment thereof:

Ⓐ The conversion price at the time of issuance shall be NT\$930 per share.

Ⓑ In the case of changes in shares of common stock (e.g. capital increase in cash, recapitalization of earnings and recapitalization from capital surplus, et al.); the conversion price shall be adjusted relatively.

Ⓒ Regarding the Company's 5th domestic unsecured convertible bonds, according to the matters reported at the Board of Directors meeting on August 13, 2025, and in accordance with Article 11 of the issuance and conversion regulations of the Company's 5th domestic unsecured convertible bonds, the conversion price must be adjusted on the ex-dividend date when cash dividends on common shares are distributed. After calculation, effective from July 18, 2025, the conversion price has been adjusted to NT\$913.4 per share.

(f) Bondholders' put option:

The bondholders may exercise the put option of the convertible bonds earlier on the record date for exercise of put option, namely, January 8, 2028 upon expiration of three years and four years after issuance of the bonds. The bondholders may ask the Company to redeem the convertible bonds at 100% of the book value thereof in cash within 40 days prior to the record date for exercise of put option.

(g) The Company's right of redemption:

Ⓐ From the date following expiration of three month upon offering of the bonds (April 9, 2025) until 40 days prior to expiration of the duration (November 29, 2029), if the closing price of the Company's common shares at Taipei Exchange exceeds the current conversion price by more than 30% for 30 consecutive business days, the Company may exercise the call option to repurchase the bonds from the bondholders at the book value thereof in cash.

Ⓑ From the date following expiration of three month upon offering of the bonds (April 9, 2025) until 40 days prior to expiration of the duration (November 29, 2029), if the balance of the outstanding bonds is less than 10% of the initial total issue price, the Company may exercise the call option to repurchase the bonds from the bondholders at the book value

thereof in cash.

(h) Date and method of repayment of principal:

Except those converted to the Company's common stock by the bondholders according to the Regulations, or those redeemed upon exercise of the put option, or those redeemed by the Company earlier pursuant to the Regulations, or those repurchased by the Company from securities firms for cancellation, the others would be repaid in cash in full amount upon maturity.

B. The information about convertible corporate bonds in the financial statements is stated as following:

	January 8, 2025 <u>(Issuing date)</u>
Total issuing amount of convertible corporate bond	\$ 3,517,500
Cost of convertible corporate bond	(5,694)
Elements of equity at the time of issuance - conversion option	(338,949)
Embedded financial derivatives at the time of issuance	(8,400)
Corporate bond payable, net on the issuing date	<u>\$ 3,164,457</u>

Regarding the issuance of convertible bonds, the equity conversion options amounting to NT\$338,949 thousand were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts.

The effective interest rate of the 5th unsecured convertible bonds after host contracts separation is 2.0173%.

- C. (a) Upon initial recognition, the Group recorded an amount of NT\$ 8,400 thousand under "financial liabilities designated at fair value through profit or loss," representing the Company's issued convertible bonds. As the convertible bonds are hybrid instruments, the Company designated the entire liability component of the convertible bonds as financial liabilities at fair value through profit or loss at initial recognition.
- (b) From January to December, 2025, the Group has recognized a fair value change amounting to NT\$46,804 thousand, which has been recorded under "Gains (Losses) on Financial Assets and Liabilities at Fair Value Through Profit or Loss.
- D. The Company recognized interest expense of convertible bonds were NT\$ 54,559 thousand from January to December, 2025.

- E. For the period from January 1 to December 31, 2025, the aggregate principal amount of the Fifth Domestic Unsecured Convertible Bonds for which conversion was requested amounted to NT\$3,498,700 thousand. A total of 3,830 thousand shares were issued upon conversion, resulting in additional paid-in capital—share premium from conversion of convertible bonds of NT\$3,479,949 thousand. In addition, fractional share payments of NT\$175 thousand paid to bondholders were debited to capital surplus – convertible corporate bond conversion premium.
- F. In December 2025, the Company exercised the redemption right on its Fifth Domestic Unsecured Convertible Bonds, with a par value of NT\$1,300 thousand, resulting in capital surplus—expired stock option of NT\$126 thousand and other losses of NT\$116 thousand.
- G. It has been fully converted into ordinary shares as of December 2025, and has been approved by the competent authority to terminate OTC trading of convertible bonds on December 19, 2025.

(17) Long-term Loans

Lender	Nature	Limit	Period	December 31, 2025
Chang Hwa Bank - Chengnei Branch	Secured bank borrowings	\$ 653,440	2023/07/26~2043/07/26	\$ 645,180
Fubon Bank - Head Office	Secured bank borrowings	\$ 300,000	2025/02/17~2032/02/17	300,000
Fubon Bank - Head Office	Secured bank borrowings	\$ 207,000	2025/05/19~2032/02/17	207,000
Fubon Bank - Head Office	Secured bank borrowings	\$ 200,000	2025/07/31~2032/02/17	200,000
Less: Long-term Loans payable-current portion				(16,016)
Long-term Loans, net				\$ 1,336,164
Interest rates for long-term loans				1.847%-2.005%

Lender	Nature	Limit	Period	December 31, 2024
Chang Hwa Bank - Chengnei Branch	Secured bank borrowings	\$ 1,134,880	2019/11/08~2029/10/15	\$ 404,742
Chang Hwa Bank - Chengnei Branch	Secured bank borrowings	\$ 1,134,880	2020/09/23~2027/09/23	220,000
Chang Hwa Bank - Chengnei Branch	Secured bank borrowings	\$ 1,134,880	2021/11/09~2031/10/15	232,840
Chang Hwa Bank - Chengnei Branch	Secured bank borrowings	\$ 653,440	2023/07/26~2043/07/26	645,180

Less: Long-term Loans payable-current portion	(197,814)
Long-term Loans, net	<u>\$ 1,304,948</u>
Interest rates for long-term loans	<u>1.505%-2.005%</u>

- A. For the Information about exposure of the Company's interest rate and liquidity risks, please refer to Note 12 (2).
- B. Pledged assets for bank loan
For bank loans secured by the Company's assets, please refer to Note 8.

(18) Pension Benefits

A. Defined benefit plan

- (a) The Company have instituted regulations for the defined pension plan under the "Labor Standards Law" applicable to the years of services of employees before July 1, 2005, which is the day that the new "Labor Pension Act" came into full force, and the following years of services of employees who choose to continue applying the Labor Standard Law upon enforcement of the Labor Pension Act. Employees who meet the retirement requirements will be paid the pension based on their years of service and average salary or wage of the last six months prior to retirement. Two units are accrued for each year of service for the first 15 years and one unit is accrued for each additional year thereafter, up to a maximum of 45 units. The Company contribute 2% of the total salaries of the employees to the special pension fund account with Bank of Taiwan supervised by the Employee Pension Fund Reserve Supervisory Committee. Until the end of December 31, 2025, the balance of the pension funds contributed to the special pension fund account at Bank of Taiwan was NT\$134,730 thousand.

- (b) The amount recognized in the balance sheet is stated as following:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligation	\$ 142,580	\$ 140,511
Fair value of planned assets	(134,730)	(121,617)
Net defined benefit liability	<u>\$ 7,850</u>	<u>\$ 18,894</u>

(c) Changes in the present value of defined benefit obligation:

	<u>2025</u>	<u>2024</u>
Present value of defined benefit obligation, January 1	\$ 140,511	\$ 134,417
Service cost in current period	8,271	8,259
Interest cost	1,967	1,680
Amount allocated by Labor Standards Act article 56 item 2	—	—
Actuarial loss/gain		
Actuarial loss (gain) from changes of financial hypotheses	1,286	(2,178)
Empirical adjustment	(8,794)	(695)
Benefit payment-from planned assets	(661)	(972)
Present value of defined benefit obligation, December 31	<u>\$ 142,580</u>	<u>\$ 140,511</u>

(d) Changes in fair value of planned assets:

	<u>2025</u>	<u>2024</u>
Fair value of planned assets, January 1	\$ 121,617	\$ 108,285
Interest revenue	1,727	1,375
Return (loss) on remuneration of planned assets	8,598	9,477
Contribution by employer	3,449	3,452
Benefit payment-from planned assets	(661)	(972)
Fair value of planned assets, December 31	<u>\$ 134,730</u>	<u>\$ 121,617</u>

(e) Total expenses recognized in comprehensive income statement:

	<u>2025</u>	<u>2024</u>
Service cost in current period	\$ 8,271	\$ 8,259
Interest cost of defined benefit obligation	1,967	1,680
Interest revenue from planned assets	(1,727)	(1,375)
Amount allocated by Labor Standards Act article 56 item 2	—	—
Defined benefit cost stated into income	<u>\$ 8,511</u>	<u>\$ 8,564</u>

(f) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and Article 6 of the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Any deficits thereof shall be made up by the national treasury upon approval of the competent authority. As the Company was not entitled to participate in operation and management of the Fund, it was not impossible for the Company to disclose the classification of fair value of the planned assets in accordance with Paragraph 142 of Article 19 of IAS. For the fair value of the total assets under the Fund on December 31, 2025 and 2024, please see the

labor pension fund utilization report published by the government each year.

- (g) Actuarial hypotheses about pension are summarized as following: (expressed under weighted average method)

	<u>2025</u>	<u>2024</u>
Discount rate	1.25%	1.40%
Future salary and benefit level	2.25%	2.25%

Until December 31, 2025, the weighted average duration of the pension plan has been 8.3 years.

- (h) Analysis of sensitivity

In the calculation of the determined welfare obligation, the company must make use of judgment and estimate to determine relevant actuarial assumption on the reporting date, including the discount rate and update of future salary. Any change in the actuarial hypotheses might materially affect the value of the Company's defined benefit obligation materially.

- (i) The variance in the estimation of discount rate and future salary level increase rate from the management will affect the book value of pension benefit obligation in the following manners:

	<u>Discount rate</u>		<u>Future raise rate</u>	
	<u>Increase by 0.25%</u>	<u>Decrease by 0.25%</u>	<u>Increase by 1.00%</u>	<u>Decrease by 1.00%</u>
December 31, 2025				
Effect on defined benefit obligation %	<u>(1.49%)</u>	<u>1.54%</u>	<u>6.46%</u>	<u>(5.84%)</u>
Amount of effect on defined benefit obligation	<u>\$ (2,131)</u>	<u>\$ 2,197</u>	<u>\$ 9,216</u>	<u>\$ (8,325)</u>
December 31, 2024				
Effect on defined benefit obligation %	<u>(2.58%)</u>	<u>2.71%</u>	<u>10.34%</u>	<u>(10.88%)</u>
Amount of effect on defined benefit obligation	<u>\$ (3,631)</u>	<u>\$ 3,822</u>	<u>\$ 14,522</u>	<u>\$ (15,287)</u>

Said analysis of sensitivity refers to the analysis of the effect produced by any change of single hypothesis under the circumstance that the other hypotheses remain unchanged. In practice, a lot of changes in hypotheses might be linked with each other. The analysis of sensitivity adopted the same method used for calculation of net pension liability on the balance sheet.

The methods and hypotheses used by the analysis of sensitivity prepared in the current period are identical with those used in the previous period.

- (j) Expected contributions to the defined benefit pension plans of the Company for the next annual reporting period as at December 31, 2025 is NT\$3,461 thousand.

B. Defined contribution plans

- (a) As of July 1, 2005, the Company instituted the defined contribution retirement plan according to the "Labor Pension Act", applicable to the native employees. The Company shall contribute the amount equivalent to 6% of the monthly salary of respective native employees to the individual pension accounts of the employees at Labor Insurance Bureau, with respect to the labor pension system under the "Labor Pension Act" chosen by employees. Retired employees may claim for pension disbursement in accordance with the status of their individual accounts and the cumulative contribution in the account through monthly payment or in lump sum.
- (b) The pension expenses recognized under the Company's defined contributed pension regulations were NT\$77,059 thousand and NT\$69,613 thousand in 2025 and 2024.

(19) EQUITY

- A. The Company's outstanding common stock at beginning and ending is reconciled as follows:

	2025	Unit : Share 2024
Balance, January 1	94,231,106	94,231,106
Convertible Bonds Transferred To Common Stock	3,830,203	—
Treasury Stock Retirement	(80,000)	—
Balance, December 31	<u>97,981,309</u>	<u>94,231,106</u>

B. Capital surplus

- (a) Pursuant to the R.O.C. Company Law amended in January 2012, capital surplus shall be first used to offset a deficit and then new shares or cash may be allocated based on realized capital surplus subject to shareholdings. Realized capital surplus referred to in the preceding paragraph included the surplus generated from donations and the excess of the issuance price over the par value of capital stock. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the capital surplus may be transferred to common stock up to an annual limit of 10% of the paid-in capital.

(b) The balance of the Company's capital surplus:

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note1)</u>		
Common stock premium	\$ 209,985	\$ 210,163
Convertible corporate bond conversion premium	4,908,669	1,428,895
Treasury Stock Transactions	—	58,623
<u>May be used to offset a deficit only (Note2)</u>		
Donation from shareholders	1	1
Expired stock option	27,131	27,005
<u>Such capital surplus may not be used for any purpose</u>		
Others-issuance of new shares due to acquisition of shares of another company	19,858	19,858
Stock option (Elements of equity of convertible corporate bonds)	—	—
Total	<u>\$ 5,165,644</u>	<u>\$ 1,744,545</u>

(Note1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital.

(Note2) Such type of capital reserve pertains to bequeathing to the accepting shareholders without cash inflow and lapsed conversion rights on corporate bonds or reclassification of invalidated employee shareholding pledging.

Ⓐ The company issued the first , second , third and forth Domestic unsecured convertible corporate bonds; The company recognized NT\$1,428,895 thousand as paid-in capital in excess of par-common stock and treasury stock transaction NT\$8,864 thousand.

Ⓑ The 3rd domestic unsecured conversion of corporate bonds pay off convertible corporate bonds at expiry, in addition to bondholders with converting right not requesting for the conversion to be invalidated, the initially classified “capital surplus – stock option” balance at NT\$27,005 thousand is reclassified as “capital surplus– Expired stock option” item.

Ⓒ The Company issued last time Domestic unsecured convertible corporate bonds; The Company recognized NT\$49,759 thousand as paid-in capital in excess of par-common stock.

Ⓓ The Company received the shareholders' waiver of equity and 8 shares were transferred to the Company in June 2013. According to laws, the equity acquired by the Company upon receipt of the shareholders' waiver of the same shall be held as treasury stock and stated at the fair value of the stock on the same day, credited into capital surplus-donation from shareholders, NT\$1 thousand.

Ⓔ The Company issued new shares and swapped the equity with the subsidiary,

Chain-Logic International Corp. on June 15, 2002. The Company's shareholding is 100%. The difference between the investment cost and net worth of the acquired equity was NT\$19,858 thousand on the date of investment, stated as capital surplus-others.

C. Retained earnings

- (a) According to the company laws amended in May 2015, employee remuneration and remuneration to directors/supervisors shall not be allocated from earnings any longer. The Company has had the amended Articles of Incorporation resolved and approved by the board of directors on June 16, 2016. Therefore, if the Company has a profit at the year's final accounting, it shall first pay profit-seeking enterprise income tax and make up any losses from past years, and then make contribution of 10% of the balance to the statutory reserve, unless the statutory reserve reaches the amount of the Company paid-in capital, and also make provision/reversal of special reserves pursuant to laws. The residual balance shall be added to undistributed earnings carried from previous years. The Board shall draft a motion for allocation of the residual balance plus the undistributed earnings, and submit the same to a shareholders' meeting to resolve whether shareholder bonus shall be allocated or the earnings shall be retained.
- (b) The shareholders' meeting resolved to amend the Company Act of Incorporation as following on June 17, 2011: For the time being, the Company's industrial development is still growing, the dividend policy requires that the board of directors shall draft the motion for allocation of earnings each year and submit the same to a shareholders' meeting for ratification, subject to the Company's present and future investment environments, funding demand, status of competition domestically/overseas and capital budget and by taking care of shareholders' interest, balanced stock dividend and the Company's long-term financial planning into consideration. The earnings will be allocated in the form of cash dividend or stock dividend, subject to the funding demand and level of dilution of EPS. The cash dividend to be allocated, if any, shall be no less than 10% of the total stock dividend.
- (c) Legal reserve
According to the Company Law amended in January 2012, the Company shall contribute 10% from the income after tax as the legal reserve until it is equivalent to the gross capital. When the Company suffers no loss, new shares or cash may be allocated from the legal reserve upon resolution of the shareholders' meeting, provided that the new shares or cash allocated shall be no more than 25% of the paid-in capital.

(d) Special reserve

Following a company's adoption of the TIFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside to special reserve based on the difference between the amount already set aside and the total debit balance of other shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

- (e) The appropriations of 2024 earnings had been approved by the shareholders during their meeting on June 11, 2025, and the appropriations of 2023 earnings had been approved by the shareholders during their meeting on June 13, 2024. Details are summarized below:

	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 231,371		\$ 131,788	
Special reserve	(9,089)		(70,764)	
Cash dividends	1,507,698	16	706,733	7.50

- (f) The information about allocation of retained earning approved by the Board of Directors and resolved by a shareholders' meeting may be viewed at the "MOPS".

D. Treasury stock :

- (a) Changes in the treasury stock are set forth below:

	Year ended December 31, 2025			
	Beginning shares	Additions	Disposal	Ending shares
Reason for reacquisition				
Maintain shareholders' equity	—	80,000	80,000	—

	Year ended December 31, 2024			
	Beginning shares	Additions	Disposal	Ending shares
Reason for reacquisition				
Maintain shareholders' equity	—	—	—	—

- (b) According to the Securities and Exchange Act, the number of shares repurchased by the Company shall not exceed 10% of the total issued shares, and the total repurchase amount shall not exceed the sum of retained earnings plus share premium and realized capital surplus. In June 2025, the Company repurchased 80,000 treasury shares, amounting to NT\$62,525 thousand.
- (c) In accordance with the Securities and Exchange Act, treasury shares held by

the Company cannot be pledged and shall not enjoy shareholder rights before transfer.

- (d) The Company has passed the capital reduction thru canceling 80,000 shares by the Board of Directors meeting in August 13, 2025. The record date of the capital reduction is August 13, 2025, and the change in registration has been completed. The capital reduction resulted in a debit of NT\$178 thousand to capital surplus–common stock premium, a debit of NT\$58,623 thousand to capital surplus–treasury share transactions, and a debit of NT\$2,944 thousand to retained earnings.

E. Share-based payment — employee compensation plan

As of December 31, 2025, information on outstanding ESO is shown below: None.

(20) OPERATING INCOME

A. Operating income

	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers		
Sales revenue	\$ 11,627,627	\$ 8,720,389
Processing Fees revenue	—	—
Others		
Commission revenue	—	—
Total	<u>\$ 11,627,627</u>	<u>\$ 8,720,389</u>

B. Contract assets and contract liability

The Company recognized the contract assets and contract liability of the revenue from contracts with customers as following:

- (a) Contract assets: None.
(b) Contract liability as following:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Contract liability-current		
Sales revenue received in advance	\$ 1,067,449	\$ 1,065,157
Total	<u>\$ 1,067,449</u>	<u>\$ 1,065,157</u>

Revenue of the contract liability recognized in the beginning:

	<u>2025</u>	<u>2024</u>
Revenue recognized in this period		
Sales revenue received in advance transfer to revenue	\$ 844,619	\$ 510,301
Total	<u>\$ 844,619</u>	<u>\$ 510,301</u>

(21) NON-OPERATING INCOME AND EXPENSES

A. Other gains and losses, net

	<u>2025</u>	<u>2024</u>
Gains (losses) on disposal of property, plant and equipment	\$ (522)	\$ 868
Loss on obsolescence of property, plant and equipment	(20,192)	—
Net currency exchange gains (losses)	(29,860)	143,186
Gains(losses) on lease modification	4	10
Gains (losses) on financial assets and liabilities at fair value through profit or loss	45,783	—
Others	(209)	(654)
Total	<u>\$ (4,996)</u>	<u>\$ 143,410</u>

B. Financial cost

	<u>2025</u>	<u>2024</u>
Interest expenses		
Bank loan	\$ 34,857	\$ 31,195
Imputed interest from deposit	28	114
Convertible corporate bond	54,559	—
Lease liabilities	4,257	1,788
Subtotal	<u>93,701</u>	<u>33,097</u>
Less: capitalized interest	(27,216)	(5,334)
Total	<u>\$ 66,485</u>	<u>\$ 27,763</u>
Capitalized interest rate	<u>1.10%~3.89%</u>	<u>1.18%~2.48%</u>

C. Interest income

	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ 64,871	\$ 22,921
Imputed interest from deposit	529	478
Imputed interest on loans to others	224	—
Financial assets measured at fair value through profit or loss – non-current interest income	13	—
Total	<u>\$ 65,637</u>	<u>\$ 23,399</u>

(22) Income Tax

A. The Company's income tax expenses (gains) are specified as following:

	<u>2025</u>	<u>2024</u>
Current tax:		
Current tax on profits for the period	\$ 601,441	\$ 403,187
Imposition of income tax on undistributed earnings	—	3,983
Adjustments in respect of prior years	2,881	(175)
Total current tax	<u>604,322</u>	<u>406,995</u>
Deferred tax:		
Origination and reversal of temporary differences	26,170	42,241
Impact of change in tax rate	—	—
Total deferred tax	<u>26,170</u>	<u>42,241</u>
Income tax expense	<u>\$ 630,492</u>	<u>\$ 449,236</u>

B. The Company recognized Income tax expenses in other comprehensive income are NT\$ 0 start from January to December, at 2025 and 2024.

C. The Company income tax expenses recognized under the title of equity are NT\$0 start from January to December, at 2025 and 2024.

D. Relations between income tax expenses (gains) and accounting profit

	<u>2025</u>	<u>2024</u>
Net profit before tax	\$ 3,807,140	\$ 2,750,595
Income tax on net profit(loss) before tax calculated at the domestic tax rate applicable in the place where the Company is situated	\$ 761,428	\$ 550,119
Income tax effect included into the items that shall not be recognized pursuant to tax laws	(45,083)	(48,565)
Income tax effect on deferred income tax assets/liabilities	26,170	42,241
Unrecognized deferred income tax assets	—	—
Tax-free income	—	—
Maximum foreign-tax deduction	—	—
Income tax effect on investment credit	(114,904)	(98,367)
Imposition of income tax on undistributed earnings	—	3,983
Income tax effect under minimum tax system	—	—
Overestimated (underestimated) income tax in previous year	2,881	(175)
Total	<u>\$ 630,492</u>	<u>\$ 449,236</u>

E. Deferred income tax assets and liabilities

(a) Recognized deferred income tax assets and liabilities

	<u>2025</u>				
	<u>January 1</u>	<u>Recognized in income statement</u>	<u>Recognized in other comprehensive income</u>	<u>Exchange difference</u>	<u>December 31</u>
Deferred income tax assets					
Temporary difference					
Unrealized inventory devaluation and obsolescence losses	\$ 118,391	\$ (3,128)	—	—	\$ 115,263
Unrealized exchange loss	1,179	(585)	—	—	594
Unrealized warranty cost	4,254	91	—	—	4,345
Unrealized impairment loss	9,107	—	—	—	9,107
Unrealized gain on inter-affiliate accounts	5,187	2,311	—	—	7,498
Tax difference on depreciation expenses	12	—	—	—	12
Realized net investment income (foreign)	8,133	—	—	—	8,133
Total	<u>\$ 146,263</u>	<u>\$ (1,311)</u>	<u>—</u>	<u>—</u>	<u>\$ 144,952</u>
Deferred income tax liabilities					
Temporary difference					
Unrealized exchange gain	\$ (6,124)	\$ (16,833)	—	—	\$ (22,957)
Recognition of pension expenses (deficit)	(6,715)	1,013	—	—	(5,702)
Unrealized net investment income (foreign)	(69,954)	(9,039)	—	—	(78,993)
Total	<u>\$ (82,793)</u>	<u>\$ (24,859)</u>	<u>—</u>	<u>—</u>	<u>\$(107,652)</u>

	2024				
	January 1	Recognized in income statement	Recognized in other comprehensive income	Exchange difference	December 31
Deferred income tax assets					
Temporary difference					
Unrealized inventory devaluation and obsolescence losses	\$ 111,153	\$ 7,238	—	—	\$ 118,391
Unrealized exchange loss	5,432	(4,253)	—	—	1,179
Unrealized warranty cost	3,882	372	—	—	4,254
Unrealized impairment loss	9,107	—	—	—	9,107
Unrealized gain on inter-affiliate accounts	4,090	1,097	—	—	5,187
Tax difference on depreciation expenses	13	(1)	—	—	12
Realized net investment income (foreign)	8,133	—	—	—	8,133
Unrealized net investment income (foreign)	—	—	—	—	—
Total	\$ 141,810	\$ 4,453	—	—	\$ 146,263
Deferred income tax liabilities					
Temporary difference					
Unrealized exchange gain	\$ (514)	\$ (5,610)	—	—	\$ (6,124)
Recognition of pension expenses (deficit)	(7,737)	1,022	—	—	(6,715)
Unrealized net investment income (foreign)	(27,848)	(42,106)	—	—	(69,954)
Total	\$ (36,099)	\$ (46,694)	—	—	\$ (82,793)

(b) Unrecognized deferred income tax assets : None.

(c) Unrecognized deferred income tax liabilities : None.

F. The investment credit tax on deferred income tax assets which has been recognized by the Company before December 31, 2025 shall be credited by the following deadline:

Item	Total credit	Deducted amount	Credited balance in current period	Balance to be credited	Last year of credit
R&D expenditure (projected) in 2025	\$ 114,904	\$ —	\$ 114,904	\$ —	(non-deferred)
	<u>\$ 114,904</u>	<u>\$ —</u>	<u>\$ 114,904</u>	<u>\$ —</u>	

(Note) According to the "Regulations Governing Investment Credit Applicable to a Company's R&D Expenditure" promulgated on November 8, 2010, the tax credit shall be no more than 30% of the income tax payable in the year and prohibited from being deferred until next year.

G Authorization of income tax:

The Company has its corporate income tax approved by the taxation authorities until 2023.

- H. Under the amendments to the Income Tax Act which was promulgated in February 7, 2018, the Company's applicable income tax rate was 20% effective from January 1, 2018. The Company has accessed the impact of the change in income tax rate. Besides, the tax rate of undistributed earnings in 2018 was 5%.

(23) Earnings Per Common Share

A. Basic EPS

The basic EPS is calculated based on the income vested in the Company's common stock holders dividing by the weighted average number of outstanding common stock.

B. Diluted EPS

The diluted EPS is calculated upon adjustment of the effect of all potential diluted common stocks based on the income vested in the common stock holders and the weighted average number of outstanding common stock.

- C. The Company's basic EPS and diluted EPS are calculated as follows:

	2025			2024		
	Amount after tax	Weighted average number of outstanding common stock (thousand shares)	EPS (NT\$)	Amount after tax	Weighted average number of outstanding common stock (thousand shares)	EPS2 (NT\$)
Basic EPS						
Net profit attributed to the Company's continued operation	\$ 3,182,889		\$ 33.55	\$ 2,307,248		\$ 24.48
Net loss attributed to the Company's discontinued operation	(6,241)		(0.06)	(5,889)		(0.06)
Net profit attributed to the Company's common stock shareholders	\$ 3,176,648	94,847	\$ 33.49	\$ 2,301,359	94,231	\$ 24.42
Diluted EPS						
Net profit attributed to the Company's common stock shareholders	\$ 3,182,889	94,847		\$ 2,307,248	94,231	
Effect of all potential diluted common stocks						
Domestic unsecured convertible corporate bond	—	—		—	—	
Employees stock bonus	—	152		—	269	
Net profit attributed to the Company's continued operation plus effect of potential common stocks	\$ 3,182,889		\$ 33.50	\$ 2,307,248		\$ 24.41
Net loss attributed to the Company's discontinued operation	(6,241)		(0.06)	(5,889)		(0.06)
Net profit attributed to the Company's common stock shareholders plus effect of potential common stocks	\$ 3,176,648	94,999	\$ 33.44	\$ 2,301,359	94,500	\$ 24.35

For the details about capital increase, please see Note 6(19).

(24) Business combinations - acquisition of subsidiaries

- A. For the Group’s operational development strategy, the Company acquired 100% equity ownership of ATV Systems GmbH (hereinafter referred to as “ATV”) in November 2025 for EUR 14,000,000 (equivalent to NT\$488,910 thousand) and obtained control over ATV. ATV’s principal operations in Germany include the design, development, and manufacture of advanced electronic testing solutions, electronic component packaging and wafer-level functional test equipment, software and hardware development for industrial automation, distribution of electronic and semiconductor manufacturing equipment, as well as consulting and training services. The Group expects that this acquisition will enhance the competitive advantages of its engineering probe cards and equipment, as well as expand its overall market business scale.
- B. With November 1, 2025 as the acquisition date, details regarding the consideration paid for the acquisition of ATV, the fair values of the assets acquired and liabilities assumed at the acquisition date, and related information are disclosed in Note 6(23) to the consolidated financial statements.

(25) Employee benefits, depreciation, depletion and amortization expenses are summarized as follows

Nature \ Function	2025			2024		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefit expense						
Wages and salaries	1,992,212	1,190,326	3,182,538	1,631,678	1,040,645	2,672,323
Labor and health insurance expense	106,238	62,189	168,427	96,521	60,386	156,907
Pension costs	51,782	33,788	85,570	46,292	31,885	78,177
Director remuneration	-	85,461	85,461	-	62,357	62,357
Other personnel expenses (Note)	164,918	34,144	199,062	150,227	29,776	180,003
Depreciation expenses	431,619	140,194	571,813	270,293	100,040	370,333
Depletion expenses	-	-	-	-	-	-
Amortization expenses	46,522	77,634	124,156	16,253	57,656	73,909

(Note) The other personnel expenses including food stipend, overtime pay and employee benefits.

- A. For the year ended of December 31, 2025 and 2024, the number of employees of the Company was 1,952 and 1,846, of which the number of directors who were not employees concurrently was both 7.
- B. Companies which are listed in Taiwan Stock Exchange or Taipei Exchange should disclose the following information:
- (a) The average employee benefit expenses was NT\$1,869 thousand for the year ended 2025 [(total amount of employee benefit expenses – total amount of

director remuneration) / (total number of employees – the number of directors who were not employees concurrently)].

The average employee benefit expenses was NT\$1,679 thousand for the year ended 2024 [(total amount of employee benefit expenses – total amount of director remuneration) / (total number of employees – the number of directors who were not employees concurrently)].

- (b) The average salary expenses was NT\$1,636 thousand for the year ended 2025 [total amount of salary expenses / (total number of employees – the number of directors who did not have concurrent employees)].

The average salary expenses was NT\$1,453 thousand for the year ended 2024 [total amount of salary expenses / (total number of employees – the number of directors who did not have concurrent employees)].

- (c) The adjustment change of average salary expenses was 12.59% [(the average salary expenses in 2025 – the average salary expenses in 2024) / the average salary expenses in 2024].

- (d) The Company has already established audit committee by the rule in 2020 to replace the supervisor. The Company derecognized the supervisor's remuneration in both 2025 and 2024.

- (e) The salary and remuneration policy of the Company :

Board of Directors and managers' salaries are referred to the industry standards, and the bonuses are allocated according to their performance, risk taking and level of contribution, etc. Employees' salaries are based on their academic background, professional knowledge, years of experience, and their KPI. Employees' annual salaries are also adjusted based on Company's condition to motivate and retain outstanding employees.

- C. According to the Company's existing articles of incorporation, the Company shall allocate remuneration to employees and remuneration to directors when allocating the earnings.

- D. (a) The Company has approved the motion for amendments to the Articles of Incorporation on June 11, 2025:

If the Company retains income before tax after the account settlement, it shall allocate 0.1%~15% thereof as the remuneration to employees, and not be higher than 3% thereof as the remuneration to directors. Of the amount allocated to employees' remuneration, no less than 50% shall be taken to allocate for distribution to basic-level employees. However, profits must first be taken to offset against cumulative losses, if any. The remainder, if any, shall be allocated as the remuneration to employees and directors on a pro rata basis as referred to in the preceding paragraph.

(b) The Company has approved the motion for amendments to the Articles of Incorporation on June 15, 2020:

If the Company retains income before tax after the account settlement, it shall allocate 0.1%~15% thereof as the remuneration to employees, and not be higher than 3% thereof as the remuneration to directors. However, profits must first be taken to offset against cumulative losses, if any. The remainder, if any, shall be allocated as the remuneration to employees and directors on a pro rata basis as referred to in the preceding paragraph.

The allocation of remuneration to employees and directors shall be resolved and approved by a majority of the directors present at a directors' meeting attended by more than two-thirds of the whole directors, and reported to a shareholders' meeting.

Employees' remuneration may be paid in the form of stock or in cash, and can be paid to employees of affiliated companies that satisfy certain criteria.

- E. The Company estimated the remuneration to employees was NT\$ 341,842 thousand and NT\$ 249,429 thousand, respectively, in 2025 and 2024, and the remuneration to directors NT\$ 85,461 thousand and NT\$ 62,357 thousand. Said values were stated into salary expenses. The values were estimated based on the earnings gained until the current period (this year).
- F. The remuneration to employees and directors 2024 resolved to be allocated at the shareholders' meeting on June 11, 2025 by the Board of Directors meeting were NT\$249,429 thousand and NT\$62,357 thousand, respectively, identical with that recognized in the financial statement 2024, and the remuneration to employees will be paid in cash. The remuneration will be paid after the amended Articles of Incorporation is resolved at the general shareholders' meeting 2025.
- G. The remuneration to employees and directors 2023 resolved to be allocated at the shareholders' meeting on June 13, 2024 by the Board of Directors meeting were NT\$138,653 thousand and NT\$34,663 thousand, respectively, identical with that recognized in the financial statement 2023, and the remuneration to employees will be paid in cash. The remuneration will be paid after the amended Articles of Incorporation is resolved at the general shareholders' meeting 2024.
- H. The information about remuneration to employees and remuneration to directors approved by the Board of Directors and resolved by a shareholders' meeting may be viewed at the "MOPS".

(26) Supplemental cash flow information

A. Investing activities paid in cash in part only:

	<u>2025</u>	<u>2024</u>
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Purchase of property, plant and equipment	\$ 3,417,404	\$ 677,734
Add: opening balance of payable on equipment	645,743	142,294
Less: opening balance of payable on equipment	(465,976)	(645,743)
Cash paid during the period	\$ 3,597,171	\$ 174,285

B. Financing activities not affecting cash flow:

	2025	2024
Convertible bonds being converted to capital stock	\$ 38,302	\$ —

7. Transactions with related parties

(1) Relations between parent company and subsidiary

The Company's subsidiaries are stated as follows:

	Place of incorporation	Owner's equity (shareholding %)	
		December 31, 2025	December 31, 2024
Chain-Logic International Corp.	Taiwan	100%	100%
Allstron Corporation	Taiwan	100%	100%
MPI TRADING CORP.	Samoa	100%	100%
MMI HOLDING CO.,LTD.	Samoa	100%	100%
MPA TRADING CORP.	Anguilla	100%	100%
MPI (SUZHOU) CORPORATION	Mainland China	100%	100%
MPH Corporation (Hefei) Ltd.(Note1)	Mainland China	100%	100%
MEGTAS CO.,LTD.	Korea	100%	80%
MPI AMERICA INC.	USA	100%	100%
Celadon Systems, Inc.	USA	100%	100%
ATV Systems GmbH	Germany	100%	—

(Note 1) In response to operational needs, the Board of Directors of Lumitek (Changzhou) Co., Ltd. resolved on May 9, 2025, to change the company's name and registered office address. This investment project has been duly approved by Commission on MOEA.

(2) Parent company and ultimate controller

The Company is the ultimate controller of the Group.

(3) The names and relationship of related parties

Names of related parties	Relationship with the Company
CHAIN-LOGIC INTERNATIONAL CORP. (CLIC)	Subsidiary
MEGTAS CO.,LTD. (MEGTAS)	Subsidiary
Allstron Corporation	Subsidiary
ATV Systems GmbH (ATV)	Subsidiary
MPH Corporation (Hefei) Ltd.(MPH)	Subsidiary- a subsidiary of MMI HOLDING CO., LTD
MPI (SUZHOU) CORPORATION (MPS)	Subsidiary- a subsidiary of MMI HOLDING CO., LTD
MPI AMERICA INC. (MPA)	Subsidiary- a subsidiary of MPA TRADING CORP.
Celadon Systems, Inc.(Celadon)	Subsidiary- a subsidiary of MPI

(4) **Important transactions with related parties**

A. **Operating revenue**

The Company's sales values to related parties are stated as follows:

Type	2025	2024
Sale of products:		
-Subsidiary		
CLIC	\$ 536,297	\$ 160,871
MPH	3,782	3,738
MPS	2,376,832	2,278,731
MPA	1,554,227	1,839,744
Celadon	11,498	17,570
ATV	21,543	—
Total	\$ 4,504,179	\$ 4,300,654

The price of the Company's sale to related parties was not significantly different from the Company's general selling price.

B. **Purchase**

The Company's purchase values to related parties are stated as follows:

Type	2025	2024
Subsidiary		
CLIC	\$ 15,415	\$ 15,008
MPS	4,479	1,115
MPH	—	114
MPA	7,672	1,949
Celadon	—	1,587
ATV	464	—
Total	\$ 28,030	\$ 19,773

The price of the Company's purchase from related parties was not significantly different from the Company's price of purchase from the general suppliers.

C. **Accounts receivable-related parties**

The Company's accounts receivable-related parties are stated as following:

Title	Type	December 31, 2025	December 31, 2024
Accounts receivable	Subsidiary		
	CLIC	\$ 345,323	\$ 68,699
	MPH	—	87
	MPS	1,500,643	842,167
	MPA	1,175,279	1,334,015
	Celadon	376	1,323
	ATV	11,589	—
Accounts receivable		3,033,210	2,246,291

Less: Loss allowance		—	—
Accounts receivable, net		<u>\$ 3,033,210</u>	<u>\$ 2,246,291</u>
Other receivables	Subsidiary		
	CLIC	\$ 621	\$ 891
	MPH	—	17,606
	MPS	27,660	19,065
	MPA	16	281
	Celadon	—	10
	Megtas	663	—
	Total	<u>\$ 28,960</u>	<u>\$ 37,853</u>

D. Accounts payable-related parties

The Company's accounts payable-related parties are stated as following:

Title	Type	December 31, 2025	December 31, 2024
Accounts payable	Subsidiary		
	CLIC	\$ 5,830	\$ 8,135
	MPS	3,961	142
	MPA	3,590	1,967
	ATV	109	—
		<u>\$ 13,490</u>	<u>\$ 10,244</u>
Other payables	Subsidiary		
	CLIC	\$ 9,101	\$ 16,810
	MPS	4,421	258
	MPA	5,866	—
	ATV	2,138	—
Total		<u>\$ 21,526</u>	<u>\$ 17,068</u>

E. Prepayment

The Company's Prepayment are stated as following:

Title	Type	December 31, 2025	December 31, 2024
Prepayments to suppliers	Subsidiary		
	CLIC	\$ —	\$ 393
Prepaid expenses	Subsidiary		
	Allstron	\$ 75	\$ —

F. Exchange of property

a. Acquisition of property, plant, and equipment

Type	Nature	2025	2024
Subsidiary			
CLIC	Machinery equipment	\$ 80	\$ 2,802
CLIC	Research equipment	170	—
CLIC	Furniture and fixtures	—	12
CLIC	Deferred Charges	1,682	—
MPS	Machinery equipment	481	—
Total		<u>\$ 2,413</u>	<u>\$ 2,814</u>

b. Disposition of property, plant, and equipment

2025 :

Related parties	Nature	Cost	Accumulated depreciation	Net book value	Sales price	Gain (loss) on disposal
Subsidiary-MPS	Machinery equipment	\$ 3,763	\$ 157	\$ 3,606	\$ 7,507	\$ 3,901

2024 :

Related parties	Nature	Cost	Accumulated depreciation	Net book value	Sales price	Gain (loss) on disposal
Subsidiary-MPS	Machinery equipment	\$ 580	\$ (540)	\$ 40	\$ 908	\$ 868

G. Loan to others (stated as other receivables-related party):

2025 :

Related parties	Highest balance	Ending balance	Rate	Interest income	Interest receivable
Subsidiary -MEGTAS	\$ 15,020	\$ 15,020	4.35%	\$ 224	\$ 224

2024 : None.

H. Purchase of labor services from related parties

The Company's expenditure in labor services to related parties are stated as follows:

Type	2025	2024
Promotion-expenditure in commission:		
-Subsidiary		
CLIC	\$ 14,960	\$ 54,005
MPS	8,582	18,297
Total	\$ 23,542	\$ 72,302

I. Others

a. Payment on behalf of others (stated as other current assets): None.

b. Advance sale receipts (stated as contract liabilities-current)

Type	December 31, 2025	December 31, 2024
Subsidiary		
CLIC	\$ 459,245	\$ 48,804
MPS	—	186
MPA	144,504	118,505
ATV	1,936	—
Total	\$ 605,685	\$ 167,495

c. Temporary receipts (stated as other current liabilities):

Type	December 31, 2025	December 31, 2024
Subsidiary		
MPA	\$ 5,663	\$ 171
Total	\$ 5,663	\$ 171

d. Manufacturing expenses (stated as operating cost)

<u>Type</u>	<u>Nature</u>	<u>2025</u>	<u>2024</u>
Subsidiary			
CLIC	Other expenses	\$ 80	\$ 75
CLIC	Repair expense	\$ 57	\$ 15
CLIC	Processing expense	\$ 185	\$ 479
MPA	Shipping expense	\$ 174	\$ 216

e. Selling expenses

<u>Type</u>	<u>Nature</u>	<u>2025</u>	<u>2024</u>
Subsidiary			
CLIC	Other expenses	\$ 5,430	\$ 3,289
MPS	Other expenses	\$ 26	\$ 222
MPA	Shipping expenses	\$ 106	\$ 85
MPA	Other expenses	\$ 27,847	\$ 31,288
MPA	Import and export expense	\$ —	\$ 4
ATV	Repair expense	\$ 15	\$ —
ATV	Other expenses	\$ 2,132	\$ —

f. General & administrative expenses

<u>Type</u>	<u>Nature</u>	<u>2025</u>	<u>2024</u>
Subsidiary			
CLIC	Other expenses	\$ 781	\$ 925
CLIC	Labor expense	\$ —	\$ 300
CLIC	Miscellaneous acquisitions	\$ 52	\$ —
MPA	Shipping expenses	\$ —	\$ 32
MPA	Other expenses	\$ 16,502	\$ 15,217
Allstron	Other expenses	\$ 225	\$ —

g. Research and development expenses

<u>Type</u>	<u>Nature</u>	<u>2025</u>	<u>2024</u>
Subsidiary			
CLIC	Other expenses	\$ 906	\$ 7
MPA	Other expenses	\$ 6,390	\$ —
ATV	Import and export expense	\$ 12	\$ —

h. Lease

The Company's lease revenue from related parties is stated as follows:

Type	2025	2024
Subsidiary-CLIC	\$ 3,683	\$ 3,683

The main contents of lease contract:

Type	Subject matter	Duration of lease	Mode of collection
Subsidiary-CLIC	Sublet the factory premises building and parking lots at Wenshan Road, Xinpu Township, Hsinchu County	2019/01/01~2019/12/31 Renewed automatically upon expiration	The rent of the factory building was NT\$242 thousand per month (before tax). The rent of the parking lots was NT\$65 thousand per month (before tax).

h. Other revenue

Type	2025	2024
Subsidiary		
CLIC	\$ 119	\$ 300
MPH	—	20,772
MPS	25,999	19,992
MPA	7,282	17,919
Celadon	—	12
Total	\$ 33,400	\$ 58,995

(5) Information about remuneration to the management

Information about remuneration to the Company's management is stated as follows:

	2025	2024
Short-term employee benefits	\$ 24,989	\$ 19,070
Post-employment benefits		
Other long-term benefits		
Termination benefits	—	—
Share-based payments		
Total	\$ 24,989	\$ 19,070

Said remuneration to the management is decided by the Remuneration Committee subject to personal performance and market trend. For the relevant information, please see the annual report of the general shareholders' meeting.

8. Pledged assets

The following assets have been provided to the Company to pledge for bank loans, import business tax, sale commitment and payment promise. The book value thereof is stated as follows:

	December 31, 2025	December 31, 2024
Land (Including investment properties)	\$ 1,505,103	\$ 1,505,103
Building (Including investment properties)	1,372,827	1,414,328
Other non-current financial assets	10,000	3,000

(stated as other non-current assets)

Total	\$ 2,887,930	\$ 2,922,431
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9. **Significant contingent liability and unrecognized contractual commitment**

(1) **Contingency**: None.

(2) **Commitment**

A. Balance of unused letter of credit issued by the Company, guarantee money paid and service charges: None.

B. The outstanding capital expenditure amount under the purchase orders signed is stated as following:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Purchase of property, plant and equipment	\$ 1,918,941	\$ 687,295

C. The Company signed a technology transfer agreement with a Non-related party, and the main contents are as follow:

Duration of agreement	Transferred Technology Product	Terms of Payment	Important Notes
5 years (4 th Quarter 2023 to 3 rd Quarter 2028)	The Transfer of Technology of Thermal Chuck Systems	The Total Agreement Price is €8,000,000, with the amount of €5,600,000 (equivalent to NT\$ 192,200 thousand) was paid in December 31 2025. The remaining amount should be paid is €2,400,000 (€1,200,000 should be paid in the next year and then, in the following 2-5 years should pay €1,200,000).	1. If the Company terminates the Agreement before validation of Block 1, the Company shall be responsible for 100% of the Total Agreement Price. 2. If the Company terminates the Agreement after the validation of Block 1 but before the validation of Block 2, the Company will pay 100% of the Total Agreement Price plus 2 years of royalties. 3. If the Company terminates the Agreement after the validation of Block 2, the Company will pay 3 years of royalties.

D. The Company, in order to apply for the Taiwan Industry Innovation Platform Program, signed a system development project contract with the Taiwan Small & Medium Enterprise Counseling Foundation. The project period is from August 1, 2024 to July 31, 2026, with a total subsidy amount of NT\$34,000 thousand. When requesting the first subsidy disbursement for the first-year, the Company issued a bank-guaranteed promissory note of NT\$34,000 thousand. If the Company breaches the contract, the Foundation reserves the right to suspend subsequent subsidy disbursements and reclaim any distributed subsidy according to the contract.

10. **Significant disaster loss**: None.

11. Significant subsequent events

On November 17, 2025, the Board of Directors of the Company approved the acquisition of 100% equity ownership of Focus Microwaves Inc. for USD 28,000,000 (equivalent to NT\$871,920 thousand). An amount of USD 22,430,785 (equivalent to NT\$703,541 thousand) was remitted in March 2026.

12. Others

(1) Capital management

The Company's capital management objective is intended to protect the Company's continued operation and ensure maintenance of well-founded credit ratings and optimal capital structure to reduce capital cost, in order to support the enterprise's operation and maximization of shareholders' return. The Company manages and adjusts the capital structure subject to the economic condition. The Company might adjust the stock dividend to be paid, refund of capital, issuance of new shares or realization of assets to reduce liabilities, in order to maintain and adjust the capital structure.

The Company controls its capital structure based on the debt/equity ratio. Said ratio is net liabilities dividing by the net worth. The Company maintained the same strategy in 2025 as that in 2024, dedicated to maintaining the debt/equity ratio less than 50%~100%. The Company's debt ratios on December 31, 2025 and December 31, 2024 are stated as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total liabilities	\$ 8,425,351	\$ 6,703,645
Total net worth	14,578,603	9,302,730
Debt/equity ratio	58%	72%

(2) Financial instruments by category

A. The financial instruments of the Company are stated as follows:

- (a) Financial assets: Including financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at amortized cost, cash and cash equivalents, notes receivable, accounts receivable, other receivables, guarantee deposits paid and other financial assets.
- (b) Financial liabilities: Including financial liabilities at fair value through profit or loss, short-term loans, notes payable, accounts payable, other payables, lease liabilities, corporate bonds payable (including current portion), long-term loans (including current portion), guarantee deposits received and other financial liabilities.

B. Risk management policies

- (a) The Company's financial risk management aims to manage the market risk, credit risk and liquidity risk related to operating activities, and to identify measure and

administer said risks based on policies and risk preference.

- (b) The Company has established adequate policies, procedures and internal controls pursuant to the related regulations, in order to manage said financial risk. The important financial activities shall be audited and approved by the board of directors according to the related regulations and internal control system. In the duration of financial management activities, the Company shall strictly comply with the requirements related to financial risk management defined by the Company.

C. Significant financial risks and degrees of financial risks

- (a) Market risk

The Company's market risk arises from market price fluctuation resulting in fluctuation of the fair value or cash flow of financial instruments. The market risk primarily includes foreign exchange risk, interest rate risk and other pricing risks.

Practically, few single risk variances would change independently. Additionally, changes of various risk variances are generally correlative to each other. Notwithstanding, the sensitivity analysis of the following risks does not take the interaction of related risk variances into consideration.

- Ⓐ Foreign exchange risk

The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currencies, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognized assets.

The Company's receivable accounts denominated in foreign currency are identical with payable accounts denominated in foreign currency in some currencies and, therefore, the equivalent positions would produce the hedging effect naturally. Considering that said natural hedging did not meet the hedging accounting policy, the Company did not adopt the hedging accounting policy. Further, the net investment in foreign operations was identified as strategic investment. Therefore, the Company did not adopt any hedging policy against it.

The sensitivity analysis on the Company's foreign exchange risk was primarily intended to be conducted against the titles in foreign currencies at the end of the financial reporting and the effect produced by the revaluation/devaluation of related foreign currencies on the Company's income and equity. The Company's foreign exchange risk arises primarily from fluctuation in the foreign exchange rate of USD, Japanese Yen, Euro

and RMB.

The Company's business lines involved some non-functional currencies (the functional currency of the Company and some of its subsidiaries was NTD, and that of some subsidiaries is USD, RMB , KRW and EUR). Therefore, the Company would be subject to the effect produced by fluctuation in foreign exchange rate. The information about assets denominated in foreign currency exposed to significant effect produced by fluctuation in foreign exchange rate is stated as follows:

December 31, 2025				
	Currency unit	Amount in foreign currency (thousand dollars)	Applicable foreign exchange rate, ending (Dollar)	Book value (NTD) (thousand dollars)
Financial assets	NTD/USD	\$ 73,401	31.38450	\$ 2,303,667
	NTD/JPY	\$ 28,739	0.20059	\$ 5,765
	NTD/EUR	\$ 2,763	36.80177	\$ 101,667
	NTD/RMB	\$ 342,648	4.46710	\$ 1,530,621
	NTD/KRW	\$ 5,566	0.02201	\$ 123
	NTD/HKD	\$ 6	3.98700	\$ 26
	NTD/SGD	\$ 21	24.32498	\$ 505
	NTD/MYR	\$ 22	7.48050	\$ 167
	NTD/RUB	\$ 1	0.40000	\$ 1
	NTD/PHP	\$ 79	0.53350	\$ 42
	NTD/INR	\$ 10	0.35000	\$ 3
	NTD/GBP	\$ 1,149	42.28603	\$ 48,591
	NTD/THB	\$ 251	0.84800	\$ 213
	NTD/CHF	\$ 3	38.41000	\$ 103
Financial liabilities	NTD/USD	\$ 10,535	31.49887	\$ 331,834
	NTD/JPY	\$ 752,003	0.20290	\$ 152,581
	NTD/EUR	\$ 3,956	37.11040	\$ 146,795
	NTD/RMB	\$ 1,050	5.18667	\$ 5,447
	NTD/CAD	\$ 33	23.01690	\$ 776
December 31, 2024				
	Currency unit	Amount in foreign currency (thousand dollars)	Applicable foreign exchange rate, ending (Dollar)	Book value (NTD) (thousand dollars)
Financial assets	NTD/USD	\$ 57,512	32.79325	\$ 1,883,790
	NTD/JPY	\$ 69,102	0.2099	\$ 14,507
	NTD/EUR	\$ 6,544	34.1394	\$ 223,405
	NTD/RMB	\$ 198,427	4.4545	\$ 883,889
	NTD/KRW	\$ 3,946	0.02249	\$ 89
	NTD/HKD	\$ 6	4.169	\$ 27
	NTD/SGD	\$ 16	23.995	\$ 382
	NTD/MYR	\$ 21	7.0645	\$ 150
	NTD/RUB	\$ 1	0.3800	\$ 1
	NTD/PHP	\$ 79	0.5671	\$ 45
	NTD/INR	\$ 10	0.3800	\$ 4

	NTD/GBP	\$ 637	41.173	\$ 26,231
Financial liabilities	NTD/USD	\$ 3,653	32.8445	\$ 119,974
	NTD/JPY	\$ 238,444	0.21195	\$ 50,538
	NTD/EUR	\$ 885	34.325	\$ 30,394
	NTD/RMB	\$ 84	4.5098	\$ 378
	NTD/CAD	\$ 13	41.3925	\$ 557

In consideration of the Company's multiple functional currency types, the information about exchange gain or loss for currency is disclosed by summarization. The foreign currency exchange gain (loss) (including the realized and unrealized) were NT\$ (29,860) thousand and NT\$143,186 thousand in 2025 and 2024.

Ⓑ Cash flow and fair value interest rate risk

The interest rate risk arises when the fluctuation of market interest rate results in fluctuation in fair value of financial instruments or in future cash flow. The Company's interest rate risk arises primarily from the loan with floating interest rate.

The Company maintained adequate portfolio with fixed and floating interest rates to manage the interest rate risk.

Ⓒ Equity price risk

a. Equity securities held by the Company are susceptible to price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through placing limits on individual and total equity instruments. Reports on equity portfolio are submitted to the Company's senior management on a regular basis. The Board of Directors shall review all equity investment decisions and approve where appropriate.

b. For the years ended December 31, 2025 and 2024, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss with all other variable factors remaining constant as illustrated below:

Stock in domestic listed company through private placement

Prices of securities at the reporting date	December 31, 2025		December 31, 2024	
	Sensitivity of Profit or Loss	Sensitivity of other comprehensive income	Sensitivity of Profit or Loss	Sensitivity of other comprehensive income
Increasing 5%	\$ -	\$ 20,160	\$ -	\$ 14,420
Decreasing 5%	\$ -	\$ (20,020)	\$ -	\$ (14,210)

Domestic innovation board common stock

Prices of securities at the reporting date	December 31, 2025		December 31, 2024	
	Sensitivity of Profit or Loss	Sensitivity of other comprehensive income	Sensitivity of Profit or Loss	Sensitivity of other comprehensive income
Increasing 5%	\$ -	\$ 2,743	\$ -	\$ 1,284
Decreasing 5%	\$ -	\$ (2,743)	\$ -	\$ (1,292)

Ⓓ Other risks over market value

In addition to meeting expected consumption and sale needs, the Company did not sign any product contract which did not apply net settlement.

Ⓔ Under the circumstance that all of the other factors remained unchanged, the sensitivity analysis on the changes in related risks before tax on December 31, 2025 and 2024 are stated as following:

December 31, 2025		
Primary risk	Range of change	Sensitivity of Profit or Loss
Foreign exchange risk	Fluctuation in foreign exchange rate +/- 3%	+/-104,625 thousand
Interest rate risk	Loan with floating interest rate +/- 0.25%	+/-6,755 thousand

December 31, 2024		
Primary risk	Range of change	Sensitivity of Profit or Loss
Foreign exchange risk	Fluctuation in foreign exchange rate +/- 3%	+/-84,938 thousand
Interest rate risk	Loan with floating interest rate +/- 0.25%	+/-5,407 thousand

(b) Credit risk

Ⓐ Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income.

Ⓑ The Company set up the management of credit risk by Company perspective. According to the loan policy expressly defined internally in the Company, each business dept. Within the Company shall conduct the management and credit risk analysis on each new customer before setting payment and proposing the delivery terms and conditions. The internal risk control evaluates customers' credit quality by taking into consideration the customers' financial position, and past experience and

- other factors. The individual risk limit is set by the management according to the internal or external ratings. The management will also control the periodic drawdown of credit limits. The main credit risk results from derivative financial instruments and the balance deposited in banks and financial organizations, and customers' credit risk, including the unearned accounts receivable and undertaken transactions. The Company also applied some credit enhancement instruments (e.g. advance sale receipts) in a timely manner to reduce customers' credit risk.
- © For the year ended December 31, 2025 and 2024, no circumstances resulting in excess of the credit limit have taken place. Meanwhile, the management expects no material loss resulting from trading counterpart's failure to perform contract.
 - Ⓓ The Company's Finance Dept. Manage the credit risk over the deposits in banks and other financial instruments according to the Company's policy. The Company's trading counterparts were decided by the internal control procedure, who were trustworthy banks and corporations which were not expected to breach the contracts. Therefore, there should be no significant credit risk.
 - Ⓔ Guarantee
According to the Company's policy, the Company may only make financial guarantee for the subsidiaries wholly owned by the Company. As of December 31, 2025 and 2024, the Company has never made any endorsements/guarantees.
 - Ⓕ The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
 - Ⓖ The Company in line with credit risk management procedure, when the counterparty of transaction has financial difficulties, business accidents, restrictions on the acceptance of orders due to legal restrictions, refunds of company bills and any factors (such as fires, earthquakes and natural disasters). A default is considered to have occurred in the event that the possibility of recovering the receivable is very low, the default has occurred.
 - Ⓗ The Company classifies customer's notes receivable, accounts receivable, contract assets and rents receivable in accordance with geographic area, product types, credit rating of customer, collaterals, credit risk on trade

and customer types. The Company applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis.

- ① The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights.
- ② The Company used the foreseeable of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the loss allowance of notes receivable and accounts receivable. The Company use provision matrix to estimate expected credit loss under the provision matrix basis. The provision matrix basis based on historical default rates observed during the lifetime of accounts receivable to adjust. On each reporting day, the Company updated the observed historical default rates and analyzed changes. On December 31, 2025 and 2024, the Company expected credit loss rate during the lifetime is stated as follow:

	Notes Receivable	Accounts Receivable					
	dishonoured check	Without past due	1~90 days	91 to 180 days	181 to 360 days	1 to 2 years	More than 2 year
Expected loss rate	100%	0%	7%	15%	25%	50%	100%

- ③ The Company grants the loan period varying based on the evaluation on each trading customer, generally O/A 60 days or 210 days. For the information about the changes of loss allowances provided for the Company's impairment on receivable accounts and account age analysis on loans, please see Note 6(4).

(c) Liquidity risk

- ④ The liquidity risk arises when the Company fails to deliver cash or other financial assets to repay financial liabilities and to perform the related obligation. The Company managed the liquidity in a manner ensuring that the Company has sufficient working fund to repay matured liabilities under the general and critical circumstances, so as to avoid unacceptable loss or impairment on the Company's goodwill.
- ⑤ The Company's will call the management meeting periodically to assist Financial Accounting Dept. Control the need for cash flow and the optimal investment return in cash. Generally, the Company will ensure

that it has sufficient cash to meet the need for expected operating expenditure for 90 days, including performance of financial obligation, but excluding the potential effect which it is impossible to expect reasonably under extreme circumstances, e.g. natural calamity. The unused limit of the Company's loan totaled NT\$3,211,300 thousand on December 31, 2025.

- © The following table refers to the non-derivative financial liabilities and grouped subject to the relevant expiry dates. The non-derivative financial liabilities are analyzed based on the residual period from the date of balance sheet until the expiry date. Nevertheless, the Company did not hold derivative financial liabilities.

Non-derivative financial liabilities	December 31, 2025			
	Within 1 year	1~2 years	More than 2 years	Total
Short-term loan	\$ 1,350,000	\$ -	\$ -	\$ 1,350,000
Payable accounts (including related party)	1,288,374	-	-	1,288,374
Other payable accounts (including related party)	2,491,592	-	-	2,491,592
Lease liabilities (note)	96,233	55,383	215,758	367,374
Long-term loan (including the current portion)	16,016	50,837	1,285,327	1,352,180
Total	<u>\$ 5,242,215</u>	<u>\$ 106,220</u>	<u>\$ 1,501,085</u>	<u>\$ 6,849,520</u>

Non-derivative financial liabilities	December 31, 2024			
	Within 1 year	1~2 years	More than 2 years	Total
Short-term loan	\$ 660,000	\$ -	\$ -	\$ 660,000
Payable accounts (including related party)	747,699	-	-	747,699
Other payable accounts (including related party)	2,221,470	-	-	2,221,470
Lease liabilities (note)	51,577	36,095	17,699	105,371
Long-term loan (including the current portion)	197,814	213,627	1,091,321	1,502,762
Total	<u>\$ 3,878,560</u>	<u>\$ 249,722</u>	<u>\$ 1,109,020</u>	<u>\$ 5,237,302</u>

<Note>

Lease payments are low-value asset leases or short-term leases that are exempt from recognition of lease liabilities. If lease payment are significant, it should be disclose the maturity analysis of the contractual cash flow amounts.

(3) Fair value information

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

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

information on an ongoing basis. Starting from January 1, 2025, the fair value of the Company's investments in domestic Innovation Board listed stocks, as well as foreign publicly quoted stocks and beneficiary certificates are classified under Level 1 of the fair value hierarchy.

- Ⓑ Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in Equity instruments- Stock in domestic listed company through private placement, As of December 31, 2024, the fair value of the Company's investments in domestic Innovation Board listed stocks, wealth management products, and convertible bonds, and foreign bonds was classified under Level 2.
- Ⓒ Level 3: For unobservable inputs in measuring assets or liabilities, the Company's investments in limited partnership venture capital funds are classified under Level 3.

B. Financial instruments not measured at fair value

- Ⓐ Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, pledged deposit, bank loan, notes payable, accounts payable and other payables are approximate to their fair values.

	December 31, 2025			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial assets	—	—	—	—
Financial liabilities				
Bonds payable (including current portion)	—	—	—	—

	December 31, 2024			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial assets	—	—	—	—
Financial liabilities	—	—	—	—

- Ⓑ The methods and assumptions of fair value estimate are as follows:

Corporate bond payable: The cash flow expected to be paid is measured by the present value discounted of the market interest rate on the balance sheet date.

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

- Ⓐ The Company measured at fair value by level on the basis of the assets and

liabilities:

	December 31, 2025			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss - Non-current - Limited Partnership Venture Capital Fund	\$ 33,980	—	\$ —	\$ 33,980
Financial assets at fair value through other comprehensive income-Noncurrent items				
Equity instruments -Stock in domestic listed company through private placement	401,170	—	401,170	—
Financial assets at fair value through other comprehensive income-Noncurrent items				
Equity instruments -Domestic innovation board common stock	54,865	54,865	—	—
Financial assets at fair value through other comprehensive income-Noncurrent items				
Equity instruments - Foreign stocks -fJscaler	155,451	—	155,451	
Financial assets at fair value through profit or loss - Non-current convertible bonds option	—	—	—	—
<u>Non-recurring fair value measurements</u>	—	—	—	—
Liabilities				
<u>Recurring fair value measurements</u>	—	—	—	—

	December 31, 2024			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income-Noncurrent items				
Equity instruments -Stock in domestic listed company through private placement	\$286,230	—	\$286,230	—

Financial assets at fair value through other comprehensive income-Noncurrent items				
Equity instruments	25,696	—	25,696	—
-Domestic innovation board common stock				
<u>Non-recurring fair value measurements</u>	—	—	—	—
Liabilities				
<u>Recurring fair value measurements</u>	—	—	—	—

- Ⓑ The methods and assumptions of fair value estimate are as follows:
- a. The methods and assumptions the Group used to measure fair value are as follows:

	<u>Listed shares</u>
Market quoted price	Closing price

- b. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.

Equity instruments

Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial instruments</u>	<u>Instruments and inputs</u>
Equity instruments	Black-Scholes valuation model :
-Stock in domestic listed company through private placement	Observing the parameters at the end of the period, such as restriction period, stock price, strike price, volatility, and risk-free interest rate, estimate the put value and liquidity discount to obtain the fair value of the privately placed common stock.
	Market approach:
Equity instruments	Based on the indicators of comparable business items, products, scale and financial ratios, the listed OTC companies are considered to have similar performance and value. Therefore, the value of the rated company should be estimated from the value of the analogous company.
-Domestic innovation board stocks (Investments made prior to December 31, 2024)	In addition, for companies on the innovation board, their stock market liquidity is not good, and the stock price should consider the liquidity discount.
Equity instruments-Foreign stocks	Market approach: This approach is based on transaction prices of comparable companies, taking into consideration the differences between
-FJscaler	

the subject company and comparable companies, and estimating the value of the subject company using appropriate valuation multiples. Comparable companies engaged in identical or similar businesses are selected, and the fair value of the subject company is determined based on their stock prices traded in active markets, the implied valuation multiples of those prices, and other relevant transaction information.

Convertible bonds option

Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial instruments</u>	<u>Instruments and inputs</u>
Convertible bonds option	Binomial tree valuation model : Evaluated by the observable of duration, conversion price, volatility, risk-free interest rate, risk discount rate, and liquidity risk at the balance sheet date.

D. As PlayNitride Inc. was listed on the Taiwan Innovation Board and the qualified investor restrictions were lifted effective January 1, 2025, its shares have since been traded in the same manner as regular listed stocks. Accordingly, the Company reclassified the fair value measurement of this investment from Level 2 to Level 1 at the end of the month in which the event occurred.

E. Finance segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

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

<u>Financial instruments</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Relationship of inputs to fair value</u>
CDIB-TEN Capital Limited Partnership - Venture Capital Fund	Net asset value	Not applicable	Not applicable

G. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions

may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

Financial assets	Fair value at the reporting date	December 31, 2025		December 31, 2024	
		Sensitivity of Profit or Loss	Sensitivity of other comprehensive income	Sensitivity of Profit or Loss	Sensitivity of other comprehensive income
Limited Partnership Venture Capital Fund	Input+5% Input-5%	\$ 1,699	\$ -	\$ -	\$ -
		\$ (1,699)	\$ -	\$ -	\$ -

13. Supplementary Disclosures

(1) Significant transactions information

According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Company shall also disclose the information about important transactions:

No.	Contents	2025
1	Loans to others:	Attached table 1
2	Endorsement/guarantees made for others:	N/A
3	Marketable securities-ending	Attached table 2
4	Amount on purchase from and sale to related parties reaching 100 million NTD or more than 20% of the Paid-in capital.	Attached table 3
5	Accounts receivable-related party reaching 100 million NTD or more than 20% of the Paid-in capital.	Attached table 4
6	Business relationship and important transactions between parent company and subsidiaries.	Not be disclosed in parent company financial statement

Attached table 1 : Loans to others

No. (Note 1)	Lender	Borrower	Account titles	Related party	Maximum balance in current period (Note 2)	Balance, ending (Note 3)	Drawdown	Interest rate range	Nature of loans to others	Amount of transaction	Reasons necessary for offering short-term loans	Allowance for bad debt	Collateral		Limit of loans to particular borrower (Note 5)	Limit of total loans (Note 5)
													Name	Value		
0	MPI	MEGTAS CO.,LTD.	Other receivable accounts-related party	Yes	\$ 45,060	\$45,060	\$ 15,020	4.35%	Short-term loans	-	Working capital	-	-	-	\$939,251	\$3,757,005
1	Chain-Logic International Corp.	MEGTAS CO.,LTD.	Other receivable accounts-related party	Yes	\$ 16,265	-	\$16,265	3.19%	Short-term loans	-	Working capital	-	-	-	\$ 26,410	\$ 105,640

Note 1: "0" for the Company and each investee are numbered in sequential order starting from 1.

Note 2: The maximum balance of the loan to others accumulated in the current year until the reporting month.

Note 3: The facility of the loan to others still effective until the reporting month

Note 4:

- (a) On December 2, 2024, the Board of Directors of the subsidiary Chain-Logic International Corp. resolved to approve a loan to its affiliate MEGTAS CO., LTD. The approved loan amount is NTD \$16,265 thousand, with the contract term from December 12, 2024, to December 11, 2025.
- (b) On August 13, 2025, the Company's Board of Directors resolved to approve a loan to its affiliate MEGTAS CO., LTD. The approved loan amount is NT\$ \$45,060 thousand, with the contract term from September 1, 2025, to August 31, 2026.

Note 5: According to the Company's Operating Procedure for Loaning to Others of the subsidiary Chain-Logic International Corp., the limit of loan shall be set in the following manners:

- (a) The limit of total loans to others shall be no more than 40% of the net worth in the Company's latest financial statement: NT\$264,099 thousand (the Company's net worth on December 31, 2023) X 40% = NT\$105,640 thousand.
- (b) The limit of loan to any single subsidiary shall be no more than 10% of the net worth in the Company's latest financial statement: NT\$264,099 thousand (the Company's net worth on December 31, 2023) X 10% = NT\$ 26,410 thousand.

Note 6 : According to the Company's Operating Procedure for Loaning to Others, the limit of loan shall be set in the following manners:

- (a) The limit of total loans to others shall be no more than 40% of the net worth in the Company's latest financial statement: NT\$9,392,512 thousand (the Company's net worth on June 30, 2025) X 40% = NT\$3,757,005 thousand.
- (b) The limit of loan to any single subsidiary shall be no more than 10% of the net worth in the Company's latest financial statement: NT\$9,392,512 thousand (the Company's net worth on June 30, 2025) X 10% = NT\$ 939,251 thousand.

Attached table 2 : Holding of marketable securities (not including subsidiaries, associates and joint ventures)

Securities held by	Marketable Securities	Relationship with the securities issuer	Financial Statement Account	Ending Balance				Note
				Number of shares (In thousand shares or thousand units)	Book Value	Percentage of Ownership (%)	Fair Value	
MPI	Venture Capital Fund - CDIB-TEN Capital Limited Partnership	–	Note 2	–	\$ 33,980	1.50%	\$ 33,980	–
MPI	Private equity of domestic listed company – Spirox Corporation	–	Note 1	7,000	\$401,170	6.09%	401,170	–
MPI	Common stock – PlayNitride Inc.	–	Note 1	408	\$ 54,865	0.35%	54,865	–
MPI	Common stock of foreign corporations- fjscaler	–	Note 1	2,500	\$155,451	8.67%	\$155,451	–

Note 1 : Financial Statement Account : Financial assets at fair value through other comprehensive income - non-current.

Note 2 : Financial Statement Account : Financial assets at fair value through profit or loss - non-current.

Attached table 3: Amount on purchase from and sale to related parties reaching 100 million NTD or more than 20% of the Paid-in capital

Seller/ buyer	Trading counterpart	Relationship	Status				Distinctive terms and conditions of trade and the reasons		Accounts/notes receivable (payable)		Remark
			Purchase (sale)	Amount	Percentage in total purchase (sale) amount	Extension of loan Duration	Unit price	Duration of loan	Balance	Percentage in total accounts/notes receivable (payable)	
The Company	MPS	The Company's subsidiaries	Sale	\$ 2,376,832	20 %	same as that applicable to the general customer	–	–	Receivable accounts \$1,500,643	41%	
The Company	MPI AMERICA INC.	The Company's subsidiaries	Sale	\$ 1,554,227	13%	same as that applicable to the general customer	–	–	Receivable accounts \$1,175,279	32%	
The Company	CLIC	The Company's subsidiaries	Sale	\$ 536,297	5 %	same as that applicable to the general customer	–	–	Receivable accounts \$345,323	9%	

Attached Table 4: Accounts receivable-related party reaching 100 million NTD or more than 20% of the Paid-in capital

Name of company stated into receivable accounts	Trading counterpart	Relationship	Balance of receivable accounts-related parties	Turnover rate	Overdue receivable accounts-related parties		Subsequent recovered amount of receivable accounts-related parties	Allowance for bad debt
					Amount	Treatment		
MPI Corporation	MPS	The Company's subsidiaries	Receivable accounts \$ 1,500,643	2.0290	—	—	\$ 353,239	—
MPI Corporation	MPI AMERICA INC.	The Company's subsidiaries	Receivable accounts \$ 1,175,279	1.2388	—	—	\$ 356,781	—
MPI Corporation	CLIC	The Company's subsidiaries	Receivable accounts \$ 345,323	2.5907	—	—	\$ 135,552	

(2) **Information on investees**

The information about name, territory, business lines, original investment amount, shares held at ending, income and investment income recognized in the current period of the investees in which the Company may exert material influence or control directly or indirectly (exclusive of investees in Mainland China) for the year ended December 31, 2025 is stated as following:

Investor	Investee	Territory	Business lines	Original investment amount		Held at ending			Investee income recognized in current period (Note 1)	Investment income recognized in the current period (Note 2) (Note 3)	Remark
				End of the period	End of last year	Quantity	Ratio	Book value			
MPI Corporation	MPI TRADING CORP.	Offshore Chambers, P.O.BOX 217, APIA,SAMOA	Trading of probe cards and semi-automatic probers	\$ 32	\$ 32	1,000	100%	\$ 57,609	\$ 980	\$ 980	Subsidiary of MPI Corporation
MPI Corporation	MMI HOLDING CO.,LTD.	Offshore Chambers, P.O.BOX 217, APIA,SAMOA	Holding company	\$ 488,345	\$ 573,502	15,667,987 (Note4)	100%	\$ 963,336	\$ 76,921	\$ 71,444	Subsidiary of MPI Corporation
MPI Corporation	MEGTAS CO.,LTD.	134 Gunseo-ri, Jikson-eub, Seobuk-gu, Cheonan, Chungnam,331-811, Korea	Manufacturing, processing and sale of semi-conductor equipment and industrial mechanical spare parts, and manufacturing and sale of pottery and electronic spare parts	\$ 72,023	\$ 53,767	500,000	100% (Note5)	\$ 12,886	\$ (7,498)	\$ (6,157)	Subsidiary of MPI Corporation
MPI Corporation	Chain-Logic International Corp.	2F, No. 988, Litoushan Sec., Wunshan Rd., Hsinpu, Hsinchu County	Professional agent of semi-conductor	\$ 50,000	\$ 50,000	5,000,000	100%	\$ 313,616	\$ 96,656	\$ 96,636	Subsidiary of MPI Corporation
MPI Corporation	Allstron Corporation	No. 8, Lane 98, Jiaren Street, Neighborhood 36, Xinan Vil., Zhubei City, Hsinchu County	High-frequency wafer measurement probe card manufacturer	\$ 50,000	\$ 50,000	1,550,000	100%	\$ 638	\$ (90)	\$ (90)	Subsidiary of MPI Corporation

MPI Corporation	ATV Systems GmbH	Heilbronner Str. 17, 01189 Dresden, Germany	Design, development, and manufacture of advanced electronic testing solutions, electronic component packaging and wafer-level functional test equipment, software and hardware development for industrial automation, distribution of electronic and semiconductor manufacturing equipment, as well as consulting and training services.	\$ 873	—	—	100%	\$ 500,461	\$ 2,054	\$ (719)	Subsidiary of MPI Corporation
MPI Corporation	MPA TRADING CORP.	Vistra (Anguilla) Limited, Vistra Corporate Services Centre, Albert Lake Drive, The Valley, Anguilla, British West Indies.	Holding company	\$ 321,352	\$ 321,352	11,450,000	100%	\$ 130,556	\$ (22,573)	\$ (20,356)	Subsidiary of MPI Corporation
MPI Corporation	MPI America Inc	2360 QUME DRIVE,SUITE C,SAN JOSE,CA	Trading of probe cards and semi-automatic probers	\$ 319,837	\$ 319,837	6,300,000	100%	\$ 134,328	\$ (22,465)	—	Subsidiary of MPA TRADING CORP.
MPI AMERICA INC.	Celadon Systems Inc.	13795 Frontier Ct Burnsville, Minnesota 55337, USA	Selling and manufacturing of Probe Card, Test Equipment and High-performance cables	\$ 283,471	\$ 283,471	1,000	100%	\$ 416,548	\$ 17,310	—	Subsidiary of MPI AMERICA INC.

Note 1: Except MEGTAS CO., LTD., MPI AMERICA INC., Celadon Systems Inc. and ATV Systems GmbH which were audited by other external auditors commissioned by it instead of the Company's external auditors. The others were audited by CPA of the parent company.

Note 2: The investment income recognized in the current period includes the investment income recognized under equity method and realized (unrealized) gain recognized from upstream/side stream transactions.

Note 3: The subsidiaries' income recognized in the current period includes the investment income to be recognized for their re-investment pursuant to the requirements.

Note 4: The subsidiary of the Group - MPH Corporation (Hefei) Ltd. has passed the reduction of cash capital USD2,600,000 by the Board of Directors meeting, and the amount of cash capital reduction has remitted to MPI Corporation US\$2,600,000 (equivalent to NT\$85,158 thousand) in February, 2025.

Note 5 : In line with the Group's operational planning, the Company acquired 20% equity of MEGTAS CO., LTD. at KRW 8,300 per share, with a total investment cost of NT\$18,256 thousand. The acquisition date was set as June 30, 2025. A total of 100,000 shares were acquired, increasing the Company's shareholding ratio from 80%

to 100%. This transaction reduced the difference between the actual acquisition cost of the subsidiary's equity and its book value by NT\$4,267 thousand.

Note6 : To align with the Group's operational development strategy, the Company has designated November 1, 2025, as the acquisition date and acquired 100% of the equity of ATV Systems GmbH, with a total investment cost of EUR 14,000,000 (equivalent to NT\$ 488,910 thousand), thereby obtaining control over ATV.

(3) Information on investments in Mainland China

A. Information related to investments in the territories of Mainland China

Name of Chinese investee	Business lines	Paid-in capital	Mode of investment	Accumulated investment balance, beginning	Amount remitted or recovered in the current period		Accumulated investment balance, ending	Investee income recognized in current period	Direct and indirect shareholding of the Company	Investment income recognized in the current period (Note 2)	Book value, ending	Accumulated investment income received until the end of period
					outflow	inflow						
MPH Corporation (Hefei) Ltd. (Note3)	R&D and production of LED semi-conductor LED chips, spare parts of calculators, LED process equipment, and new electronic components; procurement, wholesale, commissioned agency and import/export of electronic materials, electronic components, electronic products, LED process equipment, mechanical equipment and spare parts.	USD 13,400,000 (\$ 417,021)	(Note1)	USD 16,000,000 (\$ 502,470)	—	USD 2,600,000 (\$ 85,449)	USD 13,400,000 (\$ 417,021)	(\$ 51,317)	100 %	(\$51,317)	\$ 473,946	—
MPI (Suzhou) Corporation	R&D and production of LED semi-conductor LED chips, spare parts of calculators, LED process equipment, and new electronic components; procurement, wholesale, commissioned agency and import/export of electronic materials, electronic components, electronic products, LED process equipment, mechanical equipment and spare parts.	USD 2,000,000 (\$60,180) Registered capital USD 3,000,000 (\$ 90,270)	(Note1)	USD 2,000,000 (\$60,180)	—	—	USD 2,000,000 (\$60,180)	\$ 129,013	100 %	\$ 129,013	\$ 503,134	—

Note 1: Reinvest the company in Mainland China via the offshore subsidiary, MMI HOLDING CO., LTD.

Note 2: The recognition of investment income was on the basis of the financial statement audited by CPA of the parent company.

Note 3 : In response to operational needs, the Board of Directors of Lumitek (Changzhou) Co., Ltd. resolved on May 9, 2025, to change the company's name and registered office address. This investment project has been duly approved by Commission on MOEA.

B. Information related to ceiling on investment in Mainland China

Accumulated amount of remittance from Taiwan to Mainland China at the end of period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Ceiling on investment in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs (Note)
USD 15,400,000 (NTD 477,201)	USD 16,810,272.42 (NTD 526,006)	NTD 8,747,162

Note1: The ceiling shall be the higher of the net worth or 60% of the consolidated net worth.

Note2 : Investment amount approved by the Investment

- (a) Investment amount approved by the Investment LEDA-ONE (Shenzhen) Co. was liquidated and Written off in May 2017 and remitted the surplus investment US\$155,857.58 (equivalent to NT\$4,677 thousand) to offset the investment amount approved by the MOEA. The original investment amount at US\$1,800,000(equivalent to NT\$54,111 thousand) is still in total of US\$1,644,142.42(equivalent to NT\$49,434 thousand) that could not be offset the investment amount.
- (b) MJC Microelectronics(Kunshan) Co., Ltd. was transferred to Japanese MJC Corporation in March, 2018, and the transfer amount of US\$2,857,000 (equivalent to NT\$84,006 thousand) was used to deduct the mainland investment quota in April, 2018.
- (c) MJC Microelectronics (Shanghai) Co., Ltd. was liquidated in August, 2018, and in September, 2018, the liquidation amount of US\$936,870 (equivalent to NT\$28,669 thousand) was used to deduct the accumulated amount of investment in Mainland China.
- (d) The subsidiary of the Group – CHAIN LOGIC (SHANGHAI) INTERNATIONAL CORP. has passed the reduction of cash capital US\$1,100,000 (equivalent to NT\$34,234 thousand) by the Board of Directors meeting, and the amount of cash capital reduction has remitted to CHAIN-LOGIC TRADING CORP. in July, 2019. The amount was used to deduct the accumulated amount of investment in Mainland China.
- (e) The subsidiary of the Group – CHAIN LOGIC (SHANGHAI) INTERNATIONAL CORP. was liquidated and written down in November, 2019. Part of the liquidation

amount of US\$300,000 (equivalent to NT\$8,963 thousand) has remitted to Chain-Logic International Corp. by CHAIN-LOGIC TRADING CORP. in January, 2020 and was used to deduct the accumulated amount of investment in Mainland China. The Investment been approved by Commission on MOEA put on record on February 27, 2020.

- (f) The subsidiary of the Group –MPH Corporation (Hefei) Ltd. has passed the reduction of cash capital USD2,600,000 (equivalent to NT\$85,449 thousand) by the Board of Directors meeting, and the amount of cash capital reduction has remitted from MMI HOLOING Co., Ltd to MPI Corporation in February, 2025. The amount was used to deduct the accumulated amount of investment in Mainland China.

C. Important transactions:

For the important transactions of the Company with the investees in Mainland China, direct or indirect, in 2025(which have been eliminated when preparing the consolidated financial statements), please see the “Information related to the investees” and “Major business dealings and transactions between the parent company and its subsidiaries” referred to in Note 13 to the consolidated financial statements.

14. Information by department

Please see the consolidated financial statements 2025.

MPI CORPORATION

Statement of cash and cash equivalents

December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		
NTD		\$ 50
USD	USD 23,226.06, exchange rate 31.36500	728
JPY	JPY 1,151,114, exchange rate 0.19790	228
KRW	KRW 5,566,000, exchange rate 0.02200	123
HKD	HKD 6,424, exchange rate 3.98400	26
GBP	GBP 11,010, exchange rate 42.18000	464
SGD	SGD 20,778.15, exchange rate 24.32500	505
RMB	RMB 197,685.92, exchange rate 4.48000	886
EUR	EUR 44,360, exchange rate 36.75000	1,630
MYR	MYR 22,370.9, exchange rate 7.48050	167
RUB	RUB 900, exchange rate 0.40000	1
PHP	PHP 78,830, exchange rate 0.53350	42
THB	THB 251,210, exchange rate 0.96350	242
CHF	CHF 2,620, exchange rate 39.41000	103
INR	INR 9,800, exchange rate 0.35000	3
CAD	CAD 2,080, exchange rate 22.89500	48
Subtotal		5,246
Bank deposit		
Checking account		-
Demand deposit		1,155,802
Foreign currency deposit		
USD	USD 5,881,231.89, exchange rate 31.42575	184,822
EUR	EUR 1,255,575.21, exchange rate 36.87588	46,300
JPY	JPY 27,587,474, exchange rate 0.20070	5,537
RMB	RMB 994,746.94, exchange rate 4.49543	4,472
GBP	GBP 1,134,057.87, exchange rate 42.28798	47,957
Subtotal		289,088
Time deposit		1,675,654
Total		\$ 3,125,790

MPI CORPORATION

Statement of accounts receivable-non-related parties

December 31, 2025

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Non-related parties:			
Customer A	Business	\$ 80,977	
Customer B	Business	72,577	
Customer C	Business	46,973	
Customer D	Business	41,113	
Customer E	Business	37,580	
Customer L	Business	36,879	
Customer F	Business	31,722	
Others	Business	278,665	Less than 5% for each customer
Subtotal		<u>626,486</u>	
Less: Allowance for uncollectible accounts		<u>(1,524)</u>	
Accounts receivable, net		<u>\$ 624,962</u>	

MPI CORPORATION

Statement of inventories

December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Cost	Net realizable value	Note
Raw material	\$ 1,121,949	\$ 1,123,719	In addition to the allowance for inventories obsolescence and slow-moving, inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made on an item-by-item basis, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less estimated costs of completion and selling expenses under the normal operation.
Supplies	392,700	399,332	
Work in progress	1,067,544	2,037,168	
Semi-finished goods	613,480	1,230,928	
Finished goods	1,921,073	3,601,798	
Commodity	249	388	
Materials and supplies in transit	48,767	48,767	
Subtotal	\$ 5,165,762	\$ 8,442,100	
Less: Allowance for valuation loss	(576,317)		
Inventories, net	\$ 4,589,445		

MPI CORPORATION

Statement of other receivables, prepayments and other current assets

December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other receivables			
-Non-related parties			
Other receivables-Others		\$ 56,665	
Total		\$ 56,665	
Prepayments			
Prepaid insurance premiums		\$ 12,341	
Prepaid technology transfer fee		78,660	
Others		33,479	None of the individual item exceeds 5% of this account.
Subtotal		124,480	
Prepayments to suppliers		21,591	
Total		\$ 146,071	
Other current assets			
Temporary payments		\$ 1,369	
Payment on behalf of others		1,349	
Total		\$ 2,718	
Non-current assets held-for-sale	Transfer from fixed assets and investments	\$ 14,221	

MPI CORPORATION

Statement of financial assets at fair value through other comprehensive income - non-current
YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Name	Balance, beginning		Increases		Decreases		Balance, ending		Collateral or pledge
	Shares (in thousands)	Fair value	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Fair value	
Equity instruments									
Limited Partnership									
Venture Capital Fund									
CDIB-TEN Capital									
Limited Partnership	—	\$ —	—	\$ 35,000	—	\$ —	—	\$ 35,000	None
Valuation adjustment		—		—		(1,020)		(1,020)	
Subtotal		—		35,000		(1,020)		33,980	
Total		\$ —		\$ 35,000		\$ (1,020)		\$ 33,980	

MPI CORPORATION

Statement of financial assets at fair value through other comprehensive income - non-current
YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Name	Balance, beginning		Increases		Decreases		Balance, ending		Accumulated impairment	Collateral or pledge	Note
	Shares (in thousands)	Fair value	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Fair value			
Equity instruments											
Stock in domestic listed company through private placement											
-Spirox Corporation	7,000	\$ 168,000	—	\$ —	—	\$ —	7,000	\$ 168,000	N/A	None	—
Valuation adjustment		118,230		114,940		—		233,170			
Subtotal		286,230		114,940		—		401,170			
Domestic innovation board common stock											
PlayNitride Inc.	380	41,040	28	5,249		—	408	46,289	N/A	None	—
Valuation adjustment		(15,344)		23,920		—		8,576			
Subtotal		25,696		29,169		—		54,865			
Common stock of foreign corporations											
fJscaler Inc.	—	—	2,500	155,451		—	2,500	155,451	N/A	None	—
Valuation adjustment		—		—		—		—			
Subtotal		—		155,451		—		155,451			
Total		\$ 311,926		\$ 299,560		\$ —		\$ 611,486			

MPI CORPORATION
Statement of changes in investments accounted for using the equity method
YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Name	Value of per share	Balance, beginning		Increases		Decreases		Balance, ending			Equity	
		Shares	Amount	Shares	Amount	Shares	Amount	Shares	Ratio of shareholding %	Amount	Unit Price	Total price
Subsidiaries:												
MPI TRADING CORP.	USD 1	1,000	\$ 59,115	—	\$ —	—	\$ (1,506)	1,000	100 %	\$ 57,609	US\$ 1,833.1928	US\$ 1,833,192.82
MMI HOLDING CO.,LTD.	USD 1	18,267,987	976,930	—	—	—	(13,594)	18,267,987	100 %	963,336	\$ 63.1999	\$ 990,216
Chain-Logic International Corp.	\$ 10	5,000,000	243,585	—	70,031	—	—	5,000,000	100 %	313,616	\$ 65.7917	\$ 328,958
Allstron Corporation	\$ 10	1,550,000	729	—	—	—	(91)	1,550,000	100 %	638	\$ 0.4118	\$ 638
MPA TRADING CORP.	USD 1	11,450,000	157,161	—	—	—	(26,605)	11,450,000	100 %	130,556	\$ 11.8373	\$ 135,537
ATV Systems GmbH	—	—	—	—	500,461	—	—	—	—	500,461	EUR	EUR 6,508,390.55
Total			<u>\$ 1,437,520</u>		<u>\$ 570,492</u>		<u>\$ (41,796)</u>			<u>\$ 1,966,216</u>		
Transfer to non-current assets held-for-sale and disposal groups held-for-sale												
MEGTAS CO.,LTD.	KRW 5,000	400,000	\$ 16,466	—	\$ —	—	\$ (3,580)	400,000 股	80 %	\$ 12,886	KRW\$ 1,201.1488	KRW\$ 600,574,411

MPI CORPORATION
Statement of changes in property, plant and equipment
YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Balance, beginning	Increases	Decreases	Transfer	Reclassify to disposal group held for sale	Balance, ending	Collateral or pledge
Cost							
Land	\$ 1,512,801	\$ 620,436	\$ —	\$ —	\$ —	\$ 2,133,237	Book value of Land, House and building amounted NT\$2,821,696 thousand provided as security for bank borrowing purposes.
House and building	2,545,046	94,249	(25,460)	98,650	—	2,712,485	
Machine and equipment	1,275,924	314,141	(80,100)	1,133,398	—	2,643,363	
Furniture and fixtures	104,529	56,123	(20,466)	—	—	140,186	
Research equipment	341,425	47,246	(85,153)	45,221	—	348,739	
Other equipment	5,353	1,775	(2,292)	—	—	4,836	
Total	5,785,078	1,133,970	(213,471)	1,277,269	—	7,982,846	
Accumulated depreciation							
House and building	(773,337)	(105,430)	5,268	(788)	—	(874,287)	
Machine and equipment	(513,160)	(307,347)	71,876	(10,762)	—	(759,393)	
Furniture and fixtures	(45,589)	(27,331)	20,466	—	—	(52,454)	
Research equipment	(238,657)	(45,351)	85,153	497	—	(198,358)	
Other equipment	(3,162)	(703)	2,292	—	—	(1,573)	
Total	(1,573,905)	(486,162)	185,055	(11,053)	—	(1,886,065)	
Accumulated impairment	—	—	—	—	—	—	
Construction in progress	192,536	1,240,183	—	(216,285)	—	1,216,434	
Book value	\$ 4,403,709	\$ 1,887,991	\$(28,416)	\$ 1,049,931	\$ —	\$ 7,313,215	

MPI CORPORATION

Statement of changes in right-of-use assets

YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Balance, beginning	Increases	Decreases	Transfer	Balance, ending	Collateral or pledge None
Cost						
Land	\$ 49,684	\$ 34,122	\$ (34,592)	\$ —	\$ 49,214	
House and buildings	88,746	289,414	(10,969)	—	367,191	
Transportation	88,973	23,044	(20,232)	—	91,785	
Machinery and Equipment	261	483	—	—	744	
Total	227,664	347,063	(65,793)	—	508,934	
Accumulated depreciation						
Land	(35,708)	(11,033)	34,592	—	(12,149)	
House and buildings	(40,336)	(47,732)	10,937	—	(77,131)	
Transportation	(47,720)	(24,887)	18,063	—	(54,544)	
Machinery and Equipment	(73)	(241)	—	—	(314)	
Total	(123,837)	(83,893)	63,592	—	(144,138)	
Book value	\$ 103,827	\$ 263,170	\$ (2,201)	\$ —	\$ 364,796	

MPI CORPORATION

Statement of lease liabilities

YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description	Duration of lease	Discount rate	Balance, ending		Note
				Current	Non-current	
Cost						
Land	Parking lots	2019/11~2035/08	2.005%	\$ 10,001	\$ 27,370	
House and buildings	Dormitory and Plant	2022/03~2035/10	2.005%	66,772	225,165	
Transportation	Business vehicles	2021/06~2029/09	3.05%	19,313	18,323	
Machinery and Equipment	Robot	2024/04~2030/02	2.005%	147	283	
			Total	\$ 96,233	\$ 271,141	

MPI CORPORATION
Statement of Changes in Investment Properties
YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Balance, beginning	Increases	Decreases	Transfer	Balance, ending	Collateral or pledge
Cost						Book value of Land, House and building amounted NT\$56,234 thousand provided as security for bank borrowing purposes.
Land	\$ —	\$ —	\$ —	\$ —	\$ —	
House and buildings	90,336	—	—	(2,094)	88,242	
Total	90,336	—	—	(2,094)	88,242	
Accumulated depreciation						
House and buildings	(31,039)	(1,758)	—	789	(32,008)	
Total	(31,039)	(1,758)	—	789	(32,008)	
Book value	<u>\$ 59,297</u>	<u>\$ (1,758)</u>	<u>\$ —</u>	<u>\$ (1,305)</u>	<u>\$ 56,234</u>	

MPI CORPORATION
Statement of changes in intangible assets
YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Balance, beginning	Increases	Decreases	Transfer	Balance, ending	Note
Computer software	\$ 52,847	\$ 66,725	\$ (57,065)	\$ -	\$ 62,507	
Book value	<u>\$ 52,847</u>	<u>\$ 66,725</u>	<u>\$ (57,065)</u>	<u>\$ -</u>	<u>\$ 62,507</u>	

MPI CORPORATION

Statement of deferred tax assets and other non-current assets

December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Deferred tax assets		<u>\$ 114,952</u>	Please refer to Note 6 (22)
Other non-current assets			
Prepayments for equipment		<u>\$ 432,102</u>	
Refundable deposits	Provisional seizure and deposited the guarantee	\$ 80,550	
	Business vehicles	25,269	
	House and buildings	12,288	
	Trade secret enforcement fees and expenses	7,895	
	Others	1,463	None of the individual item exceeds 5% of this account.
	Subtotal	<u>127,465</u>	
Deferred Charges	Office decoration	42,739	
	Miscellaneous equipment	77,847	
	Hydropower engineering	122,416	
	Parking lots renovation	105	
	Others	<u>608</u>	
	Subtotal	<u>243,715</u>	
Other financial assets- non-current	Restricted bank deposits	<u>10,000</u>	
Total		<u><u>\$ 381,180</u></u>	

MPI CORPORATION

Statement of short-term loans

December 31, 2025

(In Thousands of New Taiwan Dollars)

Creditor	Type of Loan	Descriptions	Balance, ending	Period	Interest rate	Credit lines	Collateral or pledge	Note
Land Bank of Taiwan - Tunghsinchu Branch	Secured borrowings		\$ 500,000	2025/12/24- 2026/03/24	1.85%	\$ 800,000	Land (No. 155,153,151, Zhonghe Street) NT\$98,189 thousand Land (Employee dormitory at Jiaren Street) NT\$48,996 thousand Land (Xinpu Township) NT\$220,594 thousand Buildings ((No. 155,153,151, Zhonghe Street) NT\$134,704 thousand Buildings (Employee dormitory at Jiaren Street) NT\$32,183 thousand Buildings (No. 7, Luke 1st Road) NT\$65,719 thousand Buildings (No. 988, Sec. Litoushan) NT\$70,002 thousand Buildings (No. 5, Luke 1st Road) NT\$173,973 thousand	
First Commercial Bank- Hsinchu Science Park Branch	Credit loans		290,000	2025/12/17- 2026/03/17	1.85%	\$ 290,000	Land (No. 129, Zhonghe St.,) NT\$80,065 thousand	
	Secured borrowings		260,000	2025/12/17- 2026/03/17	1.85%	\$ 260,000	Buildings (No. 129, Zhonghe St.,) NT\$196,095 thousand	
Chang Hwa Bank - Chengnei Branch	Credit loans		300,000	2025/12/26- 2026/03/26	1.85%	\$ 300,000		
Total			<u>\$ 1,350,000</u>					

MPI CORPORATION

Statement of accounts payable-non-related parties

December 31, 2025

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
<u>General supplier</u>			
Sumitronics Taiwan Co., Ltd.	Business	\$ 62,842	
<u>Others</u>	Business	1,212,042	Less than 5% for each supplier
Total		<u>\$ 1,274,884</u>	

MPI CORPORATION

Statement of other payables

December 31, 2025

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Payables for equipment		<u>\$ 465,976</u>
Other payables-non-related parties		
Accrued expenses	Salaries and wages payable and bonus payable	\$ 1,155,712
	Others (None of the individual item exceeds 5% of this account)	<u>436,306</u>
Subtotal		1,592,018
Payables for remuneration to employees	Remuneration to employees in 2025	341,842
Short-term employee benefits	Employee benefits in 2025	<u>70,230</u>
Total		<u>\$ 2,004,090</u>

MPI CORPORATION

Statement of provisions-current and other current liabilities

December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Short-term warranty provision	Estimated warranty liabilities	<u>\$ 20,034</u>	
Contract liabilities-current			
Advance receipt	Business	<u>\$ 1,067,449</u>	
Other current liabilities			
Temporary receipts		\$ 6,208	
Receipts under custody		19,206	
Other Advance receipt		<u>622</u>	
Total		<u>\$ 26,036</u>	

MPI CORPORATION

Statement of long-term loans

December 31, 2025

(In Thousands of New Taiwan Dollars)

Creditor	Description	Borrowings Amount			Period	Interest rate	Collateral or pledge
		Current portion	Exceeds one year	Total			
Chang Hwa Bank - Chengnei Branch	Interest is paid on the 26th of each month, loan principal repay every month since 4th year.	\$ 16,016	\$ 629,164	\$ 645,180	2023/07/26~ 2043/07/26	2.005%	Land (Tai Ho Section) NT\$323,119 thousand Buildings (Tai Ho Section) NT\$700,151 thousand
Fubon Bank - Head Office	Interest is paid on the 17th of each month, loan principal repay every month since 3th year.	-	300,000	300,000	2025/02/17~ 2032/02/17	1.847%	Land (Zhong Xing Section, Hu Kou Township) NT\$734,140 thousand
Fubon Bank - Head Office	Interest is paid on the 19th of each month, loan principal repay every month since 3th year.	-	207,000	207,000	2025/05/19~ 2032/02/17	1.847%	
Fubon Bank - Head Office	Interest is paid on the 31th of each month, loan principal repay every month since 3th year.	-	200,000	200,000	2025/07/31~ 2032/02/17	1.847%	
Total		\$ 16,016	\$ 1,336,164	\$ 1,352,180			

MPI CORPORATION

Statement of provisions-non-current, deferred tax liabilities and other non-current liabilities

December 31, 2025

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Long-term warranty provision	Estimated warranty liabilities	<u>\$ 1,693</u>	
Deferred tax liabilities		<u>\$ 107,652</u>	Please refer to Note 6 (22)
Other non-current liabilities			
Guarantee deposits paid	Deposit from lease, etc.	<u>\$ 1,513</u>	

MPI CORPORATION

Statement of operating revenue

YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Quantity</u>	<u>Amount</u>	<u>Note</u>
Net revenue			
Wafer probe card (include maintenance service)	31,899,486 PIN	\$ 8,761,518	
Equipment of semi-conductor(include maintenance service)	1,011SET	2,570,919	
Others (None of the individual item exceeds 5% of this account)		295,190	
		<hr/>	
Total		\$ <u>11,627,627</u>	

MPI CORPORATION

Statement of operating costs

YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Amount	
	Subtotal	Total
Cost of commodity sold		
Commodity-beginning of period	\$	399
Add: Commodity purchase		2,246
Transfer from Raw material, Supplies and Semi-finished goods		580,823
Less: Transfer to research expenses		(2)
Commodity-end of period		(249)
Cost of Commodity sold		583,217
Cost of goods manufactured		
Raw materials consumed		
Raw materials-beginning of period	919,632	
Add: Raw material purchase, net	2,634,186	
Transfer from Supplies, Semi-finished goods, Finished goods and Commodity	6,452,124	
Transfer of consumables, scrapped fixed assets, and prepayments for equipment	14,689	
Less: Transfer to property, plant and equipment and operating expenses	(25,972)	
Raw material sold	(195,888)	
Transfer to Supplies consumed	(125)	
Raw materials-end of period	(1,121,949)	8,676,697
Supplies consumed		
Supplies-beginning of period	226,265	
Add: Supplies purchase	919,489	
Transfer from Raw materials	125	
Less: Transfer to operating expenses	(184,920)	
Transfer to Commodity sold	(10,909)	
Supplies-end of period	(392,700)	557,350
Direct labor		1,336,449
Manufacturing expenses		1,990,019
Manufacturing costs of the year		12,560,515
Add: Work-in-progress-beginning of period		696,469
Semi-finished goods-beginning of period		470,715
Semi-finished goods purchase		3,790
Less: Semi-finished goods sold		(374,026)
Transfer to Raw materials		(6,144,480)
Transfer to property, plant and equipment and operating expenses		(129,290)
Semi-finished goods-end of period		(613,480)
Work in progress-end of period		(1,067,544)
Cost of finished goods		5,402,669
Add: Finished goods-beginning of period		1,506,031
Finished goods purchase		144
Less: Transfer to raw materials		(307,644)
Transfer to property, plant and equipment and operating expenses		(79,262)
Finished goods-end of period		(1,921,073)
Cost of goods manufactured		4,600,865
Other operating costs		228,811
Operating costs	\$	5,412,893

MPI CORPORATION

Statement of manufacturing expenses

YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Indirect labor		\$ 441,968	
Depreciation		431,619	
Indirect material		216,395	
Other expenses		154,424	
Utilities expense		154,018	
Overtime pay		119,520	
Insurance fees		119,176	
Others		352,899	None of the individual item exceeds 5% of this account
Total		<u>\$ 1,990,019</u>	

MPI CORPORATION

Statement of selling expenses

YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Salaries and wages		\$ 267,407	
Expenditure in commission		93,448	
Other expenses		256,712	
Others		194,401	None of the individual item exceeds 5% of this account
Total		<u>\$ 811,968</u>	

MPI CORPORATION

Statement of administrative expenses

YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Salaries and wages		\$ 383,013	
Other expenses		74,452	
Depreciation		47,721	
Service fees		49,752	
Others		124,402	None of the individual item exceeds 5% of this account
Total		<u>\$ 679,340</u>	

MPI CORPORATION

Statement of research and development expenses

YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Salaries and wages		\$ 625,367	
Technology transfer expense		58,400	
Consumable expenses		137,983	
Depreciation		66,412	
Others		276,021	None of the individual item exceeds 5% of this account
Total		<u>\$ 1,164,183</u>	