

Lingsen Precision Industries, Ltd.

Parent Company Only Financial Statements
and Independent Auditors' Report

For the Years Ended December 31, 2025 and 2024

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

Independent Auditors' Report

To the Board of Directors and Shareholders of Lingsen Precision Industries, Ltd.

Audit opinions

We have audited the accompanying parent company only financial statements of Lingsen Precision Industries, Ltd. (the "Company"), which comprise the unconsolidated balance sheets as of December 31, 2025 and 2024, and the unconsolidated 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 unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as of December 31, 2025 and 2024, and its unconsolidated financial performance and its unconsolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the R.O.C. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from the Company in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the Company for the year ended December 31, 2025. These matters were addressed in the context of our audit of the unconsolidated 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 for the Company's unconsolidated financial statements for the year ended December 31, 2025 are stated as follows:

Authenticity of service revenue recognition

The main source of revenue of the Company relies on the service revenue from various wafers and integrated circuit packaging and testing services; therefore, the service revenue is determined to be the main indicator for the management to evaluate the business performance, and its recognition authenticity has a material impact on the overall financial statements. Accordingly, the authenticity of the recognition of specific customer service revenue is listed as the key audit matter. For revenue recognition related accounting policy, please refer to Note 4 and 20 of the unconsolidated financial statements.

We summarize the main audit procedures executed for the aforementioned matters of the current year as follows:

1. Understand and assess the internal control design related to the audit and risk in the product sales and payment collection cycle and conduct a test on its effectiveness.
2. Inspect and obtain samples from the account sales of specific customers, and inspect relevant documents of delivery orders and sales invoices, and also verify whether the payment collection subjects are consistent with the delivery subjects, and also perform letter issuance for customers of service revenue, in order to verify the authenticity of the service revenue.

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

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the unconsolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risk of material misstatement of the unconsolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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 internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
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 ability of the Company to continue as a going concern. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the unconsolidated financial statements are required to be provided in our audit report to allow users of unconsolidated financial statements to be aware of such events or circumstances, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Lingsen Precision Industries, Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including relevant notes, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entity of the Company, and express an opinion on unconsolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company. 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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the Company's 2025 unconsolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan
CPA Li-Dong Wu

CPA Li-Wei Liu

Securities and Futures Commission
Approval Document No.
Tai-CaI-Zheng-Liu -Zi No. 0920123784

Financial Supervisory Commission Approval
Document No.
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February 25, 2026

Lingsen Precision Industries, Ltd.
Parent Company Only Balance Sheets
December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code	ASSETS	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 822,123	12	\$ 926,620	14
1136	Financial assets at amortized cost- current (Note 4, 8 and 27)	60,000	1	161,000	2
1140	Contract assets - current (Note 4 and 20)	131,088	2	102,190	2
1170	Accounts receivable (Note 4, 9 and 20)	1,174,694	18	937,246	14
1200	Other receivables (Note 4)	14,111	-	10,144	-
1220	Current tax assets (Note 4 and 22)	1,371	-	1,187	-
1310	Inventories (Note 4 and 10)	353,408	5	270,075	4
1470	Other current assets (Note 14)	188,075	3	189,435	3
11XX	Total current assets	<u>2,744,870</u>	<u>41</u>	<u>2,597,897</u>	<u>39</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Note 4 and 7)	10,605	-	11,862	-
1540	Financial assets at amortized cost- non-current (Note 4, 8 and 27)	1,000	-	-	-
1550	Investment accounted for using the equity method (Note 4 and 11)	1,055,663	16	1,079,798	16
1600	Property, plant and equipment (Note 4, 5, 12 and 27)	2,374,186	35	2,467,245	37
1755	Right-of-use assets (Note 4 and 13)	132,320	2	137,146	2
1840	Deferred tax assets (Note 4, 5 and 22)	159,356	2	162,432	3
1915	Prepayments for facilities	88,282	1	30,758	1
1920	Refundable deposits (Note 4)	1,709	-	1,246	-
1975	Net defined benefit assets - non-current (Note 4 and 18)	161,843	3	122,829	2
1990	Other non-current assets	3,366	-	6,553	-
15XX	Total non-current assets	<u>3,988,330</u>	<u>59</u>	<u>4,019,869</u>	<u>61</u>
1XXX	Total assets	<u>\$ 6,733,200</u>	<u>100</u>	<u>\$ 6,617,766</u>	<u>100</u>
	Liabilities and Equity				
	Current Liabilities				
2100	Short-term bank borrowings (Note 15)	\$ 229,432	3	\$ 130,436	2
2170	Accounts payable	390,225	6	223,558	3
2200	Other payables (Note 16 and 26)	460,138	7	434,798	7
2250	Liability reserve - current (Note 4 and 17)	1,910	-	3,572	-
2280	Lease liabilities - current (Note 4 and 13)	3,703	-	4,376	-
2320	Long-term borrowings due in one year (Note 15 and 27)	143,766	2	210,096	3
2399	Other current liabilities	126,514	2	115,559	2
21XX	Total current liabilities	<u>1,355,688</u>	<u>20</u>	<u>1,122,395</u>	<u>17</u>
	Non-current liabilities				
2540	Long-term banks borrowings (Note 15 and 27)	400,000	6	43,766	1
2570	Deferred tax liabilities (Note 4 and 22)	43,302	1	36,046	-
2580	Lease liabilities - non-current (Note 4 and 13)	132,031	2	135,734	2
2645	Deposits received	966	-	930	-
25XX	Total non-current liabilities	<u>576,299</u>	<u>9</u>	<u>216,476</u>	<u>3</u>
2XXX	Total Liabilities	<u>1,931,987</u>	<u>29</u>	<u>1,338,871</u>	<u>20</u>
	Equity				
3110	Ordinary shares	3,801,023	56	3,801,023	57
3200	Capital surplus	1,042,313	16	1,154,573	18
	Retained earnings				
3310	Legal reserve	121,394	2	121,394	2
3320	Special reserve	78,395	1	92,883	2
3350	Unappropriated earnings (accumulated deficit)	(41,674)	(1)	287,863	4
3400	Other equities	(23,823)	-	(2,426)	-
3500	Treasury shares	(176,415)	(3)	(176,415)	(3)
3XXX	Total equity	<u>4,801,213</u>	<u>71</u>	<u>5,278,895</u>	<u>80</u>
	Total liabilities and equities	<u>\$ 6,733,200</u>	<u>100</u>	<u>\$ 6,617,766</u>	<u>100</u>

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

Lingsen Precision Industries, Ltd.
Parent Company Only Statements of Comprehensive Income
For the Years from January 1 to December 31, 2025 and 2024

Unit: Expressed in NT\$ thousand; except
earnings (loss) per share expressed in NT\$

Code		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (Note 4 and 20)	\$ 4,838,933	100	\$ 4,611,858	100
5000	Operating costs (Note 10, 21 and 26)	<u>4,954,475</u>	<u>102</u>	<u>4,604,735</u>	<u>100</u>
5900	Gross profit (losses)	(<u>115,542</u>)	(<u>2</u>)	<u>7,123</u>	<u>-</u>
	Operating expenses (Note 21 and 26)				
6100	Selling and marketing expenses	49,867	1	44,712	1
6200	General and administrative expenses	145,883	3	147,696	3
6300	Research and development expenses	81,506	2	94,995	2
6450	Expected credit impairment losses (Note 4 and 9)	<u>221</u>	<u>-</u>	<u>244</u>	<u>-</u>
6000	Total operating expenses	<u>277,477</u>	<u>6</u>	<u>287,647</u>	<u>6</u>
6900	Operating loss	(<u>393,019</u>)	(<u>8</u>)	(<u>280,524</u>)	(<u>6</u>)
	Non-operating income and expenses (Note 4)				
7100	Interest income	10,838	-	11,699	-
7110	Rental income (Note 26)	5,737	-	11,033	-
7130	Dividend income	1,506	-	1,573	-
7190	Other income (Note 26)	19,976	-	29,503	1
7210	Gains on disposal of property, plant and equipment	-	-	1,440	-
7230	Net gain on foreign exchange	4,005	-	12,617	-
7510	Interest expenses	(14,255)	-	(12,317)	-
7370	Share of profits (loss) of subsidiaries and associates companies using the equity method	(26,151)	-	54,534	1
7590	Other gains and losses	<u>-</u>	<u>-</u>	(<u>1,774</u>)	<u>-</u>
7000	Total non-operating incomes and expenses	<u>1,656</u>	<u>-</u>	<u>108,308</u>	<u>2</u>

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Code		2025		2024	
		Amount	%	Amount	%
7900	Net loss before income tax	(\$ 391,363)	(8)	(\$ 172,216)	(4)
7950	Income tax benefit (expenses) (Note 4 and 22)	(2,890)	-	3,988	-
8200	Net loss for the year	(394,253)	(8)	(168,228)	(4)
	Other comprehensive income (loss) (Note 4)		-		-
8310	Items not reclassified subsequently to profit or loss		-		-
8311	Remeasurement of defined benefit plans (Note 18)	37,212	1	86,161	2
8316	Unrealized gain/ (loss) on investments in equity instruments at fair value through other comprehensive income	(1,257)	-	99	-
8330	Share of other comprehensive profits/ losses of subsidiaries and associated companies accounted for using equity method	16,715	-	1,531	-
8349	Income tax related to items that will not be reclassified subsequently (Note 22)	(7,442)	-	(17,232)	-
		45,228	1	70,559	2
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operations	(16,397)	(1)	42,002	1
8300	Other comprehensive income of the year (net amount after tax)	28,831	-	112,561	3
8500	Total comprehensive income for the year	(\$ 365,422)	(8)	(\$ 55,667)	(1)
	Loss per share (Note 23)				
9750	Basic	(\$ 1.05)		(\$ 0.45)	
9850	Diluted	(\$ 1.05)		(\$ 0.45)	

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

Lingsen Precision Industries, Ltd.
Parent Company Only Statement of Changes in Equity
For the Years from January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code		Retained earnings (Note 19)				Other equity items (Note 4)			Total equity	
		Common share capital (Note 19)	Capital surplus (Note 19)	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit) (Note 4)	Exchange differences on translation of the financial statements of foreign operations	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other comprehensive income		Treasury shares (Note 19)
A1	Balance at January 1, 2024	<u>3,801,023</u>	<u>1,266,753</u>	<u>121,394</u>	<u>165,598</u>	<u>314,447</u>	<u>(18,711)</u>	<u>(27,347)</u>	<u>(176,415)</u>	<u>5,446,742</u>
B17	Priors years appropriations of earnings	-	-	-	-	-	-	-	-	-
	Reversal of Special reserve	-	-	-	(72,715)	72,715	-	-	-	-
	Other change of capital surplus:									
C3	Change due to receipt of gifts	-	75	-	-	-	-	-	-	75
C15	Capital reserve allotment of cash dividends	-	(114,031)	-	-	-	-	-	-	(114,031)
C17	Changes in other capital reserves	-	78	-	-	-	-	-	-	78
M1	Dividends are paid to subsidiaries to adjust capital reserves	-	1,698	-	-	-	-	-	-	1,698
D1	2024 Net loss	-	-	-	-	(168,228)	-	-	-	(168,228)
D3	Other comprehensive income in 2024	-	-	-	-	68,929	42,002	1,630	-	112,561
D5	Total comprehensive income (loss) of 2024	-	-	-	-	(99,299)	42,002	1,630	-	(55,667)
Z1	Balance, December 31, 2024	<u>3,801,023</u>	<u>1,154,573</u>	<u>121,394</u>	<u>92,883</u>	<u>287,863</u>	<u>23,291</u>	<u>(25,717)</u>	<u>(176,415)</u>	<u>5,278,895</u>
B17	Priors years appropriations of earnings	-	-	-	-	-	-	-	-	-
	Reversal of Special reserve	-	-	-	(14,488)	14,488	-	-	-	-
	Other change of capital surplus:									
C3	Change due to receipt of gifts	-	73	-	-	-	-	-	-	73
C15	Capital reserve allotment of cash dividends	-	(114,031)	-	-	-	-	-	-	(114,031)
M1	Dividends paid to subsidiaries to adjust capital reserves	-	1,698	-	-	-	()	-	-	1,698
D1	2025 Net loss	-	-	-	-	(394,253)	-	-	-	(394,253)
D3	Other comprehensive income(loss) in 2025	-	-	-	-	29,770	(16,397)	15,458	-	28,831
D5	Total comprehensive income (loss) of 2025	-	-	-	-	(364,483)	(16,397)	15,458	-	(365,422)
Q1	Disposal of investments in equity instruments designated as financial assets at fair value through other comprehensive income	-	-	-	-	20,458	-	(20,458)	-	-
Z1	Balance, December 31, 2025	<u>\$ 3,801,023</u>	<u>\$ 1,042,313</u>	<u>\$ 121,394</u>	<u>\$ 78,395</u>	<u>(\$ 41,674)</u>	<u>\$ 6,894</u>	<u>(\$ 30,717)</u>	<u>(\$ 176,415)</u>	<u>\$ 4,801,213</u>

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

Lingsen Precision Industries, Ltd.

Parent Company Only Statement of Cash Flows

For the Years from January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code		2025	2024
	Cash flows from operating activities		
A10000	Net loss before tax for the year	(\$ 391,363)	(\$ 172,216)
	Income/expenses items		
A20100	Depreciation expense	447,002	528,357
A20300	Expected credit impairment losses	221	244
A20900	Interest expenses	14,255	12,317
A21200	Interest income	(10,838)	(11,699)
A21300	Dividend income	(1,506)	(1,573)
A22400	Share of loss (profit) from subsidiaries and associated companies using the equity method	26,151	(54,534)
A22500	Gains on disposal of property, plant and equipment	-	(1,440)
A23700	Gains on price recovery and obsolete and slow-moving inventories	(8,671)	(13,722)
A24100	Unrealized foreign currency exchange net loss (profit)	2,769	(1,913)
A29900	Amortization of prepayments	4,252	5,204
A29900	Reversal for liabilities	(1,662)	(1,968)
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	(28,898)	14,956
A31150	Accounts receivable	(233,916)	24,756
A31180	Other receivables	(4,020)	3,635
A31200	Inventories	(75,762)	18,668
A31240	Other current assets	2,460	32,618
A31990	Net defined benefit assets	(1,802)	34,181
A32150	Accounts payable	164,698	5,376
A32180	Other payables	13,100	7,896
A32230	Other current liabilities	<u>10,955</u>	<u>26,896</u>
A33000	Cash provided by operating activities	(72,575)	456,039
A33100	Interest received	10,891	11,681
A33300	Interest paid	(14,209)	(12,276)
A33500	Income tax returned (paid)	(184)	<u>60,860</u>
AAAA	Net cash inflow (outflow) from operating activities	<u>(76,077)</u>	<u>516,304</u>
	Cash flows from investing activities		
B00050	Disposition of financial assets at amortized cost	100,000	-
B02200	Net cash outflow for obtaining subsidiaries	-	(63,140)

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Code		2025	2024
B02700	Purchase of property, plant and equipment	(\$ 316,865)	(\$ 101,241)
B02800	Proceeds from disposal of property, plant and equipment	-	2,343
B03700	Increase in refundable deposits	(463)	(14)
B06700	Increase in other non-current assets	(1,065)	(2,772)
B07100	Increase in prepaid facilities amount	(77,598)	(11,289)
B07600	Dividends received	<u>1,506</u>	<u>1,573</u>
BBBB	Net cash outflow from investment activities	<u>(294,485)</u>	<u>(174,540)</u>
	Cash flows from financing activities		
C00100	Increase in short-term bank borrowings	901,109	445,491
C00200	Decrease in short-term bank borrowings	(806,650)	(373,994)
C01600	Proceeds from long-term bank borrowings	500,000	-
C01700	Repayments of long-term bank borrowings	(210,096)	(273,095)
C03000	Increase (decrease) in guarantee deposits received	36	(970)
C04020	Repaid principal of lease liabilities	(4,376)	(4,339)
C04500	Payment of cash dividends	(114,031)	(114,031)
C09900	Uncollected overdue dividends	73	75
C09900	Exercise of disgorgement	<u>-</u>	<u>78</u>
CCCC	Net cash inflow (outflow) from financing activities	<u>266,065</u>	<u>(320,785)</u>
EEEE	Increase (decrease) of cash and cash equivalents for the year	(104,497)	20,979
E00100	Beginning cash and cash equivalents of the year	<u>926,620</u>	<u>905,641</u>
E00200	End cash and cash equivalents of the year	<u>\$ 822,123</u>	<u>\$ 926,620</u>

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

Lingsen Precision Industries, Ltd.
Notes to Parent Company Only Financial Statements
For the Years Ended December 31, 2025 and 2024

(Amounts are expressed in thousands of New Taiwan Dollars or foreign currency, unless stated otherwise)

1. Company History

Lingsen Precision Industries, Ltd. (referred to as the “Company”) was established in Taichung Tanzi Technology Industrial Park in April 1973 and began its operation in July 1973. The main business is IC packaging and testing as well as optoelectronic devices.

In April 1998, the Company's shares were listed on the Taiwan Stock Exchange (TWSE).

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

2. Approval Date and Procedures of the Financial Statements

These parent company only financial statements were approved by the Board of Directors on February 25, 2026.

3. Application of New, Amended and Revised Standards and Interpretations

- (1) Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of exchangeability” did not have a material impact on the Company’s accounting policies.

- (2) The IFRSs endorsed by the FSC for application starting from 2025

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

Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

1) The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

- i. If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
 - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- ii. To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- iii. To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

2) The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Company can choose to derecognize the financial liability before the settlement date if, and only if, the Company has initiated a payment instruction that resulted in:

- The Company having no practical ability to withdraw, stop or cancel the payment instruction;
- The Company having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

- The settlement risk associated with the electronic payment system being insignificant.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

Except for the above-mentioned impacts, as of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of the amendments on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- (3) New IFRSs issued by International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"(including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into Companies based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.
- Increased disclosure of performance measures defined by management: When the Company conducts public communications outside of financial statements and communicates to users of financial statements a management perspective on a certain aspect of the overall financial performance of the Company, it should disclose information related to performance measures defined by management in a single note to the financial statements, including the description of the measure, how it is calculated, its reconciliation with subtotals or totals specified in IFRS accounting standards, and the income tax and non-controlling interest effects of related reconciliation items.

In addition, the following consequential amendments have been made to the IAS 7 "Statement of Cash Flows":

- The Company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Company has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the parent company only financial statements were authorized for issuance, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact the other relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

These parent company only financial statements were prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(2) Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments and the present value of the defined benefit obligation deducting the net defined benefit assets of the fair value of any plan assets which are measured at fair value.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 1) Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

In preparing the parent company only financial statements, the equity method is adopted to the investments in subsidiaries and associates. For the purpose of making the current profit and loss, other comprehensive income and equity in the parent company only financial statements identical to those in the Company's owner, several accounting treatment differences under individual and this basis are adjusted into "Investments Accounted for Using Equity Method", "Share of the Profit or Loss of Subsidiaries and Associates Accounted for Using the Equity Method", "Share of Other Comprehensive Income of Subsidiaries and Associates Accounted for Using Equity Method" and related items.

(3) Classification of Current and Non-current Assets and Liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets that are expected to be realized within twelve months from the balance sheet date; and
- 3) Cash and cash equivalent (unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the date of statement of financial position).

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities expected to be settled within twelve months after the maturity of the debt (even if the liability at the date of statement of financial position to complete the long-term refinancing prior to the financial statements or reschedule payment agreement), and
- 3) Liabilities for which there is no substantive rights to defer the repayment date for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

(4) Foreign Currency

In preparing the financial statements, transactions in currencies (foreign currencies) other than the Company's functional currency are recognized at the exchange rates prevailing at the dates of the transactions.

Foreign currency monetary amount is translated at the closing rate at each date of the balance sheet. Exchange differences arising from settlement or translation are recognized as profit or loss at the period.

Non-monetary foreign currencies held at fair value at the exchange rates prevailing at the date of transaction; however, non-monetary foreign currencies held at fair value through other comprehensive income are recognized in other comprehensive income.

Non-monetary items carried at historical cost are reported using the exchange rate at the date of the transaction and will not be calculated again.

In preparing the parent company only financial statements, assets and liabilities from foreign operation, including subsidiaries whose location or currency are different from the Company, are translated into the presentation currency, the New Taiwan dollar, at the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates at the period. The resulting currency translation differences are recognized in other comprehensive income.

(5) Inventories

Inventories include raw materials, finished goods, and work in process. Inventories are stated at the lower of cost or net realizable value. The lower of cost and net realizable value is based on the individual inventory items. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The inventory cost is measured by using First In, First Out.

(6) Investment in subsidiaries

The Company's investments in the subsidiaries are accounted for using the equity method.

Subsidiaries are entities which the Company holds the control of.

Under the equity method, an investment is initially recognized in the statements of financial position at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiaries as well as the distribution received. In addition, the Company also recognizes its share in the changes in equities of subsidiaries.

Changes in equity in the ownership of subsidiaries which do not result in loss of control are disposed as equity transactions. The difference between carrying amount invested and the fair value paid and payable or received and receivable is directly recognized as equity.

The loss of shares of the subsidiary equals or exceeds the Company's interest in that subsidiary, including the carrying amount of that subsidiary under equity method and other long-term equity as the Company's net investment in that subsidiary, is recognized as loss according to proportion of shareholding.

The Company considers cash-generating unit in the entire financial statement as testing for impairment and compares its recoverable amount with its carrying amount. If the recoverable amount of assets increases, the reversal of impairment loss will be recognized as profit. However, the carrying amount of assets after the reversal of impairment loss shall not exceed the carrying amount that would have been determined net of required amortization and have no impairment loss been recognized. Impairment loss of goodwill shall not reverse in the subsequent period.

If the Company loses the control of its subsidiary, it remeasures the retained investments in its former subsidiary as the fair value on initial recognition of a financial asset. The difference between the fair value of the retained investments and any disposal proceeds and the carrying amount of investment at the date is recognized in the current profit or loss. All amount related to that subsidiary is also recognized in other comprehensive income. The accounting treatment is compliance with the basis of rules that Company needs to follow for its direct disposal of assets or liabilities.

Unrealized profit and loss from downstream transactions with a subsidiary is eliminated in the parent company only financial statements. Profit and loss from upstream and side stream transactions between subsidiaries are recognized in the Company's parent company only financial statements only to the extent that interests in the subsidiary are not related to the Company.

(7) Investment in Associates

The associates are entities which are material to the Company, but not subsidiaries or joint venture companies.

The Company's investments in the associates are accounted for using the equity method.

Under the equity method, an investment is initially recognized in the statements of financial positional cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the associates as well as the distribution received. The Company also recognizes its share in the changes in equities of associates.

The Company discontinues recognizing its share of further losses if its share of losses of the associate equals or exceeds its interest in the associate. The Company recognizes the additional losses and liabilities which occur in the scope of legal obligation, constructive obligation or payment on behalf of the associates only.

The entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss is not amortized to any assets as part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(8) Property, plant and equipment

The property, plant and equipment are recognized at costs and subsequently measured at costs of the amount less accumulated depreciation and impairment losses.

Property, plant and equipment in the course of construction for production are recognized as the cost of the amount less accumulated depreciation and impairment losses. And such cost includes professional service fees and borrowing costs eligible for capitalization. Upon completion and ready for intended use, such assets are classified to the appropriate categories of property, plant and equipment, and depreciation of these assets commences.

Depreciation is recognized using the straight-line method, and each significant part is depreciated separately. The Company reviews the estimated useful lives, residual values and depreciation method at least at the end of each reporting period, and with the effect of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

(9) Impairments of related assets including property, plant and equipment, right-of-use assets and contract cost

At the end of each reporting period, the Company reviews whether there is any indication that its property, plant and equipment, right-of-use assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Inventories recognized in customers' contracts are recognized as impairment loss in accordance with Inventory write off policy and the aforementioned regulations. Subsequently, the excess of carrying amount of assets associated with contract cost over the price received from providing relevant products or service, less direct relevant costs, is recognized as impairment loss. Then the carrying amount of assets associated with contract cost is computed to its cash-generating unit to evaluate the impairment losses on cash-generating unit.

When impairment loss subsequently reverses, the carrying amounts of the asset, cash-generating units or contract cost and related assets are increased to the revised recoverable amounts. However, the increased carrying amounts shall not exceed the carrying amounts of the asset, cash-generating units or contract cost and related assets which were not recognized as impairment loss at the past period (less amortization or depreciation). The reversal of impairment loss is recognized as profit or loss.

(10) Financial instruments

Financial assets and liabilities shall be recognized in the parent company only financial statements when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1) Classification of measurement

Financial assets held by the Company are classified to financial assets measured at amortized cost and investments in equity instruments measured at fair value through other comprehensive income.

i. Financial assets measured at amortized cost

When the financial assets invested by the Company satisfy the following two criteria at the same time, it is classified as the amortized cost financial assets:

- a. Where the financial assets are held under certain business model, and the purpose of such model is to hold the financial assets in order to collect contract cash flows; and
- b. Where contract terms generated cash flow of specific date and such cash flow is completely for the payment of the interest of principle and external circulating principle amount.

Financial assets measured at amortized cost include cash and cash equivalent, financial assets at amortized cost- current and non-current, contract assets, note receivables, account receivables, other receivables, other current assets and refundable deposits. When the recognition commences, effective interest method is used to determine the carrying amount less any amortized cost of depreciation. Any exchange gains and losses are recognized as gains and losses.

Except for the following two circumstances, calculation of interest income is based on effective interest rate multiplied by total financial asset's carrying amount:

- a. Purchase or origination of credit-impaired financial loans, interest income, credit-adjusted effective interest rate plus financial loans, post-calculation.
- b. Non-purchased or originated credit-impaired financial loans, provided that subsequent credit-impaired financial loans continue to be credit-impaired;

Credit losses on financial assets are significant financial difficulty of the issuer or borrower, a breach of contract, it becoming probable that the borrower will enter bankruptcy or other financial reorganization, or the disappearance of an active market for the financial asset because of financial difficulties.

Cash equivalents, for the purpose of meeting short-term cash commitments, consist of highly liquid time deposits and investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and acquired within three months.

- ii. Investments in equity instruments measured at fair value through other comprehensive income

On initial recognition, the Company may irrevocably designate investments in equity instruments that is not held for trading and not recognized as contingent consideration as at FVTOCI.

Investments in equity instruments measured at fair value through other comprehensive income are measured at fair value. Subsequently the changes in fair value are reported in other comprehensive income and accumulated in other equity. On disposal of investments, the accumulated profit or loss is directly transferred to retained earnings and it is not reclassified to profit or loss.

The dividend from investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss upon the Company's right to receive payment is established, except for apparently the dividend representing the recovery of the partial investment cost.

2) Impairments of financial assets and contract assets

At the date of each balance sheet, the Company reviews expected credit losses to estimate the impairment loss of financial assets, including notes receivable, and contract assets measured at amortized cost.

The loss allowance for accounts receivable is measured at an amount equal to useful lives expected credit losses. Other financial assets are assessed to determine whether the credit risk has significantly increased since the original recognition. If there is no significant increase, then the allowance loss is recognized according to the 12-month expected credit loss. If it has increased significantly, then allowance loss is recognized according to the lifetime expected credit loss.

Expected credit losses are weighted average credit losses with the probability of default events. The 12-month expected credit losses are expected credit losses that result from default events possible within 12 months after the reporting date. Lifetime expected credit losses result from all possible default events over the expected life of the financial instruments.

For the purpose of internal controls on credit risk, without considering the collaterals it holds, the Company determines the following events as a breach of contract:

- i. There is internal or outside information prevails that it is not possible the borrower pays off the debt.
- ii. The overdue exceeds the average credit period, unless reasonable and supportable information indicates that a delayed default basis is more appropriate.

All impairment losses on financial assets is decreased its carrying amount through contra accounts.

3) Derecognition of financial assets

The Company derecognizes the financial assets only when the contractual rights to the cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the risks and rewards of ownership of the financial assets to another entity.

On derecognition of financial assets at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of Investments in equity instruments measured at fair value through other comprehensive income, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

Financial liabilities

1) Follow-up measurement

Financial liabilities are measured at amortized cost using effective interest method.

2) Derecognition of financial liabilities

On the derecognition of financial liabilities, the difference between their carrying amount and the consideration paid and payable, including any transfer of non-cash assets or liabilities, is recognized as profit or loss.

(11) Provision for liabilities

The amount recognized as a provision for liabilities is, taking risk and uncertainty of obligation into consideration, the best estimate of the expenditure required to settle the obligation at the date of balance sheet.

(12) Revenue recognition

The Company allocates the transaction price to each performance obligation and recognizes the revenue when each of the obligations is satisfied after the customer has identified it.

1) Sales revenue

Sales revenue comes from the sale of semiconductor materials. Since the clients are eligible for pricing and using the products as well as responsible for reselling and taking the risk of depreciation upon the delivery of semiconductor materials, the Company shall recognize the revenue and accounts receivable upon the sale.

2) Service income

Service Income comes from packaging and final testing.

When the customer simultaneously receives and consumes the benefits provided by the Company's performance of packaging and final testing service, or the customer controls an asset which the Company's performance has created or enhanced, the related revenue is recognized. Packaging of products counts on involvement of technicians. The Company measures the work in progress by the percentage of completion. The contract with customer states that the customer will be billed after the packaging or the delivery is completed. A contract asset is thus recognized when the Company renders the service and transferred to accounts receivable when the packaging or delivery is completed. Final testing counts on the involvement of technicians. The Company measures the work in progress by the percentage of completion. Contract customer will be billed after the completion of service, and the Company will recognize accounts receivable when rendering the service.

(13) Leases

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

1) The Company as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under the operating lease, lease payments less lease incentives granted are recognized as revenue on a straight-line basis. The initial direct cost which occurs on granting operating leases is the carrying amount accumulated to the underlying assets and is recognized as expense on a straight of line basis.

2) The Company as lessee

Except for payments for low-value asset leases and short-term leases applicable to exemption of recognition are recognized as expenses on a straight-line basis, the Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities, lease payments made before commencement date less lease incentives granted initial direct costs as well as estimated costs to restore the underlying assets. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and the default fine arises from lease termination. The lease payments are discounted using the interest rate in a lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized as profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

(14) Borrowing costs

Borrowing costs that can be directly attributable to the acquisition, construction or production of a qualifying asset, that necessarily takes a substantial period of time to get ready for its intended use or sale, are included in the cost of the asset.

Where funds are borrowed specifically, costs eligible for capitalization are the actual costs incurred less any income earned on the temporary investment of such borrowings.

Other borrowing costs at the period are recognized as profit or loss.

(15) Employee benefits

1) Short-term employee benefits

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

2) Pensions

For defined contribution plans, the amount of contribution payable in respect of service rendered by employees in that period should be recognized as expenses.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the Projected Unit Credit Method. Service cost and net interest on the net defined benefit assets are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur.

The net defined benefit assets represent the actual deficit in the Company's defined benefit plan. Net defined benefit assets shall not exceed the present value of refunds from the plan or reductions in future contributions to the plan.

(16) Income tax

The provision for income tax recognized in profit or loss comprises current and deferred tax.

1) Current tax

The Company has determined the current losses and calculated receivable taxes in accordance with regulations established by the jurisdiction for tax return.

According to Income Tax Act in Republic of China, an additional income tax levied at unappropriated earnings is recognized in shareholders' annual meeting.

Income tax payable for prior period is adjusted to the current income tax.

2) Deferred tax

Deferred tax is accounted for temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit or loss.

Deferred tax liability is generally recognized for all taxable temporary differences. Deferred tax asset is recognized for deductible temporary differences or loss carryforwards to the extent that taxable profit is probably available.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits to realize the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the date of balance sheet and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets originally not recognized is also reviewed at the date of balance sheet and increased to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset is recovered, based on tax rates and laws that have been enacted or substantively enacted by the date of balanced sheet. The measurement of deferred tax liabilities and assets reflects the tax consequences that arise from the manner in which the Company expects, at the date of balance sheet, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except the current and deferred tax that relates to items recognized in other comprehensive income or directly in equity are recognized respectively in other comprehensive income or directly in equity.

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

In the application of the Company's accounting policies, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered relevant. Actual results may differ from these estimates.

The Company incorporates the recent development of major accounting estimates such as the potential impact of US tariffs, cash flow estimation, growth rate, discount rate, and profitability. For these considerations, management will continue to review the estimates and underlying assumptions. Revisions to accounting estimates are recognized in the period when the estimates are revised if the revisions affect only that period. If revisions affect both current and future periods, the accounting estimates are recognized in the current and future periods.

Major source of estimates and assumption uncertainty

(1) Loss of property, plant, and equipment

Equipment relevant to semiconductor manufacturing is evaluated in accordance with the recoverable amount of such equipment (equal to the fair value of such asset less cost to sell and the higher amount of its use value). Market value or future changes in cash flow will affect the recoverable amount, resulting in the Company recognizing addition impairment losses or reversing impairment losses recognized.

(2) Income tax

As of December 31, 2025 and 2024, the balance of unused loss carryforwards not recognized as deferred tax assets in the individual balance sheet were NT\$583,786 thousand and NT\$209,494 thousand respectively. The loss carryforwards and the carrying amount of deferred tax assets related to temporary differences as of December 31, 2025 and 2024 were NT\$159,356 thousand and NT\$162,432 thousand respectively. The realizability of deferred tax assets mainly depends on whether there will be sufficient profits or taxable temporary differences in the future. A significant reversal of deferred tax assets will be recognized as gain or loss if the real profits in the future are less than expected. Such reversal is recognized as gain or loss during the occurrence period.

6. Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and petty cash	\$ 283	\$ 273
Check and demand deposit	314,237	345,496
Cash equivalents		
Time deposits	408,000	431,000
Short-term notes and bills	99,603	149,851
	<u>\$ 822,123</u>	<u>\$ 926,620</u>
 <u>Annual interest rate (%)</u>		
Cash in banks	0.005-0.71	0.001-0.80
Time deposits	1.22-1.69	1.10-1.65
Short-term notes and bills	1.20	1.10

7. Financial assets at fair value through other comprehensive income- non-current

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Listed and TPEX stocks</u>		
ETREND Hightech Corp.	\$ 1,890	\$ 2,280
<u>Emerging stocks</u>		
Amtek Semiconductors Co., Ltd.	8,715	9,582
Xpert Semiconductor Inc.	-	-
	<u>\$ 10,605</u>	<u>\$ 11,862</u>

The Company invests the aforementioned common stocks in accordance with long-term strategic objectives and expects to profit from long-term investments. The management of the Company deems if the short-term volatility at fair value of such investments recognized in profit or loss is not consistent with the aforementioned long-term investment plan, it will be determined that such investments are measured through other comprehensive income at fair value.

8. Financial assets at amortized cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Time deposits with an initial maturity more than three months	\$ 60,000	\$ 160,000
Time deposit pledged	-	1,000
	<u>\$ 60,000</u>	<u>\$ 161,000</u>
<u>Non-current</u>		
Time deposit pledged	<u>\$ 1,000</u>	<u>\$ -</u>

1. As of December 31, 2025 and 2024, annual rate of time deposits with an initial maturity more than three months is 1.69%-1.70% and 1.10%-1.69%, respectively.

2. Please see Note 27 for the information of financial assets at amortized cost- current.

9. Accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Amortized cost</u>		
Total carrying amount	\$ 1,176,325	\$ 938,656
Less: Allowance for bad debts	(1,631)	(1,410)
	<u>\$ 1,174,694</u>	<u>\$ 937,246</u>

The average collection period for selling products and rendering service of the Company is 60 to 90 days, excluding accounts receivable. Credit of key customers is rated by using other public available financial information and historic transaction records. The Company continues supervising credit risk exposure and credit rating of the counterparty, as well as distributing the total transaction amount into different qualified customers. In addition, the management shall review and approve counterparty's line of credit for the purpose of managing credit risk exposure.

To mitigate credit risk, the management of the Company has designated functional working group responsible for decision on line of credit, credit approval and other supervision to ensure proper action has been taken to collect overdue accounts receivable. In addition, the collectible amount of accounts receivable of the Company shall be reviewed individually at the date of balance sheet to ensure the uncollectible accounts receivable has been listed to appropriate impairment loss. Accordingly, the management of the Company considers the Company's credit risk has significantly decreased.

The loss allowance for accounts receivable of the Company is measured at an amount equal to useful lives expected credit losses. For the useful lives expected credit losses, customers' default on records and present financial position, economic trends, as well as GDP expectation and industry outlook are considered. The experience on the Company's credit losses presents that types of loss on different customer groups do not bring obvious differences. Thus the rate of expected credit losses is set based on accounts receivable aging, without further grouping customers.

If any evidence shows the counterparty faces significant financial difficulty and the collectible amount cannot be reasonably expected, the Company will directly offset the relevant accounts receivable but keep track of the receivables. The recovered amount is recognized in profit or loss.

The loss allowance for accounts receivable is measured as follows:

	Aging 0~90 days	Aging 91~180 days	Aging 181~365 days	Aging over 365 days	Total
<u>December 31, 2025</u>					
Expected credit loss (%)	0.1	2	10	100	
Total carrying amount	\$ 1,154,387	\$ 21,420	\$ 518	\$ -	\$ 1,176,325
Allowance for loss	(1,151)	(428)	(52)	-	(1,631)
Amortized cost	<u>\$ 1,153,236</u>	<u>\$ 20,992</u>	<u>\$ 466</u>	<u>\$ -</u>	<u>\$ 1,174,694</u>
<u>December 31, 2024</u>					
Expected credit loss (%)	0.1	2	10	100	
Total carrying amount	\$ 920,212	\$ 16,873	\$ 1,571	\$ -	\$ 938,656
Allowance for loss	(916)	(337)	(157)	-	(1,410)
Amortized cost	<u>\$ 919,296</u>	<u>\$ 16,536</u>	<u>\$ 1,414</u>	<u>\$ -</u>	<u>\$ 937,246</u>

Changes on allowance for accounts receivable loss are as follows:

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	\$ 1,410	\$ 1,166
Provision	<u>221</u>	<u>244</u>
Balance at the end of the year	<u>\$ 1,631</u>	<u>\$ 1,410</u>

10. Inventories

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Raw materials	\$ 349,008	\$ 270,075
Finished goods	-	-
Work in process	-	-
Products	4,400	-
	<u>\$ 353,408</u>	<u>\$ 270,075</u>

Inventory-related operating costs as of 2025 and 2024 are NT\$4,954,475 thousand and NT\$4,604,735 thousand respectively.

Operating costs include the following items:

	<u>2025</u>	<u>2024</u>
Revenue from sale of scraps	(\$ 54,069)	(\$ 47,501)
Inventory valuation gain from price recovery	(7,571)	(12,778)
Supply inventory valuation gain from price recovery	(1,100)	(944)

Inventory and supply inventory net realizable value recovery in 2025 and 2024 were due to better inventory turnover.

11. Investments accounted for using the equity method

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Investment in subsidiaries	\$ 1,055,663	\$ 1,079,798
Investment in Associates	-	-
	<u>\$ 1,055,663</u>	<u>\$ 1,079,798</u>

(1) Investment in subsidiaries

Investees	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	Amount	Equity %	Amount	Equity %
<u>Private entity</u>				
Lingsen Holding (Samoa) Inc.	\$ 328,798	100	\$ 329,329	100
Panther Technology Co., Ltd.	308,871	64	350,642	64
Sooner Power Semiconductor Co., Ltd.	228,441	99	230,378	99
Lee Shin Investment Co., Ltd.	276,138	100	254,719	100
Lingsen America Inc.	68,815	100	70,220	100
Nexus Material Corporation	27,329	78	27,239	78
	<u>1,238,392</u>		<u>1,262,527</u>	
Less: Transferred treasury shares	(176,415)		(176,415)	
Accumulated impairment loss	(6,314)		(6,314)	
	<u>\$1,055,663</u>		<u>\$1,079,798</u>	

The Company has been approved by Investment Commission, MOEA to invest in Lingsen Holding (Samoa) Inc. at NT\$63,140 thousand (US\$2,000 thousand) respectively in March 2024. In the meantime, Lingsen Holding (Samoa) Inc. indirectly reinvested in Ningbo Liyuan Technology Co., Ltd. through the investment company Li Yuan Investments Co., Ltd.

In consideration of the overall operational development needs of the Company, the board of directors approved the disposal of Ningbo Liyuan Company on February 17, 2024, and the sales contract was signed on April 11, 2024. This disposal plan was completed on April 25, 2024. For related notes, please refer to Note 26 to the consolidated financial statements.

In June 2025, Lingsen Holding (Samoa) Inc. reduced its capital and cancelled 48,000,000 ordinary shares.

In March and September 2025, Li Yuan Investments Co., Ltd. reduced its capital and cancelled 48,000,000 and 11,999,999 ordinary shares, respectively.

Lingsen Holding (Samoa) Inc. and Li Yuan Investments Co., Ltd. were dissolved and liquidated by resolution of their respective boards of directors (acting on behalf of the shareholders' meeting) in August 2025. As of the date of this independent financial report, the dissolution and liquidation procedures have not yet been completed.

Please see Table 2 for detailed investments in subsidiaries indirectly held by the Company.

The share of profit or loss and other comprehensive income of subsidiaries accounted for using the equity method in 2025 and 2024 are in accordance with auditors' reports of each subsidiary as of the same period.

(2) Investment in Associates

Investees	December 31, 2025		December 31, 2024	
	Amount	Shareholding	Amount	Shareholding
<u>Private entity</u>				
Qi Feng Technology Co., Ltd.	\$ 11,417	30%	\$ 11,417	30%
Less: Accumulated impairment loss	(11,417)		(11,417)	
	<u>\$ -</u>		<u>\$ -</u>	

Investments accounted for using the equity method as well as the Company's share of profit or loss and other comprehensive income are not calculated in accordance with auditors' reports. However, the management of the Company determines that it shall have little influence if financial statements of Qi Feng Technology Co., Ltd. are not audited.

12. Property, Plant and Equipment

	December 31, 2025	December 31, 2024
Assets used by the Company	\$ 2,202,166	\$ 2,290,354
Assets subject to operating leases	<u>172,020</u>	<u>176,891</u>
	<u>\$ 2,374,186</u>	<u>\$ 2,467,245</u>

(1) Assets used by the Company

2025	Buildings	Machinery and equipment	Transportation Equipment	Office equipment	Other equipment	Unfinished construction	Total cost
<u>Cost</u>							
Balance at the beginning of the year	\$2,318,367	\$2,489,572	\$ 18,827	\$ 28,228	\$ 329,892	\$ 4,476	\$5,189,362
Increase	14,980	92,274	1,828	19,349	58,421	142,191	329,043
Decrease	(37,460)	(215,227)	-	(13,179)	(78,243)	-	(344,109)
Reclassification	<u>28,263</u>	<u>20,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,263)</u>	<u>20,074</u>
Balance at the end of the year	<u>\$2,324,150</u>	<u>\$2,386,693</u>	<u>\$ 20,655</u>	<u>\$ 34,398</u>	<u>\$ 310,070</u>	<u>\$ 118,404</u>	<u>\$5,194,370</u>
(Continued on next page)							
(Continued from previous page)							
<u>Accumulated depreciation</u>							
Balance at the beginning of the year	\$1,091,722	\$1,564,038	\$ 14,197	\$ 19,296	\$ 209,755	\$ -	\$2,899,008
Increase	104,712	265,049	1,194	3,146	63,204	-	437,305
Decrease	(37,460)	(215,227)	-	(13,179)	(78,243)	-	(344,109)
Balance at the end of the year	<u>\$1,158,974</u>	<u>\$1,613,860</u>	<u>\$ 15,391</u>	<u>\$ 9,263</u>	<u>\$ 194,716</u>	<u>\$ -</u>	<u>\$2,992,204</u>
Carrying amounts at December 31, 2025	<u>\$1,165,176</u>	<u>\$ 772,833</u>	<u>\$ 5,264</u>	<u>\$ 25,135</u>	<u>\$ 115,354</u>	<u>\$ 118,404</u>	<u>\$2,202,166</u>
<u>2024</u>							
<u>Cost</u>							
Balance at the beginning of the year	\$2,400,732	\$3,252,994	\$ 18,827	\$ 30,154	\$ 319,547	\$ 13,627	\$6,035,881
Increase	9,044	20,944	-	1,030	55,493	13,728	100,239
Decrease	(102,018)	(799,908)	-	(2,956)	(59,148)	-	(964,030)
Reclassification	<u>10,609</u>	<u>15,542</u>	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>(22,879)</u>	<u>17,272</u>
Balance at the end of the year	<u>\$2,318,367</u>	<u>\$2,489,572</u>	<u>\$ 18,827</u>	<u>\$ 28,228</u>	<u>\$ 329,892</u>	<u>\$ 4,476</u>	<u>\$5,189,362</u>
<u>Accumulated depreciation</u>							
Balance at the beginning of the year	\$1,083,595	\$2,032,083	\$ 13,024	\$ 19,532	\$ 195,245	\$ -	\$3,343,479
Increase	110,145	330,960	1,173	2,720	73,658	-	518,656
Decrease	(102,018)	(799,005)	-	(2,956)	(59,148)	-	(963,127)
Balance at the end of the year	<u>\$1,091,722</u>	<u>\$1,564,038</u>	<u>\$ 14,197</u>	<u>\$ 19,296</u>	<u>\$ 209,755</u>	<u>\$ -</u>	<u>\$2,899,008</u>
Carrying amounts at December 31, 2024	<u>\$1,226,645</u>	<u>\$ 925,534</u>	<u>\$ 4,630</u>	<u>\$ 8,932</u>	<u>\$ 120,137</u>	<u>\$ 4,476</u>	<u>\$2,290,354</u>

For 2025 and 2024, since there was no impairment loss, the company had not conducted the impairment loss evaluation.

Depreciation is computed on a straight-line basis over the following estimated useful life:

Buildings	
Plant building	45 ~ 50 years
Hydropower air-conditioning engineering	3 ~ 20 years
Machinery and equipment	3 ~ 7 years
Transportation Equipment	5 ~ 7 years
Office equipment	3 ~ 7 years
Other equipment	3 ~ 7 years

Please see Note 27 for the amount of property, plant, and equipment used by the Company pledged as collaterals.

(2) Assets subject to operating leases

2025	Buildings
<u>Cost</u>	
Balance at the beginning and end of the year	<u>\$ 237,827</u>
<u>Accumulated depreciation</u>	
Balance at the beginning of the year	\$ 60,936
Increase	<u>4,871</u>
Balance at the end of the year	<u>\$ 65,807</u>
Carrying amounts at December 31,2025	<u>\$ 172,020</u>
2024	
<u>Cost</u>	
Balance at the beginning and end of the year	<u>\$ 237,827</u>
<u>Accumulated depreciation</u>	
Balance at the beginning of the year	\$ 56,065
Increase	<u>4,871</u>
Balance at the end of the year	<u>\$ 60,936</u>
Carrying amounts at December 31,2024	<u>\$ 176,891</u>

The Company has used buildings based on operating leases with a lease term of 1 to 18 years. All operating lease contracts include the clause where the lessee shall adjust the lease payment according to market rent when a right of renewal is exercised. The lessee has no bargain purchase option on such asset after the end of the lease period.

The operating lease payments receivable for the buildings is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Year 1	\$ 5,721	\$ 5,232
Year 2	4,668	4,575
Year 3	4,668	4,575
Year 4	4,668	4,575
Year 5	4,668	4,575
Over 5 years	<u>23,340</u>	<u>22,873</u>
	<u>\$ 47,733</u>	<u>\$ 46,405</u>

Depreciation is computed on a straight-line basis over the following estimated useful life:

Buildings	45 ~ 50 years
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13. Lease agreements

(1) Right-of-use assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of right-of-use assets		
Land	\$ 132,320	\$ 136,505
Buildings	<u>-</u>	<u>641</u>
	<u>\$ 132,320</u>	<u>\$ 137,146</u>
	<u>2025</u>	<u>2024</u>
Depreciation expense of right-of-use assets		
Land	\$ 4,185	\$ 4,189
Buildings	<u>641</u>	<u>641</u>
	<u>\$ 4,826</u>	<u>\$ 4,830</u>

Except for the depreciation expenses recognized above, there were no major sublease and impairment loss of the right-of-use assets of the Company in 2025 and 2024.

(2) Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of lease liabilities		
Current	<u>\$ 3,703</u>	<u>\$ 4,376</u>
Non-current	<u>\$ 132,031</u>	<u>\$ 135,734</u>

Ranges of discount rates for lease liabilities are as follow

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land	0.67%-1.55%	0.67%-1.55%
Buildings	1.50%	1.50%

(3) Material leases and terms

The Company leases several lands and buildings for the use of plants, office buildings and employee dormitories with a lease term of 1 to 10 years. Upon the termination of the lease period, the Company has no bargain purchase option for leased lands and buildings.

(4) Information on other lease

Please see Note 12 for agreements that the Company sells property, plant and equipment used by the Company under operating leases.

	<u>2025</u>	<u>2024</u>
Expenses relating to short-term leases	<u>\$ 994</u>	<u>\$ 1,030</u>
Total cash outflow for leases	<u>(\$ 6,577)</u>	<u>(\$ 6,610)</u>

The Company leases certain machinery and equipment, buildings and building leases which qualify as short-term leases. The Company has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

14. Other current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Supply inventory	\$ 155,128	\$ 159,632
Prepayments	12,788	14,463
Payments on behalf of others	12,145	12,796
Input tax	7,780	2,195
Others	<u>234</u>	<u>349</u>
	<u>\$ 188,075</u>	<u>\$ 189,435</u>

15. Borrowings

(1) Short-term bank borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Import/export financing loans	\$ 129,432	\$ 130,436
Credit loans	<u>100,000</u>	<u>-</u>
	<u>\$ 229,432</u>	<u>\$ 130,436</u>

Annual interest rate (%)

Import/export financing loans	4.44-4.72	5.24-5.44
Credit loans	1.80-1.96	-

(2) Long-term bank borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Mortgage loan (Note 27)	\$ 400,000	\$ 37,500
Credit loans	<u>143,766</u>	<u>216,362</u>
	543,766	253,862
Less: Amount falling due in one year	(143,766)	(210,096)
Amount falling due after one year	<u>\$ 400,000</u>	<u>\$ 43,766</u>

Annual interest rate (%)

Mortgage loan	1.91	1.91
Credit loans	1.51-2.14	1.51-1.66

Maturity date

Mortgage loan	2028.06	2025.06
Credit loans	2026.03-2028.12	2026.03-2026.05

16. Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Payables for Wages and bonuses	\$ 181,315	\$ 184,305
Payables for factory supplies	98,692	90,753
Payables for annual leave	52,694	54,414
Payables for purchases of equipment	19,078	6,954
Others	<u>108,359</u>	<u>98,372</u>
	<u>\$ 460,138</u>	<u>\$ 434,798</u>

17. Provisions - Current

Provisions for sales returns and allowances are, estimated under experiences, judgment of the management and other known reasons for the probable sales returns and allowances, and recognized as the subtraction of operating revenue upon the related service is provided and products are sold at the current year.

Changes on provisions are as below:

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	\$ 3,572	\$ 5,540
Reversal	(<u>1,662</u>)	(<u>1,968</u>)
Balance at the end of the year	<u>\$ 1,910</u>	<u>\$ 3,572</u>

18. Retirement benefits plan

(1) Defined contribution plans

The pension system of the “Labor Pension Act” is applicable to the Company, belonging to the affirmed appropriation of pension plan under the management of the government, and pension is appropriated at the rate of 6% of the monthly salary of employees into the personal dedicated account of the Bureau of Labor Insurance.

(2) Defined benefit plans

The Company has labor pension system as defined benefit plans under the Labor Standards Act of R.O.C... The payment of the employee pension is made based on an employee’s length of service and average monthly salary for the six-month period prior to retirement approved. The Company contributes an amount equal to 3 percent of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee’s name in the Bank of Taiwan. Before the end of each year, the balance in the Funds is assessed. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees qualified with retirement requirements in the next year, the Company is required to make up the difference all at once with one appropriation, which is required to be made before the end of March of next year. The Funds are operated and managed by the government’s designated authorities. Accordingly, the Company does not have any right to intervene in the investments of the Funds.

The amount of defined benefit plans recognized in the consolidated balance sheets is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligation	\$ 523,667	\$ 552,740
Fair value of plan assets	(<u>685,510</u>)	(<u>675,569</u>)
Net defined benefit assets	<u>(\$ 161,843)</u>	<u>(\$ 122,829)</u>

Movements the net defined benefit assets are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance at January 1, 2025	<u>\$ 552,740</u>	<u>(\$ 675,569)</u>	<u>(\$ 122,829)</u>
Service cost			
Current service cost	4,977	-	4,977
Interest expense (income)	<u>8,955</u>	<u>(11,032)</u>	<u>(2,077)</u>
Defined benefit costs recognized in profit or loss	<u>13,932</u>	<u>(11,032)</u>	<u>2,900</u>
Remeasurement of the net defined benefit liability/asset			
Return on plan assets (excluding amounts included in net interest expense)	-	<u>(47,042)</u>	<u>(47,042)</u>
Actuarial loss (gain)			
- changes in financial assumptions	10,347	-	10,347
- experience adjustments	<u>(517)</u>	<u>-</u>	<u>(517)</u>
Defined benefit costs recognized in other comprehensive income	<u>9,830</u>	<u>(47,042)</u>	<u>(37,212)</u>
Contributions from employer	-	<u>(1,200)</u>	<u>(1,200)</u>
Benefits paid	<u>(52,835)</u>	<u>49,333</u>	<u>(3,502)</u>
	<u>(52,835)</u>	<u>48,133</u>	<u>(4,702)</u>
Balance as of December 31, 2025	<u>\$ 523,667</u>	<u>(\$ 685,510)</u>	<u>(\$ 161,843)</u>
Balance as of January 1, 2024	<u>\$ 608,362</u>	<u>(\$ 679,211)</u>	<u>(\$ 70,849)</u>
Service cost			
Current service cost	5,159	-	5,159
Interest expense (income)	<u>7,453</u>	<u>(8,376)</u>	<u>(923)</u>
Defined benefit costs recognized in profit or loss	<u>12,612</u>	<u>(8,376)</u>	<u>4,236</u>
Return on plan assets (excluding amounts included in net interest expense)	-	<u>(58,944)</u>	<u>(58,944)</u>
Actuarial loss (gain)			
- changes in demographic assumptions	1	-	1
- changes in financial assumptions	<u>(19,289)</u>	<u>-</u>	<u>(19,289)</u>
- experience adjustments	<u>(7,929)</u>	<u>-</u>	<u>(7,929)</u>
Defined benefit costs recognized in other comprehensive income	<u>(27,217)</u>	<u>(58,944)</u>	<u>(86,161)</u>
Contributions from employer	-	<u>(6,000)</u>	<u>(6,000)</u>
Get it back after expiration	-	42,599	42,599
Benefits paid	<u>(41,017)</u>	<u>34,363</u>	<u>(6,654)</u>
	<u>(41,017)</u>	<u>70,962</u>	<u>29,945</u>
Balance as of December 31, 2024	<u>\$ 552,740</u>	<u>(\$ 675,569)</u>	<u>(\$ 122,829)</u>

Due to the defined benefit plans under the Labor Standards Act of R.O.C. the Company is exposed to the following risks:

- 1) Investment risk: The pension funds are invested in domestic and foreign equity securities, debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds' designated authorities or under the mandated management. However, the distributable amount of plan assets of the Company shall not be less than the return calculated by the average interest rate on a two-year time deposit published by the local banks.

- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation. However, the return on the debt investments of the plan assets will increase as well. The two will be partially offset on net defined benefit liabilities.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation of the Company are carried out by qualified actuaries. The principal assumptions are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.40%	1.65%
Expected salary increase rate	2.00%	2.00%

If reasonably likely changes respectively occur in the principal assumptions and all other assumptions are held constant, the amount of present value of the defined benefit obligation is increased or decreased as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
Increase by 0.25%	(<u>\$ 10,346</u>)	(<u>\$ 11,577</u>)
Decrease by 0.25%	<u>\$ 10,660</u>	<u>\$ 11,942</u>
Expected salary increase rate		
Increase by 0.25%	<u>\$ 10,570</u>	<u>\$ 11,871</u>
Decrease by 0.25%	(<u>\$ 10,311</u>)	(<u>\$ 11,566</u>)

The sensitivity analysis presented above may not reflect the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Contributions expected in one year	<u>\$ 1,200</u>	<u>\$ 6,000</u>
Average maturity of defined benefit obligation	8 years	8 years

19. Equity

(1) Ordinary shares

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Authorized shares (in thousands)	<u>500,000</u>	<u>500,000</u>
Authorized capital	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Issued and paid shares (in thousands)	<u>380,102</u>	<u>380,102</u>
Issued capital	<u>\$ 3,801,023</u>	<u>\$ 3,801,023</u>

A holder of issued common shares with par value of NT\$10 per share is entitled to vote and to receive dividends.

(2) Capital surplus

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Additional paid-in capital	\$ 895,089	\$ 1,009,120
From convertible bonds	126,434	126,434
Treasury stock transactions	20,036	18,338
Donations	754	681
	<u>\$ 1,042,313</u>	<u>\$ 1,154,573</u>

The capital surplus generated from donations and the excess of the issuance price over the par value of capital stock (including the stock issued for new capital, convertible bonds, treasury stocks and difference between the price of acquisition or disposal of subsidiaries' equity and the book value) 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 stock dividends to the paid-in capital. However, stock dividends may not exceed a certain percent of the paid-in capital.

(3) Retained earnings and dividend policy

Surplus earning distribution policy under the Company's Articles of Incorporation states that when allocating earnings, the Company shall pay the tax, offset its losses, set aside its legal capital reserve at 10% of the retained earnings, and then set aside or reverse special capital reserve in accordance with relevant laws or regulations; if there are earnings left, along with accumulated unappropriated earnings, the Board of Directors shall propose the surplus earning distribution for shareholders' meeting to determine the allocation of dividends and bonus. Please see Note 21 for distribution policy for employees' compensation, and remuneration of directors under the Company's Articles of Incorporation.

Legal capital reserve shall be set aside until its balance equals to full amount of the paid-in capital. The reserve may be used to offset a deficit. When the Group has no deficit, the portion in excess of 25% of the paid-in capital may be used to distribute as dividends in stocks or cash.

The Company has approved loss make-up proposal for 2023 in the shareholders' meeting in May 2024. Due to losses in 2023, after the deficit was compensated with the reversal of special reserve of NT\$72,715 thousand, the Company proposed a capital reserve distribution of 114,031 thousand in cash (NT\$0.3 per share).

The Company has approved loss make-up proposal for 2024 in the shareholders' meeting in May 2025. Due to losses in 2024, after the deficit was compensated with the reversal of special reserve of NT\$14,488 thousand, the Company proposed a capital reserve distribution of 114,031 thousand in cash (NT\$0.3 per share).

The Company approved loss make-up proposal for 2025 in the Company's board of directors in February, 2026. Due to a deficit in 2025, after the deficit was compensated with the reversal of special reserve of NT\$ 6,614 thousand, no profit will be distributed due to losses.

The distribution of loss for 2025 is subject to the resolution of the shareholders' meeting to be held in May 2026.

(4) Treasury stocks

The treasury stocks held by the Company, in accordance with Securities and Exchange Act, shall not be pledged and is not entitle to distribute dividends and to vote.

The relevant information on the Company's shares held by Lee Shin Investment Co., Ltd. is as follows:

	Total shares held (shares)	Carrying amount	Market value
December 31, 2025	5,658,911	<u>\$ 128,457</u>	<u>\$ 128,457</u>
December 31, 2024	5,658,911	<u>\$ 100,446</u>	<u>\$ 100,446</u>

The shares of the Company held by a subsidiary shall be regarded as treasury stocks. It is given the same rights as the common shareholders, except for capital increase from the Company and voting right.

20. Revenue

	2025	2024
Revenue from contracts with custom		
Service income	\$ 4,805,611	\$ 4,574,658
Sales revenue	<u>33,322</u>	<u>37,200</u>
	<u>\$ 4,838,933</u>	<u>\$ 4,611,858</u>

(1) Contract balance

	December 31, 2025	December 31, 2024	January 1, 2024
Contract assets - current	\$ 131,088	\$ 102,190	\$ 117,146
Accounts receivable	<u>1,174,694</u>	<u>937,246</u>	<u>957,070</u>
	<u>\$ 1,305,782</u>	<u>\$ 1,039,436</u>	<u>\$ 1,074,216</u>

The Company recognizes allowance losses on contract assets based on expected credit losses during the duration. Contract assets will be classified as accounts receivable when billing is issued, and their credit risk characteristics are the same as accounts receivable arising from similar contracts. Therefore, the company believes that the expected credit loss rate of accounts receivable can also be applied to contract assets.

(2) Timing of revenue recognition

	2025	2024
Performance obligation satisfied over time	\$ 4,805,611	\$ 4,574,658
Performance obligation satisfied at a point in time	<u>33,322</u>	<u>37,200</u>
	<u>\$ 4,838,933</u>	<u>\$ 4,611,858</u>

21. Employee benefits and depreciation expenses

Classified as	operating costs	operating expenses	Total
<u>2025</u>			
Employee benefit expense			
Short-term employee benefits	\$ 1,093,762	\$ 151,583	\$ 1,245,345
Labor and health insurance expense	134,943	15,490	150,433
Pensions			
Defined contribution plans	40,646	6,387	47,033
Defined benefit plans	2,567	333	2,900
Remuneration of Directors	-	1,883	1,883
Other employee benefits	101,958	10,544	112,502
Depreciation expenses	435,744	11,258	447,002
<u>2024</u>			
Employee benefit expense			
Short-term employee benefits	1,141,631	160,736	1,302,367
Labor and health insurance expense	137,593	16,168	153,761
Pensions			
Defined contribution plans	45,730	6,692	52,422
Defined benefit plans	3,727	509	4,236
Remuneration of Directors	-	1,800	1,800
Other employee benefits	87,261	9,584	96,845
Depreciation expenses	516,751	11,606	528,357

For the years of 2025 and 2024, the Company had average 2,222 and 2,321 employees respectively, which included 7 and 6 non-employee directors for the respective year.

Average labor cost for the years 2025 and 2024 were NT\$703 thousand and 695 thousand respectively. Average salary and bonus were NT\$562 thousand and 563 thousand respectively. The average salary and bonus decrease by 0.18% year over year.

The Company's remuneration policy

Except for independent directors receive a certain amount of remuneration, the remuneration of directors is reasonably provided according to the result of corporate operation and the director's performance and participation. For remunerations of managerial officers and employees, remunerations are paid according to their respective job positions, responsibilities, future risk and contribution level to the business objectives and according to the remuneration management regulations of the Company.

The Company's Articles of Incorporation before Amendment, the Company shall accrue employees' compensation and remuneration of directors at the rates of no less than 10% and no higher than 2% respectively, of net profit before income tax, of remuneration of employees and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act of August 2024, the Company passed an amendment to its Articles of Association at its Annual General Meeting in May 2025, stipulating that employee and director remuneration shall be allocated at a rate of not less than 8% and not more than 2% of the pre-tax profits before deducting employee and director remuneration for the current year, respectively, and that not less than 2% of the pre-tax profits before deducting employee and director remuneration for the current year shall be allocated as remuneration for non-executive employees.

Due to a deficit in 2025 and 2024, the remuneration of employees (including remuneration for non-executive employees) and remuneration of directors have not been estimated yet.

If there is a change in the amounts after the annual parent company only financial statements are authorized for issuance, the differences are recorded as a change in the accounting estimate.

Please see "Market Observation Post System" (MOPS) under the Taiwan Stock Exchange for the information on the remuneration of employees and remuneration of directors determined by the board of directors.

22. Income tax

(1) Main components of income tax expense (benefit) recognized in profit or loss

	<u>2025</u>	<u>2024</u>
Current tax		
Income tax expense generated in the current year	\$ -	\$ -
Adjustment on prior years	<u>-</u>	<u>(8,024)</u>
	<u>-</u>	<u>(8,024)</u>
Deferred tax		
Income tax expense generated in the current year	1,532	3,418
Adjustment on prior years	<u>1,358</u>	<u>618</u>
	<u>2,890</u>	<u>4,036</u>
Income tax expense (benefit) recognized in profit or loss	<u>\$ 2,890</u>	<u>(\$ 3,988)</u>

A reconciliation of accounting income and income tax expense is as follows:

	<u>2025</u>	<u>2024</u>
Income tax benefit calculated at the statutory rate	(\$ 78,273)	(\$ 34,443)
Permanent differences	4,886	(4,040)
Temporary differences	(1,471)	(3,416)
Unrecognized loss carryforwards	74,858	41,899
Deferred tax		
Income tax expense generated in the current year	1,532	3,418
Adjustment on prior years	1,358	618
Adjustment on prior years	<u>-</u>	<u>(8,024)</u>
Income tax expense (benefit) recognized in profit or loss	<u>\$ 2,890</u>	<u>(\$ 3,988)</u>

(2) Deferred tax assets and liabilities

2025	Balance at the beginning of the year	Adjustment at the beginning of the year	Defined benefit costs recognized in profit or loss	Defined benefit costs recognized in other comprehensive income	Balance at the end of the year
<u>Deferred tax income assets</u>					
Temporary differences					
Inventory falling price reserves	\$ 11,868	\$ -	(\$ 1,514)	\$ -	\$ 10,354
Supply Inventory falling price reserves	1,451		(220)	-	1,231
Payables for annual leave	10,883	-	(344)	-	10,539
Provision for liabilities	714	-	(332)	-	382
Difference on depreciation methods	61	-	105	-	166
Others	-	-	587	-	587
	<u>24,977</u>		<u>(1,718)</u>	<u>-</u>	<u>23,259</u>
Loss carryforwards	137,455	(1,358)	-	-	136,097
	<u>\$ 162,432</u>	<u>(\$ 1,358)</u>	<u>(\$ 1,718)</u>	<u>\$ -</u>	<u>\$ 159,356</u>
<u>Deferred income tax liabilities</u>					
Temporary differences					
Defined benefit retirement plans	\$ 35,860	\$ -	\$ -	\$ 7,442	\$ 43,302
Others	186	-	(186)	-	-
	<u>\$ 36,046</u>	<u>\$ -</u>	<u>(\$ 186)</u>	<u>\$ 7,442</u>	<u>\$ 43,302</u>
<u>2024</u>					
<u>Deferred tax income assets</u>					
Temporary differences					
Inventory falling price reserves	\$ 14,424	\$ -	(\$ 2,556)	\$ -	\$ 11,868
Supply Inventory falling price reserves	1,640		(189)	-	1,451
Payables for annual leave	10,600	-	283	-	10,883
Provision for liabilities	1,108	-	(394)	-	714
Difference on depreciation methods	-	-	61	-	61
Others	541	-	(541)	-	-
	<u>28,313</u>		<u>(3,336)</u>	<u>-</u>	<u>24,977</u>
Loss carryforwards	138,073	(618)	-	-	137,455
	<u>\$ 166,386</u>	<u>(\$ 618)</u>	<u>(\$ 3,336)</u>	<u>\$ -</u>	<u>\$ 162,432</u>
<u>Deferred income tax liabilities</u>					
Temporary differences					
Defined benefit retirement plans	\$ 18,628	\$ -	\$ -	\$ 17,232	\$ 35,860
Difference on depreciation methods	104	-	(104)	-	-
Others	-	-	186	-	186
	<u>\$ 18,732</u>	<u>\$ -</u>	<u>\$ 82</u>	<u>\$ 17,232</u>	<u>\$ 36,046</u>

(3) Amount of unused loss carryforwards of deferred income tax assets which was not recognized in the individual balance sheet.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Loss carryforwards		
Due to 2034	\$ 209,494	\$ 209,494
Due to 2035	<u>374,292</u>	<u>-</u>
	<u>\$ 583,786</u>	<u>\$ 209,494</u>

(4) Relevant information on unused loss carryforwards

<u>Final deduction year</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
2028	\$ 122,892	\$ 122,892
2029	384,321	384,321
2032	174,271	174,271
2033	-	3,779
2034	209,494	209,494
2035	<u>374,292</u>	<u>-</u>
	<u>\$ 1,265,270</u>	<u>\$ 894,757</u>

(5) The total amount of deductible temporary differences for which is relevant to invested subsidiaries and no deferred tax assets have been recognized is as follows:

<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>\$ 2,206,825</u>	<u>\$ 2,180,674</u>

(6) Income tax examination

The tax authorities have examined the income tax returns of the Company through 2023.

23. Loss per share

	<u>Net loss attributable to owners of the Company</u>	<u>Number of shares (denominator) (in thousand)</u>	<u>Loss per share (NT\$)</u>
<u>2025</u>			
Basic EPS and Diluted EPS			
Net loss attributed to the owners of the Company	<u>(\$ 394,253)</u>	<u>374,443</u>	<u>(\$ 1.05)</u>
<u>2024</u>			
Basic EPS and Diluted EPS			
Net loss attributed to the owners of the Company	<u>(\$ 168,228)</u>	<u>374,443</u>	<u>(\$ 0.45)</u>

Since the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

Due to the Company's net loss in 2025 and 2024, the calculation of diluted net loss per share without including the impact of employee compensation is anti-dilutive potential ordinary shares.

24. Capital risk management

The Company manages its capital to ensure that it is able to maximize shareholders return as a going concern through the optimization of the debt and equity balance. The overall strategy has not changed.

The Company's capital structure is consisting of net debt (leases less cash and cash equivalent) and equity (common stocks, capital surplus, retained earnings and other equity).

The Company is allowed not to follow other external laws or regulations on capital.

The key management of the Company reviews its capital structure for each season, including the consideration on costs of every type of capital and relevant risks. Based on the key management's advice, the Company balances its overall capital structure by paying dividend payments, new shares issuance, share repurchase and new debt issuance or debt repayment, etc.

25. Financial instruments

(1) Information on fair value

1) Financial instruments that are not measured at fair value

The management of the Company considers that the carrying amounts of financial assets and liabilities that are not measured at fair value approximate its fair value or its fair value cannot be reliably measured.

2) Financial instruments that are measured at fair value on a recurring basis

i. Fair value hierarchy

<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Emerging stocks	\$ -	\$ -	\$ 8,715	\$ 8,715
Listed and OTC stocks	<u>1,890</u>	<u>-</u>	<u>-</u>	<u>1,890</u>
	<u>\$ 1,890</u>	<u>\$ -</u>	<u>\$ 8,715</u>	<u>\$ 10,605</u>
<u>December 31, 2024</u>				
<u>Financial assets at fair value through other comprehensive income</u>				
Emerging stocks	\$ -	\$ -	\$ 9,582	\$ 9,582
Listed and OTC stocks	<u>2,280</u>	<u>-</u>	<u>-</u>	<u>2,280</u>
	<u>\$ 2,280</u>	<u>\$ -</u>	<u>\$ 9,582</u>	<u>\$ 11,862</u>

There was no transfer of fair value measurements between Level 1 and Level 2 for 2025 and 2024.

ii. Reconciliation of Level 3 fair value measurements on financial instruments

Financial assets	Financial assets at fair value through other comprehensive income	
	Equity instruments	
	2025	2024
Balance at the beginning of the year	\$ 9,582	\$ 8,617
Unrealized gains (loss) from financial assets measured at fair value through other comprehensive income	(867)	965
Balance at the end of the year	<u>\$ 8,715</u>	<u>\$ 9,582</u>

iii. Valuation techniques and input value used in Level 3 fair value measurement

The securities of emerging stocks held by the Company have no market price reference and thus are evaluated under the cost approach. Its fair value is computed in reference to investment assets.

(2) Categories of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets measured at amortized cost	\$ 2,204,725	\$ 2,138,446
Financial assets at fair value through other comprehensive income	10,605	11,862
<u>Financial liabilities</u>		
Amortized cost	1,390,518	804,865

Balance of financial assets measured at amortized cost includes cash and cash equivalent, financial assets at amortized cost- current and non-current, contract assets, accounts receivable, other receivables and refundable deposits, and other financial assets measured at amortized cost.

Balance of financial liabilities measured at amortized cost includes short-term bank borrowings, accounts payable, other payables, long-term bank borrowings (including amount falling due in one year) and guarantee deposits received and other financial liabilities measured at amortized cost.

(3) Financial risk management objectives and policies

The majority of financial instruments include equity instrument investments, accounts receivable, accounts payable, borrowings and lease liabilities, etc. The financial management department provides service for each unit by organizing and coordinating the market operation nationally and internationally, supervising and reporting the internal risks by analyzing risk exposure according to the extent and breadth of risk, and managing financial risks associated with the Company's operation. Such risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Company is exposed to the financial market risks, primarily changes in foreign currency exchange rates and interest rates, due to its operation.

The Company is exposed to market risk associated with financial instruments and the management and measurement of such exposure have not changed.

i. Foreign currency risk

The Company's sales and purchase transactions are denominated in foreign currency, which exposes the Company to foreign currency risk. Approximately 20%~24% of sales revenue is not denominated in functional currency and approximately 61%~65% of the cost is not denominated in functional currency.

Please see Note 29 for the carrying amount of monetary assets and liabilities denominated in non-functional currency at the date of balance sheet.

Sensitivity analysis

The Company is mainly affected by fluctuations in USD and JPY.

The following table details the Company's sensitivity analysis to a 1% increase and decrease in NTD against the relevant foreign currency. The rate of 1% is the sensitivity rate used when reporting foreign currency risk internally to the key management and represents the management's assessment of the reasonably likely change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and the end-of-year exchange rate is adjusted to 1% increase and decrease. The following table details the amount resulting in changes in net loss before tax to a 1% increase and decrease in NTD against the relevant foreign currency.

Categories of currency	Impact of fluctuations in exchange rate on profit or loss	
	2025	2024
USD	\$ 56	\$ 734
Japanese yen	1	18

ii. Interest rate risk

The Company is exposed to interest rate risk for the reason that it has borrowed money at both fixed and variable rate. The Company maintains an appropriate fixed and floating rate for portfolio to manage interest rate risk. The hedge is evaluated on a regular basis, which makes its point of view and the established risk preference identical, to ensure the most efficient hedging strategy is adopted.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fair value interest rate risk		
Financial assets	\$ 496,603	\$ 396,851
Financial liabilities	253,893	140,111
Cash flow interest rate risk		
Financial assets	384,173	688,533
Financial liabilities	655,039	384,298

Sensitivity analysis

The following sensitivity analysis is determined in accordance with interest rate risk of non-derivative instruments at the date of balance sheet. For the floating rate liabilities, the analysis is to assume that the amount of liabilities outstanding at the date of balance sheet is all outstanding at the reporting period. The rate of change is expressed as the increment or decrement by 1% when reporting to the management personnel internally of the Company, which also represents the management's assessment of the reasonable interest rate change.

For floating-rate financial assets and liabilities, when interest rate is increase by 1% and other conditions remain unchanged, the net loss before tax of the Company in 2025 and 2024 are NT\$2,709 thousand and NT\$3,042 thousand respectively.

iii. Other price risk

The Company is exposed to price risk due to investments in equity securities. The management of the Company manages the risk by investing in portfolio with different risks.

Sensitivity analysis

The following sensitivity is analyzed according to the exposure to equity price risk at the date of balance sheet.

If the equity price changes by 1%, the other comprehensive income in 2025 and 2024 will increase and decrease NT\$19 thousand and NT\$23 thousand respectively due to changes in fair value of financial assets measured at fair value through profit or loss.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The maximum credit risk exposure due to the financial loss arising from the counterparty not performing its obligation and the Company's financial guarantee primarily results from:

- i. The carrying amount of financial assets recognized in the parent company only balance sheet.

- ii. The Company has given financial guarantee and not taken the maximum amount to be paid into consideration.

The Company's credit risk is mainly resulted from its five largest customers. As of December 31, 2025 and 2024, the aforementioned customers are accounted for 57% and 50% of accounts receivable and contract assets, respectively.

3) Liquidity risk

The Company manages and maintains a level of cash and cash equivalents adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, the management of the Company monitors the utilization of borrowings and ensures compliance with loan conditions.

The bank borrowing is a material source of liquidity to the Company. As of December 31, 2025 and 2024, the undrawn loan amounts are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Undrawn loan amounts	<u>\$ 803,167</u>	<u>\$ 935,220</u>

Liquidity and interest risks of non-derivative financial liabilities

The funds are adequate to the Company's operations and thus the Company is not exposed to liquidity risk and financing to meet the contractual obligations.

The maturity of the Company's non-derivative financial liabilities which the repayment period has been committed is as follows:

<u>December 31, 2025</u>	<u>Within 1 year</u>	<u>1 to 3 years</u>	<u>More than 3 years</u>
Non-interest bearing liabilities	\$ 616,354	\$ 966	\$ -
Lease liabilities	4,865	14,170	139,158
Floating-rate liabilities	257,857	412,579	-
Fixed-rate liabilities	<u>118,464</u>	<u>-</u>	<u>-</u>
	<u>\$ 997,540</u>	<u>\$ 427,715</u>	<u>\$ 139,158</u>
<u>December 31, 2024</u>			
Non-interest bearing liabilities	\$ 419,637	\$ 930	\$ -
Lease liabilities	5,584	14,553	143,640
Floating-rate liabilities	<u>344,761</u>	<u>43,953</u>	<u>-</u>
	<u>\$ 769,982</u>	<u>\$ 59,436</u>	<u>\$ 143,640</u>

The further information on a maturity analysis of lease liability is below:

	<u>Within 1 year</u>	<u>1-5 years</u>	<u>5~10 years</u>
<u>December 31, 2025</u>	<u>\$ 4,865</u>	<u>\$ 22,989</u>	<u>\$ 130,339</u>
<u>December 31, 2024</u>	<u>\$ 5,584</u>	<u>\$ 23,445</u>	<u>\$ 134,748</u>

The amount of the aforementioned floating rate instrument of non-derivative liabilities will change resulting from the floating rate is different from the interest rate estimated at the date of balance sheet.

26. Related-party transactions

The transactions between the Company and other related parties, excluding those disclosed in other notes, are as follows:

(1) Related party name and categories

Related Party Name	Relationship with the Company
Lingsen America Inc.	Subsidiary
Ningbo Liyuan Technology Co., Ltd.(Note)	Third-tier subsidiary
Lee Shin Investment Co., Ltd.	Subsidiary
Panther Technology Co., Ltd.	Subsidiary
Sooner Power Semiconductor Co., Ltd.	Subsidiary

Note: Ningbo Liyuan Technology Co., Ltd. was disposed of on April 25, 2024, and is no longer a related party of the Company.

(2) Purchase

Related party category	2025	2024
Third-tier subsidiary	\$ <u> -</u>	\$ <u> 844</u>

Raw materials are purchased from related party, and no other similar non-related party transaction can be compared. The payment is collected at 30 days T/T following the date the goods are sold in principle.

(3) Operating expense - commission expense

The Company has signed a commission agreement with Lingsen America Inc. states that the Company shall pay a 2% commission on monthly sales revenue of particular exports in the U.S.A. (in USD). The commission expenses in 2025 and 2024 are NT\$3,430 thousand and NT\$697 thousand respectively. The commissions payable as of December 31 2025 and 2024 are NT\$1,054 thousand and NT\$1 thousand, respectively.

(4) Non-operating income - rent income

Related Party Category/Name	2025	2024
Subsidiary	\$ <u> 36</u>	\$ <u> 36</u>

The company leases office space to the subsidiary, Lee Shin Investment Co., Ltd., under an operating lease. The rent is based on the rental level of similar assets, and a fixed monthly lease payment is received in accordance with the lease agreement.

(5) Non-operating income - other revenue

Related party category	2025	2024
Third-tier subsidiary	\$ <u> -</u>	\$ <u> 161</u>

(6) Remuneration of key management personnel

	2025	2024
Short-term employee benefits	\$ 22,796	\$ 25,079
Pensions	<u> 373</u>	<u> 400</u>
	<u>\$ 23,169</u>	<u>\$ 25,479</u>

The remuneration of directors and other key management personnel were determined by the Remuneration Committee in accordance with the individual performance and the market trends.

27. Pledged assets

- (1) The Company provides the following assets (Financial assets at amortized cost-current and non-current) as a deposit out for customs duties accounting:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Pledged time deposits	<u>\$ 1,000</u>	<u>\$ 1,000</u>

- (2) The following assets are pledged as collaterals for bank loan limit:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment	<u>\$ 516,124</u>	<u>\$ 531,313</u>

28. Significant Contingent Liabilities and Unrecognized Commitments

Significant contingent commitments of the Company at the end of balance sheet, excluding those disclosed in other notes, are as follows:

- (1) For customs duties guarantee and other objectives, the financial institution has provided guarantee details as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>\$ 28,000</u>	<u>\$ 28,000</u>

- (2) Unrecognized commitments are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Purchase of property, plant and equipment	<u>\$ 204,370</u>	<u>\$ 46,209</u>

29. Significant information on exchange rate of foreign currency financial assets and liabilities

The following information is summarized according to the foreign currencies other than the functional currency of the Company. The exchange rates disclosed are used to translate the foreign currencies into the functional currency. The significant financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency assets	December 31, 2025			December 31, 2024		
	Foreign Currency	Exchange rate	NTD	Foreign Currency	Exchange rate	NTD
<u>Monetary items</u>						
USD	\$ 14,191	31.43	\$ 446,023	\$ 11,303	32.785	\$ 370,569
Japanese yen	161,561	0.2008	32,441	177,004	0.2099	37,153
Non-monetary items						
<u>Investment accounted for using the equity method</u>						
USD	12,651	31.43	397,613	12,187	32.785	399,549
Foreign currency liabilities						
<u>Monetary items</u>						
USD	14,014	31.43	440,460	9,063	32.785	297,130
Japanese yen	162,215	0.2008	32,573	185,817	0.2099	39,003

Significant unrealized exchange gains (losses) are as follows:

Foreign Currency	2025		2024	
	Exchange rate	Net exchange gains (losses)	Exchange rate	Net exchange gains (losses)
USD	31.43(USD : NTD)	(\$ 2,626)	32.785(USD : NTD)	\$ 1,431
Japanese yen	0.2008(JPY: NTD)	(310)	0.2099(JPY: NTD)	(500)
		(\$ 2,936)		\$ 931

30. Other disclosures

- (1) Information on significant transactions:
 - 1) Financing provided to others: None.
 - 2) Endorsements/guarantees provided: None.
 - 3) Marketable securities held (excluding investment in subsidiaries, associates): Table 1.
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
 - 6) Other: None.
- (2) Information on investees: Table 2.
- (3) Information on Investment in Mainland China
 - 1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: None.
 - 2) Significant direct or indirect transactions through a third area with the investee in the Mainland Area, and its prices and terms of payment, unrealized gain or loss are as follows:
 - i. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None.
 - ii. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None.
 - iii. The amount of property transactions and the amount of the resultant gains or losses: None.
 - iv. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
 - v. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.
 - vi. Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None.

Lingsen Precision Industries, Ltd. and its subsidiaries
Marketable securities held
December 31, 2025

Table 1

Unit: Amounts expressed in thousands of New Taiwan Dollars/ shares

Holding company name	Marketable securities types and name	Relationship with the issuers	Financial statement account	End of year			
				Shares/Units	Carrying amount	Shareholding %	Fair value (Note 2)
Parent Company	<u>Stock</u>						
	Amtek Semiconductors Co., Ltd.	None	Financial assets at fair value through other comprehensive income- non-current	685,464	\$ 8,715	2	\$ 8,715
	ETREND Hightech Corp.	None	Financial assets at fair value through other comprehensive income- non-current	75,000	1,890	-	1,890
	Xpert Semiconductor Inc.	None	Financial assets at fair value through other comprehensive income- non-current	44,891	-	-	-
Lee Shin Investment Co., Ltd.	<u>Stock</u>						
	The Company(Note 2)	Parent company	Financial assets at fair value through other comprehensive income- non-current	5,658,911	128,457	1	128,457
	ETREND Hightech Corp.	None	Financial assets at fair value through other comprehensive income- non-current	150,000	3,780	-	3,780

Note 1: Please see Table 2 for related information on investment in subsidiaries.

Note 2: Fair value of investment in emerging stocks is computed in reference to investment assets under the cost approach.

Lingsen Precision Industries, Ltd. and its subsidiaries

Information on investees

For the year ended December 31, 2025

Table 2

Unit: Amounts expressed in thousands of New Taiwan Dollars/ shares

Investor	Investee	Location	Main business	Initial investment amount		Balance at December 31, 2024			Current income (losses) of the investee	Share of income (losses) recognized
				End of current year	End of last year	Number of shares	Ratio %	Carrying amount		
Parent Company	Lingsen Holding (Samoa) Inc.(Note 1)	Samoa Islands	General investments	\$ 381,898	\$ 1,909,488	12,000,000	100	\$ 328,798	\$ 12,976	\$ 12,976
	Panther Technology Co., Ltd.	Hsinchu County, Taiwan	IC testing	230,146	230,146	22,922,899	64	308,871	(65,604)	(41,771)
	Sooner Power Semiconductor Co., Ltd.	Hsinchu County, Taiwan	Electronic parts and components manufacturing	215,148	215,148	21,514,797	99	228,441	43,568	(1,937)
	Lee Shin Investment Co., Ltd. (Note 2)	Taichung City	General investments	300,000	300,000	30,000,000	100	99,723	3,006	3,006
	Nexus Material Corporation (Note 3)	Hsinchu County, Taiwan	Wholesale of electronic materials and electronic parts and components manufacturing	53,483	53,483	5,348,315	78	21,015	114	90
	Lingsen America Inc.	California, U.S.A.	Intermediary	32,311	32,311	1,000,000	100	68,815	1,485	1,485
	Qi Feng Technology Co., Ltd. (Note 3)	Taichung City	Electronic parts and components production and processing	24,000	24,000	2,400,000	30	-	-	-
Lee Shin Investment Co., Ltd.	Sooner Power Semiconductor Co., Ltd.	Hsinchu County, Taiwan	Electronic parts and components manufacturing	912	912	98,660	1	1,254	43,568	198
	Nexus Material Corporation	Hsinchu County, Taiwan	Wholesale of electronic materials and electronic parts and components manufacturing	14,192	14,192	1,419,214	21	5,576	114	24
Lingsen Holding (Samoa) Inc.	Li Yuan Investments Co., Ltd. (Note 4)	Cayman Islands	General investments	-	1,909,488	1	100	-	10,296	10,296

Note 1: In November 2024, Lingsen Holding (Samoa) Inc.'s board of directors passed a resolution by its board of directors (acting on behalf of the shareholders' meeting) to reduce its capital to offset losses, eliminating 48,000,000 ordinary shares, representing a capital reduction of 80%. The base date for the capital reduction was June 16, 2025, and the change of registration has been completed.

Note 2: Treasury stocks have been deducted from the carrying amount of Lee Shin Investment Co., Ltd.

Note 3: Accumulated impairment loss has been deducted from the carrying amount of Nexus Material Corporation and Qi Feng Technology Co., Ltd.

Note 4: In November 2024, Li Yuan Investments Co., Ltd.'s board of directors passed a resolution by its board of directors (acting on behalf of the shareholders' meeting) to reduce its capital to offset losses,

eliminating 48,000,000 ordinary shares, representing a capital reduction of 80%. The base date for the capital reduction was March 26, 2025, and the change of registration has been completed. Furthermore, in August 2025, the Board of Directors (acting on behalf of the shareholders' meeting) resolved to dissolve and liquidate the company, eliminating 11,999,999 ordinary shares, representing a capital reduction of 99%. The base date for the capital reduction was September 17, 2025, and the change of registration has been completed.

§Statements of Major Accounting Items

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Lingsen Precision Industries, Ltd.
Statement of cash and cash equivalents
December 31, 2025

Table 1 Unit In Thousands of New Taiwan Dollars,
Unless Stated Otherwise

Item	Amount
Cash	
Cash on hand and petty cash	\$ 283
Cash in banks	
Checking accounts	2,064
Demand deposits	179,900
Foreign currency demand deposit (Note 1)	132,273
Time deposits	<u>61,000</u>
	375,520
 Cash equivalents	
Time deposits with an initial maturity of less than three months	408,000
Short-term notes and bills	<u>99,603</u>
	507,603
 Less: Time deposits with an initial maturity in three months	(60,000)
Time deposit pledge (Note 2)	<u>(1,000)</u>
	<u>\$ 822,123</u>

Note 1: It includes US\$3,176 thousand and JPY 161,561 thousand, converted at the exchange rate of US\$1 = NT\$31.43 and JPY\$1 = NT\$0.2008.

Note 2: The due period is May 2027, at an annual percentage rate of 1.7%. It has been provided to the bank as collateral, transferred to financial assets at amortized cost-non-current, to make endorsement and guarantee for Taipei Customs, CA, MOF.

Lingsen Precision Industries, Ltd.
Statement of accounts receivable
December 31, 2025

Table 2

Unit: Amounts expressed in thousands of
New Taiwan Dollars

Customer name	Amount
Company A	\$ 264,372
Company B	200,241
Company C	180,478
Company D	120,374
Company E	77,466
Company F	55,347
Others (Note)	<u>278,047</u>
	1,176,325
Less: Allowance for bad debts	(<u>1,631</u>)
	<u>\$ 1,174,694</u>

Note: The amount of individual customer does not exceed 5% of the account balance.

Lingsen Precision Industries, Ltd.

Statement of inventories

December 31, 2025

Table 3

Unit: Amounts expressed in thousands of
New Taiwan Dollars

Item	Cost	Net realizable value
Raw materials	\$ 395,970	\$ 349,008
Finished goods	2,253	-
Work in process	2,554	-
Products	<u>4,400</u>	<u>4,400</u>
	405,177	<u>\$ 353,408</u>
Less: falling price reserves	(<u>51,769</u>)	
	<u>\$ 353,408</u>	

Lingsen Precision Industries, Ltd.

Statement of changes in financial assets measured at fair value through other comprehensive income - non-current

For the year ended December 31, 2025

Table 4

Unit: Amounts expressed in thousands of New Taiwan Dollars and thousands of shares

Financial instrument name	Balance at the beginning of the year		Unrealized gains or losses of Financial assets	Balance at the end of the year		Guarantee or pledge status
	Number of shares	Fair value		Number of shares	Fair value	
Listed and TPEX stocks						
ETREND Hightech Corp.	75	\$ 2,280	(\$ 390)	75	\$ 1,890	None
Emerging stocks						
Amtek Semiconductors Co., Ltd.	685	9,582	(867)	685	8,715	None
Xpert Semiconductor Inc.	45	-	-	45	-	None
		<u>9,582</u>	<u>(867)</u>		<u>8,715</u>	
		\$ 11,862	(\$ 1,257)		\$ 10,605	

Lingsen Precision Industries, Ltd.
Statement of changes in investments accounted for using the equity method
For the year ended December 31, 2025

Table 5

Unit: Amounts expressed in thousands of New Taiwan Dollars and thousands of shares

Investee	Balance at the beginning of the year		Decrease (Note 1)		Gains (losses) of investments	Capital surplus	Exchange differences on translation of the financial statements of foreign operations	Unrealized gains or losses of Financial assets	Balance at the end of the year			Market value or equity net value (Note 2)
	Number of shares	Amount	Number of shares	Amount					Number of shares	Shareholding %	Amount	
Lingsen Holding (Samoa) Inc.	60,000	\$ 329,329	(48,000)	\$ -	\$ 12,976	\$ -	(\$ 13,507)	\$ -	12,000	100	\$ 328,798	\$ 328,798
Panther Technology Co., Ltd.	22,923	350,642	-	-	(41,771)	-	-	-	22,923	64	308,871	308,871
Sooner Power Semiconductor Co., Ltd.	21,515	230,378	-	-	(1,937)	-	-	-	21,515	99	228,441	228,441
Lee Shin Investment Co., Ltd.	30,000	254,719	-	-	3,006	1,698	-	16,715	30,000	100	276,138	99,723
Lingsen America Inc.	1,000	70,220	-	-	1,485	-	(2,890)	-	1,000	100	68,815	68,815
Nexus Material Corporation	5,348	27,239	-	-	90	-	-	-	5,348	78	27,329	21,015
Qi Feng Technology Co., Ltd.	2,400	11,417	-	-	-	-	-	-	2,400	30	11,417	-
		<u>1,273,944</u>		<u>\$ -</u>	<u>(\$ 26,151)</u>	<u>\$ 1,698</u>	<u>(\$ 16,397)</u>	<u>\$ 16,715</u>			<u>1,249,809</u>	<u>\$ 1,055,663</u>
Less: Transferred treasury shares		(176,415)									(176,415)	
Accumulated impairment loss		(17,731)									(17,731)	
		<u>\$ 1,079,798</u>									<u>\$ 1,055,663</u>	

Note 1: On November 6, 2024, Lingsen Holding (Samoa) Inc.'s board of directors passed a resolution by its board of directors (acting on behalf of the shareholders' meeting) to reduce its capital by US\$48,000 thousand to offset losses, eliminating 48,000,000 ordinary shares, representing a capital reduction of 80%. The base date for the capital reduction was June 16, 2025, and the change of registration has been completed.

Note 2: Net income or loss is primarily computed according to investee's financial statement and the percentage of the Company's share.

Lingsen Precision Industries, Ltd.
Statement of Changes in Right-of-use Assets and Accumulated Depreciation
For the year ended December 31, 2025

Table 6

Unit: Amounts expressed
in thousands of New Taiwan Dollars

	Balance at the beginning of the year	Increase	Balance at the end of the year
Cost			
Land	\$ 162,429	\$ -	\$ 162,429
Buildings	<u>4,509</u>	<u>-</u>	<u>4,509</u>
	<u>166,938</u>	<u>\$ -</u>	<u>166,938</u>
Accumulated depreciation			
Land	25,924	\$ 4,185	30,109
Buildings	<u>3,868</u>	<u>641</u>	<u>4,509</u>
	<u>29,792</u>	<u>\$ 4,826</u>	<u>34,618</u>
	<u>\$ 137,146</u>		<u>\$ 132,320</u>

Lingsen Precision Industries, Ltd.
Statement of short-term borrowings
December 31, 2025

Table 7

Unit: Amounts expressed in thousands of
New Taiwan Dollars

Loan type and bank	Maturity date (Note)	Annual interest rate (%)	Amount
Import/export financing loans			
Mega International Commercial Bank (Tan Zi Branch)	2026.02.25	4.60	\$ 63,155
Taishin International Bank(Taichung Branch)	2026.01.30	4.67	24,563
Taipei Fubon Bank (Zhonggang Branch)	2026.01.30	4.72	23,555
Bank of Taiwan(Tan Zi Branch)	2026.03.30	4.44	<u>18,159</u>
			<u>129,432</u>
Credit loans			
Taishin International Bank(Jianpei Branch)	2026.01.21	1.96	50,000
CTBC Bank (Taichung Branch)	2026.01.23	1.80	<u>50,000</u>
			<u>100,000</u>
			<u>\$ 229,432</u>

Note: The maturity date refers to the last maturity date among several loans.

Lingsen Precision Industries, Ltd.
Statement of accounts payable
December 31, 2025

Table 8 Unit: Amounts expressed in thousands of
New Taiwan Dollars

Company name	Amount
Company A	\$ 126,178
Company B	65,759
Company C	54,570
Company D	37,258
Company E	26,640
Others (Note)	79,820
	\$ 390,225

Note: The amount of individual customer does not exceed 5% of the account balance.

Lingsen Precision Industries, Ltd.

Statement of lease liabilities

December 31, 2025

Table 9

Unit: Amounts expressed in thousands of New Taiwan

Dollars

<u>Item</u>	<u>Description</u>	<u>Lease term</u>	<u>Discount rate (%)</u>	<u>Balance at the end of the year</u>
Land	Plant and office	2014.11.01-2035.09.30	0.67-1.55	\$ 135,734
Less: Amount falling due in one year				(<u>3,703</u>)
				<u>\$ 132,031</u>

Lingsen Precision Industries, Ltd.
Statement of long-term borrowings
December 31, 2025

Table 10

Unit: Amounts expressed in thousands of New Taiwan Dollars

Loan type and bank	Loan period	Repayment method	Annual interest rate	Amount falling due in one year	Amount falling due after one year	Total
Mortgage loan						
Mega International Commercial Bank (Tan Zi Branch)	2025.06.27-2028.06.26	The maximum repayment period for each transaction shall not exceed the expiry date of the utilization period, and the principal shall be repaid once due.	1.91%	\$ 100,000	\$ 300,000	\$ 400,000
Credit loans						
CTBC Bank (Taichung Regional Center)	2021.03.05-2026.03.05	Grace period refers to 18 months from the first drawdown date. Starting from October 15, 2023, the equal principle shall be paid on the 15th day of each month, and the remaining amount shall be repaid at a lump sum upon maturity, and interest is collected on a monthly basis.	1.58%	16,099	-	16,099
Taipei Fubon Bank (Zhonggang Branch)	2021.05.20-2026.05.20	Grace period refers to the first 2 years of the 60 months from the first drawdown date. Starting from the 3rd year, the equal principle shall be paid on the 15th day of each month.	1.51%	11,667	-	11,667
Taipei Fubon Bank (Zhonggang Branch)	2025.12.23-2028.12.23	Grace period refers to 12 months from the first drawdown date. Starting from the second year, the payments will be amortized on an equal basis every six months on the 23rd until the contract expires.	2.14%	-	100,000	100,000
O-Bank (Taichung Branch)	2021.04.26-2026.04.26	Grace period refers to 36 months from the first drawdown date. The equal principle shall be paid on the 15th day of each month, and divided into 25 periods for payment.	1.66%	<u>16,000</u>	<u>-</u>	<u>16,000</u>
				<u>\$ 143,766</u>	<u>\$ 400,000</u>	<u>\$ 543,766</u>

Lingsen Precision Industries, Ltd.
Statement of operating revenue
For the year ended December 31, 2025

Table 11

Unit: Amounts expressed in thousands of
New Taiwan Dollars

Item	Quantity (thousand PCS)	Amount
Packaging and final testing of IC	Around 3,933,872	\$ 4,697,127
Revenue from contracts with customers		131,088
Other operating income		<u>33,322</u>
		4,861,537
Less: Sales allowance		(<u>22,604</u>)
Operating income		<u>\$ 4,838,933</u>

Lingsen Precision Industries, Ltd.
Statement of operating costs
For the year ended December 31, 2025

Table 12

Unit: Amounts expressed in thousands of
New Taiwan Dollars

Item	Amount
Raw material at the beginning of year	\$ 324,607
Current net purchase	2,104,638
Raw material at the end of year	(395,970)
Sales of raw materials	(29,266)
Other expenses	(<u>17,008</u>)
Raw material consumption	\$ 1,987,001
Direct labor	778,768
Production overheads	<u>2,221,734</u>
Production cost	4,987,503
Work in process at the beginning of the year	2,554
Work in process at the end of the year	(<u>2,554</u>)
Cost of finished goods inventory	4,987,503
Finished goods inventory at the beginning of the year	2,253
Finished goods inventory at the end of the year	(<u>2,253</u>)
Cost of sales	4,987,503
Products inventory at the beginning of the year	-
Purchased this year	4,800
Products inventory at the end of the year	(<u>4,400</u>)
Cost of goods sold	400
Income from sale of scrap	(54,069)
Inventory valuation gain from price recovery	(7,571)
Supply inventory valuation gain from price recovery	(1,100)
Cost of sales of raw materials	29,266
Others	<u>46</u>
Operating costs	<u>\$ 4,954,475</u>

Lingsen Precision Industries, Ltd.
Statement of operating expenses
For the year ended December 31, 2025

Table 13

Unit: Amounts expressed in thousands of
New Taiwan Dollars

Item	Selling expenses	Administrativ e expenses	Research and development expenses	Total
Salary expense	\$ 28,492	\$ 67,708	\$ 63,986	\$ 160,186
Depreciation	346	10,773	139	11,258
Insurance expense	3,096	7,994	6,427	17,517
Commissions expense	3,791	-	-	3,791
Others	<u>14,142</u>	<u>59,408</u>	<u>10,954</u>	<u>84,504</u>
	<u>\$ 49,867</u>	<u>\$ 145,883</u>	<u>\$ 81,506</u>	<u>\$ 277,256</u>