

Lingsen Precision Industries, Ltd. and  
Subsidiaries

Consolidated Financial Statements and  
Independent Auditor's 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.

## Representation Letter

The entities that are required to be included in the combined financial statements of Lingsen Precision Industries, Ltd. as of and for the year ended December 31, 2025, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Lingsen Precision Industries, Ltd. and its subsidiaries do not prepare a separate set of combined financial statements.

Declared by

Company Name: Lingsen Precision Industries, Ltd.

Owner: Shu-Chyuan Yeh

February 25, 2026

## **Independent Auditors' Report**

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

### **Audit opinions**

We have audited the accompanying consolidated financial statements of Lingsen Precision Industries, Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission 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 Consolidated Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from the Group 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**

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

The key audit matters for the Group's consolidated financial statements for the year 2025 are stated as follows:

#### Authenticity of service revenue recognition

The main source of revenue of the Group relies on the service revenue from the 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 22 of the consolidated 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.

#### **Other Matters**

Lingsen Precision Industries, Ltd. has prepared the parent company only financial statements for 2025 and 2024, to which we have also issued an independent auditor's report with unqualified opinion along with the section on other matters and provided for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the R.O.C., and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the responsibilities of the management include assessing the Group'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 Group 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 Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The term of "reasonable assurance" refers to high level of assurance. Nevertheless, the audit performed according to the Generally Accepted Auditing Standards cannot guarantee the discovery of material misstatement in the 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 consolidated 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 consolidated 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 a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on the internal control of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. According to the audit evidence obtained, evaluate the appropriateness of the continuous operation accounting basis and whether events or circumstances possibly generating material concerns on the continuous operation ability of the Group have significant uncertainty, and provide conclusion thereto. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Nevertheless, future events or circumstances may cause the Group to have no ability for continuous operation.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including relevant notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of the Group and provide opinion on the consolidated financial statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the Group.

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 significance in the audit of the Group's 2025 consolidated 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.  
Jin-Guan-Zheng-Shen-Zi No. 1110348898

February 25, 2026

Lingsen Precision Industries, Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

| Code | ASSETS  | December 31, 2025   |            | December 31, 2024   |            |
|------|---|---------------------|------------|---------------------|------------|
|      |   | Amount              | %          | Amount              | %          |
|      | <b>Current Assets</b>   |                     |            |                     |            |
| 1100 | Cash and cash equivalents (Note 4 and 6)  | \$ 1,546,811        | 20         | \$ 1,544,076        | 21         |
| 1136 | Financial assets at amortized cost- current (Note 4, 8 and 30)                                | 219,689             | 3          | 323,806             | 4          |
| 1140 | Contract assets - current (Note 4 and 22)   | 131,088             | 2          | 102,190             | 1          |
| 1170 | Accounts receivable (Note 4, 9 and 22)  | 1,342,328           | 18         | 1,115,023           | 15         |
| 1200 | Other receivables (Note 4)  | 17,073              | -          | 12,766              | -          |
| 1220 | Current tax assets (Note 4 and 24)  | 2,463               | -          | 2,494               | -          |
| 1310 | Inventories (Note 4 and 10)   | 353,408             | 4          | 270,075             | 4          |
| 1470 | Other current assets (Note 16)  | 215,703             | 3          | 218,832             | 3          |
| 11XX | Total current assets  | <u>3,828,563</u>    | <u>50</u>  | <u>3,589,262</u>    | <u>48</u>  |
|      | <b>Non-current assets</b>   |                     |            |                     |            |
| 1517 | Financial assets at fair value through other comprehensive income- non-current (Note 4 and 7) | 14,385              | -          | 42,349              | -          |
| 1540 | Financial assets at amortized cost- non-current (Note 4, 8 and 30)                            | 1,000               | -          | -                   | -          |
| 1550 | Investment accounted for using the equity method (Note 4 and 13)                              | -                   | -          | -                   | -          |
| 1600 | Property, plant and equipment (Note 4, 14 and 30)   | 3,180,360           | 42         | 3,354,746           | 45         |
| 1755 | Right-of-use assets (Note 4 and 15)   | 132,834             | 2          | 139,365             | 2          |
| 1840 | Deferred tax assets (Note 4, 5 and 24)  | 165,858             | 2          | 168,967             | 2          |
| 1915 | Prepayments for facilities  | 93,822              | 2          | 55,596              | 1          |
| 1920 | Refundable deposits (Note 4)  | 1,994               | -          | 1,645               | -          |
| 1975 | Net defined benefit assets - non-current (Note 4 and 20)                                      | 161,843             | 2          | 122,829             | 2          |
| 1990 | Other non-current assets  | 15,893              | -          | 25,111              | -          |
| 15XX | Total non-current assets  | <u>3,767,989</u>    | <u>50</u>  | <u>3,910,608</u>    | <u>52</u>  |
| 1XXX | Total assets  | <u>\$ 7,596,552</u> | <u>100</u> | <u>\$ 7,499,870</u> | <u>100</u> |
|      | <b>Liabilities and Equity</b>   |                     |            |                     |            |
|      | <b>Current Liabilities</b>  |                     |            |                     |            |
| 2100 | Short-term bank borrowings (Note 4 and 17)  | \$ 229,432          | 3          | \$ 180,436          | 2          |
| 2150 | Notes payable   | 2,889               | -          | -                   | -          |
| 2170 | Accounts payable  | 390,225             | 5          | 223,558             | 3          |
| 2200 | Other payables (Note 18)  | 565,120             | 7          | 538,945             | 7          |
| 2230 | Current tax liabilities (Note 4 and 24)   | 450                 | -          | -                   | -          |
| 2250 | Liability reserve - current (Note 4 and 19)   | 1,910               | -          | 3,572               | -          |
| 2280 | Lease liabilities - current (Note 4 and 15)   | 4,221               | -          | 5,945               | -          |
| 2320 | Long-term borrowings due in one year (Note 4, 17 and 30)                                      | 284,353             | 4          | 337,391             | 5          |
| 2399 | Other current liabilities   | 128,542             | 2          | 116,915             | 2          |
| 21XX | Total current liabilities   | <u>1,607,142</u>    | <u>21</u>  | <u>1,406,762</u>    | <u>19</u>  |
|      | <b>Non-current liabilities</b>  |                     |            |                     |            |
| 2540 | Long-term banks borrowings (Note 4, 17 and 30)  | 834,422             | 11         | 439,435             | 6          |
| 2570 | Deferred tax liabilities (Note 4 and 24)  | 43,496              | -          | 36,329              | -          |
| 2580 | Lease liabilities - non-current (Note 4 and 15)   | 132,031             | 2          | 136,396             | 2          |
| 2645 | Deposits received   | 966                 | -          | 930                 | -          |
| 25XX | Total non-current liabilities   | <u>1,010,915</u>    | <u>13</u>  | <u>613,090</u>      | <u>8</u>   |
| 2XXX | Total Liabilities   | <u>2,618,057</u>    | <u>34</u>  | <u>2,019,852</u>    | <u>27</u>  |
|      | <b>Equity attributable to owners of the company</b>   |                     |            |                     |            |
| 3110 | Ordinary shares   | 3,801,023           | 50         | 3,801,023           | 51         |
| 3200 | Capital surplus   | 1,042,313           | 14         | 1,154,573           | 15         |
|      | Retained earnings   |                     |            |                     |            |
| 3310 | Legal reserve   | 121,394             | 2          | 121,394             | 2          |
| 3320 | Special reserve   | 78,395              | 1          | 92,883              | 1          |
| 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 )      |
| 31XX | Total equity attributable to owners of the Company  | 4,801,213           | 63         | 5,278,895           | 70         |
| 36XX | Non-controlling interests   | 177,282             | 3          | 201,123             | 3          |
| 3XXX | Total equity  | <u>4,978,495</u>    | <u>66</u>  | <u>5,480,018</u>    | <u>73</u>  |
|      | Total liabilities and equities  | <u>\$ 7,596,552</u> | <u>100</u> | <u>\$ 7,499,870</u> | <u>100</u> |

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

Lingsen Precision Industries, Ltd. and Subsidiaries  
Statement 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 22)                        | \$ 5,554,974       | 100          | \$ 5,372,560       | 100          |
| 5000 | Operating costs (Note 10, 11 and 23)                     | <u>5,645,552</u>   | <u>101</u>   | <u>5,364,740</u>   | <u>100</u>   |
| 5900 | Gross profit (loss)                                      | ( <u>87,578</u> )  | ( <u>1</u> ) | <u>7,820</u>       | <u>-</u>     |
|      | Operating expenses (Note 11 and 23)                      |                    |              |                    |              |
| 6100 | Selling and marketing expenses                           | 54,912             | 1            | 55,017             | 1            |
| 6200 | General and administrative expenses                      | 194,475            | 4            | 202,611            | 4            |
| 6300 | Research and development expenses                        | 117,183            | 2            | 133,265            | 2            |
| 6450 | Expected credit impairment losses (gains) (Note 4 and 9) | <u>221</u>         | <u>-</u>     | <u>244</u>         | <u>-</u>     |
| 6000 | Total operating expenses                                 | <u>366,791</u>     | <u>7</u>     | <u>391,137</u>     | <u>7</u>     |
| 6900 | Net operating loss                                       | ( <u>454,369</u> ) | ( <u>8</u> ) | ( <u>383,317</u> ) | ( <u>7</u> ) |
|      | Non-operating income and expenses (Note 4)               |                    |              |                    |              |
| 7100 | Interest income  | 34,746             | 1            | 33,901             | 1            |
| 7110 | Rental income (Note 14)                                  | 8,053              | -            | 13,923             | -            |
| 7130 | Dividend income  | 4,243              | -            | 3,212              | -            |
| 7190 | Other income   | 21,548             | -            | 30,574             | -            |
| 7210 | Gains on disposal of property, plant, and equipment      | 2,034              | -            | 1,440              | -            |
| 7230 | Net gain (loss) on foreign exchange                      | ( 4,399 )          | -            | 22,806             | -            |
| 7510 | Interest expenses  | ( 24,841 )         | ( 1 )        | ( 22,184 )         | -            |
| 7590 | Miscellaneous expenses                                   | <u>-</u>           | <u>-</u>     | ( <u>1,774</u> )   | <u>-</u>     |
| 7000 | Total non-operating incomes and expenses                 | <u>41,384</u>      | <u>-</u>     | <u>81,898</u>      | <u>1</u>     |
| 7900 | Net loss before income tax                               | ( 412,985 )        | ( 8 )        | ( 301,419 )        | ( 6 )        |
| 7950 | Income tax benefits (expenses) (Note 4 and 24)           | ( <u>5,109</u> )   | <u>-</u>     | <u>3,785</u>       | <u>-</u>     |
| 8000 | Net loss from continuing operations                      | ( <u>418,094</u> ) | ( <u>8</u> ) | ( <u>297,634</u> ) | ( <u>6</u> ) |

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| Code |  | 2025           |       | 2024           |       |
|------|--|----------------|-------|----------------|-------|
|      |  | Amount         | %     | Amount         | %     |
| 8100 | Net profit (loss) from discontinued operations (Note 4 & 11)   | \$ -           | -     | \$ 96,491      | 2     |
| 8200 | Net loss for the year  | ( 418,094 )    | ( 8 ) | ( 201,143 )    | ( 4 ) |
|      | Other comprehensive income (loss) (Note 4)   |                |       |                |       |
| 8310 | Items not reclassified subsequently to profit or loss  |                |       |                |       |
| 8311 | Remeasurement of defined benefit plans (Note 20)   | 37,212         | 1     | 86,161         | 1     |
| 8316 | Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income | 15,458         | -     | 1,630          | -     |
| 8349 | Income tax related to items that will not be reclassified subsequently (Note 24)                             | ( 7,442 )      | -     | ( 17,232 )     | -     |
|      |  | 45,228         | 1     | 70,559         | 1     |
| 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 )     | -     | 42,002         | 1     |
| 8300 | Other comprehensive income of the year (Net income after tax)  | 28,831         | 1     | 112,561        | 2     |
| 8500 | Total comprehensive loss for the year  | ( \$ 389,263 ) | ( 7 ) | ( \$ 88,582 )  | ( 2 ) |
|      | Net loss attributable to:  |                |       |                |       |
| 8610 | Owners of the company  | ( \$ 394,253 ) | ( 7 ) | ( \$ 168,228 ) | ( 3 ) |
| 8620 | Non-controlling interests  | ( 23,841 )     | ( 1 ) | ( 32,915 )     | ( 1 ) |
| 8600 |  | ( \$ 418,094 ) | ( 8 ) | ( \$ 201,143 ) | ( 4 ) |
|      | Total comprehensive income attributable to:  |                |       |                |       |
| 8710 | Owners of the company  | ( \$ 365,422 ) | ( 7 ) | ( \$ 55,667 )  | ( 1 ) |
| 8720 | Non-controlling interests  | ( 23,841 )     | -     | ( 32,915 )     | ( 1 ) |
| 8700 |  | ( \$ 389,263 ) | ( 7 ) | ( \$ 88,582 )  | ( 2 ) |
|      | Loss per share (Note 25)   |                |       |                |       |
|      | From continuing and discontinued operations  |                |       |                |       |
| 9750 | Basic  | ( \$ 1.05 )    |       | ( \$ 0.45 )    |       |
| 9850 | Diluted  | ( \$ 1.05 )    |       | ( \$ 0.45 )    |       |
|      | From continuing operations   |                |       |                |       |
| 9710 | Basic  | ( \$ 1.05 )    |       | ( \$ 0.71 )    |       |
| 9810 | Diluted  | ( \$ 1.05 )    |       | ( \$ 0.71 )    |       |

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

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

Unit: In Thousands of New Taiwan Dollars

|      |   | Equity attributable to owners of the company |                              |               |                 |   |   |   |                              |              |  |              |
|------|---|--|------------------------------|---------------|-----------------|---|---|---|------------------------------|--------------|--|--------------|
|      |   | Retained earnings (Note 21)                  |                              |               |                 | Other equity items (Note 4)                               |   |   |                              |              |  |              |
| Code |   | Common share capital<br>(Note 21)            | Capital surplus<br>(Note 21) | Legal reserve | Special reserve | Unappropriated earnings<br>(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<br>(Note 21) | Total        | Non-controlling interests<br>(Note 21) | Total equity |
| A1   | Balance at January 1, 2024  | \$ 3,801,023                                 | \$ 1,266,753                 | \$ 121,394    | \$ 165,598      | \$ 314,447  | (\$ 18,711)   | (\$ 27,347)   | (\$ 176,415)                 | \$ 5,446,742 | \$ 234,038                             | \$ 5,680,780 |
| B17  | Priors years appropriations of earnings<br>Reversal of special reserve  | -  | -                            | -             | ( 72,715)       | 72,715  | -   | -   | -                            | -            | -                                      | -            |
| C3   | Other change of capital surplus:<br>Change due to receipt of gifts  | -  | 75                           | -             | -               | -   | -   | -   | -                            | 75           | -                                      | 75           |
| C15  | Capital reserve allotment of cash dividends   | -  | ( 114,031)                   | -             | -               | -   | -   | -   | -                            | ( 114,031)   | -                                      | ( 114,031)   |
| C17  | Changes in other capital reserves   | -  | 78                           | -             | -               | -   | -   | -   | -                            | 78           | -                                      | 78           |
| M1   | Dividends are paid to subsidiaries to adjust capital reserves   | -  | 1,698                        | -             | -               | -   | -   | -   | -                            | 1,698        | -                                      | 1,698        |
| D1   | 2024 Net loss   | -  | -                            | -             | -               | ( 168,228)  | -   | -   | -                            | ( 168,228)   | ( 32,915)                              | ( 201,143)   |
| D3   | Other comprehensive income for 2024   | -  | -                            | -             | -               | 68,929  | 42,002  | 1,630   | -                            | 112,561      | -                                      | 112,561      |
| D5   | Total comprehensive income (loss) of 2024   | -  | -                            | -             | -               | ( 99,299)   | 42,002  | 1,630   | -                            | ( 55,667)    | ( 32,915)                              | ( 88,582)    |
| Z1   | Balance, December 31, 2024  | 3,801,023                                    | 1,154,573                    | 121,394       | 92,883          | 287,863   | 23,291  | ( 25,717)   | ( 176,415)                   | 5,278,895    | 201,123                                | 5,480,018    |
| B17  | Priors years appropriations of earnings<br>Reversal of special reserve  | -  | -                            | -             | ( 14,488)       | 14,488  | -   | -   | -                            | -            | -                                      | -            |
| C3   | Other change of capital surplus:<br>Change due to receipt of gifts  | -  | 73                           | -             | -               | -   | -   | -   | -                            | 73           | -                                      | 73           |
| C15  | Capital reserve allotment of cash dividends   | -  | ( 114,031)                   | -             | -               | -   | -   | -   | -                            | ( 114,031)   | -                                      | ( 114,031)   |
| M1   | Dividends paid to subsidiaries to adjust capital reserves   | -  | 1,698                        | -             | -               | -   | -   | -   | -                            | 1,698        | -                                      | 1,698        |
| D1   | 2025 Net loss   | -  | -                            | -             | -               | ( 394,253)  | -   | -   | -                            | ( 394,253)   | ( 23,841)                              | ( 418,094)   |
| D3   | Other comprehensive income (loss) in 2025   | -  | -                            | -             | -               | 29,770  | ( 16,397)   | 15,458  | -                            | 28,831       | -                                      | 28,831       |
| D5   | Total comprehensive income (loss) of 2025   | -  | -                            | -             | -               | ( 364,483)  | ( 16,397)   | 15,458  | -                            | ( 365,422)   | ( 23,841)                              | ( 389,263)   |
| Q1   | Disposal of investments in equity instruments designated as financial assets at fair value through other comprehensive income ( Note 7) | -  | -                            | -             | -               | 20,458  | -   | ( 20,458)   | -                            | -            | -                                      | -            |
| Z1   | Balance, December 31, 2025  | \$ 3,801,023                                 | \$ 1,042,313                 | \$ 121,394    | \$ 78,395       | (\$ 41,674)   | \$ 6,894  | (\$ 30,717)   | (\$ 176,415)                 | \$ 4,801,213 | \$ 177,282                             | \$ 4,978,495 |

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

Lingsen Precision Industries, Ltd. and Subsidiaries  
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                                     |              |              |
| A00010 | Net loss before income tax from continuing operations                    | (\$ 412,985) | (\$ 301,419) |
| A00020 | Net profit before income tax from discontinued operations                | -            | ( 96,491)    |
| A10000 | Net loss before tax for the year   | ( 412,985)   | ( 204,928)   |
|        | Income/expenses items  |              |              |
| A20100 | Depreciation expense   | 644,547      | 744,021      |
| A20300 | Expected credit impairment losses (gains)                                | 221          | 256          |
| A20900 | Interest expenses  | 24,841       | 23,439       |
| A21200 | Interest income  | ( 34,746)    | ( 33,914)    |
| A21300 | Dividend income  | ( 4,243)     | ( 3,212)     |
| A22500 | Gains on disposal of property, plant and equipment                       | ( 2,034)     | ( 2,013)     |
| A23200 | Gains on disposal of investment accounted for by equity method           | -            | ( 161,534)   |
| A23700 | Gain from price recovery and obsolete and slow-moving inventories        | ( 8,671)     | ( 13,309)    |
| A23800 | Reversal of impairment loss recognised in profit on non-financial assets | ( 65)        | ( 1,291)     |
| A24100 | Unrealized foreign currency exchange net loss (profit)                   | 5,332        | ( 14,007)    |
| A24700 | Lease modification benefits  | ( 12)        | -            |
| A29900 | Amortization of prepayments  | 13,880       | 13,668       |
| A29900 | Reversal for liabilities   | ( 1,662)     | ( 1,968)     |
| A30000 | Net changes in operating assets and liabilities                          |              |              |
| A31125 | Contract assets  | ( 28,898)    | 16,325       |
| A31130 | Notes receivable   | -            | 17           |
| A31150 | Accounts receivable  | ( 223,185)   | 73,935       |
| A31180 | Other receivables  | ( 5,043)     | 4,500        |
| A31200 | Inventories  | ( 75,762)    | 18,395       |
| A31240 | Other current assets   | 4,287        | 27,117       |
| A31990 | Net defined benefit assets   | ( 1,802)     | 34,181       |
| A32130 | Notes payable  | 2,889        | ( 5,055)     |
| A32150 | Accounts payable   | 164,698      | 3,989        |
| A32180 | Other payables   | 10,542       | ( 5,854)     |
| A32230 | Other current liabilities  | 11,627       | 25,533       |

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| Code   |  | 2025       | 2024       |
|--------|--|------------|------------|
| A33000 | Cash provided by operating activities  | \$ 83,756  | \$ 538,291 |
| A33100 | Interest received  | 35,416     | 33,052     |
| A33300 | Interest paid  | ( 24,766)  | ( 23,851)  |
| A33500 | Income tax returned (paid)   | ( 1,809)   | 74,640     |
| AAAA   | Net cash inflow from operating activities  | 92,597     | 622,132    |
|        | Cash flows from investing activities   |            |            |
| B00020 | Disposition of financial assets at fair value through other comprehensive income | 43,422     | -          |
| B00040 | Acquisition of financial assets at amortised cost                                | -          | ( 19,252)  |
| B00050 | Disposition of financial assets at amortized cost                                | 100,000    |            |
| B02300 | Proceeds from disposal of subsidiary (Note 26)                                   | -          | 323,490    |
| B02700 | Purchase of property, plant and equipment  | ( 401,638) | ( 184,276) |
| B02800 | Proceeds from disposal of property, plant and equipment                          | 23,305     | 3,948      |
| B03700 | Decrease (Increase) in refundable deposits                                       | ( 350)     | 495        |
| B06700 | Increase in other non-current assets   | ( 4,662)   | ( 19,870)  |
| B07100 | Increase in prepaid facilities amount  | ( 106,444) | ( 36,105)  |
| B07600 | Dividends received   | 4,243      | 3,212      |
| BBBB   | Net cash inflow (outflow) from investment activities                             | ( 342,124) | 71,642     |
|        | Cash flows from financing activities   |            |            |
| C00100 | Increase in short-term bank borrowings   | 926,109    | 495,491    |
| C00200 | Decrease in short-term bank borrowings   | ( 881,650) | ( 437,153) |
| C01600 | Proceeds from long-term bank borrowings  | 682,340    | 107,270    |
| C01700 | Repayments of long-term bank borrowings  | ( 340,391) | ( 419,446) |
| C03000 | Decrease in guarantee deposits received  | 36         | ( 970)     |
| C04020 | Repaid principal of lease liabilities  | ( 5,606)   | ( 5,902)   |
| C04500 | Payment of cash dividends  | ( 112,333) | ( 112,333) |
| C09900 | Uncollected overdue dividends  | 73         | 75         |
| C09900 | Exercise of disgorgement   | -          | 78         |

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| <u>Code</u> |  | <u>2025</u>        | <u>2024</u>         |
|-------------|--|--------------------|---------------------|
| CCCC        | Net cash inflow (outflow) from financing activities          | <u>\$ 268,578</u>  | <u>(\$ 372,890)</u> |
| DDDD        | Effect of exchange rate changes on cash and cash equivalents | <u>( 16,316)</u>   | <u>6,517</u>        |
| EEEE        | Increase of cash and cash equivalents for the year           | 2,735              | 327,401             |
| E00100      | Beginning cash and cash equivalents of the year              | <u>1,544,076</u>   | <u>1,216,675</u>    |
| E00200      | End cash and cash equivalents of the year                    | <u>\$1,546,811</u> | <u>\$1,544,076</u>  |

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

Lingsen Precision Industries, Ltd. and Subsidiaries

Notes to Consolidated 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 consolidated financial statements were expressed in New Taiwan Dollars, which is the Company's functional currency.

2. Approval Date and Procedures of the Consolidated Financial Statements

These consolidated 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 Group’s accounting policies.

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

| <b><u>New, Revised or Amended Standards and Interpretations</u></b>   | <b><u>Effective Date Announced by IASB</u></b> |
|---|--|
| 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 Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

- The Group having no practical ability to withdraw, stop or cancel the payment instruction;
- The Group 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 Group is continuously assessing the possible impact of the application of the amendments on the Group'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

| <b><u>New, Revised or Amended Standards and Interpretations</u></b>  | <b><u>Effective Date Announced by IASB (Note 1)</u></b> |
|--|---|
| 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 Group 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 Group 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 groups 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 Group 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 Group 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 Group, 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 Group 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 Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group 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 consolidated financial statements were authorized for issuance, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group’s financial position and financial performance and will disclose the other relevant impact when the assessment is completed.

#### 4. Summary of Significant Accounting Policies

(1) Statement of Compliance

The preparation of the consolidated financial statements is based on the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IFRSs accepted and effectively published by FSC.

(2) Basis of preparation

The consolidated 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.

(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) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). Adjustments have been made to the financial statements of subsidiaries to allow their accounting policies to be consistent with those used by the Group. During the preparation of the consolidated financial statements, the transaction, account balance, revenue and expense among entities have been eliminated completely. The total comprehensive income/loss of the subsidiaries are attributed to the owner's and non-controlling interests of the Company, and the same is true when the non-controlling interests consequently become loss balance.

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

Please see Note 12 and Table 3 for details of subsidiaries, percentage of ownership and business.

(5) Foreign Currency

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange 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 recalculated again.

In preparing the consolidated financial statements, assets and liabilities from foreign operations, 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 and attributed to the owner and non-controlling interests, respectively.

(6) Inventories

Inventories include raw materials, work in process, finished goods and products. 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 realized 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.

(7) Investment in Associates

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

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

During the evaluation of the impairment of the Group, 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

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

Property, plant and equipment in the course of construction for production are recognized as the cost, 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 Group 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 Group 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 Group 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 financial liabilities are recognized when a group entity 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 Group are classified to financial assets measured at amortized cost and investments in equity instruments measured through other comprehensive income at fair value.

i. Financial assets measured at amortized cost

When the financial assets invested by the Group 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, 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 Group 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 Group'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 Group 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 Group 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 Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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 Group 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 Group 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 Group's performance of packaging and final testing service, or the customer controls an asset which the Group's performance has created or enhanced, the related revenue is recognized. Packaging of products relies on the involvement of technicians. The Group measures the work in progress by the percentage of completion. The contract with customer states that the customer is billed after the packaging or the delivery has been completed. A contract asset is thus recognized when the Group renders the service and transfers to accounts receivable when the packaging or delivery is completed. Final testing counts on the involvement of technicians. The Group measures the work in progress by the percentage of completion. Contract customer is billed after the completion of service, and the Group then recognizes accounts receivable when rendering the service.

(13) Leases

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

1) The Group as the 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.

The sublease of right-of-use assets of the Group is classified by reference to right-of-use assets, instead of underlying assets. However, if the main lease is short-term lease applicable to recognition exemption of the Group, such sublease is 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 Group as the 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, and 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 consolidated 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 Group 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 consolidated 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 Group's defined benefit plan. Net defined benefit liability 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 Group has determined the current income (losses) and calculated taxes payable (receivable) 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 Group 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 Group 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 Group'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 Group incorporates the recent development into relevant 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.

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 Group recognizing addition impairment losses or reversing impairment losses recognized.

(2) Income tax

Upon the dates of December 31, 2025 and 2024, the balance of unused loss carryforwards not recognized as deferred tax assets in the consolidated balance sheet is NT\$1,381,857 thousand and NT\$1,069,866 thousand respectively. The loss carryforwards and carrying amount of deferred tax assets related to temporary differences as of December 31, 2025 and 2024 were NT\$165,858 thousand and NT\$168,967 thousand respectively. The realization of the deferred tax asset depends mainly on its future profitability or the taxable temporary difference. 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     | \$ 400                   | \$ 393                   |
| Check and demand deposit        | 533,558                  | 478,530                  |
| Cash equivalents                |                          |                          |
| Time deposits                   | 913,250                  | 915,302                  |
| Short-term notes and bills      | <u>99,603</u>            | <u>149,851</u>           |
|                                 | <u>\$ 1,546,811</u>      | <u>\$ 1,544,076</u>      |
| <u>Annual interest rate (%)</u> |                          |                          |
| Cash in banks                   | 0.005-0.71               | 0.001-1.05               |
| Time deposits                   | 1.22-4.15                | 1.10-4.88                |
| 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 OTC stocks</u>   |                          |                          |
| ETREND Hightech Corp.          | \$ 5,670                 | \$ 6,840                 |
| <u>Emerging stocks</u>         |                          |                          |
| Amtek Semiconductors Co., Ltd. | 8,715                    | 9,582                    |
| Enrich Tech Co., Ltd.          | -                        | 25,927                   |
| Xpert Semiconductor Inc.       | <u>-</u>                 | <u>-</u>                 |
|                                | <u>\$ 14,385</u>         | <u>\$ 42,349</u>         |

The Group invests in the aforementioned common stocks in accordance with the long-term strategic objectives and expects to profit from the long-term investments. The management of the Group considers that 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.

In November 2025, the Group sold all of its shares in Enrich Tech Co., Ltd. at a fair value of NT\$43,422 thousand. The unrealized valuation gain or loss of NT\$20,458 thousand on related other interests – financial assets at fair value through other comprehensive income or loss – was transferred to retained earnings.

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 | \$ 219,289               | \$ 322,406               |
| Time deposit pledged  | <u>400</u>               | <u>1,400</u>             |
|   | <u>\$ 219,689</u>        | <u>\$ 323,806</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 1.23%-3.80% and 1.10%-4.28%, respectively.

2. Please see Note 30 for the information of financial assets at amortized cost.

9. Accounts receivable

|                               | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|-------------------------------|--------------------------|--------------------------|
| <u>Amortized cost</u>         |                          |                          |
| Total carrying amount         | \$ 1,343,959             | \$ 1,116,433             |
| Less: Allowance for bad debts | ( <u>1,631</u> )         | ( <u>1,410</u> )         |
|                               | <u>\$ 1,342,328</u>      | <u>\$ 1,115,023</u>      |

The average collection period for selling products and rendering service 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 Group 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 Group 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 shall be reviewed individually at the date of balance sheet to ensure the uncollectible accounts receivable has been listed to appropriate impairment loss. According these, the management considers the Group's credit risk has significantly decreased.

The loss allowance for accounts receivable 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 Group'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 Group 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 of the Group is measured as follows:

|                          | 0~90 days           | Aging 91~180<br>days | Aging<br>181~365 days | Aging over<br>365 days | Total               |
|--------------------------|---------------------|----------------------|-----------------------|------------------------|---------------------|
| <u>December 31, 2025</u> |                     |                      |                       |                        |                     |
| Expected credit loss (%) | 0.1-0.2             | 2-3.1                | 10-15.5               | 100                    |                     |
| Total carrying amount    | \$ 1,322,021        | \$ 21,420            | \$ 518                | \$ -                   | \$ 1,343,959        |
| Allowance for loss       | ( 1,197 )           | ( 387 )              | ( 47 )                | -                      | ( 1,631 )           |
| Amortized cost           | <u>\$ 1,320,824</u> | <u>\$ 21,033</u>     | <u>\$ 471</u>         | <u>\$ -</u>            | <u>\$ 1,342,328</u> |
| <u>December 31, 2024</u> |                     |                      |                       |                        |                     |
| Expected credit loss (%) | 0.1-0.2             | 2-3.1                | 10-15.5               | 100                    |                     |
| Total carrying amount    | \$ 1,097,989        | \$ 16,873            | \$ 1,571              | \$ -                   | \$ 1,116,433        |
| Allowance for loss       | ( 972 )             | ( 299 )              | ( 139 )               | -                      | ( 1,410 )           |
| Amortized cost           | <u>\$ 1,097,017</u> | <u>\$ 16,574</u>     | <u>\$ 1,432</u>       | <u>\$ -</u>            | <u>\$ 1,115,023</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        | \$ 2,158        |
| Current impairment losses               | 221             | 256             |
| Foreign currency translation difference | -               | 57              |
| Less: Disposal of subsidiaries          | -               | ( 1,061 )       |
| 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 (including discontinued operation) as of 2025 and 2024 are NT\$5,645,552 thousand and NT\$5,398,122 thousand respectively.

Operating costs (including discontinued operation) 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 )   | ( 12,365 )  |
| 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. Discontinued operations

The board of directors approved the disposal of all the equity interests of Ningbo Liyuan Technology Co., Ltd. ('Ningbo Liyuan') on February 17, 2024. The sale contract was signed on April 11, 2024. Ningbo Liyuan was responsible for the Group's integrated circuit packaging and testing business. This disposal plan was completed on April 25. On that date, the control of Ningbo Liyuan was transferred to the acquirer, and the disposal proceeds amounting to RMB 71,000 thousand.

In compliance with the provisions of IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' definition of discontinued operations, the profit and loss of Ningbo Liyuan is expressed as the profit and loss of discontinued operations.

The profit and loss details, as well as the cash flows statement, for the discontinued operations are as follows:

|  | <u>2024</u>        |
|--|--------------------|
| Operating revenue                                  | \$ 13,789          |
| Operating costs                                    | ( <u>33,382</u> )  |
| Gross profits                                      | ( 19,593 )         |
| Selling and marketing expenses                     | ( 323 )            |
| General and administrative expenses                | ( 45,813 )         |
| Expected credit impairment losses                  | ( <u>11</u> )      |
| Operating loss                                     | ( 65,740 )         |
| Interest income                                    | 13                 |
| Other income                                       | 203                |
| Gains on disposal of property, plant and equipment | 573                |
| Other expense                                      | ( 28 )             |
| Net gain (loss) on foreign exchange                | 1,191              |
| Interest expenses                                  | ( <u>1,255</u> )   |
| Net loss before income tax                         | ( 65,043 )         |
| Income tax expenses                                | <u>-</u>           |
| Net loss for the year                              | ( 65,043 )         |
| Gain on disposal (Note 26)                         | <u>161,534</u>     |
| Profit (loss) from discontinued operations         | <u>\$ 96,491</u>   |
| <br>   |                    |
| Cash flows   |                    |
| From operating activities                          | (\$ 40,218)        |
| From investing activities                          | ( 2,222 )          |
| From financing activities                          | ( 19 )             |
|  | <u>1,435</u>       |
| Net cash outflow                                   | <u>(\$ 41,024)</u> |

No income tax losses or benefits arising from discontinued operations.

Supplementary information on other losses of the discontinued operations is as follows:

(1) Depreciation expenses and amortization

|                              | 2024             |
|------------------------------|------------------|
| Summary by function category |                  |
| Operating costs              | \$ 8,616         |
| Operating expenses           | <u>1,526</u>     |
|                              | <u>\$ 10,142</u> |

(2) Employee benefits

|                              | 2024             |
|------------------------------|------------------|
| Summary by function category |                  |
| Operating costs              | \$ 9,974         |
| Operating expenses           | <u>37,143</u>    |
|                              | <u>\$ 47,117</u> |

12. Subsidiaries

(1) Subsidiaries incorporated in the consolidated financial statements

The basis for the consolidated financial statements is as follows:

| Investor                      | Company Name                                 | Equity holding (%)                   |                        |
|-------------------------------|--|--------------------------------------|------------------------|
|                               |  | 2025<br>December<br>31               | 2024<br>December<br>31 |
| Parent Company                | Lingsen Holding (Samoa) Inc.                 | 100                                  | 100                    |
|                               | Panther Technology Co., Ltd.                 | 64                                   | 64                     |
|                               | Sooner Power Semiconductor Co., Ltd.         | 99                                   | 99                     |
|                               | Lee Shin Investment Co., Ltd.                | 100                                  | 100                    |
|                               | Lingsen America Inc.                         | 100                                  | 100                    |
|                               | Nexus Material Corporation                   | 78                                   | 78                     |
|                               | Lee Shin Investment Co., Ltd.                | Sooner Power Semiconductor Co., Ltd. | 1                      |
| Nexus Material Corporation    |  | 21                                   | 21                     |
| Li Yuan Investments Co., Ltd. |  | 100                                  | 100                    |
| Lingsen Holding (Samoa) Inc.  | Ningbo Liyuan Technology Co., Ltd. (Note 11) | -                                    | -                      |

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 consolidated financial report, the dissolution and liquidation procedures have not yet been completed.

Please see Table 3 for the location and business of aforementioned subsidiaries.

(2) Significant information on subsidiaries of non-controlling interests

| <u>Company Name</u>          | <u>Percentage of ownership (%)</u> |                          |
|------------------------------|------------------------------------|--------------------------|
|                              | <u>December 31, 2025</u>           | <u>December 31, 2024</u> |
| Panther Technology Co., Ltd. | 36                                 | 36                       |

The following summary of financial information of Panther Technology Co., Ltd. is prepared in accordance with the amount prior to elimination of intragroup transactions:

|  | <u>December 31,<br/>2025</u> | <u>December 31,<br/>2024</u> |
|--|------------------------------|------------------------------|
| Current assets   | \$ 293,591                   | \$ 273,597                   |
| Non-current assets   | 877,166                      | 956,771                      |
| Current liabilities  | ( 251,025)                   | ( 283,034)                   |
| Non-current liabilities                                      | ( <u>434,616</u> )           | ( <u>396,614</u> )           |
| Equity   | <u>\$ 485,116</u>            | <u>\$ 550,720</u>            |
| Interests attributed to:                                     |                              |                              |
| Owners of the Company  | \$ 308,871                   | \$ 350,642                   |
| Non-controlling interests of<br>Panther Technology Co., Ltd. | <u>176,245</u>               | <u>200,078</u>               |
|  | <u>\$ 485,116</u>            | <u>\$ 550,720</u>            |
|  | <u>2025</u>                  | <u>2024</u>                  |
| Operating income   | <u>\$ 719,040</u>            | <u>\$ 760,702</u>            |
| Net loss for the year  | ( <u>\$ 65,604</u> )         | ( <u>\$ 90,714</u> )         |
| Total comprehensive income                                   | ( <u>\$ 65,604</u> )         | ( <u>\$ 90,714</u> )         |
| Net loss attributable to:                                    |                              |                              |
| Owners of the Company  | ( \$ 41,771)                 | ( \$ 57,757)                 |
| Non-controlling interests of<br>Panther Technology Co., Ltd. | ( <u>23,833</u> )            | ( <u>32,957</u> )            |
|  | ( <u>\$ 65,604</u> )         | ( <u>\$ 90,714</u> )         |
| Total comprehensive income<br>attributable to:               |                              |                              |
| Owners of the Company  | ( \$ 41,771)                 | ( \$ 57,757)                 |
| Non-controlling interests of<br>Panther Technology Co., Ltd. | ( <u>23,833</u> )            | ( <u>32,957</u> )            |
|  | ( <u>\$ 65,604</u> )         | ( <u>\$ 90,714</u> )         |

|                           | <u>2025</u>        | <u>2024</u>        |
|---------------------------|--------------------|--------------------|
| Cash flow                 |                    |                    |
| From operating activities | \$ 152,279         | \$ 141,681         |
| From investing activities | ( 123,559)         | ( 179,049)         |
| From financing activities | <u>816</u>         | <u>9,354</u>       |
| Net cash outflow          | <u>(\$ 29,536)</u> | <u>(\$ 28,014)</u> |

### 13. Investments accounted for using the equity method

| Investees  | <u>December 31, 2025</u> |              | <u>December 31, 2024</u> |              |
|--|--------------------------|--------------|--------------------------|--------------|
|  | Amount                   | Shareholding | Amount                   | Shareholding |
| <u>Common stock that has never been listed on the TWSE or TPEX</u> |                          |              |                          |              |
| Qi Feng Technology Co., Ltd.                                       | \$ 11,417                | 30%          | \$ 11,417                | 30%          |
| Less: Accumulated impairment loss                                  | <u>( 11,417)</u>         |              | <u>( 11,417)</u>         |              |
|  | <u>\$ -</u>              |              | <u>\$ -</u>              |              |

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

### 14. Property, Plant and Equipment

|                                    | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|------------------------------------|--------------------------|--------------------------|
| Assets used by the Company         | \$ 3,008,340             | \$ 3,177,855             |
| Assets subject to operating leases | <u>172,020</u>           | <u>176,891</u>           |
|                                    | <u>\$ 3,180,360</u>      | <u>\$ 3,354,746</u>      |

#### (1) Assets used by the Company

| <u>2025</u>                          | <u>Land</u>       | <u>Buildings</u>   | <u>Machinery and equipment</u> | <u>Transportation Equipment</u> | <u>Office equipment</u> | <u>Other equipment</u> | <u>Unfinished construction</u> | <u>Total cost</u>   |
|--------------------------------------|-------------------|--------------------|--------------------------------|---------------------------------|-------------------------|------------------------|--------------------------------|---------------------|
| <u>Cost</u>                          |                   |                    |                                |                                 |                         |                        |                                |                     |
| Balance at the beginning of the year | \$ 127,534        | \$2,784,178        | \$3,868,829                    | \$ 21,896                       | \$ 66,554               | \$ 404,114             | \$ 4,475                       | \$7,277,580         |
| Increase                             | 54                | 23,401             | 138,897                        | 1,828                           | 26,090                  | 84,693                 | 142,192                        | 417,155             |
| Decrease                             | -                 | ( 114,833)         | ( 595,810)                     | ( 1,345)                        | ( 16,244)               | ( 83,612)              | -                              | ( 811,844)          |
| Reclassification                     | -                 | 51,568             | 43,813                         | -                               | -                       | 1,100                  | ( 28,263)                      | 68,218              |
| Net exchange difference              | -                 | -                  | -                              | -                               | ( 2)                    | -                      | -                              | ( 2)                |
| Balance at the end of the year       | <u>\$ 127,588</u> | <u>\$2,744,314</u> | <u>\$3,455,729</u>             | <u>\$ 22,379</u>                | <u>\$ 76,398</u>        | <u>\$ 406,295</u>      | <u>\$ 118,404</u>              | <u>\$6,951,107</u>  |
| <u>Accumulated depreciation</u>      |                   |                    |                                |                                 |                         |                        |                                |                     |
| Balance at the beginning of the year | \$ -              | \$1,274,422        | \$2,413,909                    | \$ 16,185                       | \$ 36,753               | \$ 238,804             | \$ -                           | \$ 3,980,073        |
| Increase                             | -                 | 117,773            | 429,269                        | 1,472                           | 9,347                   | 75,755                 | -                              | 633,616             |
| Decrease                             | -                 | ( 93,519)          | ( 595,210)                     | ( 1,345)                        | ( 16,165)               | ( 83,612)              | -                              | ( 789,851)          |
| Net exchange difference              | -                 | -                  | -                              | -                               | 1                       | -                      | -                              | 1                   |
| Balance at the end of the year       | <u>\$ -</u>       | <u>\$1,298,676</u> | <u>\$2,247,968</u>             | <u>\$ 16,312</u>                | <u>\$ 29,936</u>        | <u>\$ 230,947</u>      | <u>\$ -</u>                    | <u>\$ 3,823,839</u> |

(Continued on next page)

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| 2025                                  | Land              | Buildings          | Machinery and equipment | Transportation Equipment | Office equipment | Other equipment   | Unfinished construction | Total cost          |
|---------------------------------------|-------------------|--------------------|-------------------------|--------------------------|------------------|-------------------|-------------------------|---------------------|
| <u>Accumulated impairment loss</u>    |                   |                    |                         |                          |                  |                   |                         |                     |
| Balance at the beginning of the year  | \$ 59,787         | \$ 59,185          | \$ 600                  | \$ -                     | \$ 80            | \$ -              | \$ -                    | \$ 119,652          |
| Decrease                              | -                 | ( 44 )             | ( 600 )                 | -                        | ( 80 )           | -                 | -                       | ( 724 )             |
| Balance at the end of the year        | <u>\$ 59,787</u>  | <u>\$ 59,141</u>   | <u>\$ -</u>             | <u>\$ -</u>              | <u>\$ -</u>      | <u>\$ -</u>       | <u>\$ -</u>             | <u>\$ 118,928</u>   |
| Carrying amounts at December 31, 2025 | <u>\$ 67,801</u>  | <u>\$1,386,497</u> | <u>\$1,207,761</u>      | <u>\$ 6,067</u>          | <u>\$ 46,462</u> | <u>\$ 175,348</u> | <u>\$ 118,404</u>       | <u>\$ 3,008,340</u> |
| <u>2024</u>                           |                   |                    |                         |                          |                  |                   |                         |                     |
| <u>Cost</u>                           |                   |                    |                         |                          |                  |                   |                         |                     |
| Balance at the beginning of the year  | \$ 127,534        | \$3,280,388        | \$4,753,579             | \$ 23,360                | \$ 65,684        | \$ 422,961        | \$ 14,423               | \$ 8,687,929        |
| Increase                              | -                 | 24,070             | 65,686                  | -                        | 6,333            | 71,289            | 14,546                  | 181,924             |
| Decrease                              | -                 | ( 102,076 )        | ( 919,943 )             | -                        | ( 6,044 )        | ( 71,540 )        | -                       | ( 1,099,603 )       |
| Reclassification                      | -                 | 10,609             | 15,542                  | -                        | 979              | 14,000            | ( 22,879 )              | 18,251              |
| Disposal of subsidiaries              | -                 | ( 453,519 )        | ( 48,739 )              | ( 1,548 )                | ( 427 )          | ( 34,495 )        | ( 1,683 )               | ( 540,411 )         |
| Net exchange difference               | -                 | 24,706             | 2,704                   | 84                       | 29               | 1,899             | 68                      | 29,490              |
| Balance at the end of the year        | <u>\$ 127,534</u> | <u>\$2,784,178</u> | <u>\$3,868,829</u>      | <u>\$ 21,896</u>         | <u>\$ 66,554</u> | <u>\$ 404,114</u> | <u>\$ 4,475</u>         | <u>\$ 7,277,580</u> |
| <u>Accumulated depreciation</u>       |                   |                    |                         |                          |                  |                   |                         |                     |
| Balance at the beginning of the year  | \$ -              | \$1,621,054        | \$2,843,045             | \$ 15,507                | \$ 34,019        | \$ 240,144        | \$ -                    | \$ 4,753,769        |
| Increase                              | -                 | 131,098            | 504,700                 | 1,719                    | 8,604            | 86,580            | -                       | 732,701             |
| Decrease                              | -                 | ( 102,045 )        | ( 918,009 )             | -                        | ( 5,593 )        | ( 71,481 )        | -                       | ( 1,097,128 )       |
| Reclassification                      | -                 | ( 397,145 )        | ( 16,720 )              | ( 1,098 )                | ( 295 )          | ( 17,427 )        | -                       | ( 432,685 )         |
| Net exchange difference               | -                 | 21,460             | 893                     | 57                       | 18               | 988               | -                       | 23,416              |
| Balance at the end of the year        | <u>\$ -</u>       | <u>\$1,274,422</u> | <u>\$2,413,909</u>      | <u>\$ 16,185</u>         | <u>\$ 36,753</u> | <u>\$ 238,804</u> | <u>\$ -</u>             | <u>\$ 3,980,073</u> |
| <u>Accumulated impairment loss</u>    |                   |                    |                         |                          |                  |                   |                         |                     |
| Balance at the beginning of the year  | \$ 59,787         | \$ 59,215          | \$ 600                  | \$ -                     | \$ 531           | \$ 59             | \$ -                    | \$ 120,192          |
| Decrease                              | -                 | ( 30 )             | -                       | -                        | ( 451 )          | ( 59 )            | -                       | ( 540 )             |
| Balance at the end of the year        | <u>\$ 59,787</u>  | <u>\$ 59,185</u>   | <u>\$ 600</u>           | <u>\$ -</u>              | <u>\$ 80</u>     | <u>\$ -</u>       | <u>\$ -</u>             | <u>\$ 119,652</u>   |
| Carrying amounts at December 31, 2024 | <u>\$ 67,747</u>  | <u>\$1,450,571</u> | <u>\$1,454,320</u>      | <u>\$ 5,711</u>          | <u>\$ 29,721</u> | <u>\$ 165,310</u> | <u>\$ 4,475</u>         | <u>\$ 3,177,855</u> |

For 2025 and 2024, since there was no impairment loss, the Group 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 ~ 9 years   |
| Transportation Equipment                | 5 ~ 7 years   |
| Office equipment                        | 3 ~ 7 years   |
| Other equipment                         | 3 ~ 7 years   |



## 15. 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>514</u>               | <u>2,860</u>             |
|   | <u>\$ 132,834</u>        | <u>\$ 139,365</u>        |
|   | <u>2025</u>              | <u>2024</u>              |
| Addition to right-of-use assets             | <u>\$ 1,748</u>          | <u>\$ 3,133</u>          |
| Depreciation expense of right-of-use assets |                          |                          |
| Land  | \$ 4,185                 | \$ 4,238                 |
| Buildings                                   | <u>1,875</u>             | <u>2,211</u>             |
|   | <u>\$ 6,060</u>          | <u>\$ 6,449</u>          |

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

|                                      |                          |                          |
|--------------------------------------|--------------------------|--------------------------|
| (2) Lease liabilities                |                          |                          |
|                                      | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
| Carrying amount of lease liabilities |                          |                          |
| Current                              | <u>\$ 4,221</u>          | <u>\$ 5,945</u>          |
| Non-current                          | <u>\$ 132,031</u>        | <u>\$ 136,396</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%-1.81%              | 1.50%-1.81%              |

### (3) Material leases and terms

The Group 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 Group has no bargain purchase option for leased lands and buildings.

### (4) Information on other lease

Please see Note 14 for agreements that the Group sells property, plant and equipment used by the Group under operating leases.

|  |                    |                    |
|--|--------------------|--------------------|
|  | <u>2025</u>        | <u>2024</u>        |
| Expenses relating to short-term leases | <u>\$ 59,507</u>   | <u>\$ 70,299</u>   |
| Total cash outflow for leases          | <u>(\$ 66,338)</u> | <u>(\$ 77,464)</u> |

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

16. Other current assets

|   | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---|--------------------------|--------------------------|
| <u>Current</u>  |                          |                          |
| Supply inventory  | \$ 163,970               | \$ 168,296               |
| Prepayments   | 21,918                   | 25,269                   |
| Payments on behalf of others                            | 12,145                   | 12,796                   |
| Input tax   | 7,780                    | 2,196                    |
| Tax overpaid retained for offsetting future tax payable | 4,816                    | 4,814                    |
| Others  | <u>5,074</u>             | <u>5,461</u>             |
|   | <u>\$ 215,703</u>        | <u>\$ 218,832</u>        |

17. 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>50,000</u>            |
|                                 | <u>\$ 229,432</u>        | <u>\$ 180,436</u>        |
| <u>Annual interest rate (%)</u> |                          |                          |
| Import/export financing loans   | 4.44-4.72                | 5.24-5.44                |
| Credit loans                    | 1.80-1.96                | 2.24                     |

(2) Long-term bank borrowings

|                                      | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|--------------------------------------|--------------------------|--------------------------|
| Mortgage loan (Note 30)              | \$ 931,009               | \$ 516,465               |
| Credit loans                         | <u>187,766</u>           | <u>260,361</u>           |
|                                      | 1,118,775                | 776,826                  |
| Less: Amount falling due in one year | ( 284,353 )              | ( 337,391 )              |
| Amount falling due after one year    | <u>\$ 834,422</u>        | <u>\$ 439,435</u>        |
| <u>Annual interest rate (%)</u>      |                          |                          |
| Mortgage loan                        | 1.63-2.65                | 1.53-2.45                |
| Credit loans                         | 1.51-2.14                | 1.51-1.66                |
| <u>Maturity date</u>                 |                          |                          |
| Mortgage loan                        | 2027.03-2040.01          | 2025.02-2030.08          |
| Credit loans                         | 2026.03-2030.10          | 2026.03-2030.10          |

## 18. Other payables

|  | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|--|--------------------------|--------------------------|
| Payables for Wages and bonuses                                       | \$ 211,762               | \$ 215,475               |
| Payables for factory supplies  | 134,974                  | 129,861                  |
| Payables for annual leave  | 65,085                   | 66,451                   |
| Payables for purchases of equipment                                  | 23,199                   | 7,736                    |
| Payables for remuneration of employees and remuneration of directors | 511                      | 152                      |
| Others   | <u>129,589</u>           | <u>119,270</u>           |
|  | <u>\$ 565,120</u>        | <u>\$ 538,945</u>        |

## 19. 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>  |

## 20. Retirement benefits plan

### (1) Defined contribution plans

The labor pension system under the “Labor Pension Act” applicable to the Company, Panther Technology Co., Ltd., Nexus Material Corporation, and Sooner Power Semiconductor Co., Ltd. of the Group refers to the defined contribution retirement benefit plans managed by the government. The employer shall contribute labor pension funds equal to 6 percent of an employee's monthly salary to individual labor pension accounts at the Bureau of Labor Insurance (the Bureau) for employees.

The retirement procedure and system has not established for Lingsen America Inc.

As investment companies or no employees hired, there is no retirement procedure or system established for Lee Shin Investment Co., Ltd., Lingsen Holding (Samoa) Inc., Li Yuan Investments Co., Ltd.

(2) Defined benefit plans

The Company of the Group has labor pension system as defined benefit plans under the Labor Standards Act of the 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 Group 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                   | ( 685,510)               | ( 675,569)               |
| Net defined benefit assets                  | <u>(\$ 161,843)</u>      | <u>(\$ 122,829)</u>      |

Movements the net defined benefit assets are as follows:

|  | Present value of<br>defined benefit<br>obligation | Fair value of plan<br>assets | Net defined benefit<br>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>              |

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|  | Present value of<br>defined benefit<br>obligation | Fair value of plan<br>assets | Net defined benefit<br>assets |
|--|---|------------------------------|-------------------------------|
| Contributions from employer  | \$ -  | (\$ 1,200)                   | (\$ 1,200)                    |
| Benefits paid  | ( 52,835)   | 49,333                       | ( 3,502)                      |
|  | ( 52,835)   | 48,133                       | ( 4,702)                      |
| Balance as of December 31, 2025  | <u>\$ 523,667</u>                                 | <u>(\$ 685,510)</u>          | <u>(\$ 161,843)</u>           |
| Balance at 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)  | 7,453   | ( 8,376)                     | ( 923)                        |
| Defined benefit costs recognized in<br>profit or loss                            | <u>12,612</u>                                     | <u>( 8,376)</u>              | <u>4,236</u>                  |
| Remeasurement of the net defined<br>benefit liability/asset                      |   |                              |                               |
| Return on plan assets (excluding<br>amounts included in net<br>interest expense) | -   | ( 58,944)                    | ( 58,944)                     |
| Actuarial loss (gain)  |   |                              |                               |
| - changes in demographic<br>assumptions  | 1   | -                            | 1                             |
| - changes in financial<br>assumptions  | ( 19,289)   | -                            | ( 19,289)                     |
| - experience adjustments   | ( 7,929)  | -                            | ( 7,929)                      |
| Defined benefit costs recognized in<br>other comprehensive income                | <u>( 27,217)</u>                                  | <u>( 58,944)</u>             | <u>( 86,161)</u>              |
| Contributions from employer  | -   | ( 6,000)                     | ( 6,000)                      |
| Get it back after expiration   | -   | 42,599                       | 42,599                        |
| Benefits paid  | ( 41,017)   | 34,363                       | ( 6,654)                      |
|  | ( 41,017)   | 70,962                       | 29,945                        |
| 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 Group 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 Group 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 assets.
- 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 Group 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                  |

## 21. 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 Group 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 Group 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 23 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 Group 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 Group proposed a capital reserve distribution of 114,031 thousand in cash (NT\$0.3 per share).

The Group 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 Group proposed a capital reserve distribution of 114,031 thousand in cash (NT\$0.3 per share).

The Group approved loss make-up proposal for 2025 in the Group'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 entitled 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<br>held (shares) | Carrying<br>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.

## 22. Revenue

|   | <u>2025</u>                 | <u>2024</u>                 |                           |
|---|-----------------------------|-----------------------------|---------------------------|
| Revenue from contracts with customers                       |                             |                             |                           |
| Service income  | \$ 5,524,652                | \$ 5,349,149                |                           |
| Sales revenue   | 33,322                      | 37,200                      |                           |
| Less: Attributable to the discontinued operations (Note 11) | <u>-</u>                    | <u>( 13,789 )</u>           |                           |
|   | <u>\$ 5,557,974</u>         | <u>\$ 5,372,560</u>         |                           |
| (1) Contract balance  |                             |                             |                           |
|   | December 31,<br><u>2025</u> | December 31,<br><u>2024</u> | January 1,<br><u>2024</u> |
| Contract assets - current                                   | \$ 131,088                  | \$ 102,190                  | \$ 122,664                |
| Notes receivable  | -                           | -                           | 17                        |
| Accounts receivable   | <u>1,342,328</u>            | <u>1,115,023</u>            | <u>1,193,328</u>          |
|   | <u>\$ 1,473,416</u>         | <u>\$ 1,217,213</u>         | <u>\$ 1,316,009</u>       |

The Group 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                   | <u>2025</u>         | <u>2024</u>         |
| Performance obligation satisfied over time          | \$ 5,524,652        | \$ 5,349,149        |
| Performance obligation satisfied at a point in time | 33,322              | 37,200              |
| Less: Attributable to the discontinued operations   | <u>-</u>            | <u>( 13,789 )</u>   |
|   | <u>\$ 5,557,974</u> | <u>\$ 5,372,560</u> |

## 23. Net loss from continuing operations

### (1) Employee benefits and depreciation expenses

| Classified as                | operating costs | operating expenses | Total        |
|------------------------------|-----------------|--------------------|--------------|
| <u>2025</u>                  |                 |                    |              |
| Employee benefit expense     |                 |                    |              |
| Short-term employee benefits |                 |                    |              |
| Pensions                     | \$ 1,410,441    | \$ 230,065         | \$ 1,640,506 |
| Defined contribution plans   | 47,414          | 9,068              | 56,482       |
| Defined benefit plans        | 2,567           | 333                | 2,900        |
| Other employee benefits      | 128,075         | 17,854             | 145,929      |
| Depreciation expenses        | 626,799         | 17,748             | 644,547      |
| <u>2024</u>                  |                 |                    |              |
| Employee benefit expense     |                 |                    |              |
| Short-term employee benefits |                 |                    |              |
| Pensions                     | \$ 1,499,189    | \$ 245,803         | \$ 1,744,992 |
| Defined contribution plans   | 53,209          | 9,527              | 62,736       |
| Defined benefit plans        | 3,727           | 509                | 4,236        |
| Other employee benefits      | 116,578         | 17,550             | 134,128      |
| Depreciation expenses        | 712,803         | 21,076             | 733,879      |

### (2) Remuneration of employees and remuneration of directors

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 consolidated 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.

## 24. Income tax relating to continuing operations

### (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  | \$ 1,809        | \$ 33               |
| Land value-added tax                              | 474             | -                   |
| Adjustment on prior years                         | <u>-</u>        | <u>( 8,034 )</u>    |
|   | <u>2,283</u>    | <u>( 8,001 )</u>    |
| Deferred tax                                      |                 |                     |
| Income tax expense generated in the current year  | 1,468           | \$ 3,598            |
| Adjustment on prior years                         | <u>1,358</u>    | <u>618</u>          |
|   | <u>2,826</u>    | <u>4,216</u>        |
| Income tax expense (benefit) recognized in profit | <u>\$ 5,109</u> | <u>( \$ 3,785 )</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                     | ( \$ 82,597 )   | ( \$ 40,986 )       |
| Permanent differences   | ( 2,335 )       | ( 9,501 )           |
| Temporary differences   | ( 271 )         | ( 6,184 )           |
| Tax-exempt income   | ( 8,837 )       | -                   |
| Taxation on Undistributed Earnings                                      | 474             | -                   |
| Current period loss carryforward  | -               | 3,974               |
| Unrecognized loss carryforward  | 88,082          | 61,036              |
| Effect of exchange rate changes applicable to the consolidated entities | 6,429           | ( 8,306 )           |
| Deferred tax  |                 |                     |
| Income tax expense generated in the current year                        | 1,468           | 3,598               |
| Adjustment on prior years   | 1,358           | 618                 |
| Land value-added tax  | 1,338           | -                   |
| Adjustment on prior years   | <u>-</u>        | <u>( 8,034 )</u>    |
| Income tax expense (benefit) recognized in profit or loss               | <u>\$ 5,109</u> | <u>( \$ 3,785 )</u> |

### (2) Deferred tax assets and liabilities

| <u>2025</u>                             | <u>Balance at the beginning of the year</u> | <u>Adjustment at the beginning of the year</u> | <u>Defined benefit costs recognized in profit or loss</u> | <u>Defined benefit costs recognized in other comprehensive income</u> | <u>Translation differences</u> | <u>Balance at the end of the year</u> |
|---|---|--|---|---|--------------------------------|---------------------------------------|
| <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               | 13,267                                      | -  | ( 263 )   | -   | -                              | 13,004                                |
| Provision for liabilities               | 714   | -  | ( 332 )   | -   | -                              | 382                                   |
| Difference on depreciation methods      | 61  | -  | 105   | -   | -                              | 166                                   |
| Others                                  | <u>177</u>                                  |  | <u>481</u>  | <u>-</u>  | <u>( 8 )</u>                   | <u>650</u>                            |

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|   | 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 | Translation differences | Balance at the end of the year |
|---|--------------------------------------|---|--|--|-------------------------|--------------------------------|
| <u>2025</u>                             | <u>\$ 27,538</u>                     | <u>\$ -</u>                             | <u>(\$ 1,743)</u>                                  | <u>-</u>   | <u>(\$ 8)</u>           | <u>\$ 25,787</u>               |
| Loss carryforwards                      | 141,429                              | (1,358)                                 | -  | -  | -                       | 140,071                        |
|   | <u>\$ 168,967</u>                    | <u>(\$ 1,358)</u>                       | <u>(\$ 1,743)</u>                                  | <u>\$ -</u>  | <u>(\$ 8)</u>           | <u>\$ 165,858</u>              |
| <u>Deferred income tax liabilities</u>  |                                      |   |  |  |                         |                                |
| Temporary differences                   |                                      |   |  |  |                         |                                |
| Defined benefit                         |                                      |   |  |  |                         |                                |
| retirement plans                        | \$ 35,860                            | \$ -                                    | \$ -   | \$ 7,442   | \$ -                    | \$ 43,302                      |
| Others                                  | 469                                  | -                                       | (275)  | -  | -                       | 194                            |
|   | <u>\$ 36,329</u>                     | <u>\$ -</u>                             | <u>(\$ 275)</u>                                    | <u>\$ 7,442</u>  | <u>\$ -</u>             | <u>\$ 43,496</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               | 12,765                               | -                                       | 502  | -  | -                       | 13,267                         |
| Provision for liabilities               | 1,108                                | -                                       | (394)  | -  | -                       | 714                            |
| Difference on depreciation methods      |                                      |   |  |  |                         |                                |
|   | -                                    | -                                       | 61   | -  | -                       | 61                             |
| Others                                  | 4,795                                | -                                       | (4,631)  | -  | 13                      | 177                            |
|   | 34,732                               | -                                       | (7,207)  | -  | 13                      | 27,538                         |
| Loss carryforwards                      | 138,073                              | (618)                                   | 3,974  | -  | -                       | 141,429                        |
|   | <u>\$ 172,805</u>                    | <u>(\$ 618)</u>                         | <u>(\$ 3,233)</u>                                  | <u>\$ -</u>  | <u>\$ 13</u>            | <u>\$ 168,967</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                                  | -                                    | -                                       | 469  | -  | -                       | 469                            |
|   | <u>\$ 18,732</u>                     | <u>\$ -</u>                             | <u>\$ 365</u>                                      | <u>\$ 17,232</u>   | <u>\$ -</u>             | <u>\$ 36,329</u>               |

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

| Year of maturity | December 31, 2025   | December 31, 2024   |
|------------------|---------------------|---------------------|
| 2025             | \$ -                | \$ 127,853          |
| 2026             | 119,180             | 119,192             |
| 2027             | 122,548             | 122,573             |
| 2028             | 104,373             | 104,397             |
| 2029             | 123,577             | 124,062             |
| 2030             | 103,335             | 103,355             |
| 2031             | 52,477              | 52,477              |
| 2032             | 3,362               | 3,362               |
| 2033             | 7,414               | 7,414               |
| 2034             | 305,181             | 305,181             |
| 2035             | 440,410             | -                   |
|                  | <u>\$ 1,381,857</u> | <u>\$ 1,069,866</u> |

(4) Relevant information on unused loss carryforwards

| Final deduction year | Lingsen Precision Industries, Ltd. | Panther Technology Co., Ltd. | Sooner Power Semiconductor Co., Ltd. | Nexus Material Corporation | Lee Shin Investment Co., Ltd. |
|----------------------|------------------------------------|------------------------------|--------------------------------------|----------------------------|-------------------------------|
| 2026                 | \$ -                               | \$ -                         | \$ 119,180                           | \$ -                       | \$ -                          |
| 2027                 | -                                  | -                            | 122,548                              | -                          | -                             |
| 2028                 | 122,892                            | -                            | 104,373                              | -                          | -                             |
| 2029                 | 384,321                            | -                            | 117,999                              | -                          | 5,578                         |
| 2030                 | -                                  | -                            | 103,290                              | 45                         | -                             |
| 2031                 | -                                  | -                            | 52,400                               | 77                         | -                             |
| 2032                 | 174,271                            | 19,868                       | 3,350                                | 12                         | -                             |
| 2033                 | -                                  | 6,659                        | 755                                  | -                          | -                             |
| 2034                 | 209,494                            | 95,687                       | -                                    | -                          | -                             |
| 2035                 | <u>374,292</u>                     | <u>66,118</u>                | <u>-</u>                             | <u>-</u>                   | <u>-</u>                      |
|                      | <u>\$1,265,270</u>                 | <u>\$188,332</u>             | <u>\$623,895</u>                     | <u>\$ 134</u>              | <u>\$ 5,578</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:

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

- (6) Income tax examination

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

- (7) Relevant information on income tax of foreign subsidiaries

As locally registered companies, Lingsen Holding (Samoa) Inc. and Li Yuan Investments Co., Ltd. are, under the regulation of the local law, exempt for income from offshore.

The profit-seeking enterprise income tax of Lingsen America Inc. is calculated in accordance with the tax law in America.

25. Earnings (Loss) per Share

|                              | 2025             | 2024             |
|------------------------------|------------------|------------------|
| Basic EPS and Diluted EPS    |                  |                  |
| From continuing operations   | (\$ 1.05)        | (\$ 0.71)        |
| From discontinued operations | -                | 0.26             |
| Total basic loss per share   | <u>(\$ 1.05)</u> | <u>(\$ 0.45)</u> |

Loss and weighted average number of common shares used in the computation of continuing operations as follow :

| <u>Net loss for the period</u>   | <u>2025</u>           | <u>2024</u>           |
|--|-----------------------|-----------------------|
| Net loss attributable to owners of the Company   | ( \$ 394,253 )        | ( \$ 168,228 )        |
| Less: Net profit (loss) from discontinued operations used in the computation of basic EPS and diluted EPS from discontinued operations | <u>-</u>              | <u>96,491</u>         |
| Net loss from continuing operations used in the computation of basic and diluted loss per share  | ( <u>\$ 394,253</u> ) | ( <u>\$ 264,719</u> ) |
| <br><u>Number of shares</u>  | <br><u>2025</u>       | <br><u>2024</u>       |
| Weighted average number of common shares used in the computation of basic EPS and diluted EPS (in thousands)                           | <u>374,443</u>        | <u>374,443</u>        |

Since the Group offered to settle compensation paid to employees in cash or shares, the Group 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 Group'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.

## 26. Disposal of subsidiaries

As stated in Note 11, the liquidation process of Ningbo Liyuan was completed in April 25, 2024, and the Group lost control of them.

### (1) Consideration received

|   | <u>Ningbo Liyuan</u> |
|---|----------------------|
| Total consideration received<br>( RMB 71,000 thousand ) | <u>\$ 325,534</u>    |

### (2) Analysis of assets and liabilities on the date control was lost

|                               | <u>Ningbo Liyuan</u> |
|-------------------------------|----------------------|
| Current assets                |                      |
| Cash and cash equivalents     | \$ 2,044             |
| Contract assets - current     | 4,428                |
| Accounts receivable           | 11,463               |
| Other receivables             | 455                  |
| Inventories- manufacturing    | 17,993               |
| Prepayments                   | 5,536                |
| Non-current assets            |                      |
| Property, plant and equipment | 107,726              |
| Right-of-use assets           | 3,198                |
| Other non-current assets      | 948                  |
| Current liabilities           |                      |
| Accounts payable              | ( 4,560 )            |
| Other payables                | ( <u>14,537</u> )    |
| Net assets disposed of        | <u>\$ 134,694</u>    |

(3) Gain on disposal of the subsidiaries

|  | <u>Ningbo Liyuan</u> |
|--|----------------------|
| Consideration received   | \$ 325,534           |
| Net assets disposed of   | ( 134,694)           |
| The accumulated translation differences arising from the reclassification of the net assets of subsidiaries upon loss of control over the subsidiaries from equity | ( <u>29,306</u> )    |
| Gain on disposals  | <u>\$ 161,534</u>    |

The gain from the disposal of Ningbo Liyuan, is included in the profit or loss from discontinued operations, as detailed in Note 11.

(4) Net cash inflow on the disposal of the subsidiary

|   | <u>Ningbo Liyuan</u> |
|---|----------------------|
| Consideration received                                | \$ 325,534           |
| Less : Cash and cash equivalents balances disposed of | ( <u>2,044</u> )     |
|   | <u>\$ 323,490</u>    |

27. Capital risk management

The Group manages its capital to ensure that it will be 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 Group's capital structure consists of net debt (leases less cash and cash equivalent) and equity attributed to the Company's owner (common stocks, capital surplus, retained earnings and other equity).

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

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

28. Financial instruments

(1) Information on fair value

1) Financial instruments that are not measured at fair value

The management of the Group 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 Listed and TPEX stocks                                   | \$ -            | \$ -           | \$ 8,715         | \$ 8,715         |
|  | <u>5,670</u>    | <u>-</u>       | <u>-</u>         | <u>5,670</u>     |
|  | <u>\$ 5,670</u> | <u>\$ -</u>    | <u>\$ 8,715</u>  | <u>\$ 14,385</u> |
| <u>December 31, 2024</u>   |                 |                |                  |                  |
| <u>Financial assets at fair value through other comprehensive income</u> |                 |                |                  |                  |
| Emerging stocks Listed and TPEX stocks                                   | \$ -            | \$ -           | \$ 35,509        | \$ 35,509        |
|  | <u>6,840</u>    | <u>-</u>       | <u>-</u>         | <u>6,840</u>     |
|  | <u>\$ 6,840</u> | <u>\$ -</u>    | <u>\$ 35,509</u> | <u>\$ 42,349</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

| <u>Financial assets</u>   | <u>Financial assets at fair value through other comprehensive income</u> |                  |
|---|--|------------------|
|   | <u>Equity instruments</u>  |                  |
|   | <u>2025</u>  | <u>2024</u>      |
| Balance at the beginning of the year  | \$ 35,509  | \$ 31,280        |
| Unrealized gains (loss) from financial assets measured at fair value through other comprehensive income | 16,628   | 4,229            |
| Disposition of financial assets at fair value through other comprehensive income                        | ( <u>43,422</u> )  | <u>-</u>         |
| Balance at the end of the year  | <u>\$ 8,715</u>  | <u>\$ 35,509</u> |

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

The securities of emerging stocks held by the Group 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<br>amortized cost                          | \$ 3,259,983             | \$ 3,099,506             |
| Financial assets at fair value<br>through other comprehensive<br>income | 14,385                   | 42,349                   |
| <u>Financial liabilities</u>  |                          |                          |
| Amortized cost  | 2,030,049                | 1,438,617                |

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

The Group 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 Group's sales and purchase transactions are denominated in foreign currency, which exposes the Group 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 32 for the carrying amount of monetary assets and liabilities denominated in non-functional currency at the date of balance sheet.

### Sensitivity analysis

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

The following table details the Group'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 rate. 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<br>currency | Impact of fluctuations in exchange rate on<br>profit or loss |          |
|---------------------------|--|----------|
|                           | 2025   | 2024     |
| USD                       | \$ 2,427   | \$ 3,100 |
| Japanese yen              | 1  | 28       |

#### ii. Interest rate risk

The Group is exposed to interest rate risk for the reason that it has borrowed money at both fixed and variable rate. The Group 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:

|                               | December 31, 2025 | December 31, 2024 |
|-------------------------------|-------------------|-------------------|
| Fair value interest rate risk |                   |                   |
| Financial assets              | \$ 1,140,542      | \$ 1,022,959      |
| Financial liabilities         | 254,411           | 142,341           |
| Cash flow interest rate risk  |                   |                   |
| Financial assets              | 623,465           | 841,943           |
| Financial liabilities         | 1,230,048         | 957,262           |

### 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 used to report interest rate to the key management of the Group is 1% increase and decrease in interest rate and represents the management's assessment of reasonable likely changes in interest rate.

For floating-rate financial assets and liabilities, when interest rate is increase by 1% and other conditions remain unchanged, the net profit (loss) before tax of the Group in 2025 and 2024 are NT\$6,066 thousand and NT\$1,153 thousand respectively.

iii. Other price risk

The Group is exposed to price risk due to investments in equity securities. The management 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\$57 thousand and NT\$68 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 Group. The maximum credit risk exposure due to the financial loss arising from the counterparty not performing its obligation and the Group's financial guarantee primarily results from:

- i. The carrying amount of financial assets recognized in the consolidated balance sheet.
- ii. The Group has given financial guarantee and not taken the maximum amount to be paid into consideration.

The Group'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 Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, the management of the Group monitors the utilization of borrowings and ensures compliance with loan conditions.

The bank borrowing is a material source of liquidity to the Group. 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>\$ 1,129,137</u>      | <u>\$ 1,253,530</u>      |

### Liquidity and interest risks of non-derivative financial liabilities

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

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

| December 31, 2025                | Within 1 year | 1 to 3 years | More than 3 years |
|----------------------------------|---------------|--------------|-------------------|
| Non-interest bearing liabilities | \$ 680,876    | \$ 966       | \$ -              |
| Lease liabilities                | 5,385         | 14,170       | 139,158           |
| Floating-rate liabilities        | 401,382       | 667,492      | 187,084           |
| Fixed-rate liabilities           | 118,464       | -            | -                 |
|                                  | \$ 1,206,107  | \$ 682,628   | \$ 326,242        |
| <u>December 31, 2024</u>         |               |              |                   |
| Non-interest bearing liabilities | \$ 480,425    | \$ 930       | \$ -              |
| Lease liabilities                | 7,178         | 15,217       | 143,640           |
| Floating-rate liabilities        | 524,304       | 284,595      | 161,218           |
|                                  | \$ 1,011,907  | \$ 300,742   | \$ 304,859        |

The further information regarding the above analysis of a maturity analysis of financial liability is as below:

|                          | Within 1 year | 1-5 years  | 5~10 years | 10~15 years |
|--------------------------|---------------|------------|------------|-------------|
| <u>December 31, 2025</u> |               |            |            |             |
| Lease liabilities        | \$ 5,385      | \$ 22,989  | \$ 130,339 | \$ -        |
| Floating rate instrument | \$ 401,382    | \$ 816,721 | \$ 20,474  | \$ 17,381   |
| <u>December 31, 2024</u> |               |            |            |             |
| Lease liabilities        | \$ 7,178      | \$ 24,109  | \$ 134,748 | \$ -        |
| Floating rate instrument | \$ 524,304    | \$ 414,019 | \$ 31,794  | \$ -        |

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.

### 29. Related-party transactions

Transactions, balances, income and expenses between the Company and subsidiaries (related parties of the Company) may be all eliminated in consolidation, which are thus not disclosed in the note. Except for other notes disclosed, transactions between the Group and other related parties are as follows.

#### Remuneration of key management personnel

|                              | 2025      | 2024      |
|------------------------------|-----------|-----------|
| Short-term employee benefits | \$ 33,692 | \$ 36,153 |
| Pensions                     | 659       | 698       |
|                              | \$ 34,351 | \$ 36,851 |

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.

### 30. Pledged assets

- (1) The Group 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 amount and import duty payable:

|   | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---|--------------------------|--------------------------|
| Property, plant and equipment                                       | \$ 1,184,337             | \$ 1,187,151             |
| Pledged time deposits (Financial assets at amortized cost- current) | <u>400</u>               | <u>400</u>               |
|   | <u>\$ 1,184,737</u>      | <u>\$ 1,187,551</u>      |

### 31. Significant contingent liabilities and unrecognized commitments

Significant contingent commitments of the Group 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>\$ 29,000</u>         | <u>\$ 29,000</u>         |

- (2) Unrecognized commitments are as follows:

|   | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---|--------------------------|--------------------------|
| Purchase of property, plant and equipment | <u>\$ 245,962</u>        | <u>\$ 75,752</u>         |

### 32. 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 Group. 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:

|                                     | <u>December 31, 2025</u> |                      |            | <u>December 31, 2024</u> |                      |            |
|-------------------------------------|--------------------------|----------------------|------------|--------------------------|----------------------|------------|
|                                     | <u>Foreign Currency</u>  | <u>Exchange rate</u> | <u>NTD</u> | <u>Foreign Currency</u>  | <u>Exchange rate</u> | <u>NTD</u> |
| <u>Foreign currency assets</u>      |                          |                      |            |                          |                      |            |
| <u>Monetary items</u>               |                          |                      |            |                          |                      |            |
| USD                                 | \$ 21,884                | 31.43                | \$ 687,814 | \$ 18,611                | 32.785               | \$ 610,162 |
| Japanese yen                        | 161,561                  | 0.2008               | 32,441     | 177,004                  | 0.2099               | 37,153     |
| <u>Foreign currency liabilities</u> |                          |                      |            |                          |                      |            |

|                       | December 31, 2025 |               |            | December 31, 2024 |               |            |
|-----------------------|-------------------|---------------|------------|-------------------|---------------|------------|
|                       | Foreign Currency  | Exchange rate | NTD        | Foreign Currency  | Exchange rate | NTD        |
| <u>Monetary items</u> |                   |               |            |                   |               |            |
| USD                   | \$ 14,163         | 31.43         | \$ 445,143 | \$ 9,154          | 32.785        | \$ 300,114 |
| Japanese yen          | 162,215           | 0.2008        | 32,573     | 190,542           | 0.2099        | 39,995     |

Significant unrealized exchange gains or 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) | ( \$ 1,656 )                | 32.785 (USD : NTD) | \$ 22,275                   |
| Japanese yen     | 0.2008 (JPY: NTD) | ( _____ 310 )               | 0.2099 (JPY: NTD)  | ( _____ 490 )               |
|                  |                   | ( \$ 1,966 )                |                    | \$ 21,785                   |

### 33. 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) Others: The business relationship between the parent and the subsidiaries and significant transactions between them: Table 2.

(2) Information on investees: Table 3.

(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.

### 34. Information on department

The main business of the Group is IC packing and testing as well as optoelectronic devices, both as single operating department. The basis for measuring the profits and losses, assets and liabilities of the operating department is the same as the basis for preparing the consolidated financial statements. Please refer to the consolidated balance sheet and consolidated comprehensive income statement for relevant operating department information.

(1) Major income from products and service

The main business of the Group is IC packing and testing as well as optoelectronic devices, both as single category.

(2) Information by regions

The Group is located mainly in Asia, Americas and Europe.

Information on the Group's income from continuing operations by locations of operation and non-current assets by location of assets, from external customers, are as follows:

|          | Income from external customers |                     | Non-current assets  |                     |
|----------|--------------------------------|---------------------|---------------------|---------------------|
|          | 2025                           | 2024                | December 31, 2025   | December 31, 2024   |
| Asia     | \$ 4,643,306                   | \$ 4,623,874        | \$ 3,425,867        | \$ 3,576,416        |
| Europe   | 624,326                        | 480,555             | -                   | -                   |
| Americas | 290,342                        | 268,131             | 36                  | 47                  |
|          | <u>\$ 5,557,974</u>            | <u>\$ 5,372,560</u> | <u>\$ 3,425,903</u> | <u>\$ 3,576,463</u> |

Non-current assets exclude financial assets and deferred income tax assets.

(3) Information on major customers

Income from a single customer which exceeds 10% of total income of the Group is as follows:

| Customer name | 2025       |    | 2024       |    |
|---------------|------------|----|------------|----|
|               | Amount     | %  | Amount     | %  |
| Customer A    | \$ 850,364 | 15 | \$ 568,478 | 11 |
| Customer B    | 807,572    | 14 | 737,835    | 14 |
| Customer C    | 520,411    | 9  | 538,193    | 10 |

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

Table 1

Unit: Amounts expressed in thousands of New Taiwan Dollars/ of 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 3) |
| Parent Company<br><br><br><br><br>Lee Shin Investment Co., Ltd. | <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       | -               | -              | -                   |
|   | <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 3 for related information on investment in subsidiaries.

Note 2: The amount has been written-off in preparation of the consolidated financial statements

Note 3: 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  
The business relationship between the parent and the subsidiaries and significant transactions between them  
For the year ended December 31, 2025

Table 2 Unit: Amounts expressed in thousands of New Taiwan Dollars

| No. | Name                                 | Transaction party            | Relationship with the transaction party (Note 1) | Transaction status                                 |                 |   |   |
|-----|--------------------------------------|------------------------------|--|--|-----------------|---|---|
|     |                                      |                              |  | Item   | Amount (Note 2) | Transaction condition   | Percentage of total revenue or total assets the consolidation (%) |
| 1   | Sooner Power Semiconductor Co., Ltd. | Panther Technology Co., Ltd. | 3  | Property, Plant and Equipment                      | \$ 41,040       | Refer to the professional appraisal report of a real estate appraiser | 1   |
|     |                                      |                              |  | Gains on disposal of property, plant and equipment | 47,556          |   | 1   |

Note 1: (1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 2: The amount has been written-off in preparation of the consolidated financial statements

Lingsen Precision Industries, Ltd. and its subsidiaries

Information on investees

For the year ended December 31, 2025

Table 3

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

| Investor                      | Investee                                      | Location               | Main business   | Initial investment amount |                  | Balance at December 31, 2025 |         |                 | 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 3)         | Samoa Islands          | General investments   | \$ 381,898                | \$ 1,909,488     | 12,000,000                   | 100     | \$ 328,798      | \$ 12,976                               | \$ 12,976                           |
|                               | Panther Technology Co., Ltd. (Note 3)         | Hsinchu County, Taiwan | IC testing  | 230,146                   | 230,146          | 22,922,899                   | 64      | 308,871         | ( 65,604)                               | ( 41,771)                           |
|                               | Sooner Power Semiconductor Co., Ltd. (Note 3) | 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 1 and 3)  | Taichung City          | General investments   | 300,000                   | 300,000          | 30,000,000                   | 100     | 99,723          | 3,006                                   | 3,006                               |
|                               | Nexus Material Corporation (Note 2 and 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. (Note 3)                 | 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 2)         | 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. (Note 3) | Hsinchu County, Taiwan | Electronic parts and components manufacturing                                       | 912                       | 912              | 98,660                       | 1       | 1,254           | 43,568                                  | 198                                 |
|                               | Nexus Material Corporation (Note 3)           | 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 3)        | Cayman Islands         | General investments   | -                         | 1,909,488        | 1                            | 100     | -               | 10,296                                  | 10,296                              |

Note 1: Treasury stocks have been deducted from the carrying amount of Lee Shin Investment Co., Ltd.

Note 2: Accumulated impairment loss has been deducted from the carrying amount of Nexus Material Corporation and Qi Feng Technology Co., Ltd.

Note 3: The amount has been written-off in preparation of the consolidated financial statements.