Stock Code: 3645

TAIMIDE TECH. INC.
and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

Address: No. 127, Section 3, Wende Road, Xinpu Township, Hsinchu County
TEL: (03)589-6088

Notice to Readers

The English consolidated financial statements are not reviewed nor audited by independent auditors. They have been translated into English from the original Chinese version which are audited by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

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Declaration of Consolidated Financial Statements of Affiliated Enterprises

We hereby declare that, for the year ended December 31, 2025 (January 1 to December 31, 2024), the companies required to be included in the consolidated financial statements of affiliated enterprises of the Company under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are identical to those required to be included in the consolidated financial statements of parent and subsidiary companies prepared in accordance with IFRS 10 Consolidated Financial Statements. In addition, the relevant information required to be disclosed in the consolidated financial statements of affiliated enterprises has been fully disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies. Accordingly, no separate consolidated financial statements of affiliated enterprises have been prepared.
Declared by

Company name: TAIMIDE TECH. INC.

Person in Charge: Sheng-Chang Wu

March 6, 2026

Independent Auditors' Report

To the Board of Directors and Shareholders of TAIMIDE TECH. INC.:

Audit opinions

We have audited the accompanying consolidated balance sheets of TAIMIDE TECH. INC. and its subsidiaries as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years from January 1 to December 31, 2025 and 2024, and 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 TAIMIDE TECH. INC. and its subsidiaries as of December 31, 2025 and 2024, and their consolidated financial performance and consolidated cash flows for the years from January 1 to December 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretation Bulletins as endorsed and issued into effect by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. Personnel of the accounting firm to which we belong who are subject to independence requirements have remained independent of TAIMIDE TECH. INC. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and have fulfilled their other ethical responsibilities under that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. 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 TAIMIDE TECH. INC. and its subsidiaries 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 relating to the consolidated financial statements of TAIMIDE TECH. INC. and its subsidiaries for the year 2025 are described as follows:

<u>Authenticity of sales revenue</u>

Due to the recovery in overall market demand during 2025, significant differences were noted in the growth rates of sales amounts to major customers of TAIMIDE TECH. INC. and its subsidiaries in certain regions. Accordingly, sales revenue derived from such customers was considered a potential source of fraud risk and was therefore determined to be a key audit matter. In response to the above risk, we performed the following audit procedures with respect to such customers:

1. We obtained an understanding of, and tested, the relevant internal control systems and operating procedures over the sales transaction cycle to confirm and assess whether the related internal controls over sales transactions were designed and operating effectively.
2. From the detailed sales revenue records, using the aforementioned customers considered to present potential risk as the population, we selected samples for substantive testing and examined customer records and relevant external supporting documents to verify the authenticity of sales

revenue. We also reviewed subsequent collections from such customers to determine whether any unusual circumstances existed.

Other Matters

TAIMIDE TECH. INC. has also prepared its standalone financial statements for the years ended 2025 and 2024, on which we have issued an unmodified audit opinion, 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 necessary 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.

While preparing the consolidated financial statements, the management is responsible for also evaluating the ability of TAIMIDE TECH. INC. and its subsidiaries to continue with the operation and disclosing related matters and adopting the accounting basis for continued operation, among others. Unless the management intends to liquidate TAIMIDE TECH. INC. and its subsidiaries or discontinue operation or there are no other actually feasible solutions than liquidation or discontinued operation.

Those charged with governance, including the Audit Committee, are responsible for overseeing the financial reporting process of TAIMIDE TECH. INC. and its subsidiaries.

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 Auditing Standards cannot guarantee the discovery of material misstatement in the consolidated 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following work:

1. Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; designed and performed appropriate audit procedures responsive to those risks; and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of TAIMIDE TECH. INC. and its subsidiaries.
3. Evaluated the appropriateness of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures made by management.
4. Based on the audit evidence obtained, concluded on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of TAIMIDE TECH. INC. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Future events or conditions, however, are likely to result in TAIMIDE TECH. INC. and its subsidiaries no longer capable of continuing with operation.
5. Evaluated the overall presentation, structure, and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements represent the underlying transactions and events fairly.
6. Obtained sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within TAIMIDE TECH. INC. and its subsidiaries to express an

opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of TAIMIDE TECH. INC. and its subsidiaries. We remain solely responsible for our audit opinion.

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

We also provide the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of TAIMIDE TECH. INC. and its subsidiaries for the year 2025 and are therefore the key audit matters. We describe these matters in our auditors' 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 Ya-Yun Chang

CPA Su-Li Fang

Approval No. of the Financial Supervisory Commission
Financial Management Certificate Audit Zi No. 1110348898

Approval No. of the Financial Supervisory Commission
Financial Management Certificate VI Zi No. 0940161384

March 6, 2026

TAIMIDE TECH. INC. and Subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

Unit: Thousands of NTD

		December 31, 2025		December 31, 2024	
Code	Assets	Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4, 6 and 31)	$ 575,168	11	$ 427,383	9
1136	Financial assets at amortized cost - current (Notes 4, 8, and 31)	11,980	-	11,980	-
1150	Notes receivable (Notes 4, 9 and 31)	179,283	4	206,113	4
1170	Accounts receivable (Notes 4, 9, 25, 30 and 31)	502,806	10	513,957	10
1220	Current tax assets (Notes 4 and 26)	710	-	5,266	-
130X	Inventories (Notes 4 and 10)	331,854	7	439,429	9
1470	Other current assets (Notes 4, 15, 31 and 32)	81,041	2	68,848	2
11XX	Total current assets	1,682,842	34	1,672,976	34
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4, 7 and 31)	489	-	475	-
1535	Financial assets at amortized cost - non-current (Notes 4, 8, 31 and 33)	16,923	-	16,923	-
1600	Property, plant and equipment (Notes 4, 5, 12 and 33)	2,916,378	59	3,090,710	62
1755	Right-of-use assets (Notes 4 and 13)	127,183	3	145,589	3
1780	Intangible assets (Notes 4 and 14)	17,421	-	19,885	1
1915	Prepayments for equipment	183,223	4	6,148	-
1920	Refundable deposits	5,097	-	5,072	-
1975	Net defined benefit assets (Notes 4 and 21)	4,992	-	3,142	-
15XX	Total non-current assets	3,271,706	66	3,287,944	66
1XXX	Total assets	$ 4,954,548	100	$ 4,960,920	100

		December 31, 2025		December 31, 2024	
Code	Liabilities and equity	Amount	%	Amount	%
	Current liabilities				
2100	Short-term loans (Notes 16, 31 and 33)	$ 105,000	2	$ 120,000	2
2130	Contract liabilities - current (Notes 4 and 24)	1,667	-	3,646	-
2170	Notes and accounts payable (Notes 31 and 32)	71,657	1	108,877	2
2206	Remuneration payable to employees and directors (Note 25)	37,959	1	35,604	1
2213	Payables for equipment (Note 31)	35,687	1	21,673	-
2219	Other payables (Notes 18 and 31)	192,491	4	189,814	4
2230	Current tax liabilities (Notes 4 and 26)	33,280	1	-	-
2250	Provisions - current (Notes 4 and 20)	3,477	-	-	-
2280	Lease liabilities - current (Notes 4, 13 and 31)	23,334	-	22,598	1
2321	Corporate bonds due or with put option exercisable within one year (Notes 4, 17 and 32)	-	-	248,051	5
2322	Long-term loans due within one year (Notes 16, 31 and 33)	273,089	6	359,090	7
2399	Other current liabilities (Notes 4, 19, 31 and 32)	5,643	-	15,198	-
21XX	Total current liabilities	783,284	16	1,124,551	22
	Non-current liabilities				
2540	Long-term loans (Notes 16, 31 and 33)	742,967	15	699,453	14
2580	Lease liabilities - non-current (Notes 4, 13 and 31)	112,184	2	131,210	3
2645	Deposits received	19	-	19	-
25XX	Total non-current liabilities	855,170	17	830,682	17
2XXX	Total liabilities	1,638,454	33	1,955,233	39
	Equity attributable to owners of the Company (Notes 4, 17, 22, 23 and 28)				
3110	Common stock capital	1,367,542	28	1,322,053	27
3200	Capital surplus	792,934	16	591,329	12
	Retained earnings				
3310	Legal reserve	303,642	6	279,983	6
3320	Special reserve	579	-	2,635	-
3350	Undistributed earnings	833,025	17	807,192	16
3300	Total retained earnings	1,137,246	23	1,089,810	22
3400	Other equity	(8)	-	(578)	-
31XX	Total owners' equity of the Company	3,297,714	67	3,002,614	61
36XX	Non-controlling interests (Notes 4, 22 and 28)	18,380	-	3,073	-
3XXX	Total equity	3,316,094	67	3,005,687	61
	Total liabilities and equity	$ 4,954,548	100	$ 4,960,920	100

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

Chairman: Sheng-Chang Wu | Managerial Officer: Chen-Ying Huang | Chief Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC. and Subsidiaries
Consolidated Statements of Comprehensive Income
From January 1 to December 31, 2025 and 2024
Unit: In thousands of NTD; except earnings per share in NTD

Code		2025 Amount	2025 %	2024 Amount	2024 %
4110	Total operating revenue	$ 2,383,288	100	$ 2,256,087	100
4170	Returns and discounts on sales	10,054	-	9,508	-
4100	Net operating revenue (Notes 4, 24 and 32)	2,373,234	100	2,246,579	100
5000	Operating costs (Notes 10, 25 and 32)	1,735,687	73	1,622,630	72
5900	Operating gross profit	637,547	27	623,949	28
	Operating expenses (Notes 9 and 25)				
6100	Selling expense	56,867	3	70,429	3
6200	Administrative expense	125,281	5	119,304	6
6300	Research and development expense	196,932	8	223,205	10
6450	Expected credit impairment losses (reversal gain)	(44)	-	204	-
6000	Total operating expense	379,036	16	413,142	19
6900	Net operating profit	258,511	11	210,807	9
	Non-operating income and expenses				
7100	Interest income (Note 25)	4,707	-	3,827	-
7010	Other income (Notes 25, 29 and 32)	13,031	-	31,542	1
7020	Other gain and loss (Note 25)	(2,035)	-	14,534	1
7050	Financial costs (Note 25)	(29,038)	(1)	(32,955)	(1)
7000	Total non-operating income and expense	(13,335)	(1)	16,948	1
7900	Net profit before tax	245,176	10	227,755	10
7950	Income tax expense (Notes 4 and 26)	47,241	2	3,690	-
8200	Net profit for the year	197,935	8	224,065	10

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Code		2025 Amount	2025 %	2024 Amount	2024 %
	Other comprehensive income				
8310	Items not reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 21)	$ 1,358	-	$ 240	-
8316	Unrealized valuation gain or loss on investments in equity instruments at fair value through other comprehensive income (Note 22)	14	-	8	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations (Note 22)	556	-	2,049	-
8300	Other comprehensive income for the year	1,928	-	2,297	-
8500	Total comprehensive income for the year	$ 199,863	8	$ 226,362	10
	Net profit (loss) attributable to:				
8610	Owners of the Company	$ 209,489	9	$ 236,353	11
8620	Non-controlling interests	(11,554)	(1)	(12,288)	(1)
8600		$ 197,935	8	$ 224,065	10
	Total comprehensive income attributable to:				
8710	Owners of the Company	$ 211,417	9	$ 238,650	11
8720	Non-controlling interests	(11,554)	(1)	(12,288)	(1)
8700		$ 199,863	8	$ 226,362	10
	Earnings per share (Note 27)				
9750	Basic	$ 1.54		$ 1.79	
9850	Diluted	$ 1.53		$ 1.76	

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

Chairman: Sheng-Chang Wu   Managerial Officer: Chen-Ying Huang   Chief Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC. and Subsidiaries
Consolidated Statements of Changes in Equity
From January 1 to December 31, 2025 and 2024

Unit: Thousands of NTD

		Equity attributable to owners of the Company										
		Common stock capital			Retained earnings			Other equity				
Code		Number of shares (in thousands)	Amount	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
A1	Balance at January 1, 2024	132,205	$ 1,322,053	$ 593,455	$ 279,983	$ 1,586	$ 611,310	($ 2,632)	($ 3)	$ 2,805,752	$ 10,821	$ 2,816,573
	Distribution of earnings for 2023											
B1	Legal reserve	-	-	-	-	-	-	-	-	-	-	-
B3	Provision of special reserve	-	-	-	-	1,049	(1,049)	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	(39,662)	-	-	(39,662)	-	(39,662)
	Changes in other capital surplus:											
C17	Unclaimed dividends to shareholders after the statute of limitations	-	-	30	-	-	-	-	-	30	-	30
D1	Net profit (loss) for 2024	-	-	-	-	-	236,353	-	-	236,353	(12,288)	224,065
D3	Other comprehensive income for 2024	-	-	-	-	-	240	2,049	8	2,297	-	2,297
D5	Total comprehensive income for 2024	-	-	-	-	-	236,593	2,049	8	238,650	(12,288)	226,362
M7	Change in ownership interests in subsidiaries	-	-	(2,292)	-	-	-	-	-	(2,292)	2,292	-
N1	Share-based payment transaction	-	-	136	-	-	-	-	-	136	184	320
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	2,064	2,064
Z1	Balance at December 31, 2024	132,205	1,322,053	591,329	279,983	2,635	807,192	(583)	5	3,002,614	3,073	3,005,687
	Distribution of earnings for 2024											
B1	Legal reserve	-	-	-	23,659	-	(23,659)	-	-	-	-	-
B17	Reversal of special reserve	-	-	-	-	(2,056)	2,056	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	(163,411)	-	-	(163,411)	-	(163,411)
	Changes in other capital surplus											
C17	Unclaimed dividends to shareholders after the statute of limitations	-	-	38	-	-	-	-	-	38	-	38
D1	Net profit (loss) for 2025	-	-	-	-	-	209,489	-	-	209,489	(11,554)	197,935
D3	Other comprehensive income for 2025	-	-	-	-	-	1,358	556	14	1,928	-	1,928
D5	Total comprehensive income for 2025	-	-	-	-	-	210,847	556	14	211,417	(11,554)	199,863
I1	Conversion of convertible bonds	4,549	45,489	198,837	-	-	-	-	-	244,326	-	244,326
M7	Change in ownership interests in subsidiaries	-	-	1,950	-	-	-	-	-	1,950	(1,950)	-
N1	Share-based payment transaction	-	-	780	-	-	-	-	-	780	900	1,680
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	27,911	27,911
Z1	Balance as of December 31, 2025	136,754	$ 1,367,542	$ 792,934	$ 303,642	$ 579	$ 833,025	($ 27)	$ 19	$ 3,297,714	$ 18,380	$ 3,316,094

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

Chairman: Sheng-Chang Wu Managerial Officer: Chen-Ying Huang Chief Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC. and Subsidiaries
Consolidated Statement of Cash Flows
From January 1 to December 31, 2025 and 2024

Unit: Thousands of NTD

Code		2025	2024
	Cash flows from operating activities		
A10000	Net profit before tax for the year	$ 245,176	$ 227,755
A20010	Income and expense items		
A20100	Depreciation expense	368,184	377,966
A20200	Amortization expense	5,984	4,414
A20300	Expected credit impairment losses (reversal gain)	(44)	204
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit or loss	3,862	(1,014)
A20900	Financial cost	29,038	32,955
A21200	Interest income	(4,707)	(3,827)
A21900	Share-based payment remuneration cost	1,680	320
A22500	Loss on disposal of property, plant and equipment	474	2,366
A23700	Reversal gain on inventory write-down	(16,804)	(36,013)
A24100	Net gain on foreign exchange	(23,462)	(7,175)
A24200	Loss on repurchase or redemption of corporate bonds	14	6,583
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	26,830	(130,984)
A31150	Accounts receivable	35,271	(185,760)
A31200	Inventories	124,375	77,027
A31240	Other current assets	(11,684)	(3,602)
A31990	Net defined benefit assets	(492)	(2,549)
A32110	Financial liabilities held for trading	(3,966)	-
A32125	Contract liabilities	(1,979)	246
A32150	Notes and accounts payable	(37,973)	57,438
A32180	Other payables	2,622	45,068
A32200	Provisions	3,477	-
A32230	Other current liabilities	(9,555)	(20,597)
A32990	Remuneration payable to employees and directors	2,355	35,604
A33000	Net cash inflows from operations	738,676	476,425
A33100	Interest received	4,452	3,524
A33300	Interest paid	(28,423)	(24,856)
A33500	Income tax paid	(9,405)	(19,243)
AAAA	Net cash in-flows from operating activities	705,300	435,850

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Code		2025	2024
	Cash flows from investing activities		
B00050	Disposal of financial assets at amortized cost	$ -	$ 3,646
B02700	Purchase of property, plant and equipment	(157,144)	(153,488)
B02800	Disposal of property, plant and equipment	-	35
B03700	Increase in refundable deposits	(25)	(28)
B04500	Purchase of intangible asset	(3,520)	(17,050)
B07100	Increase in prepayments for equipment	(177,075)	-
B07200	Decrease in prepayments for equipment	-	5,921
BBBB	Net cash outflows from investing activities	(337,764)	(160,964)
	Cash flows from financing activities		
C00100	Increase in short-term loans	1,075,000	445,000
C00200	Decrease in short-term loans	(1,090,000)	(430,000)
C01300	Repayment of corporate bonds	(4,200)	(349,700)
C01600	Borrowing of long-term loans	504,000	420,000
C01700	Repayment of long-term loans	(546,487)	(243,867)
C04020	Repayment of principal for lease liabilities	(22,737)	(22,243)
C04500	Cash dividends to shareholders	(163,411)	(39,662)
C05800	Changes in non-controlling interests	27,911	2,064
C09900	Unclaimed dividends to shareholders after the statute of limitations	38	30
CCCC	Net cash outflows from financing activities	(219,886)	(218,378)
DDDD	Effect of exchange rate changes on cash and cash equivalents	135	4,242
EEEE	Net increase in cash and cash equivalents	147,785	60,750
E00100	Balance of cash and cash equivalents at the beginning of the year	427,383	366,633
E00200	Balance of cash and cash equivalents at the end of the year	$ 575,168	$ 427,383

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

Chairman: Sheng-Chang Wu Managerial Officer: Chen-Ying Huang Chief Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC. and Subsidiaries
Notes to consolidated financial statements
From January 1 to December 31, 2025 and 2024
(Amounts in thousands of NTD unless otherwise specified)

I. Company History

TAIMIDE TECH. INC. (hereinafter referred to as the Company) was established on June 22, 2000 with the approval of the Ministry of Economic Affairs and was listed for trading on the Taiwan Stock Exchange on October 5, 2011.

The Company's business scope mainly covers international trade and wholesale, manufacturing and sales of electronic components and materials.

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

II. Date and Procedures for Authorization of Financial Statements

These consolidated financial statements were approved by the Board of Directors on March 6, 2026.

III. Application of Newly Issued and Revised Standards and Interpretations

(I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Amendment to IAS 21 "Lack of Exchangeability"

The initial application of the amendments to IAS 21 “Lack of Exchangeability” will not result in any material changes to the accounting policies of the Company and the entities controlled by the Company (hereinafter collectively referred to as the “Consolidated Company”).

(II) IFRS Accounting Standards endorsed by the FSC for application in 2026

New, Revised or Amended Standards and Interpretations	Effective date of IASB publication
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 IFRSs - Volume 11”	January 1, 2026
IFRS 17, “Insurance Contracts" (including the 2020 and 2021 amendments)	January 1, 2023

As of the date these consolidated financial statements were authorized for issue, the Consolidated Company has assessed that the above amendments will not have a material impact on the Consolidated Company’s financial position or financial performance.

(III) IFRS Accounting Standards issued by the IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Affiliate 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)	January 1, 2027
Amendments to IAS 21, “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

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

Note 2: On September 25, 2025, the FSC announced that enterprises in Taiwan shall adopt IFRS 18 from January 1, 2028, and may elect early adoption after IFRS 18 has been endorsed by the FSC.

IFRS 18, "Presentation and Disclosure in Financial Statements, and Related Conforming Amendments"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements" and the key changes to the standard include:

- The Consolidated Company shall assess whether it has specific main business activities involving investments in certain types of assets and providing financing to customers, and based thereon classify income and expense items in the statement of comprehensive income into operating, investing, financing, income taxes, and discontinued operations categories.
- The statements of comprehensive income should separate income and expense items into operating, investing, financing, income tax and discontinued operations categories.
- The statements of comprehensive income should show operating profit or loss, pre-tax profit or loss before financing, and the subtotal and grand total of profit or loss.
- Guidance is provided to strengthen aggregation and disaggregation requirements. The Consolidated Company shall identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on shared characteristics so that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be broken down in the primary financial statements and notes. The Consolidated Company labels these items as "Others" only when a more informative label could not be identified.
- Additional disclosures are required for management-defined performance measures. When the Consolidated Company makes public communications outside the financial statements, or communicates to users of the financial statements management's view of a particular aspect of the Consolidated Company's overall financial performance, information relating to management-defined performance measures shall be disclosed in a single note to the financial statements. Such disclosures shall include a description of the measure, how it is calculated, a reconciliation to subtotals or totals specifically required by IFRS Accounting Standards, and the related income tax effects and effects on non-controlling interests of the reconciling items.

In addition, IAS 7, "Statement of Cash Flows," is amended correspondingly as follows:

- When the Consolidated Company prepares cash flows from operating activities using the indirect method, operating profit or loss shall be the starting point for the reconciliation.
- Interest and dividends received by the Consolidated Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the consolidated company, upon assessment, is determined to have specific main business activities, the classification of dividend income, interest income, and interest expense presented in the statement of profit or loss shall be considered in determining the classification of dividends received, interest received, and interest paid in the statement of cash flows. However, each of the above cash flows may be classified only within a single category of activities in the statement of cash flows.

In addition to the above effects, till the date of publication of the consolidated financial statements, the Consolidated Company will continue to evaluate other effects of the above-mentioned amendments to various standards and interpretations on its financial position and financial performance, which will be disclosed when the evaluation is completed.

IV. Summary of Significant Accounting Polices

(I) 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.

(II) Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and net defined benefit assets recognized at the present value of the defined benefit obligation less the fair value of 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 input values are observable and the significance of the input values 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 are available at the measurement date.
2. Level 2 inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices).
3. Level 3 inputs: Unobservable inputs for the asset or liability.

(III) 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 equivalents, excluding those restricted from being exchanged or used to settle liabilities for more than 12 months after the balance sheet date.

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the balance sheet date; and
3. Liabilities for which there is no substantive right at the balance sheet date to defer settlement until at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current. If the terms of a liability provide that the liability may be settled by transferring an equity instrument of the Consolidated Company at the option of the counterparty, such terms do not affect the classification of the liability as current or non-current if the Consolidated Company classifies the option as an equity instrument.

(IV) 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 Consolidated Company 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 Consolidated Company's ownership interests in subsidiaries that do not result in the Consolidated Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Consolidated 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 11 and Table 5 for details of subsidiaries, percentage of ownership and business.

(V) Foreign Currency

In preparing the financial statements of each individual 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 of monetary items or translation of monetary items are recognized in profit or loss in the period in which they arise.

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 is reported using the exchange rate at the date of the transaction and will not calculated again.

In preparing the consolidated financial statements, assets and liabilities from foreign operations of the Consolidated Company, including subsidiaries whose location or currency are different from the Company, are translated into the presentation currency, the NTD, 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.

(VI) Inventories

Inventories include raw materials, work in process, and finished goods. 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 cost of inventories is calculated using the weighted-average method.

(VII) 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 are depreciated separately over their useful lives on a straight-line basis for each significant component, except for the land owned by the consolidated Company, which is not depreciated. The Consolidated Company reviews the estimated useful lives, residual values and depreciation method by the end of each reporting period, and defers the impact of changes in applicable accounting estimates.

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.

(VIII) Intangible Assets

1. Separately Acquired

   Intangible assets with finite useful lives acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment. Intangible assets are amortized on a straight-line basis over their useful lives. The Consolidated Company reviews the estimated useful lives, residual values and amortization methods at least at the end of each year and defers the effect of changes in applicable accounting estimates.

2. Derecognition

   When intangible assets are derecognized, the difference between the net disposal price and the carrying amount of the assets is recognized in profit or loss for the year.

(IX) Impairment of Property, Plant and Equipment, Right-of-use Assets, and Intangible Assets

At the end of each reporting period, the Consolidated Company reviews whether there is any indication that its property, plant and equipment, right-of-use assets and intangible 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 Consolidated Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

When impairment loss subsequently reverses, the carrying amounts of the asset, or cash-generating units are increased to the revised recoverable amounts. However, the increased carrying amounts shall not exceed the carrying amounts of the asset, or cash-generating units 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.

(X) Financial Instruments

Financial assets and financial liabilities are recognized when a Consolidated Company 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.

1. Financial Assets

All regular purchases or sales of financial assets are recognized and derecognized using trade date accounting.

(1) Classification and Measurement

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

A. Financial assets at amortized cost

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

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

Financial assets at amortized cost include cash and cash equivalents and notes receivable, accounts receivable, pledged time deposits and other current assets at amortized cost). 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.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except for the following two cases:

a. For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.
b. For financial assets that are not purchased or originated credit-impaired but subsequently become credit-impaired, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period following the credit impairment.

A credit-impaired financial asset is one for which the issuer or the debtor has experienced significant financial difficulties, defaulted, or it is probable that the debtor will declare bankruptcy or other financial reorganization or that an active market for the financial assets will disappear due to financial difficulties.

Cash equivalents are highly liquid bonds with repurchase agreement and time deposits that are readily convertible into fixed amounts of cash with minimal risk of changes in value.

B. Investments in equity instruments at fair value through other comprehensive income

On initial recognition, the Consolidated Company may irrevocably designate investments in equity instruments that is not held for trading and not recognized as contingent consideration as at fair value through other comprehensive income.

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

(2) Impairment of financial assets

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

The allowance for loss on 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 credit risk management, the Consolidated Company determines that a breach of contract on financial assets has occurred when there is internal or external information indicating that the debtor is unlikely to pay its debts, without considering the collateral held.

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

(3) Derecognition of financial assets

The Consolidated Company 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 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.

2. Equity Instruments

Equity instruments issued by the Consolidated Company are classified as equity based on the substance of the contractual agreements and the definition of equity instruments.

Equity instruments issued by the Consolidated Company are recognized at the acquisition price less direct issue costs.

The Company's own equity instruments re-acquired is recognized and derecognized under equity. The purchase, sale, issuance or retirement of the Company's own equity instruments is not recognized in profit or loss.

3. Financial Liabilities

(1) Subsequent measurement

All 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.

4. Convertible Bonds

The components of the compound financial instruments (convertible bonds) issued by the Company are classified as financial liabilities and equity, respectively, on initial recognition based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate of a similar non-convertible instrument and is measured at amortized cost using the effective interest method until the date of conversion or maturity. The components of liabilities that are embedded in non-equity derivatives are measured at fair value.

The conversion right classified as equity is equal to the remaining amount of the fair value of the complex instrument as a whole less the fair value of the liability component determined separately and is recognized in equity, net of income tax effect, and is not subsequently measured. When the conversion right is exercised, the related liability component and the amount in equity are transferred to equity and capital surplus - issue premium. If the conversion rights of convertible bonds are not exercised on the maturity date, the amount recognized in equity will be transferred to capital surplus - issue premium.

Transaction costs related to the issuance of convertible bonds are allocated to the liability (included in the carrying amount of the liability) and equity components (included in equity) of the instrument in proportion to the total apportioned price.

(XI) Provisions

The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Provisions are measured at the present value of the estimated cash flows required to settle the obligation.

<u>Provision for carbon fees</u>

A provision for carbon fees recognized in accordance with Taiwan’s Carbon Fee Charging Regulations and other applicable laws and regulations is measured based on the best estimate of the expenditure required to settle the obligation for the current year.

(XII) Revenue Recognition

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

<u>Revenue form merchandise sales</u>

Revenue from merchandise sales is derived from the sale of polyamide films and flexible copper foil substrates. The Consolidated Company recognizes revenue and accounts receivable at the point when the merchandise arrives at the customer's designated location because the customer has the right to set the price and use the merchandise and has the primary responsibility for re-selling the merchandise and bears the risk of obsolescence. Advance receipts for merchandise are recognized as contract liabilities until the merchandise arrives.

When materials are exported for processing, the control of the ownership of the processed products has not been transferred. Therefore, no revenue is recognized when materials are exported for processing.

(XIII) Leases

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

1. The Consolidated Company as lessor

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

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

2. The Consolidated Company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities, lease payments made before commencement date less lease incentives granted, initial direct costs as well as estimated costs to restore the underlying assets. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the 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 measured initially at the present value of lease payments (including fixed payments). 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 Company 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 Consolidated Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized as profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Rentals under lease agreements that do not depend on changes in indices or rates are recognized as expenses in the period in which they are incurred.

(XIV) Borrowing Costs

Borrowing costs require that borrowing costs 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.

Except for the above, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

(XV) Government Grants

A government grant is recognized only when there is reasonable assurance that the Consolidated Company will comply with any conditions attached to the grant and the grant will be received.

Government grants related to revenue are recognized in profit or loss on a systematic basis over the period in which they are intended to compensate for the related costs recognized as expenses by the Consolidated Company.

The grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, shall be recognized as profit or loss in the period in which it is receivable.

(XVI) 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. Post-employment Benefits

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 (including current service cost) and net interest on the net defined benefit liability 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.

Net defined benefit liability represents the actual deficit in the Company'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.

(XVII) Employee Stock Options

<u>Employee stock options granted to employees</u>

Employee stock options are recognized as expense on a straight-line basis over the vesting period based on the fair value of the equity instruments at the date of grant and the expected best estimate of the number to be vested, with a simultaneous adjustment to capital surplus - employee stock options and non-controlling interests. If an equity instrument is vested immediately on the date of grant, the expense is recognized in full on the date of grant.

The Consolidated Company revises the estimated number of employee stock options expected to be vested at each balance sheet date. If the original estimate is revised, the effect is recognized in profit or loss so that the cumulative expense reflects the revised estimate and the capital surplus - employee stock options and non-controlling interests are adjusted accordingly.

(XVIII) Income Tax

Income tax expense represents the sum of current income tax and deferred income tax.

1. Current income tax

The Consolidated Company 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 are recognized in shareholders' meeting.

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

2. Deferred income tax

Deferred income 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 income tax credits for purchases of equipment and other expenditures 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 Consolidated Company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits to realize the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period 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 Consolidated Company expects, at the date of balance sheet, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax

Current and deferred income tax are recognized in profit or loss, except the current and deferred income 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.

V. Critical Accounting Judgments and Key Sources of Estimation and Assumption Uncertainty

After evaluation by the management of the Group, the accounting policies, estimates, and underlying assumptions adopted by the Consolidated Company did not involve any significant accounting judgments or material sources of estimation and assumption uncertainty.

VI. Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on hand and revolving funds	$ 219	$ 390
Bank demand deposits	266,685	255,294
Cash equivalents (investments with original maturity of less than 3 months)		
Bank time deposits	29,980	39,768
Bonds with repurchase agreements	278,284	131,931
	$ 575,168	$ 427,383

The market interest rate range of bank deposits and bonds with repurchase agreements at the balance sheet date is as follows:

	December 31, 2025	December 31, 2024
Bank deposits	0.01%~2.85%	0.002%~4.67%
Bonds with repurchase agreements	1.30%~3.95%	1.25%~4.70%

VII. Financial Assets at Fair Value Through Other Comprehensive Income

	December 31, 2025	December 31, 2024
Non-current		
Domestic investments		
Unlisted stocks		
Common stock of POMIRAN TECHNOLOGY, LIMITED	$ 489	$ 475

The Consolidated Company invests in the aforementioned common stocks in accordance with the medium and long-term strategic objectives and expects to profit from the long-term investments. The management of the Consolidated Company 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.

VIII. Financial Assets at Amortized Cost

	December 31, 2025	December 31, 2024
Current		
Time deposits with original maturity over 3 months	$ 11,980	$ 11,980
Non-current		
Pledged time deposits	$ 16,923	$ 16,923

(I) For information on credit risk management and impairment assessment related to financial assets measured at amortized cost, please refer to Note 31.

(II) For information on pledged financial assets measured at amortized cost, please refer to Note 33.

IX. Notes Receivable and Accounts Receivable

	December 31, 2025	December 31, 2024
Notes receivable		
Incurred as a result of operations	$ 179,283	$ 206,113

The Consolidated Company considered any change in the credit quality of the notes receivable at the balance sheet date and assessed that there was no material change in the credit quality and the related amounts were still recoverable, therefore, no impairment was suspected.

	December 31, 2025	December 31, 2024
Accounts receivable		
Accounts receivable - non-related parties		
Measure at amortized cost		
Total carrying amount	$ 503,136	$ 514,415
Less: Allowance for loss	(414)	(458)
	502,722	513,957
Accounts receivable - related parties		
Measure at amortized cost		
Total carrying amount	84	-
	$ 502,806	$ 513,957

The average credit period granted by the Consolidated Company on sales of goods is 10 to 100 days. No interest is charged on trade receivables. To mitigate credit risk, the management of the Consolidate Company has designated functional working Consolidated Company responsible for decision on line of credit, credit approval and other supervision to ensure proper action has been taken to collect overdue receivables. In addition, the collectible amount of accounts receivable of the Consolidated Company shall be reviewed individually at the date of balance sheet to ensure the uncollectible receivables has been listed to appropriate impairment loss. According these, the management considers the Consolidated Company's credit risk has significantly decreased.

The allowance for loss on accounts receivable of the Consolidated Company is measured at an amount equal to useful lives expected credit losses. The expected credit losses over the duration are calculated using an allowance matrix, which takes into account the customer's past default history, current financial condition, and the economic conditions of the industry. Since the Consolidated Company's credit loss history shows that there is no significant difference in loss patterns among different customer groups, the allowance matrix does not further differentiate between customer groups and only uses the number of days overdue on accounts receivable to determine the expected credit loss rate.

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

The Consolidated Company measures the allowance for loss on accounts receivable based on the allowance matrix as follows:

December 31, 2025

	Not past due	1 to 60 days overdue	61 to 90 days overdue	91 to 180 days overdue	Over 180 days overdue	Total
Expected credit loss rate	-	1%	5%	-	-	
Total carrying amount	$ 474,908	$ 24,577	$ 3,331	$ -	$ 404	$ 503,220
Allowance for loss (expected credit losses during the duration)	-	(247)	(167)	-	-	(414)
Amortized cost	$ 474,908	$ 24,330	$ 3,164	$ -	$ 404	$ 502,806

December 31, 2024

	Not past due	1 to 60 days overdue	61 to 90 days overdue	91 to 180 days overdue	Over 180 days overdue	Total
Expected credit loss rate	-	1%	-	10%	-	
Total carrying amount	$ 474,330	$ 39,446	$ -	$ 639	$ -	$ 514,415
Allowance for loss (expected credit losses during the duration)	-	(394)	-	(64)	-	(458)
Amortized cost	$ 474,330	$ 39,052	$ -	$ 575	$ -	$ 513,957

Changes on allowance for accounts receivable loss are as below:

	2025	2024
Balance at the beginning of the year	$ 458	$ 245
Provision of impairment loss for the year	-	204
Less: Reversal of impairment loss during the year	(44)	-
Exchange differences on translation	-	9
Balance at the end of the year	$ 414	$ 458

X. Inventories

	December 31, 2025	December 31, 2024
Finished goods	$ 158,593	$ 181,514
Work in process	90,475	144,951
Raw materials	82,786	112,964
	$ 331,854	$ 439,429

Cost of goods sold related to inventories for 2025 and 2024 amounted to NT$1,735,687 thousand and NT$1,622,630 thousand, respectively. Cost of goods sold included reversal gains on inventory write-downs of NT$16,804 thousand and NT$36,013 thousand, respectively.

The increase in net realizable value of inventories was due to the increase in selling price of the inventories in specific markets.

XI. Subsidiaries

Subsidiaries Included in the Consolidated Financial Statements

The basis for the consolidated financial statements is as follows:

Investor name	Subsidiary name	Business nature	Percentage of shareholding December 31, 2025	Percentage of shareholding December 31, 2024
The Company	POMIRAN METALIZATION RESEARCH CO., LTD.	Manufacturing of electronic components, wholesale and surface treatment of electronic materials	91%	93%
The Company	TAIMIDE INTERNATIONAL INC. (TAIMIDE INTERNATIONAL)	Reinvestments	100%	100%
TAIMIDE INTERNATIONAL	KUNSHAN TAIMIDE TECH. INC.	Wholesale of electronic equipment, parts and components, chemical products and chemical materials	100%	100%

XII. Property, Plant, and Equipment

Owner-occupied

	Land owned by the Company	Houses and buildings	Machinery and equipment	Facility equipment	Transportation equipment	Office equipment	Other equipment	Leasehold improvements	Construction in progress and equipment pending inspection	Total
Cost										
Balance at January 1, 2024	$ 291,073	$ 1,769,272	$ 2,184,641	$ 884,751	$ 5,930	$ 17,854	$ 2,225	$ 39,406	$ 37,346	$ 5,232,498
Increase for the year	-	-	49,287	14,680	165	1,569	128	1,100	77,851	144,780
Decrease for the year	-	-	(150,109)	(14,107)	-	(2,141)	-	(133)	-	(166,490)
Reclassification for the year	-	-	34,809	22,513	-	93	-	-	(57,415)	-
Effect of exchange rate	-	-	-	-	57	4	-	-	-	61
Balance at December 31, 2024	$ 291,073	$ 1,769,272	$ 2,118,628	$ 907,837	$ 6,152	$ 17,379	$ 2,353	$ 40,373	$ 57,782	$ 5,210,849
Accumulated depreciation										
Balance at January 1, 2024	$ -	$ 412,069	$ 1,105,829	$ 391,178	$ 2,395	$ 9,025	$ 410	$ 8,022	$ -	$ 1,928,928
Increase for the year	-	32,111	217,036	94,722	886	3,441	362	6,705	-	355,263
Decrease for the year	-	-	(147,708)	(14,107)	-	(2,141)	-	(133)	-	(164,089)
Effect of exchange rate	-	-	-	-	34	3	-	-	-	37
Balance at December 31, 2024	$ -	$ 444,180	$ 1,175,157	$ 471,793	$ 3,315	$ 10,328	$ 772	$ 14,594	$ -	$ 2,120,139
Net at December 31, 2024	$ 291,073	$ 1,325,092	$ 943,471	$ 436,044	$ 2,837	$ 7,051	$ 1,581	$ 25,779	$ 57,782	$ 3,090,710
Cost										
Balance as of January 1, 2025	$ 291,073	$ 1,769,272	$ 2,118,628	$ 907,837	$ 6,152	$ 17,379	$ 2,353	$ 40,373	$ 57,782	$ 5,210,849
Increase for the year	-	-	46,488	13,101	3,063	5,221	-	816	103,044	171,733

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	Land owned by the Company	Houses and buildings	Machinery and equipment	Facility equipment	Transportation equipment	Office equipment	Other equipment	Leasehold improvements	Construction in progress and equipment pending inspection	Total
Decrease for the year	-	-	(184,970)	(54,582)	(799)	(5,098)	-	(639)	-	(246,088)
Reclassification for the year	-	-	60,644	24,122	507	325	-	-	(85,598)	-
Effect of exchange rate	-	-	-	-	6	1	-	-	-	7
Balance as of December 31, 2025	$ 291,073	$ 1,769,272	$ 2,040,790	$ 890,478	$ 8,929	$ 17,828	$ 2,353	$ 40,550	$ 75,228	$ 5,136,501
Accumulated depreciation										
Balance as of January 1, 2025	$ -	$ 444,180	$ 1,175,157	$ 471,793	$ 3,315	$ 10,328	$ 772	$ 14,594	$ -	$ 2,120,139
Increase for the year	-	31,917	207,808	94,650	896	2,972	375	6,712	-	345,330
Decrease for the year	-	-	(184,281)	(54,544)	(799)	(5,098)	-	(639)	-	(245,361)
Effect of exchange rate	-	-	-	-	14	1	-	-	-	15
Balance as of December 31, 2025	$ -	$ 476,097	$ 1,198,684	$ 511,899	$ 3,426	$ 8,203	$ 1,147	$ 20,667	$ -	$ 2,220,123
Net amount as of December 31, 2025	$ 291,073	$ 1,293,175	$ 842,106	$ 378,579	$ 5,503	$ 9,625	$ 1,206	$ 19,883	$ 75,228	$ 2,916,378

No impairment losses were recognized or reversed in 2025 and 2024.

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

Houses and buildings	10 to 50 years
Machinery and equipment	1 to 20 years
Facility equipment	2 to 15 years
Transportation equipment	3 to 15 years
Office equipment	3 to 10 years
Other equipment	5 to 10 years
Leasehold improvements	6 years

For the amount of property, plant and equipment pledged as collateral for loans by the Consolidated Company, please refer to Note 33.

XIII. Lease Agreements

(I) Right-of-use assets

	December 31, 2025	December 31, 2024
Carrying amount of right-of-use assets		
Land	$ 74,651	$ 89,525
Buildings	52,173	55,274
Transportation equipment	359	790
	$ 127,183	$ 145,589

	2025	2024
Addition to right-of-use assets	$ 4,446	$ 938
Depreciation expense of right-of-use assets		
Land	$ 14,912	$ 14,906
Buildings	7,511	7,366
Transportation equipment	431	431
	$ 22,854	$ 22,703

Except for the additions and depreciation expense recognized above, the Consolidated Company did not have any material subleases or impairment of right-of-use assets in 2025 and 2024.

(II) Lease liabilities

	December 31, 2025	December 31, 2024
Carrying amount of lease liabilities		
Current	$ 23,334	$ 22,598
Non-current	$ 112,184	$ 131,210

Ranges of discount rates for lease liabilities are as follows:

	December 31, 2025	December 31, 2024
Land	1.50%~1.79%	1.50%~1.79%
Buildings	2.32%~4.75%	2.32%~4.75%
Transportation equipment	2.20%	2.20%

(III) Material leases and terms

The Consolidated Company leases certain land and buildings for use for a period of 11 to 14 years. Upon the termination of the lease period, the Consolidated Company has no bargain purchase option for leased lands and buildings.

(IV) Information on other leases

	2025	2024
Short-term lease expense	$ 1,237	$ 1,069
Lease expense for low-value assets	$ 202	$ 204
Variable lease payment expense not included in the measurement of lease liabilities	$ 1,422	$ 2,252
Total cash (outflows) from leases	($ 28,456)	($ 29,035)

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

XIV. Intangible Assets

	Computer software cost	Power circuit subsidy cost	Royalty payment	Total
Cost				
Balance at January 1, 2024	$ 24,615	$ 15,300	$ 1,500	$ 41,415
Acquired separately	16,631	419	-	17,050
Balance at December 31, 2024	$ 41,246	$ 15,719	$ 1,500	$ 58,465
Accumulated amortization				
Balance at January 1, 2024	$ 20,443	$ 13,132	$ 591	$ 34,166
Amortization expense	2,954	1,369	91	4,414
Balance at December 31, 2024	$ 23,397	$ 14,501	$ 682	$ 38,580
Net at December 31, 2024	$ 17,849	$ 1,218	$ 818	$ 19,885
Cost				
Balance as of January 1, 2025	$ 41,246	$ 15,719	$ 1,500	$ 58,465
Acquired separately	3,520	-	-	3,520
Balance as of December 31, 2025	$ 44,766	$ 15,719	$ 1,500	$ 61,985

	Computer software cost	Power circuit subsidy cost	Royalty payment	Total
Accumulated amortization				
Balance as of January 1, 2025	$ 23,397	$ 14,501	$ 682	$ 38,580
Amortization expense	5,183	710	91	5,984
Balance as of December 31, 2025	$ 28,580	$ 15,211	$ 773	$ 44,564
Net amount as of December 31, 2025	$ 16,186	$ 508	$ 727	$ 17,421

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

Computer software cost	1 to 8 years
Power circuit subsidy cost	5 years
Royalty payment	16.5 years

	December 31, 2025	December 31, 2024
Summary of amortization expense by function		
Operating costs	$ 3,846	$ 2,875
Administrative expense	1,732	1,138
Research and development expense	406	401
	$ 5,984	$ 4,414

XV. Other Current Assets

	December 31, 2025	December 31, 2024
VAT refundable	$ 36,663	$ 24,354
Supplies inventory	14,204	12,169
Input tax	9,361	8,589
Prepayment for goods	2,073	4,245
Others	18,740	19,491
	$ 81,041	$ 68,848

XVI. Borrowings

(I) Short-term borrowings

	December 31, 2025	December 31, 2024
Unsecured borrowings		
Line of credit loans	$ 40,000	$ 75,000
Secured borrowings		
Line of credit loans	65,000	45,000
	$ 105,000	$ 120,000

The interest rates on bank revolving borrowings were 2.38% to 2.75% and 0.50% to 2.74% as of December 31, 2025 and 2024, respectively.

(II) Long-term borrowings

	December 31, 2025	December 31, 2024
Unsecured borrowings		
Bank credit loans (1)	$ 226,695	$ 340,788
Secured borrowings		
Bank loans (2)	789,361	717,755
	1,016,056	1,058,543
Portion due within one year	(273,089)	(359,090)
	$ 742,967	$ 699,453

1. The maturity dates of the bank credit loans fall due in installments through the end of December 2030 and the end of April 2028 as of December 31, 2025 and 2024, respectively. The interest rates were 1.43% and 1.43% to 2.33% as of December 31, 2025 and 2024, respectively.
2. These bank loans are secured by pledges over the Consolidated Company's freehold land, buildings, and equipment (refer to Note 33). The maturity dates fall due in installments through the end of November 2030 and the end of April 2028 as of December 31, 2025 and 2024, respectively. The interest rates were 1.43% to 3.10% and 1.43% to 3.09% as of December 31, 2025 and 2024, respectively.

In accordance with the restrictions on current ratio, debt ratio, interest coverage multiplier, and tangible net worth in the Consolidated Company's half-year and annual consolidated financial statements in accordance with the relevant loan agreements. The Consolidated Company's financial ratios were in compliance with the requirements as of December 31, 2025 and 2024.

XVII. Bonds Payable

	December 31, 2024
Domestic unsecured convertible bonds	$ 250,300
Less: Discount on corporate bonds payable	(2,249)
	248,051
Less: Portion recorded as due within one year	(248,051)
	$ -
Value of conversion rights	$ 33,064

(I) Domestic Unsecured Convertible Bonds

On June 21, 2022, the Company issued 6,000 thousand units of NTD-denominated unsecured convertible bonds with a face value of $100 thousand and 0% interest rate in Taiwan, with a total principal amount of $600,000 thousand. The issue price was based on 108.67% of the face value. The bondholders may request the Company to convert the convertible bonds into common stock at a conversion price of $57 per share from the day after three months from the date of issuance (September 22, 2022) to the maturity date (June 21, 2025), or request the Company to repurchase the bonds at face value in cash 30 days prior to two years from the date of issuance (June 21, 2024). If the closing price of the Company's common stock exceeds the prevailing conversion price by 30% or more for 30 consecutive business days from the day after the third month after the issuance of the convertible bonds (September 22, 2022) to 40 days before the expiration of the issuance period (May 12, 2025), the Company may also redeem all of the bonds at their face value. Since the Company distributed cash dividends in July 2024, the conversion price was adjusted to $54.1 effective July 30, 2024.

This convertible bond includes liabilities and equity components, which are expressed as capital surplus - stock options under equity. The effective interest rate originally recognized for the liability component was 1.90%.

As of December 31, 2024, the Company redeemed 3,497 units of corporate bonds with a face value of $349,700 thousand pursuant to the execution of the put rights by the bondholders. The Company allocated the redemption price to the liability component and the equity component, and recognized other losses of $6,583 thousand in 2024 for the difference between the amount allocated to the liability component and the carrying value of the bonds. .

From January to April 2025, when the conversion price was NT$54.1 per share, bondholders applied to convert bonds with a par value of NT$246,100 thousand into 4,549 thousand ordinary shares of the Company.

On April 18, 2025, the Company early redeemed 42 units of bonds with an aggregate par value of NT$4,200 thousand. The redemption price was allocated between the liability and equity components. The difference between the amount allocated to the liability component and its carrying amount was recognized as other losses of NT$14 thousand in 2025.

The convertible bonds were delisted from over-the-counter trading on April 21, 2025.

Issue price ($652,006 thousand minus transaction costs of $5,283 thousand)	$646,723
Equity component (net of transaction costs allocated to equity of $647 thousand)	(79,259)
Value of redemption rights (net of transaction costs of $6 thousand allocated to liabilities)	(714)
Liabilities component at issuance date (net of $4,630 thousand of transaction costs allocated to liabilities)	566,750
Interest calculated at the effective interest rate of 1.90%	5,683
Liabilities component as of December 31, 2022	572,433
Interest calculated at the effective interest rate of 1.90%	10,982
Liabilities component as of December 31, 2023	583,415
Interest calculated at the effective interest rate of 1.90%	7,753
Redemption of corporate bonds	(343,117)
Liabilities component as of December 31, 2024	248,051
Interest calculated at the effective interest rate of 1.90%	565
Redemption of corporate bonds	(4,186)
Conversion of bonds payable into ordinary shares	(244,430)
Liability component as of December 31, 2025	$ -

XVIII. Other Payables

	December 31, 2025	December 31, 2024
Wages and bonuses payable	$ 55,177	$ 51,143
Utilities payable	21,761	20,421
Waste disposals payable	14,099	15,086
Others	101,454	103,164
	$ 192,491	$ 189,814

XIX. Other Current Liabilities

	December 31, 2025	December 31, 2024
Receipts under custody	$ 4,347	$ 4,089
Temporary receipts	1,296	1,495
Deferred income	-	9,614
	$ 5,643	$ 15,198

XX. Provisions

	December 31, 2025	December 31, 2024
Current		
Carbon fees	$ 3,477	$ -

The Consolidated Company recognized a provision for carbon fees beginning in 2025 in accordance with the relevant regulations, including the carbon fee charging regulations of Republic of China (Taiwan) government. The provision for carbon fees of the Consolidated Company was measured based on the general fee rate.

XXI. Post-employment Benefit Plans

(I) Defined Contribution Plans

The labor pension system under the "Labor Pension Act" applicable to the Company and POMIRAN METALIZATION RESEARCH CO., LTD. of the Consolidated Company 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.

(II) Defined Benefit Plans

The Company has labor pension system as defined benefit plans under the Labor Standards Act of R.O.C.. The payment of the employee pension is made based on an employee's length of service and average monthly salary for the six-month period prior to retirement approved. The Company contributes an amount equal to 2% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, the balance in the Funds is assessed. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees qualified with retirement requirements in the next year, the Company is required to make up the difference all at once with one appropriation, which is required to be made before the end of March of next year. The Funds are operated and managed by the government's designated authorities. Accordingly, the Company does not have any right to intervene in the investments of the Funds.

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

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	$ 12,118	$ 12,232
Fair value of plan assets	(17,110)	(15,374)
Net defined benefit assets	($ 4,992)	($ 3,142)

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

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
January 1, 2024	$ 13,213	($ 13,566)	($ 353)
Service cost			
Interest expense (income)	165	(172)	(7)
Recognized in profit or loss	165	(172)	(7)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,188)	(1,188)
Actuarial loss - changes in demographic assumptions	27	-	27
Actuarial gain - changes in financial assumptions	(144)	-	(144)
Actuarial gain - adjustments through experiences	1,065	-	1,065
Recognized in other comprehensive income	948	(1,188)	(240)
Contributions from employer	-	(448)	(448)
Benefit payment	(2,094)	-	(2,094)
December 31, 2024	12,232	(15,374)	(3,142)
Service cost			
Interest expense (income)	199	(254)	(55)
Recognized in profit or loss	199	(254)	(55)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,045)	(1,045)
Actuarial gain - changes in financial assumptions	246	-	246
Actuarial gain - adjustments through experiences	(559)	-	(559)
Recognized in other comprehensive income	(313)	(1,045)	(1,358)
Contributions from employer	-	(437)	(437)
December 31, 2025	$ 12,118	($ 17,110)	($ 4,992)

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

1. Investment risk: The pension funds are invested in domestic and foreign equity securities, debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds' designated authorities or under the

mandated management. However, the distributable amount of plan assets of the Company shall not be less than the return calculated by the average interest rate on a two-year time deposit published by the local banks.

2. Interest rate risk: A decline in interest rates on government bonds or corporate bonds will increase the present value of defined benefit obligations. However, returns on debt investments of plan assets will also increase accordingly, resulting in a partially offsetting effect on the net defined benefit liability.
3. Salary risk: The present value of defined benefit obligations is calculated with reference to the future salaries of plan participants. Therefore, increases in participants' salaries will increase the present value of defined benefit obligations. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31, 2025	December 31, 2024
Discount rate	1.375%	1.625%
Expected salary increase rate	2.250%	2.250%

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 (decreased) as follows:

	December 31, 2025	December 31, 2024
Discount rate		
Increase by 0.25%	($ 246)	($ 269)
Decrease by 0.25%	$ 254	$ 278
Expected salary increase rate		
Increase by 0.25%	$ 247	$ 271
Decrease by 0.25%	($ 241)	($ 264)

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.

	December 31, 2025	December 31, 2024
Contributions expected to be made within 1 year	$ 442	$ 461
Average maturity of defined benefit obligation	8.2 years	8.9 years

XXII. Equity

(I) Ordinary Share Capital

	December 31, 2025	December 31, 2024
Authorized number of shares (in thousands)	200,000	200,000
Authorized capital	$ 2,000,000	$ 2,000,000
Issued and fully paid shares (in thousands)	136,754	132,205
Public offering of ordinary shares	$ 1,367,542	$ 1,282,363
Private equity	-	39,690
Issued capital	$ 1,367,542	$ 1,322,053

Of the authorized capital, 30,000 thousand shares are reserved for issuance of employee stock options, preferred shares with warrants or corporate bonds with warrants.

At the shareholders' meeting held on June 25, 2024, the Company approved a private placement cash capital increase of up to 10,000,000 shares to specific subscribers. Such private placement plan was subsequently cancelled by resolution of the Board of Directors on May 9, 2025.

Except for transfer restrictions under the Securities and Exchange Act and the requirement that three years must elapse from the delivery date and a public issuance filing be completed before application for listing and trading, the rights and obligations of the above privately placed ordinary shares were identical to those of the Company's issued ordinary shares. The privately placed ordinary shares were filed for public issuance on September 18, 2025 and were listed for trading on October 9, 2025.

The Company's first domestic unsecured convertible bonds were converted into 4,549 thousand ordinary shares from January to April 2025.

(II) Capital Surplus

	December 31, 2025	December 31, 2024
May be used to offset deficits, distribute cash, or capitalize share capital		
Stock issue premium (1)	$ 766,842	$ 534,941
May only be used to offset deficits		
Recognition of changes in ownership interests in subsidiaries (2)	25,502	22,772
Unclaimed dividends to shareholders after the statute of limitations	590	552
May not be used for any purpose		
Stock options (Note 17)	-	33,064
	$ 792,934	$ 591,329

1. Capital surplus of this category may be used to offset deficits. When the Company has no deficit, it may also be distributed in cash or capitalized into share capital; however, capitalization each year is limited to a prescribed percentage of paid-in capital.
2. Capital surplus of this category represents the effects of equity transactions recognized when the Company did not actually acquire or dispose of ownership interests in subsidiaries but ownership interests changed, or adjustments arising from the Company's recognition of subsidiaries' capital surplus under the equity method.

(III) Retained Earnings and Dividend Policy

In accordance with the Company's earnings distribution policy as stipulated in the Articles of Incorporation, if there is any surplus earnings as indicated by the Company's final accounts, 10% of the annual earnings shall be set aside as legal reserve after paying taxes and making up for accumulated losses in accordance with the law. But if the legal reserve has reached the Company's paid-in capital, no further provision shall be made, and the remainder shall be set aside as or reversed from special reserve as provided by law. If there are still remaining earnings, the Board of Directors shall prepare a proposal to appropriate at least 40% of the remaining earnings for distribution as dividends/bonuses to shareholders, and submit it to the shareholders' meeting for resolution on the distribution. The earnings referred to in the preceding paragraph may be distributed together with accumulated undistributed earnings from prior years. For the Company's policy on the distribution of remuneration to employees and directors, please refer to Note 25 (7) Remuneration to Employees and Directors.

The Company's dividend policy is to cater to the current and future development plans with consideration of the investment environment, capital requirements and domestic and international competition, and the interests of shareholders; dividends to shareholders may be distributed in cash or in stocks, with cash dividends not less than 10% of the total dividends.

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 make up for losses When the Company has no losses, the portion in excess of 25% of the paid-in capital may be used to distributed as dividends in stocks or cash.

At the annual general shareholders' meetings held on June 26, 2025 and June 25, 2024, the Company approved the earnings distribution proposals for 2024 and 2023, respectively, as follows:

	Earnings distribution proposal	
	2024	2023
Legal reserve	$ 23,659	$ -
(Reversal) Provision of special reserve	(2,056)	1,049
Cash dividends	163,411	39,662
Cash dividends per share (NTD)	1.20	0.30

The Board of Directors on March 6, 2026 proposed the following distribution of 2025 earnings:

	2025
Legal reserve	$ 21,085
Reversal of special reserve	(571)
Cash dividends	164,105
Cash dividends per share	1.20

The distribution of 2025 earnings remains subject to approval at the annual general shareholders' meeting scheduled to be held on June 26, 2026.

(IV) Other Equity

1. Exchange differences on translation of the financial statements of foreign operations

	2025	2024
Balance at the beginning of the year	($ 583)	($ 2,632)
Incurred during the year		
Exchange differences arising from translation of the financial statements of foreign operations	556	2,049
Balance at the end of the year	($ 27)	($ 583)

2. Unrealized gain or loss on financial assets at fair value through other comprehensive income

	2025	2024
Balance at the beginning of the year	$ 5	($ 3)
Incurred during the year		
Unrealized profit or loss		
Equity instruments	14	8
Other comprehensive income for the year	14	8
Balance at the end of the year	$ 19	$ 5

(V) Non-controlling Interests

	2025	2024
Balance at the beginning of the year	$ 3,073	$ 10,821
Share attributable to non-controlling interests.		
Net loss for the year	(11,554)	(12,288)
Increase in non-controlling interest in POMIRAN METALIZATION RESEARCH CO., LTD. (Note 28)	25,961	4,356
Non-controlling interests related to outstanding vested stock options held by employees of POMIRAN METALIZATION RESEARCH CO., LTD. (Note 23)	900	184
Balance at the end of the year	$ 18,380	$ 3,073

XXIII. Employee Stock Options

POMIRAN METALIZATION RESEARCH CO., LTD. resolved by the Board of Directors to issue new shares for cash capital increase and, on April 21, 2025, further resolved to adjust the final number of shares to be issued and the amount of capital to be raised. In accordance with the Company Act, 10% of the total new shares, being 3,000 thousand shares, were reserved for subscription by employees of the Company and its subsidiaries. For fractional shares or stock options renounced by employees for subscription, the Chairperson of the Board of Directors is authorized to negotiate with specific persons to subscribe for the shares.

The Board of Directors resolved to increase capital of POMIRAN METALIZATION RESEARCH CO., LTD. by cash with issuance of new shares. On March 7, 2024, the Board of Directors resolved to adjust the final number of shares to be issued and the amount to be raised, and to reserve 10% of the total number of new shares (1,000 thousand shares) to be subscribed by employees of the Company and subsidiaries in accordance with the Company Act. For fractional shares or stock options renounced by employees for subscription, the Chairperson of the Board of Directors is authorized to negotiate with specific persons to subscribe for the shares.

The employee stock options granted by POMIRAN METALIZATION RESEARCH CO., LTD. in April 2025 and March 2024 were measured using the Black-Scholes valuation model. The inputs used in the model were as follows:

	April 2025	March 2024
Stock price at the grant date	NT$9.73	NT$9.64
Exercise price	NT$10.00	NT$10.00
Expected volatility	49.40%	33.08%
Expected duration	0.12 years	0.13 years
Expected dividend yield	-	-
Risk-free interest rate	1.30%	1.06%
Fair value of stock options	NT$0.56	NT$0.32

In 2025 and 2024, the total remuneration cost recognized by the Company and its subsidiaries amounted to NT$1,680 thousand and NT$320 thousand, respectively.

XXIV. Revenue

	2025	2024
Revenue from contracts with customers		
Revenue form merchandise sales	$ 2,367,976	$ 2,236,651
Other income	5,258	9,928
	$ 2,373,234	$ 2,246,579

(I) Contract Balances

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts receivable (Note 9)	$ 502,806	$ 513,957	$ 322,786
Contract liabilities - current			
Merchandise sales	$ 1,667	$ 3,646	$ 3,400

The amount of revenue recognized during the year in which the performance obligation was satisfied from the contract liabilities at the beginning of the year was as follows:

	2025	2024
From contract liabilities at the beginning of the year		
Merchandise sales	$ 3,634	$ 3,387

(II) Disaggregation of Revenue from Contracts with Customers

Region	2025	2024
Mainland China	$ 1,140,561	$ 1,107,897
Taiwan (where the Company is located)	853,579	852,077
Korea	318,640	239,534
United States	19,349	31,417
Japan	7,887	8,800
Others	33,218	6,854
	$ 2,373,234	$ 2,246,579

XXV. Net Profit from Continuing Operations

(I) Interest Income

	2025	2024
Bank deposits	$ 4,707	$ 3,827

(II) Other Income

	2025	2024
Lease income (operating lease)	$ 508	$ 603
Government grant income (Note 29)	10,974	28,955
Others	1,549	1,984
	$ 13,031	$ 31,542

(III) Other Gains and Losses

	2025	2024
(Loss) gain on financial instruments at fair value through profit or loss	($ 3,862)	$ 1,014
Loss on repurchase or redemption of corporate bonds	(14)	(6,583)
Loss on disposal of property, plant and equipment	(474)	(2,366)
Net gain on foreign currency exchange	2,315	22,469
	($ 2,035)	$ 14,534

(IV) Finance Costs

	2025	2024
Interest on bank loans	$ 25,615	$ 21,935
Interest on convertible bonds	565	7,753
Interest on lease liabilities	2,858	3,267
	$ 29,038	$ 32,955

(V) Depreciation and Amortization

	2025	2024
Summary of depreciation expense by function		
Operating costs	$ 303,975	$ 310,655
Operating expenses	64,209	67,311
	$ 368,184	$ 377,966
Summary of amortization expense by function		
Operating costs	$ 3,846	$ 2,875
Operating expenses	2,138	1,539
	$ 5,984	$ 4,414

For information regarding the allocation of amortization expense of intangible assets to respective line items, please refer to Note 14.

(VI) Employee Benefit Expense

	2025	2024
Post-employment benefits (Note 21)		
Defined contribution plans	$ 16,010	$ 15,716
Defined benefit plans	(45)	22
	15,965	15,738
Share-based payment (Note 23)		
Equity settlement	1,680	320
Other employee benefits	462,600	442,885
	$ 480,245	$ 458,943
Summary by function		
Operating costs	$ 324,044	$ 307,480
Operating expenses	156,201	151,463
	$ 480,245	$ 458,943

(VII) Remuneration to Employees and Directors

If the Company records a profit for the year, 6% to 15% of such profit shall be set aside as remuneration to employees, as resolved by the Board of Directors, to be distributed in shares or cash. Eligible employees of subordinate companies meeting certain conditions may also be included as recipients. Out of the aforesaid profit amount, the Company may, by resolution of the Board of Directors, appropriate an amount not exceeding 3% as remuneration to directors. Proposal for profit-sharing remuneration for employees and profit-sharing remuneration for directors should be reported to the shareholders' meeting. However, if the Company still has accumulated losses, the amount of loss make-up shall be reserved first, and then the profit-sharing remuneration for employees and directors can be appropriated in accordance with the aforementioned percentages. Pursuant to the amendments to the Securities and Exchange Act in August 2024, the Company obtained approval at the 2025 shareholders' meeting for amendments to its Articles of Incorporation to stipulate that no less than 10% of the annual remuneration appropriated to employees shall be distributed to grassroots employees.

The estimated remuneration to employees (including remuneration to non-managerial employees) and remuneration to directors for 2025 and 2024, as resolved by the Board of Directors on March 6, 2026 and March 7, 2025, respectively, were as follows:

Estimated percentages

	2025	2024
Employees' remuneration	10%	10%
Directors' remuneration	3%	3%

Amount

	2025	2024
Employees' remuneration	$ 29,199	$ 27,388
Directors' remuneration	8,760	8,216

If there is a change in the amounts after the standalone financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and adjusted into the account in the next year.

There was no difference between the actual amounts of employees' remuneration and directors' remuneration distributed for 2024 and 2023 and the amounts recognized in the consolidated financial statements for 2024 and 2023.

Please see "Market Observation Post System" (MOPS) under the Taiwan Stock Exchange for the information on the profit-sharing remuneration for employees and profit-sharing remuneration for directors resolved by the Board of Directors.

XXVI. Income Tax from Continuing Operations

(I) Major Components of Income Tax Expense Recognized in Profit or Loss

	2025	2024
Current income tax		
Incurred during the year	$ 40,449	$ 4,083
Adjustments for prior years	6,792	(393)
Income tax expense recognized in profit or loss	$ 47,241	$ 3,690

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

	2025	2024
Net profit before tax from continuing operations	$ 245,176	$ 227,755
Income tax expense calculated at the statutory rate on net profit before tax	$ 53,441	$ 23,280
Non-deduction expense or loss for tax purpose	26,124	23,944
(Recognized) Unrecognized deductible temporary difference	(32,636)	(67,584)
Tax effect of investment tax credits	(6,480)	(1,645)
Unrecognized loss carryforward	-	26,088
Adjustments during the year for current income tax expenses of previous years	6,792	(393)
Income tax expense recognized in profit or loss	$ 47,241	$ 3,690

(II) Current Income Tax Assets and Liabilities

	December 31, 2025	December 31, 2024
Current income tax assets		
Income tax refund receivable	$ 710	$ 5,266
Current income tax liabilities		
Income tax payable	$ 33,280	$ -

(III) Amount of deductible temporary difference and unused loss carryforwards of deferred income tax assets which was not recognized in the consolidated balance sheet.

	December 31, 2025	December 31, 2024
Loss carryforward		
Expiring in 2025	$ -	$ 29,373
Expiring in 2026	36,206	36,206
Expiring in 2027	57,303	57,303
Expiring in 2028	72,150	72,150
Expiring in 2029	69,843	69,843
Expiring in 2030	73,269	73,269
Expiring in 2031	78,125	78,125
Expiring in 2032	92,622	92,622
Expiring in 2033	86,437	86,437
Expiring in 2034	129,157	129,169
Expiring in 2035	132,742	-
	$ 827,854	$ 724,497
Deductible temporary difference	$ 94,152	$ 87,332

(IV) Income Tax Assessments

The Company's income tax returns for profit-seeking enterprises through 2023 have been assessed by the tax authorities.

XXVII. Earnings Per Share

Unit: NTD per share

	2025	2024
Basic earnings per share	$ 1.54	$ 1.79
Diluted earnings per share	$ 1.53	$ 1.76

The net profit and weighted average number of ordinary shares outstanding used in the calculation of earnings per share were as follows:

Net profit for the year

	2025	2024
Net profit attributed to owners of the Company	$ 209,489	$ 236,353
Net profit used to calculate basic earnings per share	$ 209,489	$ 236,353
Effect of potentially dilutive common stock		
Convertible bonds	359	10,455
Net profit used to calculate diluted earnings per share	$ 209,848	$ 246,808

Number of shares (Units: In thousands of shares)

	2025	2024
Weighted average number of shares of common stock used to calculate basic earnings per share	136,231	132,205
Effect of potentially dilutive common stock		
Convertible bonds	547	7,682
Employees' remuneration	632	553
Weighted average number of shares of common stock used to calculate diluted earnings per share	137,410	140,440

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

XXVIII. Equity Transactions with Non-controlling Interests

On June 6, 2025, the Consolidated Company did not subscribe to the new shares issued by POMIRAN METALIZATION RESEARCH CO., LTD. through a cash capital increase in proportion to its ownership interest, resulting in its shareholding percentage decreasing from 93% to 91%.

Since the above transaction did not change the Consolidated Company's control over the subsidiary, the Consolidated Company treated it as an equity transaction.

	POMIRAN METALIZATION RESEARCH CO., LTD.
2025	
Cash consideration received	$ 27,911
The carrying amount of net assets of subsidiaries should be transferred to non-controlling interests based on the relative changes in equity.	(25,961)
Equity transaction difference	$ 1,950

Adjustment for equity transaction difference:

	POMIRAN METALIZATION RESEARCH CO., LTD.
2025	
Capital surplus - recognition of changes in ownership interests in subsidiaries	$ 1,950

On April 25, 2024, the Consolidated Company did not recognize the new shares issued by POMIRAN METALIZATION RESEARCH CO., LTD. in cash capital increase in proportion to shareholding, resulting in an increase in shareholding from 85% to 93%.

Since the above transaction did not change the Consolidated Company's control over the subsidiary, the Consolidated Company treated it as an equity transaction.

	POMIRAN METALIZATION RESEARCH CO., LTD.
2024	
Cash consideration received	$ 2,064
The carrying amount of net assets of subsidiaries should be transferred to non-controlling interests based on the relative changes in equity.	(4,356)
Equity transaction difference	($ 2,292)

Adjustment for equity transaction difference:

	POMIRAN METALIZATION RESEARCH CO., LTD.
2024	
Capital surplus - recognition of changes in ownership interests in subsidiaries	($ 2,292)

XXIX. Government Grants

The Consolidated Company's application for the "Low Carbon Millimeter Wave Materials and Carbon Reduction Process Technology Development Project" of the Ministry of Economic Affairs has been reviewed and approved with a grant amount of $40,000 thousand. As of the end of December 2025, cumulative grants received amounted to NT$38,467 thousand, which were recorded under non-operating income and gains based on the approved milestones, and the project has been completed and closed.

The Consolidated Company's application for the "Subsidy Program for Demonstration and Promotion of Energy Conservation Performance Guarantee Project" of the Ministry of Economic Affairs has been duly reviewed and approved with a grant amount of NT$3,938 thousand. As of December 31, 2025, cumulative grants received amounted to NT$1,181 thousand.

The Consolidated Company applied for the “Job Redesign Service Program,” “Women’s Re-employment Program,” and “Employment Incentives for Middle-aged and Older Workers” of the Ministry of Labor, all of which have been approved. As of the end of December 2025, government grants received amounted to NT$281 thousand.

XXX. Capital Risk Management

The Consolidated Company 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 Consolidated Company's capital structure consists of net debt of the Consolidated Company (loan less cash and cash equivalent) and equity (stock capital, capital surplus, retained earnings, other equity and non-controlling interests).

XXXI. Financial Instruments

(I) Fair Value Information - Financial Instruments Not Measured at Fair Value

December 31, 2024

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
- Convertible bonds	$ 248,051	$ 248,848	$ -	$ -	$ 248,848

(II) Fair Value Information - Financial Instruments Measured at Fair Value on a Recurring Basis

1. Fair Value Hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
Unlisted stocks	$ -	$ -	$ 489	$ 489

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
Unlisted stocks	$ -	$ -	$ 475	$ 475

There were no transfers between Level 1 and Level 2 fair value measurements during 2025 and 2024.

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

2025

	Financial assets at fair value through other comprehensive income
	Equity instruments
Balance at the beginning of the year	$ 475
Recognized in other comprehensive income	14
Balance at the end of the year	$ 489

2024

	Financial assets at fair value through other comprehensive income
	Equity instruments
Balance at the beginning of the year	$ 467
Recognized in other comprehensive income	8
Balance at the end of the year	$ 475

3. Valuation techniques and input value used in Level 3 fair value measurements

Domestic unlisted equity investments are valued using the asset method, and the total value of individual assets and liabilities covered by the underlying asset is assessed to reflect the overall value of the enterprise or business.

(III) Categories of Financial Instruments

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at amortized cost (Note 1)	$ 1,289,581	$ 1,179,607
Financial assets at fair value through other comprehensive income	489	475
Financial liabilities		
Measure at amortized cost (Note 2)	1,318,249	1,659,845

Note 1: The balance includes cash and cash equivalents, financial assets at amortized cost such as notes receivable, accounts receivable, other receivables (including related parties) and other current assets at amortized cost.

Note 2: The balance includes short-term loans, notes receivable and accounts payable, other payables, corporate bonds due within one year, payables for equipment, other current liabilities, long-term loans due within one year and long-term loans and other financial liabilities at amortized cost.

(IV) Financial Risk Management Objectives and Policies

The Consolidated Company's major financial instruments include equity, accounts receivable, accounts payable, corporate bonds payable and loans. The Consolidated Company's financial management department provides services to each business unit, coordinates access to financial markets, and monitors and manages the financial risks associated with the Consolidated Company's operations through internal risk reporting that analyzes the exposure based on the level and breadth of risk. Such risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Consolidated Company mitigates the impact of these risks by hedging the exposure through derivative financial instruments. The use of derivative financial instruments is governed by policies approved by the Board of Directors of the Consolidated Company, which set forth written principles for managing foreign exchange risk, the use of derivative and non-derivative financial instruments, and the investment of surplus liquid funds. Internal auditors review compliance with the policies and the exposure limits on an ongoing basis. The Consolidated Company does not trade in financial instruments (including derivative financial instruments) for speculative purposes.

1. Market risk

The main financial risks to which the Consolidated Company is exposed as a result of its operating activities are the risk of changes in foreign currency exchange rates (see (1) below) and the risk of changes in interest rates (see (2) below).

The Consolidated Company engages in derivative financial instruments (including forward exchange contracts) to manage its exposure to risk of foreign currency exchange rate.

(1) Exchange rate risk

A portion of the Consolidated Company's cash inflows and outflows are denominated in foreign currencies, and therefore have a natural hedging effect. The Consolidated Company's management of exchange rate risk is for hedging purposes and not for profit-making purposes.

The carrying amounts of the Consolidated Company's monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date (including monetary items denominated in non-functional currencies that have been eliminated in the Consolidated Financial Statements) are described in Note 35.

Sensitivity analysis

The Consolidated Company is mainly affected by fluctuations in USD and RMB.

The following table details the Consolidated Company's sensitivity analysis when the functional currency appreciates and depreciates by 5% against each of the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translations at year end by a 5% change in exchange rates. The sensitivity analysis covers cash and cash equivalents, accounts receivable, other receivables, accounts payable, other payables and short-term loans. The following table represents the increase or decrease in net profit before tax if NTD appreciates by 5% against each of the relevant currencies.

	Effect of USD		Effect of RMB	
	2025	2024	2025	2024
Profit or loss	($ 5,222)	($ 3,544)	($ 22,025)	($ 25,409)

(2) Interest rate risk

Interest rate risk arises because the Consolidated Company holds both fixed and floating rate assets and liabilities.

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
With fair value interest rate risk		
- Financial assets	$ 321,597	$ 185,032
- Financial liabilities	165,518	416,859
With cash flow interest rate risk		
- Financial assets	282,255	270,864
- Financial liabilities	1,091,056	1,163,543

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 assets and liabilities, the analysis is to assume that the amount of assets and liabilities outstanding at the date of balance sheet is all outstanding for the entire year.

If annual interest rates had increased/decreased by 0.1%, with all other variables held constant, the Consolidated Company's profit before tax for 2025 and 2024 would have decreased/increased by NT$809 thousand and NT$893 thousand, respectively, mainly as a result of the Consolidated Company's exposure to floating-rate net liabilities and borrowings.

2. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Company. As of the balance sheet date, the Consolidated Company's maximum exposure to credit risk that may result in financial losses due to non-performance of counterparties' obligations mainly arises from the carrying amount of financial assets recognized in the consolidated balance sheets.

As of December 31, 2025 and 2024, the percentages of receivables from the top ten customers to the Consolidated Company's receivables were 89% and 86%, respectively.

3. Liquidity risk

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

Bank loans are a material source of liquidity to the Consolidated Company. As of December 31, 2025 and 2024, the unused financing facilities available to the Consolidated Company are set out in (2) Financing Facilities below.

(1) Liquidity and Interest Rate Risk Table

The following table details the analysis of the remaining contract maturities of the Consolidated Company's non-derivative financial liabilities with agreed repayment periods, which are based on the earliest possible date on which the Consolidated Company could be required to make repayments, and is prepared using the undiscounted cash flows of financial liabilities, including cash flows of interests and principals.

The Consolidated Company's bank loans that are repayable on demand immediately are listed in the table below with the earliest possible date, regardless of the probability that banks will immediately enforce the rights; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment dates.

December 31, 2025

	Repayable on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$ 80,644	$ 86,845	$ 23,369	$ 19	$ -
Lease liabilities	2,160	4,319	19,326	90,806	27,207
Floating interest rate instruments	117,418	59,222	188,640	763,232	-
Fixed interest rate instruments	-	30,144	-	-	-
	$ 200,222	$ 180,530	$ 231,335	$ 854,057	$ 27,207

Further information on the maturity analysis of the above financial liabilities is as follows:

	Less than 1 year	1 to 5 years	5 to 10 years
Lease liabilities	$ 25,805	$ 90,806	$ 27,207

December 31, 2024

	Repayable on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$ 81,308	$ 104,260	$ 31,867	$ 19	$ -
Lease liabilities	2,122	4,244	19,202	101,292	42,405
Floating interest rate instruments	177,907	61,049	242,426	714,613	-
Fixed interest rate instruments	-	15,092	250,300	-	-
	$ 261,337	$ 184,645	$ 543,795	$ 815,924	$ 42,405

Further information on the maturity analysis of the above financial liabilities is as follows:

	Less than 1 year	1 to 5 years	5 to 10 years
Lease liabilities	$ 25,568	$ 101,292	$ 42,405

(2) Credit Facilities

	December 31, 2025	December 31, 2024
The unsecured bank loan lines may be extended by mutual consent		
- Amount drawn	$ 332,354	$ 423,333
- Amount undrawn	1,567,205	1,181,380
	$ 1,899,559	$ 1,604,713
The secured bank loan lines may be extended by mutual consent		
- Amount drawn	$ 861,594	$ 766,059
- Amount undrawn	598,767	361,696
	$ 1,460,361	$ 1,127,755

XXXII. 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. Transactions between the Consolidated Company and other related parties as follows:

(I) Names of Related Parties and Their Relationships with the Company

Related party name	Relationship with the Consolidated Company
POMIRAN TECHNOLOGY, LIMITED	De facto related party

(II) Operating Revenue

Type of related party	2025	2024
De facto related party	$ 1,369	$ 1,389

(III) Purchases

Type of related party	2025	2024
De facto related party	$ 1,116	$ 1,803

(IV) Lease income (operating lease)

Type of related party	2025	2024
De facto related party	$ 23	$ 23

(V) Accounts receivable - related parties

Type of related party	December 31, 2025	December 31, 2024
De facto related party	$ 84	$ -

(VI) Other receivables - related parties (posted as other current assets)

Type of related party	December 31, 2025	December 31, 2024
De facto related party	$ 2	$ 2

(VII) Temporary receipts (posted as other current liabilities)

Type of related party	December 31, 2025	December 31, 2024
De facto related party	$ 1,145	$ 1,328

The purchase and sale transactions between the Consolidated Company and its related parties are based on mutually agreed prices and terms, and there are no other counterparties for comparison.

Rentals under lease contracts between the Consolidated Company and its related parties are determined and collected in accordance with contractual provisions.

(VIII) Remuneration of key management

	2025	2024
Short-term employee benefits	$ 30,572	$ 29,323
Post-employment benefits	409	1,191
	$ 30,981	$ 30,514

The remuneration of directors and other key management is determined by the Remuneration Committee based on the value of the individual's participation in and contribution to the operations of the Consolidated Company and with reference to the usual industry standards.

XXXIII. Pledged assets

The following assets of the Consolidated Company were pledged as collaterals for bank loans, post release duty payment to customs, and security deposits for the land leased from the Science Park Administration and for issuing letters of credit.

	December 31, 2025	December 31, 2024
Property, plant and equipment	$ 1,448,495	$ 1,485,645
Pledged time deposits (posted as financial assets at amortized cost)	16,923	16,923
	$ 1,465,418	$ 1,502,568

XXXIV. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) DuPont Electronics, Inc. (hereinafter referred to as “DuPont”) filed a patent infringement lawsuit with the Intellectual Property Court against the Company and its responsible person on October 7, 2020, alleging that the Company infringed Republic of China Patent No. I519576, “Matte Finish Polyimide Films and Methods Relating Thereto,” and seeking damages of NT$6,650 thousand, together with interest thereon at an annual rate of 5% from the day following service of the complaint until the date of full settlement. On November 30, 2021, the Intellectual Property Court rendered a judgment of first instance, ruling that "the plaintiff's suit and the claim for provisional execution are dismissed, and the plaintiff shall bear the costs of the litigation. After receiving the judgment of defeat in the first instance, DuPont appealed against the judgment and on July 29, 2022, the Intellectual Property Court entered the second instance judgment dismissing DuPont's appeal. DuPont appealed against the judgment in the second instance on August 31, 2022, and on April 3, 2024, the Supreme Court issued its ruling, the syllabus of which reads "The appeal is dismissed. The costs of the third instance shall be borne by the appellant".

(II) As of December 31, 2025 and 2024, the amounts of unused letters of credit issued by the Consolidated Company were as follows:

Unit: In thousands of each foreign currency

	December 31, 2025	December 31, 2024
USD	$ 100	$ 18
RMB	$ 3,679	$ 1,085
JPY	$ 33,500	$ -
EUR	$ 560	$ -

(III) The Consolidated Company's unrecognized contractual commitments were as follows:

	December 31, 2025	December 31, 2024
Purchase of property, plant and equipment	$ 358,200	$ -

XXXV. Information on Significant Foreign Currency Assets and Liabilities

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

December 31, 2025

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 3,829	31.43	$ 120,345
RMB	106,357	4.496	478,181
JPY	91,489	0.2008	18,371
			$ 616,897
Foreign currency liabilities			
Monetary items			
USD	506	31.43	$ 15,904
RMB	8,382	4.496	37,685
JPY	104,550	0.2008	20,994
			$ 74,583

December 31, 2024

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 2,466	32.785	$ 80,848
RMB	128,796	4.478	576,748
JPY	1,243	0.2099	261
			$ 657,857
Foreign currency liabilities			
Monetary items			
USD	304	32.785	$ 9,967
RMB	15,312	4.478	68,567
JPY	9,650	0.2099	2,026
			$ 80,560

Gain and loss (realized and unrealized) on translation of foreign currencies with significant effect were as follows:

	2025		2024	
Foreign currency	Exchange rate	Net exchange gain or loss	Exchange rate	Net exchange gain or loss
USD	31.43 (USD: NTD)	($ 2,058)	32.785 (USD: NTD)	$ 5,979
JPY	0.2008 (JPY: NTD)	704	0.2099 (JPY: NTD)	42
RMB	4.496 (RMB: NTD)	3,662	4.478 (RMB: NTD)	16,499
EUR	36.90 (EUR: NTD)	7	34.14 (EUR: NTD)	(57)
SGD	24.45 (SGD: NTD)	-	24.13 (SGD: NTD)	6
		$ 2,315		$ 22,469

XXXVI. Other Disclosures

(I) Information on Significant Transactions: Except for the following items, there were no other matters required to be disclosed:

1. Endorsements and guarantees for others: Table 1.
2. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures under control): Table 2 .
3. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3.
4. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4.
5. Business relationships and significant intercompany transactions and balances between the parent company and subsidiaries, and among subsidiaries: Table 8.

(II) Information on Investees: Table 5.

(III) 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, investment gain or loss, ending balance, amount received as dividends from the investee, and the limitation on investee: Table 6.
2. The following significant transactions with investees in Mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses: Table 7.
   (1) Purchase amounts and percentages thereof, and the ending balances and percentages of the related payables.
   (2) Sales amounts and percentages thereof, and the ending balances and percentages of the related receivables.
   (3) Amounts of property transactions and the gains or losses arising therefrom.
   (4) Ending balances of endorsements/guarantees or collateral pledged and the purposes thereof.
   (5) Highest balance, ending balance, interest rate range, and total current-period interest of financing provided.
   (6) Other transactions having a material effect on current-period profit or loss or financial position, such as the rendering or receipt of services.

XXXVII. Segment Information

(I) Segment Revenue, Operating Results, and Segment Assets

The operating decision makers of the Consolidated Company allocate resources and evaluate segment performance with emphasis on the overall consolidated financial information. While individual companies have similar economic characteristics and use similar manufacturing processes to produce similar products and sell them by the same sales methods. Therefore, the Consolidated Company is reported as a single operating segment. In addition, the segment information reviewed by the chief operating decision maker is measured on the same basis as that used in these financial statements. The measurement basis of operating segment profit or loss, assets, and liabilities is consistent with that used in the preparation of these consolidated financial statements. Therefore, the reportable segment revenue and operating results for 2025 and 2024 can be referred to the consolidated statements of comprehensive income for 2025 and 2024, and the reportable segment assets as of December 31, 2025 and 2024 can be referred to the consolidated balance sheets as of December 31, 2025 and 2024.

(II) Revenue from Major Products and Services

An analysis of the Consolidated Company's revenue from major products and services as follows:

	2025	2024
Polyimide films	$ 2,367,976	$ 2,236,651
Others	5,258	9,928
	$ 2,373,234	$ 2,246,579

(III) Geographical Information

Information on the Consolidated Company's operating revenue from external customers by country of customer and non-current assets by location of assets is presented below:

	Revenue from external customers		Non-current assets	
	2025	2024	December 31, 2025	December 31, 2024
Taiwan (where the Company is located)	$ 853,579	$ 852,077	$ 3,243,763	$ 3,261,659
Mainland China	1,140,561	1,107,897	442	673
Korea	318,640	239,534	-	-
United States	19,349	31,417	-	-
Japan	7,887	8,800	-	-
Others	33,218	6,854	-	-
	$ 2,373,234	$ 2,246,579	$ 3,244,205	$ 3,262,332

Non-current assets do not include financial instruments, refundable deposits, and defined benefit assets.

(IV) Major Customer Information

Revenue from a single customer which exceeds ten percent of total revenue of the Consolidated Company is as follows:

	2025	2024
Customer A (Note)	$ 490,580	$ 379,962
Customer E (Note)	320,239	241,409
Customer G (Note)	270,033	229,980
Customer F (Note)	224,563	354,930
	$ 1,305,415	$ 1,206,281

Note: This is revenue from merchandise sales.

TAIMIDE TECH. INC. and Subsidiaries
Endorsements and guarantees for others
From January 1 to December 31, 2025

Table 1

Unit: Thousands of NTD, unless otherwise specified.

No.	The company providing endorsement and guarantee	The party receiving endorsement and guarantee		Limit of endorsement and guarantee to a single enterprise (Note 2)	Maximum balance of endorsement and guarantee for the period	Balance of endorsement and guarantee at the end of the period	Actual amount drawn	Amount of endorsement and guarantee collateralized by properties	Ratio of accumulated guarantees to net worth of the most recent financial statements (%)	Maximum limit of endorsement and guarantee (Note 2)	Endorsement and guarantee by parent company for subsidiary	Endorsement and guarantee by subsidiary for parent company	Endorsement and guarantee for party in Mainland China	Remark
		Company name	Relationship											
0	The Company	POMIRAN METALIZATION RESEARCH CO., LTD.	Note 1	$ 1,319,085	$ 670,000	$ 625,000	$ 495,000	$ -	19	$ 2,638,171	Yes	—	—	—

Note 1: Subsidiaries directly held
Note 2: The limit of the Company's endorsement and guarantee obligations for a single enterprise and subsidiary and the total amount of external endorsement and guarantee are limited to 40% and 80% of the Company's net worth, respectively.

TAIMIDE TECH. INC. and Subsidiaries
Significant Marketable Securities Held at End of Period
December 31, 2025

Table 2

Unit: Thousands of NTD, unless otherwise specified.

Company held	Type of marketable securities	Name of marketable securities	Relationship with the issuers of the marketable securities	Account on the financial statements	The end of the period				Remark
					Number of units / board lots	Carrying amount	Shareholding percentage (%)	Fair value	
The Company	Stock	POMIRAN TECHNOLOGY, LIMITED	—	Financial assets at fair value through other comprehensive income-non-current	110,000	$ 489	10	$ 489	Note 1

Note 1: Presented at book value.
Note 2: As of December 31, 2025, none of the above marketable securities had been provided as collateral, pledged for borrowings, or were otherwise subject to restrictions on use under contractual arrangements.
Note 3: This schedule includes marketable securities required to be disclosed by the Company based on the materiality principle.

TAIMIDE TECH. INC. and Subsidiaries
Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital
From January 1 to December 31, 2025

Table 3

Unit: Thousands of NTD, unless otherwise specified.

Purchase (sales) company	Name of counterparty	Relationship	Transaction details				Circumstances and reasons why the terms of the transaction differ from those of general transactions		Notes / accounts receivable (payable)		Remark
			Purchase (sales)	Amount	As a percentage of total purchases (sales)	Credit period	Unit price	Credit period	Balance	As a percentage of total notes and accounts receivable (payable)	
The Company	KUNSHAN TAIMIDE TECH. INC.	Subsidiary indirectly held	Sales	$ 545,837	24%	In accordance with the mutually agreed terms	$ -	—	$ 303,418	41%	—

TAIMIDE TECH. INC. and Subsidiaries
Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital
December 31, 2025

Table 4

Unit: Thousands of NTD, unless otherwise specified.

The company recorded the transaction as accounts receivable	Name of counterparty	Relationship	Balance of receivables from related parties (Note)	Turnover rate	Past due receivables from related parties		Amount of receivables from related parties collected in the subsequent period	Provision of allowance for loss
					Amount	Handling method		
The Company	KUNSHAN TAIMIDE TECH. INC.	Subsidiary indirectly held	$ 303,418	1.48	$ -	—	$ 73,946	$ -

Note: The related transactions between the investees were eliminated in full in the preparation of the consolidated financial statements.

TAIMIDE TECH. INC. and Subsidiaries
Information on investees, locations... and other related information
From January 1 to December 31, 2025

Table 5

Unit: Thousands of NTD, unless otherwise specified.

Investor name	Investee name	Location	Main business	Initial investment amount		Holding at the end of the period			(Loss) Profit of investee for the period	Investment (loss) gain recognized in the period	Remark
				The end of the period	The end of last year	Number of shares	Ratio %	Carrying amount			
The Company	POMIRAN METALIZATION RESEARCH CO., LTD.	Taiwan	Manufacturing of electronic components, wholesale and surface treatment of electronic materials	$ 980,592	$ 708,503	31,236,905	91	$ 184,012	($ 140,502)	($ 128,997)	Note 2
	TAIMIDE INTERNATIONAL INC.	Samoa	Reinvestments	6,286 (US$200 thousand)	6,286 (US$200 thousand)	200,000	100	50,760	7,839	(16,261)	Notes 1 and 2
TAIMIDE INTER-NATIONAL INC.	KUNSHAN TAIMIDE TECH. INC.	Mainland China	Wholesale of electronic equipment, parts and components, chemical products and chemical materials	6,286 (US$200 thousand)	6,286 (US$200 thousand)	-	100	50,724	7,839	(16,261)	Notes 1 and 2

Note 1: Amounts denominated in foreign currencies were translated at the U.S. dollar exchange rate prevailing on December 31, 2025.
Note 2: Including the elimination of unrealized profit or loss on intercompany transactions.

TAIMIDE TECH. INC. and Subsidiaries
Information on Investment in Mainland China
From January 1 to December 31, 2025

Table 6

Unit: Thousands of NTD, unless otherwise specified.

Name of Investee in Mainland China	Main business	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of the year	Investment amount remitted or repatriated during the period		Accumulated investment amount remitted from Taiwan at the end of the year	Profit for the period of investee	Shareholding percentage of the Company's direct or indirect investment	Investment gain (loss) recognized in the period	Carrying amount of investment at the end of the period	Investment income repatriated as of the end of the period
					Outward remittance	Repatriation						
KUNSHAN TAIMIDE TECH. INC.	Wholesale of electronic equipment, parts and components, chemical products and chemical materials	$ 6,286 (US$200 thousand)	Note 1	$ 6,286 (US$200 thousand)	$ -	$ -	$ 6,286 (US$200 thousand)	$ 7,839	100%	($ 16,261)	$ 50,724	$ -

Accumulated investment amount remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by Investment Commission, MOEA	60% of the net investment limit in Mainland China as stipulated by the Investment Commission, MOEA
$6,286 (USD 200 thousand)	$6,286 (USD 200 thousand)	$1,978,628

Note 1: The Company invested in TAIMIDE INTERNATIONAL INC. and then invested in Mainland China through this company. The investment was approved by the Investment Commission, MOEA and the approved investment amount was USD 200 thousand.
Note 2: Amounts denominated in foreign currencies were translated at the U.S. dollar exchange rate prevailing on December 31, 2025.

TAIMIDE TECH. INC. and Subsidiaries

Significant direct or indirect transactions through a third region with the investee in the Mainland China, and its prices and terms of payment, unrealized gain or loss and other related information.

From January 1 to December 31, 2025

Table 7

Unit: Thousands of NTD, unless otherwise specified.

Name of the trading party	Counterparty	Relationship between the Company and the counterparty	Type of transaction	Sales		Price	Trading terms		Notes / accounts receivable (payable)		Unrealized profit	Remark
				Amount	Percentage		Payment terms	Comparison with general transactions	Amount	Percentage		
The Company	KUNSHAN TAIMIDE TECH. INC.	Subsidiary indirectly held	Sales	$ 545,837	24%	In accordance with the mutually agreed price	In accordance with the mutually agreed terms	No other comparable counterparty	$ 303,418	41%	$ 22,717	—

TAIMIDE TECH. INC. and Subsidiaries
Business Relationships and Significant Intercompany Transactions Between the Parent Company and Subsidiaries
From January 1 to December 31, 2025

Table 8

Unit: Thousands of NTD

No.	Name of the trading party	Counterparty	Relationship with the trading party (Note 1)	Transaction details			
				Account on the financial statements	Amount	Trading terms (Note 2)	As a percentage of consolidated total revenue or total assets
0	The Company	KUNSHAN TAIMIDE TECH. INC.	1	Sales revenue	$ 545,837	—	23%
				Accounts receivable	303,418	—	6%

Note 1: 1. Representing parent company's transactions to sub-subsidiary.
Note 2: The transactions between the Company and its subsidiaries are based on the prices and terms agreed by both parties, and there is no other comparable counterparties.
Note 3: Whether significant intercompany transactions are required to be disclosed in this table may be determined by the Company based on the materiality principle.