

TAIMIDE TECH. INC.

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

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Notice to Readers

The English parent company only 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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Independent Auditors' Report

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

Audit opinions

We have audited the accompanying parent company only balance sheets of TAIMIDE TECH. INC. as of December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, changes in equity, and cash flows for the periods from January 1 to December 31, 2025 and 2024, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of TAIMIDE TECH. INC. as of December 31, 2025 and 2024, and its parent company only financial performance and parent company only cash flows for the periods from January 1 to December 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. Independently governed staff in the accounting firm that the CPAs belong to have followed moral regulations in honor of the profession of CPA and have remained independent of TAIMIDE TECH. INC. and fulfilled other responsibilities under the said regulations. 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 parent company only financial statements of TAIMIDE TECH. INC. for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the parent company only financial statements of TAIMIDE TECH. INC. for the year ended December 31, 2025 are stated as follows:

Authenticity of sales revenue

Due to the recovery in overall market demand during 2025, TAIMIDE TECH. INC. experienced significant differences in the growth rates of sales amounts to major customers in certain regions. Accordingly, sales revenue generated from such customers was considered a source of potential fraud risk. Therefore, we identified the authenticity of sales revenue from these customers as 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.

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

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

While preparing the parent company only financial statements, the management is responsible for also evaluating the ability of TAIMIDE TECH. INC. 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. or discontinue operation or there are no other 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.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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 parent company only 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 audit 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 as necessary 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..
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. to continue as a going concern. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the parent company only financial statements are required to be provided in our audit report to allow users of parent company only financial statements to be aware of such events or circumstances, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Future events or conditions, however, are likely to result in TAIMIDE TECH. INC. no longer capable of continuing with operation.
5. We evaluated the overall presentation, structure, and content of the parent company only financial statements, including the related notes, and whether the parent company only financial statements present fairly the underlying transactions and events.
6. We obtained sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within TAIMIDE TECH. INC. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit of TAIMIDE TECH. INC.. 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 parent company only financial statements of TAIMIDE TECH. INC. for the year ended December 31, 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.
Parent Company Only Balance Sheets
December 31, 2025 and 2024

Unit: Thousands of NTD

Code	Assets	December 31, 2025		December 31, 2024		Code	Liabilities and equity	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current liabilities				
1100	Cash and cash equivalents (Notes 4, 6 and 32)	\$ 432,819	9	\$ 354,868	8	2130	Contract liabilities - current (Notes 4 and 24)	\$ 91	-	\$ 13	-
1136	Financial assets at amortized cost - current (Notes 4, 8 and 31)	1,980	-	1,980	-	2170	Notes and accounts payable (Note 31)	69,708	1	106,927	2
1150	Notes receivable (Notes 4, 9 and 31)	-	-	1,947	-	2206	Remuneration payable to employees and directors (Note 25)	37,959	1	35,604	1
1170	Accounts receivable (Notes 4, 9, 24 and 31)	444,099	9	356,039	8	2213	Payables for equipment (Note 31)	29,786	1	21,520	1
1180	Accounts receivable - related parties (Notes 4, 9, 24, 31 and 32)	303,788	7	434,199	9	2219	Other payables (Notes 18, 31 and 32)	168,633	4	169,475	4
1210	Other receivables - related parties (Notes 31 and 32)	420	-	10	-	2230	Current tax liabilities (Notes 4 and 26)	31,726	1	-	-
1220	Current tax assets (Notes 4 and 26)	710	-	5,266	-	2250	Provisions - current (Notes 4 and 20)	3,477	-	-	-
130X	Inventories (Notes 4 and 10)	248,589	5	346,066	7	2280	Lease liabilities - current (Notes 4, 13 and 31)	15,643	-	15,423	-
1470	Other current assets (Notes 4 and 15)	44,657	1	44,938	1	2321	Corporate bonds due or with put option exercisable within one year (Notes 4, 17 and 31)	-	-	248,051	5
11XX	Total current assets	1,477,062	31	1,545,313	33	2322	Long-term loans due within one year (Notes 16, 31 and 32)	256,824	5	343,326	7
	Non-current assets					2399	Other current liabilities (Notes 4, 19, 29 and 32)	4,887	-	14,434	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4, 7 and 31)	489	-	475	-	21XX	Total current liabilities	618,734	13	954,773	20
1535	Financial assets at amortized cost - non-current (Notes 4, 8, 31 and 32)	16,923	1	16,923	1		Non-current liabilities				
1550	Investment accounted for using the equity method (Notes 4 and 11)	234,772	5	105,495	2	2540	Long-term loans (Notes 17, 31 and 33)	711,585	15	675,806	14
1600	Property, plant and equipment (Notes 4, 5, 12 and 33)	2,738,029	58	2,927,983	62	2580	Lease liabilities - non-current (Notes 4, 13 and 31)	63,957	2	79,569	2
1755	Right-of-use assets (Notes 4 and 13)	75,010	2	90,316	2	2645	Deposits received	19	-	19	-
1780	Intangible assets (Notes 4 and 14)	14,711	-	16,848	-	25XX	Total non-current liabilities	775,561	17	755,394	16
1915	Prepayments for equipment	126,962	3	3,227	-	2XXX	Total liabilities	1,394,295	30	1,710,167	36
1920	Refundable deposits	3,059	-	3,059	-		Equity (Notes 4, 17, 22 and 23)				
1975	Net defined benefit assets - non-current (Notes 4 and 21)	4,992	-	3,142	-	3110	Common stock capital	1,367,542	29	1,322,053	28
15XX	Total non-current assets	3,214,947	69	3,167,468	67	3200	Capital surplus	792,934	17	591,329	13
							Retained earnings				
						3310	Legal reserve	303,642	6	279,983	6
						3320	Special reserve	579	-	2,635	-
						3350	Undistributed earnings	833,025	18	807,192	17
						3300	Total retained earnings	1,137,246	24	1,089,810	23
						3400	Other equity	(8)	-	(578)	-
						3XXX	Total equity	3,297,714	70	3,002,614	64
1XXX	Total assets	\$ 4,692,009	100	\$ 4,712,781	100		Total liabilities and equity	\$ 4,692,009	100	\$ 4,712,781	100

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

Chairman: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Chief Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC.
Parent Company Only 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		2024	
		Amount	%	Amount	%
4110	Total operating revenue	\$ 2,306,917	100	\$ 2,219,423	100
4170	Returns and discounts on sales	<u>9,626</u>	<u>-</u>	<u>7,670</u>	<u>-</u>
4100	Net operating revenue (Notes 4, 24 and 32)	2,297,291	100	2,211,753	100
5000	Operating costs (Notes 10, 25 and 32)	<u>1,585,835</u>	<u>69</u>	<u>1,574,988</u>	<u>71</u>
5900	Operating gross profit	711,456	31	636,765	29
5910	(Unrealized)Realized profit with subsidiaries	(<u>24,149</u>)	(<u>1</u>)	<u>13,900</u>	<u>-</u>
5950	Realized operating profit	<u>687,307</u>	<u>30</u>	<u>650,665</u>	<u>29</u>
	Operating expenses (Notes 9 and 25)				
6100	Selling expense	27,396	1	25,917	1
6200	Administrative expense	110,970	5	105,078	5
6300	Research and development expense	165,020	7	189,391	8
6450	Expected credit impairment losses (reversal gain)	<u>8</u>	<u>-</u>	(<u>4</u>)	<u>-</u>
6000	Total operating expense	<u>303,394</u>	<u>13</u>	<u>320,382</u>	<u>14</u>
6900	Net operating profit	<u>383,913</u>	<u>17</u>	<u>330,283</u>	<u>15</u>
	Non-operating income and expenses				
7100	Interest income (Note 25)	3,172	-	3,162	-
7010	Other income (Notes 25, 29 and 32)	13,312	-	31,236	1
7020	Other gain and loss (Note 25)	(1,928)	-	14,044	1

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Code		2025		2024	
		Amount	%	Amount	%
7050	Financial costs (Notes 4 and 25)	(\$ 23,330)	(1)	(\$ 27,382)	(1)
7070	Share of loss of subsidiaries accounted for using the equity method	(121,109)	(5)	(113,066)	(5)
7000	Total non-operating income and expense	(129,883)	(6)	(92,006)	(4)
7900	Net profit before tax	254,030	11	238,277	11
7950	Income tax expense (Notes 4 and 26)	44,541	2	1,924	-
8200	Net profit for the year	209,489	9	236,353	11
	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:				
8380	Share of other comprehensive income of subsidiaries accounted for using the equity method (Note 22)	556	-	2,049	-
8300	Other comprehensive income for the year	1,928	-	2,297	-
8500	Total comprehensive income for the year	\$ 211,417	9	\$ 238,650	11
	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 parent company only financial report.

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

TAIMIDE TECH. INC.
Parent Company Only Statement of Changes in Equity
From January 1 to December 31, 2025 and 2024

Unit: Thousands of NTD

							Other equity			
		Common stock capital		Retained 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 equity	
Code		Number of shares (in thousands)	Amount	Capital surplus	Legal reserve	Special reserve				Undistributed earnings
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
	Distribution of earnings for 2023									
B1	Legal reserve	-	-	-	-	-	-	-	-	-
B3	Provision of special reserve	-	-	-	-	1,049	(1,049)	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(39,662)	-	-	(39,662)
	Changes in other capital surplus:									
C17	Unclaimed dividends to shareholders after the statute of limitations	-	-	30	-	-	-	-	-	30
D1	Net profit for 2024	-	-	-	-	-	236,353	-	-	236,353
D3	Other comprehensive income for 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240</u>	<u>2,049</u>	<u>8</u>	<u>2,297</u>
D5	Total comprehensive income for 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>236,593</u>	<u>2,049</u>	<u>8</u>	<u>238,650</u>
M7	Change in ownership interests in subsidiaries	-	-	(2,292)	-	-	-	-	-	(2,292)
N1	Share-based payment transaction	<u>-</u>	<u>-</u>	<u>136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136</u>
Z1	Balance at December 31, 2024	132,205	1,322,053	591,329	279,983	2,635	807,192	(583)	5	3,002,614
	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	-	-	-	-	-	(163,411)	-	-	(163,411)
	Changes in other capital surplus:									
C17	Unclaimed dividends to shareholders after the statute of limitations	-	-	38	-	-	-	-	-	38
D1	Net profit for 2025	-	-	-	-	-	209,489	-	-	209,489
D3	Other comprehensive income for 2025	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,358</u>	<u>556</u>	<u>14</u>	<u>1,928</u>
D5	Total comprehensive income for 2025	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,847</u>	<u>556</u>	<u>14</u>	<u>211,417</u>
I1	Conversion of convertible bonds	4,549	45,489	198,837	-	-	-	-	-	244,326
M7	Change in ownership interests in subsidiaries	-	-	1,950	-	-	-	-	-	1,950
N1	Share-based payment transaction	<u>-</u>	<u>-</u>	<u>780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>780</u>
Z1	Balance as of December 31, 2025	<u>136,754</u>	<u>\$ 1,367,542</u>	<u>\$ 792,934</u>	<u>\$ 303,642</u>	<u>\$ 579</u>	<u>\$ 833,025</u>	<u>(\$ 27)</u>	<u>\$ 19</u>	<u>\$ 3,297,714</u>

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

Chairman: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Chief Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC.
Parent Company Only Statements 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	\$ 254,030	\$ 238,277
A20010	Income and expense items		
A20100	Depreciation expense	327,471	334,509
A20200	Amortization expense	5,162	3,748
A20300	Expected credit impairment losses		
	(reversal gain)	8	(4)
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit or loss	3,862	(1,014)
A20900	Financial cost	23,330	27,382
A21200	Interest income	(3,172)	(3,162)
A21900	Share-based payment remuneration cost	840	160
A22400	Share of loss of subsidiaries accounted for using the equity method	121,109	113,066
A22500	Loss on disposal of property, plant and equipment	152	2,366
A23700	Reversal gain on inventory write-down	(24,960)	(38,342)
A23900	Unrealized (Realized) profit with subsidiaries	24,149	(13,900)
A24100	Net gain on foreign exchange	(22,990)	(6,757)
A24200	Loss on repurchase or redemption of corporate bonds	14	6,583
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	1,947	23,126
A31150	Accounts receivable	(63,930)	(121,003)
A31160	Accounts receivable - related parties	130,411	(275,137)
A31190	Other receivables - related parties	(410)	-
A31200	Inventories	122,437	131,887
A31240	Other current assets	521	127
A31990	Net defined benefit assets	(492)	(2,549)
A32110	Financial liabilities held for trading	(3,966)	-
A32125	Contract liabilities	78	-
A32150	Notes and accounts payable	(37,974)	56,858
A32180	Other payables	(1,001)	38,106
A32200	Provisions	3,477	-
A32230	Other current liabilities	(9,547)	(20,785)
A32990	Remuneration payable to employees and directors	2,355	35,604
A33000	Net cash inflows from operations	852,911	529,146

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Code		2025	2024
A33100	Interest received	\$ 3,186	\$ 3,183
A33300	Interest paid	(22,612)	(19,349)
A33500	Income tax paid	(8,259)	(17,451)
AAAA	Net cash in-flows from operating activities	<u>825,226</u>	<u>495,529</u>
	Cash flows from investing activities		
B00050	Disposal of financial assets at amortized cost	-	3,646
B01800	Acquisition of long-term equity investments accounted for using the equity method	(272,089)	(97,936)
B02700	Purchase of property, plant and equipment	(114,316)	(146,464)
B02800	Disposal of property, plant and equipment	-	35
B04500	Purchase of intangible asset	(3,025)	(14,273)
B07100	Increase in prepayments for equipment	(123,735)	-
B07200	Decrease in prepayments for equipment	-	4,664
BBBB	Net cash outflows from investing activities	<u>(513,165)</u>	<u>(250,328)</u>
	Cash flows from financing activities		
C00100	Increase in short-term loans	570,000	10,000
C00200	Decrease in short-term loans	(570,000)	(10,000)
C01300	Repayment of corporate bonds	(4,200)	(349,700)
C01600	Borrowing of long-term loans	480,000	420,000
C01700	Repayment of long-term loans	(530,723)	(227,528)
C04020	Repayment of principal for lease liabilities	(15,429)	(15,149)
C04500	Cash dividends to shareholders	(163,411)	(39,662)
C09900	Unclaimed dividends to shareholders after the statute of limitations	<u>38</u>	<u>30</u>
CCCC	Net cash outflows from financing activities	<u>(233,725)</u>	<u>(212,009)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(385)</u>	<u>2,135</u>
EEEE	Net increase in cash and cash equivalents	77,951	35,327
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>354,868</u>	<u>319,541</u>
E00200	Balance of cash and cash equivalents at the end of the year	<u>\$ 432,819</u>	<u>\$ 354,868</u>

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

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

TAIMIDE TECH. INC.
Notes to Parent Company Only 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 parent company only financial statements were expressed in NTD, which is the Company's functional currency.

II. Date and Procedures for Authorization of Financial Statements

These parent company only 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).

Amendments to IAS 21 "Lack of Exchangeability"

The initial application of the amendments to IAS 21, Lack of Exchangeability, did not result in any material changes to the Company's accounting policies.

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

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

As of the date these parent company only financial statements were authorized for issue, the Company has assessed that the above amendments will not have a material impact on its financial position or financial performance.

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

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its 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 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 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 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 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 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 Company prepares cash flows from operating activities using the indirect method, operating profit or loss shall be used as the starting point for the reconciliation.
- Interest and dividends received by the 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 parent company only financial statements, the 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 Policies

(I) Statement of Compliance

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

(II) Basis of Preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments and net defined benefit assets recognized as the present value of defined benefit obligations less the fair value of plan assets.

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.

In preparing the parent company only financial statements, the equity method is adopted to the investments in subsidiaries. In order to make the profit or loss for the year, other comprehensive income and equity in these parent company only financial statements the same as the current year's profit or loss, other comprehensive income and equity attributable to the owners of the Company in the consolidated financial statements, certain accounting differences between the parent company only basis and the consolidated basis are adjusted for "investments accounted for using the equity method," "share of profit or loss of subsidiaries accounted for using the equity method," and "share of other comprehensive income of subsidiaries accounted for using the equity method."

(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) Foreign Currencies

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

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

Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the exchange rates at the date when the fair value was determined, and the resulting exchange differences are recognized in profit or loss. However, for items whose fair value changes are recognized in other comprehensive income, the related exchange differences 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 be calculated again.

In preparing the parent company only financial statements, assets and liabilities from foreign operations of the 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 for the period, and the resulting exchange differences are recognized in other comprehensive income.

(V) Inventories

Inventories include raw materials, supplies, finished goods, and work in process. Inventories are stated at the lower of cost or net realizable value. The lower of cost and net realizable value is based on the individual inventory items. Net 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.

(VI) Investment in Subsidiaries

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

Subsidiaries are entities which the Company holds the control of.

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

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

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

Any excess of the acquisition cost over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the acquisition date is recognized as goodwill. Such goodwill is included in the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the acquisition date over the acquisition cost is recognized in profit or loss for the current period.

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

Upon loss of control over a subsidiary, the Company measures any retained investment in the former subsidiary at fair value on the date control is lost. The difference between the fair value of the retained investment, any disposal proceeds, and the carrying amount of the investment on the date control is lost is recognized in profit or loss for the current period. In addition, all amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

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

(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.

Except for freehold land, which is not depreciated, other items of property, plant and equipment are depreciated separately for each significant component on a straight-line basis over their useful lives. The Company reviews the estimated useful lives, residual values and depreciation methods, at least by the end of each reporting period, and the effect on accounting estimates are recorded in profit or loss in the next reporting period.

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

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

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

A. Financial assets at amortized cost

A financial asset is classified as measured at amortized cost if both of the following conditions are met:

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

On derecognition of financial assets at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of Investments in equity instruments 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 Company are classified as equity based on the substance of the contractual agreements and the definition of equity instruments.

Equity instruments issued by the 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.

Provision for carbon fees

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 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.

Revenue from merchandise sales

Revenue from merchandise sales is derived from the sale of polyamide films. The 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 Company assesses whether the contract is, or contains, a lease.

1. The Company as the lessor

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

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

2. The Company as the lessee

Except for payments for low-value asset leases and short-term leases applicable to exemption of recognition are recognized as expenses on a straight-line basis, the 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 parent company only balance sheets.

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

Lease liabilities are 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 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 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 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

1. Employee stock options granted to employees

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. If an equity instrument is vested immediately on the date of grant, the expense is recognized in full on the date of grant.

The 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 are adjusted accordingly.

2. Employee stock options granted to employees of subsidiaries

Employee stock options granted to employees of subsidiaries with the Company's equity instruments are considered as capital contributions to the subsidiaries and are measured at the fair value of the equity instruments at the date of grant and are recognized as an increase in the carrying amount of the investment in the subsidiary during the vesting period, with a corresponding adjustment to capital surplus - employee stock options.

3. Employee stock options granted by a subsidiary to employees of the Company

Employee stock options granted to employees of the Company by a subsidiary to be settled with the subsidiary's equity instruments are considered to be a return of investment to the Company and are measured at the fair value of the equity instruments at the date of grant and are recognized as expenses in the vesting period, with a corresponding adjustment to the carrying amount of the investment in the subsidiary.

(XVIII) Income Tax

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

1. Current income tax

The Company has determined the current income (losses) and calculated taxes payable (receivable) in accordance with income tax act of the R.O.C. 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 affiliates, except where the Company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits to realize the temporary differences and they are expected to reverse in the foreseeable future.

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

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

3. Current and deferred 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

Based on management's assessment of the accounting policies, estimates, and underlying assumptions adopted by the Company, there were no material critical accounting judgments or significant sources of estimation and assumption uncertainty.

VI. Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on hand and revolving funds	\$ 167	\$ 363
Bank demand deposits	211,078	194,449
Cash equivalents (investments with original maturity of less than 3 months)		
Bonds with repurchase agreements	203,284	131,931
Bank time deposits	18,290	28,125
	<u>\$ 432,819</u>	<u>\$ 354,868</u>

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	0.03%~1.285%	0.002%~4.67%
Bonds with repurchase agreements	1.30%~3.95%	1.25%~4.7%

VII. Financial Assets at Fair Value Through Other Comprehensive Income

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

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

VIII. Financial Assets at Amortized Cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Time deposits with original maturity		
over 3 months	\$ <u>1,980</u>	\$ <u>1,980</u>
<u>Non-current</u>		
Pledged time deposits	\$ <u>16,923</u>	\$ <u>16,923</u>

- (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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes receivable</u>		
Incurred as a result of operations	\$ <u>-</u>	\$ <u>1,947</u>

The 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.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Accounts receivable</u>		
Accounts receivable - non-related parties		
Measure at amortized cost		
Total carrying amount	\$ 444,107	\$ 356,039
Less: Allowance for loss	(<u>8</u>)	<u>-</u>
	444,099	356,039
Accounts receivable - related parties		
Measure at amortized cost		
Total carrying amount	<u>303,788</u>	<u>434,199</u>
	\$ <u>747,887</u>	\$ <u>790,238</u>

The average collection period for selling products of the Company is 10 to 100 days, excluding accounts receivable. To mitigate credit risk, the management of the Company has designated functional working group responsible for decision on line of credit, credit approval and other supervision to ensure proper action has been taken to collect overdue receivables. In addition, the collectible amount of accounts receivable of the Company shall be reviewed individually at the date of balance sheet to ensure the uncollectible receivables has been listed to appropriate impairment loss. Accordingly, the management of the Company considers the Company's credit risk has significantly decreased.

The allowance for loss on accounts receivable of the 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 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 Company will directly offset the relevant accounts receivable but keep track of the receivables. The recovered amount is recognized in profit or loss.

The 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%	-	-	-	-
Total carrying amount	\$ 443,284	\$ 823	\$ -	\$ -	\$ -	\$ 444,107
Allowance for loss (expected credit losses during the duration)	-	(8)	-	-	-	(8)
Amortized cost	<u>\$ 443,284</u>	<u>\$ 815</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 444,099</u>

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%	-	-	-	-
Total carrying amount	\$ 355,997	\$ 42	\$ -	\$ -	\$ -	\$ 356,039
Allowance for loss (expected credit losses during the duration)	-	-	-	-	-	-
Amortized cost	<u>\$ 355,997</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 356,039</u>

Changes on allowance for accounts receivable loss are as below:

	2025	2024
Balance at the beginning of the year	\$ -	\$ 4
Provision (reversal) of impairment loss for the year	<u>8</u>	(<u>4</u>)
Balance at the end of the year	<u>\$ 8</u>	<u>\$ -</u>

X. Inventories

	December 31, 2025	December 31, 2024
Finished goods	\$ 82,386	\$ 95,276
Work in process	87,973	144,350
Raw materials	<u>78,230</u>	<u>106,440</u>
	<u>\$ 248,589</u>	<u>\$ 346,066</u>

Cost of goods sold related to inventories for 2025 and 2024 amounted to NT\$1,585,835 thousand and NT\$1,574,988 thousand, respectively. Cost of goods sold included reversal gains on inventory write-downs of NT\$24,960 thousand and NT\$38,342 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. Investments Accounted for Using the Equity Method

Investment in subsidiaries

	December 31, 2025	December 31, 2024
POMIRAN METALIZATION RESEARCH CO., LTD.	\$ 184,012	\$ 39,030
TAIMIDE INTERNATIONAL INC. (TAIMIDE INTERNATIONAL)	<u>50,760</u>	<u>66,465</u>
	<u>\$ 234,772</u>	<u>\$ 105,495</u>

Percentage of ownership interests and voting
rights

Company name	December 31, 2025	December 31, 2024
POMIRAN METALIZATION RESEARCH CO., LTD.	91%	93%
TAIMIDE INTERNATIONAL INC.	100%	100%

Please refer to Note 28 for the disclosure of the Company's acquisition of POMIRAN METALIZATION RESEARCH CO., LTD.

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	Construction in progress and equipment pending inspection	Total
<u>Cost</u>									
Balance at January 1, 2024	\$ 291,073	\$ 1,769,272	\$ 1,934,901	\$ 838,607	\$ 4,294	\$ 16,229	\$ 2,225	\$ 37,346	\$ 4,893,947
Increase for the year	-	-	56,836	29,484	165	1,448	128	49,768	137,829
Decrease for the year	-	-	(94,271)	(11,787)	-	(2,023)	-	-	(108,081)
Reclassification for the year	-	-	23,156	7,569	-	93	-	(30,818)	-
Balance at December 31, 2024	<u>291,073</u>	<u>1,769,272</u>	<u>1,920,622</u>	<u>863,873</u>	<u>4,459</u>	<u>15,747</u>	<u>2,353</u>	<u>56,296</u>	<u>4,923,695</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2024	-	412,069	999,796	360,130	1,447	8,367	410	-	1,782,219
Increase for the year	-	32,111	193,361	89,698	644	2,997	362	-	319,173
Decrease for the year	-	-	(91,870)	(11,788)	-	(2,022)	-	-	(105,680)
Balance at December 31, 2024	-	<u>444,180</u>	<u>1,101,287</u>	<u>438,040</u>	<u>2,091</u>	<u>9,342</u>	<u>772</u>	-	<u>1,995,712</u>
Net at December 31, 2024	<u>\$ 291,073</u>	<u>\$ 1,325,092</u>	<u>\$ 819,335</u>	<u>\$ 425,833</u>	<u>\$ 2,368</u>	<u>\$ 6,405</u>	<u>\$ 1,581</u>	<u>\$ 56,296</u>	<u>\$ 2,927,983</u>
<u>Cost</u>									
Balance as of January 1, 2025	\$ 291,073	\$ 1,769,272	\$ 1,920,622	\$ 863,873	\$ 4,459	\$ 15,747	\$ 2,353	\$ 56,296	\$ 4,923,695
Increase for the year	-	-	67,998	21,660	3,290	4,254	-	25,378	122,580
Decrease for the year	-	-	(184,287)	(38,580)	(799)	(4,622)	-	-	(228,288)
Reclassification for the year	-	-	33,812	15,453	-	-	-	(49,265)	-
Balance as of December 31, 2025	<u>291,073</u>	<u>1,769,272</u>	<u>1,838,145</u>	<u>862,406</u>	<u>6,950</u>	<u>15,379</u>	<u>2,353</u>	<u>32,409</u>	<u>4,817,987</u>
<u>Accumulated depreciation</u>									
Balance as of January 1, 2025	-	444,180	1,101,287	438,040	2,091	9,342	772	-	1,995,712
Increase for the year	-	31,917	185,390	91,255	660	2,531	375	-	312,128
Decrease for the year	-	-	(183,920)	(38,541)	(799)	(4,622)	-	-	(227,882)
Balance as of December 31, 2025	-	<u>476,097</u>	<u>1,102,757</u>	<u>490,754</u>	<u>1,952</u>	<u>7,251</u>	<u>1,147</u>	-	<u>2,079,958</u>
Net amount as of December 31, 2025	<u>\$ 291,073</u>	<u>\$ 1,293,175</u>	<u>\$ 735,388</u>	<u>\$ 371,652</u>	<u>\$ 4,998</u>	<u>\$ 8,128</u>	<u>\$ 1,206</u>	<u>\$ 32,409</u>	<u>\$ 2,738,029</u>

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

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

XIII. Lease Agreements

(I) Right-of-use assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of right-of-use assets		
Land	\$ 74,651	\$ 89,526
Transportation equipment	<u>359</u>	<u>790</u>
	<u>\$ 75,010</u>	<u>\$ 90,316</u>
	<u>2025</u>	<u>2024</u>
Addition to right-of-use assets	<u>\$ 37</u>	<u>\$ 938</u>
Depreciation expense of right-of-use assets		
Land	\$ 14,912	\$ 14,905
Transportation equipment	<u>431</u>	<u>431</u>
	<u>\$ 15,343</u>	<u>\$ 15,336</u>

Other than the additions and the depreciation expense recognized above, the Company had no material subleases or impairment of right-of-use assets in 2025 and 2024.

(II) Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of lease liabilities		
Current	<u>\$ 15,643</u>	<u>\$ 15,423</u>
Non-current	<u>\$ 63,957</u>	<u>\$ 79,569</u>

Ranges of discount rates for lease liabilities are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land	1.50%~1.79%	1.50%~1.79%
Transportation equipment	2.20%	2.20%

(III) Material leases and terms

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

(IV) Information on other leases

	<u>2025</u>	<u>2024</u>
Short-term lease expense	<u>\$ 224</u>	<u>\$ 214</u>
Lease expense for low-value assets	<u>\$ 202</u>	<u>\$ 204</u>
Variable lease payment expense not included in the measurement of lease liabilities	<u>\$ 794</u>	<u>\$ 1,712</u>
Total cash (outflows) from leases	<u>(\$ 18,201)</u>	<u>(\$ 19,106)</u>

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

XIV. Intangible Assets

	Computer software cost	Power circuit subsidy cost	Royalty payment	Total
<u>Cost</u>				
Balance at January 1, 2024	\$ 23,926	\$ 14,768	\$ 1,500	\$ 40,194
Increase for the year	<u>13,854</u>	<u>419</u>	<u>-</u>	<u>14,273</u>
Balance at December 31, 2024	<u>\$ 37,780</u>	<u>\$ 15,187</u>	<u>\$ 1,500</u>	<u>\$ 54,467</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2024	\$ 20,281	\$ 12,999	\$ 591	\$ 33,871
Increase for the year	<u>2,394</u>	<u>1,263</u>	<u>91</u>	<u>3,748</u>
Balance at December 31, 2024	<u>\$ 22,675</u>	<u>\$ 14,262</u>	<u>\$ 682</u>	<u>\$ 37,619</u>
Net at December 31, 2024	<u>\$ 15,105</u>	<u>\$ 925</u>	<u>\$ 818</u>	<u>\$ 16,848</u>
<u>Cost</u>				
Balance as of January 1, 2025	\$ 37,780	\$ 15,187	\$ 1,500	\$ 54,467
Increase for the year	<u>3,025</u>	<u>-</u>	<u>-</u>	<u>3,025</u>
Balance as of December 31, 2025	<u>\$ 40,805</u>	<u>\$ 15,187</u>	<u>\$ 1,500</u>	<u>\$ 57,492</u>
<u>Accumulated amortization</u>				
Balance as of January 1, 2025	\$ 22,675	\$ 14,262	\$ 682	\$ 37,619
Increase for the year	<u>4,467</u>	<u>604</u>	<u>91</u>	<u>5,162</u>
Balance as of December 31, 2025	<u>\$ 27,142</u>	<u>\$ 14,866</u>	<u>\$ 773</u>	<u>\$ 42,781</u>
Net amount as of December 31, 2025	<u>\$ 13,663</u>	<u>\$ 321</u>	<u>\$ 727</u>	<u>\$ 14,711</u>

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	\$ 3,314	\$ 2,429
Administrative expense	1,709	1,138
Research and development expense	<u>139</u>	<u>181</u>
	<u>\$ 5,162</u>	<u>\$ 3,748</u>

XV. Other Current Assets

	December 31, 2025	December 31, 2024
VAT refundable	\$ 13,915	\$ 12,773
Supplies inventory	13,821	11,786
Prepayment for goods	2,073	4,245
Others	<u>14,848</u>	<u>16,134</u>
	<u>\$ 44,657</u>	<u>\$ 44,938</u>

XVI. Borrowings

Long-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Unsecured borrowings</u>		
Bank credit loans (1)	\$ 226,695	\$ 340,788
<u>Secured borrowings</u>		
Bank loans (2)	<u>741,714</u>	<u>678,344</u>
Subtotal	968,409	1,019,132
Less: Recorded as portion due within one year	(<u>256,824</u>)	(<u>343,326</u>)
	<u>\$ 711,585</u>	<u>\$ 675,806</u>

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 Company's freehold land, buildings, and equipment (refer to Note 33). The maturity dates fall due in installments through the end of June 2030 and the end of April 2028 as of December 31, 2025 and 2024, respectively. The interest rates were 1.43% to 2.08% and 1.43% to 2.13% 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 Company's half-year and annual consolidated financial statements in accordance with the relevant loan agreements. As of December 31, 2025 and 2024, the Company was in compliance with all such financial covenants.

XVII. Bonds Payable

	<u>December 31, 2024</u>
Domestic unsecured convertible bonds	\$ 250,300
Less: Discount on corporate bonds payable	(<u>2,249</u>)
	248,051
Less: Portion recorded as due within one year	(<u>248,051</u>)
	<u>\$ -</u>
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 a result of bondholders exercising the put option, the Company redeemed 3,497 units of bonds with an aggregate par value of NT\$349,700 thousand as of December 31, 2024. 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\$6,583 thousand in 2024.

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)	(<u>714</u>)
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%	<u>5,683</u>
Liabilities component as of December 31, 2022	572,433
Interest calculated at the effective interest rate of 1.90%	<u>10,982</u>
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	(<u>343,117</u>)
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	(<u>244,430</u>)
Liability component as of December 31, 2025	<u>\$ -</u>

XVIII. Other Payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Wages and bonuses payable	\$ 45,603	\$ 43,335
Utilities payable	20,320	19,334
Waste disposals payable	14,099	15,086
Others	<u>88,611</u>	<u>91,720</u>
	<u>\$ 168,633</u>	<u>\$ 169,475</u>

XIX. Other Current Liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Receipts under custody	\$ 3,689	\$ 3,438
Temporary receipts	1,198	1,382
Deferred income	<u>-</u>	<u>9,614</u>
	<u>\$ 4,887</u>	<u>\$ 14,434</u>

XX. Provisions

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Carbon fees	<u>\$ 3,477</u>	<u>\$ -</u>

Beginning in 2025, the Company recognized a provision for carbon fees in accordance with Taiwan's Carbon Fee Charging Regulations and other applicable laws and regulations. The Company's provision for carbon fees was calculated based on the general fee rate.

XXI. Post-employment Benefit Plans

(I) Defined Contribution Plans

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

(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 parent company only balance sheets is as follows:

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

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	<u>\$ 13,213</u>	<u>(\$ 13,566)</u>	<u>(\$ 353)</u>
Service cost			
Interest expense (income)	<u>165</u>	<u>(172)</u>	<u>(7)</u>
Recognized in profit or loss	<u>165</u>	<u>(172)</u>	<u>(7)</u>
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	<u>1,065</u>	<u>-</u>	<u>1,065</u>
Recognized in other comprehensive income	<u>948</u>	<u>(1,188)</u>	<u>(240)</u>
Contributions from employer	<u>-</u>	<u>(448)</u>	<u>(448)</u>
Benefit payment	<u>(2,094)</u>	<u>-</u>	<u>(2,094)</u>
December 31, 2024	<u>12,232</u>	<u>(15,374)</u>	<u>(3,142)</u>
Service cost			
Interest expense (income)	<u>199</u>	<u>(254)</u>	<u>(55)</u>
Recognized in profit or loss	<u>199</u>	<u>(254)</u>	<u>(55)</u>
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	<u>(559)</u>	<u>-</u>	<u>(559)</u>
Recognized in other comprehensive income	<u>(313)</u>	<u>(1,045)</u>	<u>(1,358)</u>
Contributions from employer	<u>-</u>	<u>(437)</u>	<u>(437)</u>
December 31, 2025	<u>\$ 12,118</u>	<u>(\$ 17,110)</u>	<u>(\$ 4,992)</u>

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

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
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:

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

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

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

XXII. Equity

(I) Ordinary Share Capital

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

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 on June 25, 2024, TAIMIDE TECH. INC. approved a private placement cash capital increase to specific investors for no more than 10 million shares. The Board of Directors resolved on May 9, 2025 to cancel the private placement plan.

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

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

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)
Incurring during the year		
Share of subsidiaries accounted for using the equity method	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

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

Remuneration cost recognized by the Company in 2025 and 2024 amounted to NT\$840 thousand and NT\$160 thousand, respectively. Remuneration cost recognized by the subsidiary in 2025 and 2024 also amounted to NT\$840 thousand and NT\$160 thousand, respectively.

XXIV. Revenue

	2025	2024
Revenue from contracts with customers		
Revenue from merchandise sales	\$ <u>2,297,291</u>	\$ <u>2,211,753</u>
(I) Contract Balances		
	December 31, 2025	December 31, 2024
Accounts receivable (Note 9)	\$ <u>444,099</u>	\$ <u>356,039</u>
Accounts receivable - related parties (Note 9)	\$ <u>303,788</u>	\$ <u>159,062</u>
Contract liabilities - current		
Merchandise sales	\$ <u>91</u>	\$ <u>13</u>
(II) Disaggregation of Revenue from Contracts with Customers		
Region	2025	2024
Mainland China	\$ 1,080,238	\$ 1,085,357
Taiwan (where the Company is located)	843,268	850,417
Korea	318,640	239,534
United States	18,483	22,700
Japan	7,887	8,646
Others	<u>28,775</u>	<u>5,099</u>
	\$ <u>2,297,291</u>	\$ <u>2,211,753</u>

XXV. Net Profit from Continuing Operations

(I) Interest Income	2025	2024
Bank deposits	\$ <u>3,172</u>	\$ <u>3,162</u>
(II) Other Income	2025	2024
Government grant income (Note 29)	\$ 10,949	\$ 28,955
Lease income (operating lease)	508	603
Others	<u>1,855</u>	<u>1,678</u>
	\$ <u>13,312</u>	\$ <u>31,236</u>
(III) Other Gains and Losses	2025	2024
Net gain on foreign currency exchange	\$ 2,100	\$ 21,979
Loss on repurchase or redemption of corporate bonds	(14)	(6,583)
Loss on disposal of property, plant and equipment	(152)	(2,366)
(Loss) gain on financial instruments at fair value through profit or loss	(<u>3,862</u>)	<u>1,014</u>
	\$ <u>1,928</u>	\$ <u>14,044</u>

(IV) Finance Costs

	2025	2024
Interest on bank loans	\$ 21,213	\$ 17,802
Interest on convertible bonds	565	7,753
Interest on lease liabilities	<u>1,552</u>	<u>1,827</u>
	<u>\$ 23,330</u>	<u>\$ 27,382</u>

(V) Depreciation and Amortization

	2025	2024
Summary of depreciation expense by function		
Operating costs	\$ 265,816	\$ 274,271
Operating expenses	<u>61,655</u>	<u>60,238</u>
	<u>\$ 327,471</u>	<u>\$ 334,509</u>
Summary of amortization expense by function		
Operating costs	\$ 3,314	\$ 2,429
Operating expenses	<u>1,848</u>	<u>1,319</u>
	<u>\$ 5,162</u>	<u>\$ 3,748</u>

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	\$ 13,047	\$ 12,804
Defined benefit plans	(<u>55</u>)	(<u>7</u>)
	12,992	12,797
Share-based payment transaction (Note 23)		
Equity settlement	840	160
Other employee benefits	<u>392,115</u>	<u>375,516</u>
	<u>\$ 405,947</u>	<u>\$ 388,473</u>
Summary by function		
Operating costs	\$ 280,112	\$ 271,028
Operating expenses	<u>125,835</u>	<u>117,445</u>
	<u>\$ 405,947</u>	<u>\$ 388,473</u>

(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. The distribution proposal for remuneration to employees and remuneration to directors shall be reported to the shareholders' meeting. However, where the Company still has accumulated losses, an amount sufficient to offset such losses shall first be reserved before remuneration to employees and remuneration to directors are appropriated in accordance with the foregoing 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
	Cash	Cash
Employees' remuneration	\$ 29,199	\$ 27,388
Remuneration for directors	8,760	8,216

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

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 parent company only 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	\$ 37,749	\$ 2,317
Adjustments for prior years	<u>6,792</u>	(<u>393</u>)
Income tax expense recognized in profit or loss	<u>\$ 44,541</u>	<u>\$ 1,924</u>

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

	2025	2024
Net profit before tax from continuing operations	<u>\$ 254,030</u>	<u>\$ 238,277</u>
Income tax expense calculated at the statutory rate on net profit before tax	\$ 50,806	\$ 47,655
Non-deduction expense or loss for tax purpose	26,124	23,944
(Recognized) Unrecognized deductible temporary difference	(32,701)	(67,637)
Tax effect of investment tax credits	(6,480)	(1,645)
Adjustments during the year for current income tax expenses of previous years	<u>6,792</u>	(<u>393</u>)
Income tax expense recognized in profit or loss	<u>\$ 44,541</u>	<u>\$ 1,924</u>
(II) Current Income Tax Assets and Liabilities		
	December 31, 2025	December 31, 2024
Current income tax assets		
Income tax refund receivable	<u>\$ 710</u>	<u>\$ 5,266</u>
Current income tax liabilities		
Income tax payable	<u>\$ 31,726</u>	<u>\$ -</u>
(III) Amounts of Deductible Temporary Differences for Which Deferred Tax Assets Were Not Recognized in the Parent Company Only Balance Sheets		
	December 31, 2025	December 31, 2024
Deductible temporary difference	<u>\$ 12,136</u>	<u>\$ 14,018</u>

(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

	2025	Unit: NTD per share 2024
Basic earnings per share	<u>\$ 1.54</u>	<u>\$ 1.79</u>
Diluted earnings per share	<u>\$ 1.53</u>	<u>\$ 1.76</u>

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 used to calculate basic earnings per share	\$ 209,489	\$ 236,353
Effect of potentially dilutive common stock		
Convertible bonds	<u>359</u>	<u>10,455</u>
Net profit used to calculate diluted earnings per share	<u>\$ 209,848</u>	<u>\$ 246,808</u>

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
Remuneration to employees	<u>632</u>	<u>553</u>
Weighted average number of shares of common stock used to calculate diluted earnings per share	<u>137,410</u>	<u>140,440</u>

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

XXVIII. Partial Acquisition of Investments in Subsidiaries - No Change in Control

On June 6, 2025, the Company did not subscribe for newly issued shares in the cash capital increase of POMIRAN METALIZATION RESEARCH CO., LTD. in proportion to its shareholding, resulting in a decrease in its ownership interest from 93% to 91%.

On April 25, 2024, the 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%.

As the above transactions did not result in a change in the Company's control over the subsidiary, they were accounted for as equity transactions. For details regarding the partial acquisition of POMIRAN METALIZATION RESEARCH CO., LTD., please refer to Note 28 to the Company's 2025 consolidated financial statements.

XXIX. Government Grants

The 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 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," 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, the Company had received government grants totaling NT\$256 thousand.

XXX. Capital Risk Management

The Company manages its capital to ensure that it is able to maximize shareholders return as a going concern through the optimization of the debt and equity balance.

The Company's capital structure consists of net debt (leases less cash and cash equivalent) and equity (capital stock, capital surplus, retained earnings and other equity).

XXXI. Financial Instruments

(I) Fair Value Information - Financial Instruments Not Measured at Fair Value
December 31, 2024

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
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
<u>Financial assets at fair value</u>				
<u>through other</u>				
<u>comprehensive income</u>				
Investments in equity instruments				
Unlisted stocks	\$ -	\$ -	\$ 489	\$ 489

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>				
<u>through other</u>				
<u>comprehensive income</u>				
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
	<u>Equity instruments</u>
Balance at the beginning of the year	\$ 475
Recognized in other comprehensive income	14
Balance at the end of the year	<u>\$ 489</u>

2024

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

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at amortized cost (Note 1)	\$ 1,200,523	\$ 1,166,471
Financial assets at fair value through other comprehensive income - investments in equity instruments	489	475
<u>Financial liabilities</u>		
Measure at amortized cost (Note 2)	1,146,692	1,488,725

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

Note 2: The balance includes short-term loans, notes and accounts payable, other payables, corporate bonds payable, 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 Company's major financial instruments include equity, accounts receivable, accounts payable, corporate bonds payable and loans. The 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 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 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, which set forth written principles covering foreign currency risk, the use of derivative and non-derivative financial instruments, and the investment of surplus liquidity. Internal auditors review compliance with the policies and the exposure limits on an ongoing basis. The Company does not trade in financial instruments (including derivative financial instruments) for speculative purposes.

1. Market risk

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

Please see Note 35 for the carrying amount of monetary assets and liabilities denominated in non-functional currency at the date of balance sheet.

Sensitivity analysis

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

The following table details the 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, accounts receivable - related parties, other receivables, other receivables - related parties, 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	(\$ 5,073)	(\$ 2,772)	(\$ 22,023)	(\$ 25,408)

(2) Interest rate risk

Interest rate risk arises because the 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	\$ 224,907	\$ 163,389
- Financial liabilities	79,600	343,043
With cash flow interest rate risk		
- Financial assets	226,648	210,019
- Financial liabilities	968,409	1,019,132

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 reporting period.

If annual interest rates had increased/decreased by 0.1%, with all other variables held constant, the Company's profit before tax for 2025 and 2024 would have decreased/increased by NT\$742 thousand and NT\$809 thousand, respectively. This was mainly attributable to the Company's exposure to variable-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 Company. As of the balance sheet date, the 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 parent company only balance sheets.

As of December 31, 2025 and 2024, balances due from the top ten customers accounted for 97% and 98%, respectively, of the Company's total receivables.

3. Liquidity risk

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

The bank borrowing is a material source of liquidity to the Company. As of December 31, 2025 and 2024, the Company's unused financing facilities are described in section (2) Credit Facilities below.

(1) Liquidity and Interest Rate Risk Table

The following table details the analysis of the remaining contract maturities of the Company's non-derivative financial liabilities with agreed repayment periods, which are based on the earliest possible date on which the 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 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
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 74,590	\$ 77,300	\$ 20,810	\$ 19	\$ -
Lease liabilities	1,416	2,832	12,666	54,704	11,860
Floating interest rate instruments	<u>77,207</u>	<u>19,879</u>	<u>175,465</u>	<u>730,849</u>	<u>-</u>
	<u>\$ 153,213</u>	<u>\$ 100,011</u>	<u>\$ 208,941</u>	<u>\$ 785,572</u>	<u>\$ 11,860</u>

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	<u>\$ 16,914</u>	<u>\$ 54,704</u>	<u>\$ 11,860</u>

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
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 75,410	\$ 99,899	\$ 30,920	\$ 19	\$ -
Lease liabilities	1,415	2,829	12,737	65,629	17,850
Floating interest rate instruments	102,496	41,824	214,821	690,326	-
Fixed interest rate instruments	<u>-</u>	<u>-</u>	<u>250,300</u>	<u>-</u>	<u>-</u>
	<u>\$ 179,321</u>	<u>\$ 144,552</u>	<u>\$ 508,778</u>	<u>\$ 755,974</u>	<u>\$ 17,850</u>

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	10 to 15 years
Lease liabilities	<u>\$ 16,981</u>	<u>\$ 65,629</u>	<u>\$ 17,850</u>	<u>\$ -</u>

(2) Credit Facilities

	December 31, 2025	December 31, 2024
The unsecured bank loan lines may be extended by mutual consent		
- Amount drawn	\$ 292,354	\$ 348,333
- Amount undrawn	<u>1,567,205</u>	<u>1,181,380</u>
	<u>\$ 1,859,559</u>	<u>\$ 1,529,713</u>
The secured bank loan lines may be extended by mutual consent		
- Amount drawn	\$ 748,947	\$ 681,647
- Amount undrawn	<u>312,768</u>	<u>326,696</u>
	<u>\$ 1,061,714</u>	<u>\$ 1,008,343</u>

XXXII. Related Party Transactions

Transactions between the Company and related parties as follows:

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

Related party name	Relationship with the Company
KUNSHAN TAIMIDE TECH. INC.	Subsidiary
POMIRAN METALIZATION RESEARCH CO., LTD.	Subsidiary
POMIRAN TECHNOLOGY, LIMITED	De facto related party

(II) Operating Revenue

Type of related party	2025	2024
Subsidiary		
KUNSHAN TAIMIDE TECH. INC.	\$ 545,837	\$ 576,340
POMIRAN METALIZATION RESEARCH CO., LTD.	1,095	1,593
De facto related party	<u>635</u>	<u>742</u>
	<u>\$ 547,567</u>	<u>\$ 578,675</u>

(III) Purchases

Type of related party	2025	2024
Subsidiary	<u>\$ 2,009</u>	<u>\$ -</u>

(IV) Operating Expenses

Type of related party	2025	2024
Subsidiary	<u>\$ 410</u>	<u>\$ 1,058</u>

(V) Rental Income

Type of related party	2025	2024
De facto related party	<u>\$ 23</u>	<u>\$ 23</u>

(VI) Other Income

Type of related party	2025	2024
Subsidiary	<u>\$ 440</u>	<u>\$ -</u>

(VII) Accounts Receivable - Related Parties

Type of related party	December 31, 2025	December 31, 2024
Subsidiary		
KUNSHAN TAIMIDE TECH. INC.	\$ 303,418	\$ 433,186
POMIRAN METALIZATION RESEARCH CO., LTD.	<u>370</u>	<u>1,013</u>
	<u>\$ 303,788</u>	<u>\$ 434,199</u>

(VIII) Other Receivables - Related Parties

Type of related party	December 31, 2025	December 31, 2024
Subsidiary	\$ 418	\$ 8
De facto related party	<u>2</u>	<u>2</u>
	<u>\$ 420</u>	<u>\$ 10</u>

(IX) Other Payables - Related Parties (Presented under Other Payables)

Type of related party	December 31, 2025	December 31, 2024
Subsidiary	<u>\$ 81</u>	<u>\$ 337</u>

(X) Temporary Receipts (Presented under Other Current Liabilities)

Type of related party	December 31, 2025	December 31, 2024
De facto related party		
POMIRAN TECHNOLOGY, LIMITED	<u>\$ 1,145</u>	<u>\$ 1,328</u>

The sale transactions between the 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 Company and its related parties are determined and collected in accordance with contractual provisions.

(XI) Remuneration of Key Management Personnel

	2025	2024
Short-term employee benefits	\$ 28,874	\$ 27,344
Post-employment benefits	<u>302</u>	<u>1,083</u>
	<u>\$ 29,176</u>	<u>\$ 28,427</u>

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 Company and with reference to the usual industry standards.

XXXIII. Pledged Assets

The following assets of the 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	\$ 1,382,893	\$ 1,410,309
Pledged time deposits (posted as financial assets at amortized cost)	<u>16,923</u>	<u>16,923</u>
	<u>\$ 1,399,816</u>	<u>\$ 1,427,232</u>

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 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 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 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
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 3,608	31.43	\$ 113,399
RMB	106,350	4.496	478,150
JPY	11,358	0.2008	2,281
			<u>\$ 593,830</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	380	31.43	\$ 11,943
RMB	8,382	4.496	37,685
JPY	25,350	0.2008	5,090
			<u>\$ 54,718</u>

December 31, 2024

	Foreign currency	Exchange rate	Carrying amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 1,977	32.785	\$ 64,816
RMB	128,789	4.478	<u>576,717</u>
			<u>\$ 641,533</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	286	32.785	\$ 9,377
RMB	15,312	4.478	68,567
JPY	9,650	0.2099	<u>2,026</u>
			<u>\$ 79,970</u>

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

Foreign currency	2025		2024	
	Exchange rate	Net exchange gain or loss	Exchange rate	Net exchange gain or loss
USD	31.43 (USD: NTD)	(\$ 1,718)	32.785 (USD: NTD)	\$ 5,495
JPY	0.2008 (JPY: NTD)	150	0.2099 (JPY: NTD)	37
RMB	4.496 (RMB: NTD)	3,661	4.478 (RMB: NTD)	16,498
EUR	36.90 (EUR: NTD)	7	34.14 (EUR: NTD)	(57)
SGD	24.45 (SGD: NTD)	-	24.13 (SGD: NTD)	6
		<u>\$ 2,100</u>		<u>\$ 21,979</u>

XXXVI. Other Disclosures

- (I) Information on Investees 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.
- (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.

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

Table 1Unit: 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.
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, the above securities had not been pledged as collateral, used to secure borrowings, or otherwise restricted in 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.
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.

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	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	\$ -

Table 5

Unit: Thousands of NTD, unless otherwise specified.

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.
Information on Investment in Mainland China
From January 1 to December 31, 2025

Table 6Unit: 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.
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	—

§SCHEDULES OF SIGNIFICANT ACCOUNTING ITEMS§

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TAIMIDE TECH. INC.
Schedule of cash and cash equivalents
December 31, 2025

Schedule 1

Unit In Thousands of NTD, unless stated
otherwise

Item	Amount
Bank deposits	
Demand deposits	\$ 126,183
Foreign currency demand deposits (Note 3)	<u>84,895</u>
Subtotal	<u>211,078</u>
Cash equivalents	
Bonds with repurchase agreements (Note 1)	203,284
Time deposits (Note 2)	<u>37,193</u>
Subtotal	<u>240,477</u>
Petty cash	<u>167</u>
Financial assets at amortized cost - current	(<u>1,980</u>)
Pledged time deposits	(<u>16,923</u>)
Total	<u>\$ 432,819</u>

Note 1: Maturing in installments through the end of January 2026, with annual interest rates ranging from 1.30% to 3.95%.

Note 2: Maturing in installments through the end of October 2026, with annual interest rates ranging from 1.225% to 1.70%.

Note 3: Including US\$1,119 thousand (exchange rate: US\$1 = NT\$31.43), JPY11,358 thousand (exchange rate: JPY1 = NT\$0.2008), RMB10,539 thousand (exchange rate: RMB1 = NT\$4.496), and EUR2 thousand (exchange rate: EUR1 = NT\$36.90).

TAIMIDE TECH. INC.
Schedule of notes and accounts receivable
December 31, 2025

Schedule 2

Unit: Thousands of NTD

Customer name	Amount
Related party	
KUNSHAN TAIMIDE TECH. INC.	\$ 303,418
POMIRAN METALIZATION RESEARCH CO., LTD.	<u>370</u>
Subtotal	<u>303,788</u>
Non-related party	
Customer A	161,926
Customer G	86,636
Customer N	52,644
Customer E	51,823
Customer B	39,638
Others (Note)	<u>51,440</u>
	444,107
Allowance for bad debts	(<u>8</u>)
Subtotal	<u>444,099</u>
Net	<u>\$ 747,887</u>

Note: None of the balance of each customer reached 5% of the balance of this account.

TAIMIDE TECH. INC.
Schedule of inventories
December 31, 2025

Schedule 3

Unit: Thousands of NTD

Item	Amount	
	Cost	Net realizable value
Finished goods	\$ 82,386	\$ 132,031
Work in progress	87,973	345,203
Raw materials	<u>78,230</u>	<u>78,477</u>
Total	<u>\$ 248,589</u>	<u>\$ 555,711</u>

Note: The insured amount of inventories was \$331,218 thousand.

TAIMIDE TECH. INC.
Schedule of changes in investments accounted for using the equity method
From January 1 to December 31, 2025

Schedule 4

Unit In Thousands of NTD, unless stated otherwise

Investee name	Balance at the beginning of the year		Increase for the year	Cumulative translation adjustments	Capital surplus	Share-based payment remuneration cost (Note)	Gain (loss) on investments accounted for using the equity method	Realized (Unrealized) profit on sales	Balance at the end of the year			Net worth of equity	Pledged as collateral or security
	Number of shares (in thousands)	Amount							Number of shares (in thousands)	Shareholding percentage %	Amount		
POMIRAN METALIZATION RESEARCH CO., LTD.	15,427	\$ 39,030	\$ 272,089	\$ -	\$ 2,730	(\$ 840)	(\$ 128,948)	(\$ 49)	31,237	91	\$ 184,012	\$ 185,303	None
TAIMIDE INTERNATIONAL INC.	200	<u>66,465</u>	<u>-</u>	<u>556</u>	<u>-</u>	<u>-</u>	<u>7,839</u>	(<u>24,100</u>)	200	100	<u>50,760</u>	<u>73,477</u>	None
		<u>\$ 105,495</u>	<u>\$ 272,089</u>	<u>\$ 556</u>	<u>\$ 2,730</u>	(<u>\$ 840</u>)	(<u>\$ 121,109</u>)	(<u>\$ 24,149</u>)			<u>\$ 234,772</u>	<u>\$ 258,780</u>	

Note: Employee stock options granted to employees of the Company by a subsidiary are considered to be a return of investment to the Company

TAIMIDE TECH. INC.
Schedule of changes in financial assets at fair value through other comprehensive income - non-current
From January 1 to December 31, 2025

Schedule 5

Unit In Thousands of NTD, unless stated otherwise

Investee name	Balance at the beginning of the year		Valuation adjustments		Balance at the end of the year		Provision of guarantees or pledges
	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	
POMIRAN TECHNOLOGY, LIMITED	110	<u>\$ 475</u>	-	<u>\$ 14</u>	110	<u>\$ 489</u>	None

TAIMIDE TECH. INC.

Schedule of changes in right-of-use assets and changes in accumulated depreciation of right-of-use assets

From January 1 to December 31, 2025

Schedule 6

Unit: Thousands of NTD

	Land	Transportation equipment	Total
Cost			
Balance as of January 1, 2025	\$ 176,632	\$ 1,293	\$ 177,925
Addition	<u>37</u>	<u>-</u>	<u>37</u>
Balance as of December 31, 2025	<u>176,669</u>	<u>1,293</u>	<u>177,962</u>
Accumulated depreciation			
Balance as of January 1, 2025	87,106	503	87,609
Depreciation	<u>14,912</u>	<u>431</u>	<u>15,343</u>
Balance as of December 31, 2025	<u>102,018</u>	<u>934</u>	<u>102,952</u>
Net amount as of December 31, 2025	<u>\$ 74,651</u>	<u>\$ 359</u>	<u>\$ 75,010</u>

TAIMIDE TECH. INC.
Schedule of notes and accounts payable
December 31, 2025

Schedule 7

Unit: Thousands of NTD

Supplier name	Amount
Company G	\$ 11,395
Company F	10,229
Company K	9,816
Company U	5,182
Company A	4,851
Company V	4,538
Others (Note)	<u>23,697</u>
Total	<u>\$ 69,708</u>

Note: None of the balance of each supplier reached 5% of the balance of this account.

TAIMIDE TECH. INC.
Schedule of long-term loans
December 31, 2025

Schedule 8

Unit In Thousands of NTD, unless stated otherwise

Creditor	Abstract	Amount	Contract period	Annual interest rate (%)	Mortgage or guarantee
Taiwan Cooperative Bank	Medium-term secured loan	\$ 200,000	2025.06.03 ~ 2030.06.03	2.08	Note 1
Taiwan Cooperative Bank	Medium-term secured loan	150,000	2025.08.01 ~ 2030.06.03	2.08	Note 1
E.SUN Bank	Medium-term secured loan	56,000	2021.04.28~2028.04.15	1.43	Note 2
Bank of Taiwan	Medium-term secured loan	335,714	2023.08.22~2028.01.13	2.08	Note 3
First Commercial Bank	Medium-term unsecured loan	22,000	2025.12.14 ~ 2030.12.15	1.43	Note 4
E.SUN Bank	Medium-term unsecured loan	11,111	2021.04.28~2026.04.15	1.43	None
Bank of Taiwan	Medium-term unsecured loan	88,000	2025.07.03 ~ 2030.06.15	1.43	None
Hua Nan Commercial Bank	Medium-term unsecured loan	<u>105,584</u>	2021.04.28~2028.04.15	1.43	None
Total		968,409			
Portion due within one year		(<u>256,824</u>)			
		<u>\$ 711,585</u>			

- Note 1: The medium-term secured loan from Taiwan Cooperative Bank are secured by land with a carrying amount of NT\$289,340 thousand.
- Note 2: The medium-term secured loan from E.SUN Bank are secured by buildings and structures with a carrying amount of NT\$117,044 thousand and plant utility equipment with a carrying amount of NT\$9,750 thousand.
- Note 3: The medium-term secured loan from Bank of Taiwan are secured by buildings and structures with a carrying amount of NT\$783,430 thousand.
- Note 4: The medium-term secured loan from First Commercial Bank are secured by buildings and structures with a carrying amount of NT\$183,329 thousand.

TAIMIDE TECH. INC.
Schedule of lease liabilities
December 31, 2025

Schedule 9

Unit In Thousands of NTD,
unless stated otherwise

Item	Lease period	Discount rate	Amount
Land	2019.01.01~2032.12.31	1.50%~1.79%	\$ 79,232
Transportation equipment	2023.11.02~2026.11.02	2.20%	<u>368</u>
Total			79,600
Less: Lease liabilities - current			(<u>15,643</u>)
Lease liabilities - non-current			<u>\$ 63,957</u>

TAIMIDE TECH. INC.
Schedule of operating revenue
From January 1 to December 31, 2025

Schedule 10

Unit: Thousands of NTD

Item	Quantity (rolls)	Amount
Polyimide films	25,626	\$ 2,306,917
Returns and discounts on sales		(<u>9,626</u>)
Net		<u>\$ 2,297,291</u>

TAIMIDE TECH. INC.
Schedule of operating cost
From January 1 to December 31, 2025

Schedule 11

Unit: Thousands of NTD

Item	Amount
Raw materials at the beginning of the year	\$ 106,440
Purchases during the year	458,899
Raw materials at the end of the year	(78,230)
Transfer as expenses	(<u>29,001</u>)
Consumption during the year	458,108
Direct labor	88,559
Manufacturing overheads	<u>993,317</u>
Manufacturing costs	1,539,984
Work in process at the beginning of the year	144,350
Work in process at the end of the year	(87,973)
Transfer as expenses	(<u>840</u>)
Cost of finished goods	1,595,521
Cost of finished goods at the beginning of the year	95,276
Cost of finished goods at the end of the year	(82,386)
Transfer as expenses	(<u>22,576</u>)
Cost of goods sold	<u>\$ 1,585,835</u>

TAIMIDE TECH. INC.
Schedule of operating expense
From January 1 to December 31, 2025

Schedule 12

Unit: Thousands of NTD

Item	Selling expense	Administrative expense	Research and development expense
Salary expense	\$ 13,866	\$ 39,171	\$ 44,250
Freight	3,358	17	118
Export charges	3,179	-	128
Insurance expense	1,825	4,870	4,929
Service expense	750	12,023	1,395
Depreciation expense	137	16,544	44,974
Utilities expense	103	3,393	15,769
Consumable expense	128	-	26,349
Profit-sharing remuneration for directors	-	10,560	-
Others (Note)	<u>4,050</u>	<u>24,392</u>	<u>27,108</u>
Total	<u>\$ 27,396</u>	<u>\$ 110,970</u>	<u>\$ 165,020</u>

Note: None of the balance of each item reached 5% of the balance of each account.

TAIMIDE TECH. INC.

Summary of employee benefits, depreciation and amortization expenses incurred during the period by function
From January 1 to December 31, 2025 and 2024

Schedule 13

Unit: Thousands of NTD

	2025			2024		
	Classified as operating cost	Classified as operating expense	Total	Classified as operating cost	Classified as operating expense	Total
Employee benefit expense						
Salary expense	\$ 233,826	\$ 97,287	\$ 331,113	\$ 226,564	\$ 90,210	\$ 316,774
Labor and health insurance expense	22,599	8,738	31,337	21,503	7,936	29,439
Pension expense	8,894	4,098	12,992	8,364	4,433	12,797
Directors' remuneration	-	10,560	10,560	-	10,106	10,106
Other employee benefit expense	14,793	5,152	19,945	14,597	4,760	19,357
Total	<u>\$ 280,112</u>	<u>\$ 125,835</u>	<u>\$ 405,947</u>	<u>\$ 271,028</u>	<u>\$ 117,445</u>	<u>\$ 388,473</u>
Depreciation expense	<u>\$ 265,816</u>	<u>\$ 61,655</u>	<u>\$ 327,471</u>	<u>\$ 274,271</u>	<u>\$ 60,238</u>	<u>\$ 334,509</u>
Amortization expense	<u>\$ 3,314</u>	<u>\$ 1,848</u>	<u>\$ 5,162</u>	<u>\$ 2,429</u>	<u>\$ 1,319</u>	<u>\$ 3,748</u>

Note 1: The average number of employees for the current year and the previous year was 405 and 394, respectively, of which the number of directors not concurrently serving as employees was 9 in both years.

Note 2: For companies whose stocks are listed on the Taiwan Stock Exchange or traded over the counter on the Taipei Exchange, the following additional information should be disclosed.

- (1) Average employee benefits expense for 2025 was NT\$998 thousand ((Total employee benefits expense for 2025 – Total directors' remuneration) / (Number of employees in 2025 – Number of directors not concurrently serving as employees)). Average employee benefit expense for 2024 was \$983 thousand ("Total employee benefit expense for 2024 - Total remuneration to directors" / "Number of employees for 2024 - Number of directors who did not concurrently serve as employees").
- (2) Average employee salary expense for 2025 was NT\$836 thousand (Total salary expense for 2025 / (Number of employees in 2025 – Number of directors not concurrently serving as employees)). Average employee salary expense for 2024 was \$823 thousand ("Total employee salary expense for 2024" / "Number of employees for 2024 - Number of directors who did not concurrently serve as employees").
- (3) Percentage change in average employee salary expense was 1.58% ((Average employee salary expense for 2025 – Average employee salary expense for 2024) / Average employee salary expense for 2024).
- (4) The remuneration policy for directors, managerial officers, and employees is determined by the Remuneration Committee based on individual performance and market trends.