EGIS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS
FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024

REPRESENTATION LETTER

English Translation of the Representation Letter Originally Issued in Chinese

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

Very truly yours,

Egis Technology Inc.

By

Mr. SEN-CHOU LO
Chairman
March 16, 2026

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English Translation of Audit Report Originally Issued in Chinese

Independent Auditors' Report

To Egis Technology Inc.

Opinion

We have audited the accompanying consolidated balance sheet of Egis Technology Inc. and its subsidiaries as of December 31, 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2025,, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the report(s) of the other auditors (please refer to the Other Matter – Making Reference to the Audit(s) of Other Auditors section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Egis Technology Inc. and its subsidiaries as of December 31, 2025, and their consolidated financial performance and cash flows for the year ended December 31, 2025,, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Egis Technology Inc. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the report(s) of the other auditors, 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 2025 consolidated financial statements of Egis Technology Inc. and its subsidiaries. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Timing of revenue recognition for integrated circuits sales

For the year ended December 31, 2025, Egis Technology Inc. and its subsidiaries recognised net operating revenues amounting to NT$5,327,499 thousand, which included sales revenues of NT$4,669,030 thousand as well as service and licensing revenues of NT$658,469 thousand. The primary source of revenue was sales of integrated circuits. As the contractual terms of sales transactions may vary, management is required to assess the timing at which performance obligations are satisfied based on customer orders or contractual documents. Accordingly, there is a significant risk associated with the timing and amount of revenue recognition. Therefore, we identified the timing of revenue recognition from customer contracts as a key audit matter.

Our audit procedures included, among others, evaluating the appropriateness of the accounting policies applied for revenue recognition; obtaining an understanding of, and testing, the design and operating effectiveness of internal controls established by management over revenue recognition for product sales; selecting samples to perform substantive tests of transaction details, including reviewing the key terms and conditions of contracts or customer orders and vouching them to relevant supporting documents; performing cut-off testing on selected samples before and after the balance sheet date over a selected period by tracing transactions to relevant supporting documents to verify the appropriateness of revenue recognition timing.

We also considered the adequacy of the related revenue disclosures in Notes 4 and 6 to the consolidated financial statements.

Goodwill impairment

Goodwill arising from the acquisition of InPsytech, Inc. (InPsytech) amounted to NT$3,209,689 thousand, representing approximately 17% of the consolidated total assets. In accordance with International Financial Reporting Standards, Egis Technology Inc. and its subsidiaries are required to perform annual impairment testing on goodwill acquired through business combinations. Given the significance of the carrying amount of goodwill and the degree of management judgment involved in the assumptions used, we identified the goodwill impairment assessment as a key audit matter.

Our audit procedures included, but were not limited to, obtaining an understanding of management's processes and policies related to goodwill impairment; obtaining the goodwill impairment assessment report prepared by management's external valuation experts; evaluating the competence and objectivity of the external valuation experts engaged by management; involving our internal valuation specialists to review the valuation methodologies, key assumptions, and discount rates used in the impairment assessment to assist us in evaluating the reasonableness of management's impairment testing; and comparing the assumptions used by management with market data and historical information to assess their reasonableness.

We also considered the adequacy of the related disclosures regarding the goodwill impairment assessment in Notes 4, 5 and 6 to the consolidated financial statements.

Other Matter – Making Reference to the Audit(s) of Other Auditors

We did not audit the financial statements of certain investee companies included in the consolidated financial statements of Egis Technology Inc. and its subsidiaries. Those financial statements were audited by other auditors; therefore, the amounts relating to such investee companies and the related disclosures in Note 13 to the consolidated financial statements are based solely on the audit reports of the other auditors. Investments accounted for under the equity method amounted to NT$1,019,845 thousand as of December 31, 2025, representing 5% of consolidated total assets. Share of losses of associates and joint ventures accounted for under the equity method for the year ended December 31, 2025 amounted to NT$(102,989) thousand, representing 5% of the consolidated net loss before tax. Share of other comprehensive loss of associates and joint ventures accounted for under the equity method amounted to NT$(851) thousand, representing 0% of the consolidated total other comprehensive loss.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance of Egis Technology Inc. and its subsidiaries, including the audit committee, are responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Egis Technology Inc. and its subsidiaries.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Egis Technology Inc. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Egis Technology Inc. and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Egis Technology Inc. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2025 consolidated financial statements of Egis Technology Inc. and its subsidiaries 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.

Other Matter – Prior Year Audit by Other Auditors

The consolidated financial statements of Egis Technology Inc. and its subsidiaries for the year ended December 31, 2024 were audited by other auditors, who expressed an unqualified opinion thereon in their auditors' report dated March 20, 2025.

Hsu, Hsin-Min

Chen, Chih-Chung

Ernst & Young, Taiwan
March 16, 2026

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountant are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

EGIS TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

(Expressed in Thousands of New Taiwan Dollars)

	Assets	Notes	December 31, 2025		December 31, 2024(Note) (Adjusted)	
			AMOUNT	%	AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 2,647,141	14	$ 2,205,166	12
1110	Financial assets at fair value through profit or loss - current	6(2)	321,002	2	303,673	1
1120	Financial assets at fair value through other comprehensive income - current	6(3)	38,262	-	37,962	-
1136	Financial assets at amortised cost - current	6(4)	358,267	2	987,551	5
1170	Accounts receivable, net	6(5)	441,274	2	516,655	3
1180	Accounts receivable from related parties, net	7	15,511	-	734	-
1200	Other receivables		13,188	-	20,395	-
1210	Other receivables from related parties	7	-	-	2,807	-
1220	Current tax assets		27,910	-	47,526	-
130x	Inventories	6(6)	890,997	4	542,747	3
1410	Prepayments	7	1,093,028	6	125,765	1
1470	Other current assets	6(22)	153,366	1	45,416	-
11xx	Total current assets		5,999,946	31	4,836,397	25
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non current	6(2)	711,858	4	439,931	2
1517	Financial assets at fair value through other comprehensive income - non current	6(3)	1,663,737	9	2,159,568	12
1535	Financial assets at amortised cost - non current	6(4)	37,021	-	57,220	-
1550	Investments accounted for using equity method	6(7)	1,019,845	5	1,177,891	6
1600	Property, plant and equipment	6(8)	211,619	1	234,069	1
1755	Right-of-use assets	6(9)	147,168	1	163,619	1
1780	Intangible assets	6(10)	9,011,624	47	9,404,777	50
1840	Deferred tax assets		309,063	1	332,485	2
1932	Long-term receivables		23,097	-	-	-
1960	Prepayments for investments		22,057	-	-	-
1990	Other non-current assets	7	107,943	1	135,390	1
15xx	Total non-current assets		13,265,032	69	14,104,950	75
1xxx	**Total assets**		$ 19,264,978	100	$ 18,941,347	100

Note: The Group has completed the fair value assessment of InPsytech, Inc. as of the acquisition date. Accordingly, the consolidated balance sheet as of December 31,2024 has been adjusted to reflect the results of the assessment.

The accompanying notes are an integral part of these consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese

EGIS TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

(Expressed in Thousands of New Taiwan Dollars)

	Liabilities and Equity	Notes	December 31, 2025 AMOUNT	%	December 31, 2024(Note) (Adjusted) AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(11)	$ 1,117,750	6	$ 1,511,493	8
2130	Contract liabilities - current	6(22)	1,827,638	9	242,391	1
2170	Accounts payable		266,089	1	282,492	2
2180	Accounts payable to related parties	7	-	-	3,098	-
2200	Other payables	6(12)	751,007	4	1,745,830	9
2220	Other payables to related parties	7	47,847	-	47,901	-
2230	Current tax liabilities		213,039	1	39,667	-
2280	Lease liabilities - current	6(9)	60,995	1	68,893	1
2320	Current portion of long-term liabilities	6(13)	341,257	2	2,751,429	15
2365	Refund liabilities - current		37,977	-	32,210	-
2399	Other current liabilities	6(17), 7	64,729	1	41,202	-
21xx	Total current liabilities		4,728,328	25	6,766,606	36
	Non-current liabilities					
2527	Contract liabilities - non current	6(22)	-	-	15,593	-
2530	Convertible bonds	6(14)	289,912	2	283,315	1
2540	Long-term borrowings - non current	6(13)	64,114	-	408,571	2
2570	Deferred tax liabilities		599,694	3	683,100	4
2580	Lease liabilities - non current	6(9)	90,543	1	98,947	1
2600	Other non-current liabilities		1,742	-	233,698	1
25xx	Total non-current liabilities		1,046,005	6	1,723,224	9
2xxx	Total liabilities		5,774,333	31	8,489,830	45
31xx	**Equity attributable to owners of parent**					
3100	Share capital					
3110	Common stock	6(18)	912,508	5	912,508	5
3200	Capital surplus	6(19)	7,538,789	38	4,936,992	26
3300	Retained earnings	6(20)				
3310	Legal reserve		725,338	3	725,338	4
3320	Special reserve		603,821	3	473,690	2
3350	Unappropriated retained earnings (Accumulated deficit)		(1,540,889)	(8)	128,848	1
	Total retained earnings		(211,730)	(2)	1,327,876	7
3400	Other equity interest	6(21)	(1,044,967)	(5)	(633,829)	(3)
31xx	Equity attributable to owners of parent		7,194,600	36	6,543,547	35
36xx	**Non-controlling interests**	6(30)	6,296,045	33	3,907,970	20
3xxx	Total equity		13,490,645	69	10,451,517	55
	Total liabilities and equity		$ 19,264,978	100	$ 18,941,347	100

Note: The Group has completed the fair value assessment of InPsytech, Inc. as of the acquisition date. Accordingly, the consolidated balance sheet as of December 31, 2024 has been adjusted to reflect the results of the assessment.

The accompanying notes are an integral part of these consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese

EGIS TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in Thousands of New Taiwan dollars, except for loss per share amount)

			2025		2024 (Note) (Adjusted)	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(22)	$ 5,327,499	100	$ 4,795,000	100
5000	Operating costs	6(6)	(3,489,814)	(65)	(2,906,229)	(61)
5900	Net operating margin		1,837,685	35	1,888,771	39
6000	Operating expenses					
6100	Selling expenses		(637,792)	(12)	(430,312)	(9)
6200	General and administrative expenses		(625,472)	(13)	(493,211)	(10)
6300	Research and development expenses		(2,253,977)	(41)	(2,005,491)	(42)
6450	Expected credit (losses) gains	6(5)	(24,040)	-	(163,806)	(3)
6000	Total operating expenses		(3,541,281)	(66)	(3,092,820)	(64)
6900	Operating loss		(1,703,596)	(31)	(1,204,049)	(25)
7000	Non-operating income and expenses					
7100	Interest income	6(23)	68,394	1	70,073	1
7010	Other income	6(26)	104,563	2	78,816	2
7020	Other gains and losses, net	6(24)	(293,409)	(6)	(147,280)	(3)
7050	Finance costs	6(25)	(172,519)	(3)	(122,629)	(3)
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	(115,740)	(2)	(120,082)	(2)
7000	Total non-operating income and expenses		(408,711)	(8)	(241,102)	(5)
7900	Loss before income tax		(2,112,307)	(39)	(1,445,151)	(30)
7950	Income tax (expense) benefit	6(28)	(146,276)	(3)	61,844	1
8200	Loss for the period		(2,258,583)	(42)	(1,383,307)	(29)
8300	Other comprehensive income					
8310	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Remeasurements of defined benefit plans		479	-	-	-
8316	Unrealised gains (losses) from investments in equity instruments at fair value through other comprehensive income	6(3)	(402,736)	(8)	(190,490)	(4)
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(21)	(1,106)	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		1,641	-	355	-
8360	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	6(21)(30)	2,064	-	4,303	-
8367	Unrealised gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	6(3)	1,214	-	(574)	-
8370	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		-	-	2,598	-
	Other comprehensive income for the period, net of tax		(398,444)	(8)	(183,808)	(4)
8500	Total comprehensive loss for the period		$ (2,657,027)	(50)	$ (1,567,115)	(33)
8600	Loss attributable to:					
8610	Owners of parent		$ (1,597,932)	(31)	$ (1,024,749)	(21)
8620	Non-controlling interests		(660,651)	(11)	(358,558)	(8)
			$ (2,258,583)	(42)	$ (1,383,307)	(29)
8700	Comprehensive loss attributable to:					
8710	Owners of parent		$ (1,954,444)	(37)	$ (1,131,645)	(24)
8720	Non-controlling interests		(702,583)	(13)	(435,470)	(9)
			$ (2,657,027)	(50)	$ (1,567,115)	(33)
	Loss per share (in dollars)					
9750	Basic loss per share	6(29)	$ (17.51)		$ (12.71)	
9850	Diluted loss per share	6(29)	$ (17.51)		$ (12.71)	

Note: The Group has completed the fair value assessment of InPsytech, Inc. as of the acquisition date. Accordingly, the consolidated statement of comprehensive income for the year ended December 31, 2024 has been adjusted to reflect the results of the assessment.

The accompanying notes are an integral part of these consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese

EGIS TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED DECEMBER 31, 2025 AND 2024 (Adjusted) (Note)

(Expressed in Thousands of New Taiwan dollars)

	Equity attributable to owners of the parent									
			Retained Earnings			Other Equity Interest				
Description	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (Accumulated deficits)	Exchange differences on translation of foreign financial statements	gains (losses) from financial assets measured at fair value through other	Total	Non-controlling interests	Total
Balance as of January 1, 2024	$ 742,718	$ 1,340,854	$ 725,338	$ 857,729	$ 778,378	$ 474	$ (474,164)	$ 3,971,327	$ 4,629,327	$ 8,600,654
Appropriations of earnings										
Reversal of special reserve	-			(384,039)	384,039			-	-	-
Loss for the period (Adjusted) (Note)	-	-	-	-	(1,024,749)	-	-	(1,024,749)	(358,558)	(1,383,307)
Other comprehensive income	-	-	-	-	-	3,326	(110,222)	(106,896)	(76,912)	(183,808)
Total comprehensive income (loss)	-	-	-	-	(1,024,749)	3,326	(110,222)	(1,131,645)	(435,470)	(1,567,115)
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	53,243	-	(53,243)	-	-	-
Issuance of shares	28,680	453,143	-	-	-	-	-	481,823	-	481,823
Issuance of common shares through share exchange	141,110	3,252,586	-	-	-	-	-	3,393,696	-	3,393,696
Reorganisation adjustment	-	(32,759)	-	-	-	-	-	(32,759)	-	(32,759)
Changes in ownership interests in subsidiaries	-	(29,828)	-	-	(39,420)	-	-	(69,248)	-	(69,248)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	2,983	-	-	-	-	-	2,983	-	2,983
Changes in equity of associates accounted for using equity method	-	(49,987)	-	-	(22,643)	-	-	(72,630)	-	(72,630)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	(285,887)	(285,887)
Balance as of December 31, 2024	$ 912,508	$ 4,936,992	$ 725,338	$ 473,690	$ 128,848	$ 3,800	$ (637,629)	$ 6,543,547	$ 3,907,970	$ 10,451,517
Balance as of January 1, 2025	$ 912,508	$ 4,936,992	$ 725,338	$ 473,690	$ 128,848	$ 3,800	$ (637,629)	$ 6,543,547	$ 3,907,970	$ 10,451,517
Appropriations of earnings										
Special reserve	-	-	-	130,131	(130,131)	-	-			
Loss for the period	-	-	-	-	(1,597,932)	-	-	(1,597,932)	(660,651)	(2,258,583)
Other comprehensive income	-	-	-	-	-	3,511	(360,023)	(356,512)	(41,932)	(398,444)
Total comprehensive income (loss)	-	-	-	-	(1,597,932)	3,511	(360,023)	(1,954,444)	(702,583)	(2,657,027)
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	54,626	-	(54,626)	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	2,583,658	-	-	-	-	-	2,583,658	1,832,840	4,416,498
Changes in ownership interests in subsidiaries	-	18,139	-	-	-	-	-	18,139	25,524	43,663
Changes in equity of associates accounted for using equity method	-	-	-	-	3,700	-	-	3,700	-	3,700
Increase in non-controlling interests	-	-	-	-	-	-	-	-	1,232,294	1,232,294
Balance as of December 31, 2025	$ 912,508	$ 7,538,789	$ 725,338	$ 603,821	$ (1,540,889)	$ 7,311	$ (1,052,278)	$ 7,194,600	$ 6,296,045	$ 13,490,645

Note: The Group has completed the fair value assessment of InPsytech, Inc. as of the acquisition date. Accordingly, the consolidated statement of changes in equity for the year ended December 31, 2024 has been adjusted to reflect the results of the assessment.

The accompanying notes are an integral part of these consolidated financial statements.

EGIS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Thousands of New Taiwan dollars)

Items	Years ended December 31, 2025	Years ended December 31, 2024 (Note) (Adjusted)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	$ (2,112,307)	$ (1,445,151)
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	195,601	187,913
Amortisation	1,002,617	717,555
Share-based payments	182,099	18,208
Expected credit losses	24,040	163,806
Impairment losses of prepayments	-	77,599
Impairment losses of intangible assets	112,521	1,835
Interest income	(68,394)	(70,073)
Interest expense	172,519	122,629
Dividend income	(45,304)	(52,353)
Losses on disposal of property, plant and equipment	453	266
Share of loss of subsidiaries accounted for using equity method	229,595	116,917
Gains from lease modification	(199)	(2,700)
Gains on financial assets at fair value through profit or loss	(133,862)	24,484
Share of loss of associates accounted for using equity method	115,740	120,082
Gain on reversal of refundable deposits	-	(18,836)
Gains on disposal of intangible assets	27,719	-
Gain on disposal of investment	(4,221)	(708)
Others	38	65
Changes in operating assets and liabilities		
Changes in operating assets		
Accounts receivable (including related parties)	70,439	16,772
Other receivables (including related parties)	10,971	(318)
Inventories	(333,317)	307,655
Prepayments	(970,054)	48,805
Other current assets	(107,878)	34,157
Contract liabilities-current	1,585,247	(123,798)
Contract liabilities-non current	(15,593)	-
Accouut payables (including related parties)	(28,707)	(92,644)
Other account payables (including related parties)	(11,463)	(210,348)
Refund liabilities-current	5,767	(25,826)
Other current liabilities	21,854	7,097
	(74,079)	(76,910)
Cash inflow generated from operations	(43,211)	(22,653)
Income taxes received (paid)	68,394	79,932
Interest received	(186,858)	(114,918)
In Net cash flows (used in) generated form operating activities	(235,754)	(134,549)

Items	Years ended December 31, 2025	Years ended December 31, 2024 (Note) (Adjusted)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through profit or loss	(450,812)	(97,400)
Proceeds from disposal of financial assets at fair value through profit or loss	291,200	812,856
Acquisition of financial assets at fair value through other comprehensive income	(40,000)	(94,567)
Proceeds from disposal of financial assets at fair value through other comprehensive income	143,362	116,185
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	23,003	29,109
Proceeds from disposal (acquisition) of financial assets at amortised cost	649,483	(143,909)
Acquisition of of investments under the equity method	(198,000)	-
Proceeds from disposal of investments under the equity method	7,059	-
Acquisition of property, plant and equipment	(70,772)	(151,786)
Proceeds from disposal of property, plant and equipment	305	749
Acquisition of intangible assets	(1,218,657)	(713,572)
Acquisition of business	(73,997)	-
Investment payable (included in other payables)	(228,818)	-
Increase in prepaid investment	(22,057)	-
Cash flows generated from acquisition of subsidiaries (net of cash required)	26,698	(2,045,949)
Decrease (Increase) in non-current assets	31,363	(59,374)
Decrease in security deposits	2,144	10,067
Cash dividends received	45,304	52,353
Net cash flows used in investing activities	(1,083,192)	(2,285,238)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	1,160,000	1,511,493
Decrease in short-term loans	(1,546,078)	(1,354,000)
(Decrease) Increase in other payables-related parties	(20,655)	1,502
Proceeds from long-term debt	-	2,600,000
Repayments of long-term debt	(2,754,629)	(713,700)
Payments of lease liabilities	(82,027)	(82,895)
(Decrease) Increase in other non-current liabilities	(10,240)	10,040
Increase in cash capital	-	481,823
Dividends from subsidiaries	(76,095)	(106,569)
Proceeds from issuance of shares by subsidiaries to non-controlling interest	779,707	111,248
Cash Received from Disposal of Subsidiary	4,140,000	-
Issuance of bonds payable	-	300,350
Transaction from share-based payments	175,000	
Net cash flows generated from financing activities	1,764,983	2,759,292
Effect of exchange rate changes on cash and cash equivalents	(4,062)	(13,267)
Net increase in cash and cash equivalents	441,975	326,238
Cash and cash equivalents at beginning of period	2,205,166	1,878,928
Cash and cash equivalents at end of period	$ 2,647,141	$ 2,205,166

Note: The Group has completed the fair value assessment of InPsytech, Inc. as of the acquisition date. Accordingly, the consolidated statement of cash flows for the year ended December 31, 2024 has been adjusted to reflect the results of the assessment.

The accompanying notes are an integral part of these consolidated financial statements.

1. History and Organisation

Egis Technology Inc. (the “Company”) was incorporated on December 26, 2007 as a company limited by shares under the laws of the Republic of China (“R.O.C.”) and registered under the Ministry of Economic Affairs, R.O.C. The address of its registered office is 2F.-1, No.360, Ruiguang Rd., Neihu Dist., Taipei City, Taiwan. The Company and its subsidiaries (collectively the “Group”) are primarily engaged in the research, development, and sales of data security software, biometric identification software and hardware, wholesale of electronic materials, development and design of IC, intellectual property licensing of silicon and international trading.

2. Date and procedures of authorization of financial statements for issue

These consolidated financial statements were authorised for issuance by the Company’s board of directors on March 16, 2026.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from the first-time adoption of certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have been endorsed by FSC, but not yet adopted by the Group as at the date when the Group’s financial statements were authorized for issue are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective date issued by IASB
a	IFRS 17, 'Insurance Contracts'	January 1, 2023
b	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
c	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
d	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

The abovementioned standards and amendments are applicable for annual periods beginning on or after January 1, 2026 and have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 18, 'Presentation and Disclosure in Financial Statements'	January 1, 2027 (Note)
c	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
d	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027

Note: On September 25, 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

A. IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

B. IFRS 18, 'Presentation and Disclosure in Financial Statements'

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(a) Improved comparability in the statement of profit or loss
IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analysing entities' performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures
IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements
IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

C. Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments permit subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

D. Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

(1) Clarify that when the entity's functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.
(2) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.
(3) When the entity's functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under IFRS 18'Presentation and Disclosure in Financial Statements', it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of Material Accounting Policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers , IFRSs, IASSs, IFRIC and SIC which are endorsed and became effectively by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Basis of consolidation

A. <u>Preparation principle of consolidated financial statement</u>

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(b) exposure, or rights, to variable returns from its involvement with the investee, and
(c) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee
(b) rights arising from other contractual arrangements
(c) the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

(a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(b) derecognizes the carrying amount of any non-controlling interest;
(c) recognizes the fair value of the consideration received;
(d) recognizes the fair value of any investment retained;
(e) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
(f) recognizes any resulting difference in profit or loss.

The consolidated entities are listed as follows:

			Ownership (%)		
Investor	Name of subsidiary	Main business activities	December 31,2025	December 31, 2024	Description
Egis	Egis Technology (Japan) Inc. (Japan)	Customer service, business promotion and technical service	100.00	100.00	
〃	Egis Technology Korea Inc. (Korea)	Customer service, business promotion and technical service	100.00	100.00	
〃	OceanX Inc.	Holding activity	100.00	100.00	
〃	Luxsentek Microelectronics Corp.	Technology development	86.93	86.93	
〃	Egis Intelligent (Shanghai) Co., Ltd.	Customer service, business promotion and technical service	100.00	100.00	
〃	Egis (Hong Kong) Limited	Holding activity	100.00	100.00	Note 1
〃	VASUBI Technology Inc.	Technology development	100.00	100.00	
〃	NUI Technology Inc.	Technology development	100.00	100.00	
〃	Alcor Micro, Corp. (Alcor)	Wholesale of electronic materials, development and design of integrated circuit and international trading, etc.	20.16	20.47	Notes 2 and 3
〃	TempoVision Inc. (TempoVision)	Technology development	33.33	100.00	Note 4
〃	InPsytech, Inc. (InPsytech)	Semiconductor Intellectual property core	62.77	100.00	Note 5

			Ownership (%)		
Investor	Name of subsidiary	Main business activities	December 31,2025	December 31, 2024	Description
Egis, Alcor and AlgolTek	Kiwi Technology Inc. (Kiwi)	Design of integrated circuit and solution of product	23.98	-	Note 6
Egis and Alcor	StarRiver Semiconductor Corp. (StarRiver)	Design of integrated circuit and solution of product	-	-	Note 7
Egis and Syncomm	Transducer Star Technology INC. (Transducer Star)	Technology development	90.53	93.72	Note 8
〃	Taurus Wireless Inc. (Taurus)	Technology development	100.00	100.00	Note 9
Egis, Alcor Alcorlink, AlgolTek and Kiwi	Egis Vision Inc.(Egis Vision)	Development, design and sales of integrated circuit	100.00	76.32	Notes 6 and 10
Kiwi	Kiwi Technology Inc.	Product technical support services	100.00	-	Note 6
Alcor	Alcor Micro Technology, Inc. (AMTI)	Investment holdings	100.00	100.00	
〃	Chun-Feng Investment Limited (Chun-Feng)	General investment business	100.00	100.00	
〃	ENE Technology Inc. (ENE)	Development, design and sales of integrated circuit	17.67	17.67	Note 11
Alcor and Chun-Feng	Syncomm Technology Corp. (Syncomm)	Development, design and sales of integrated circuit	29.30	29.29	Notes 11 and 12
〃	AlgolTek, Inc. (AlgolTek)	Development, design and sales of integrated circuit	31.51	31.48	Notes 11 and 13
AMTI	Alcor Micro Technology (H.K.) Limited	Management and sales of electronic products	100.00	100.00	
AlgolTek	Joint Power Exponent, Ltd. (Joint Power exponent)	Development, design and sales of integrated circuit	50.25	45.24	Note 14
Joint Power exponent	Joint Power Exponent (ShenZhen), Ltd. (ShenZhen Joint Power Exponent)	Development, design and sales of integrated circuit	-	100.00	Note 15

Note 1: Egis (Hong Kong) Limited was incorporated on August 17, 2015 and the capital injection has not yet been completed by the Company.

Note 2: Although the Group's shareholding ratio in Alcor was less than 50%, the Group obtained the majority voting rights in the Board of Directors through effective agreements with other shareholders. Thus, Alcor was included in the consolidated financial statements.

Note 3: In June 2024, Alcor conducted an employee subscription of restricted employee shares, resulting in a change to the Group's shareholding ratio to 20.47%. Additionally, on December 20, 2024, the board of directors of Alcor resolved to issue 8,000 thousand shares through capital increase and the Company subscribed 1,310 thousand shares, resulting in a change to the Group's shareholding ratio to 20.16%.

Note 4: On June 27, 2025, TempoVision conducted a capital increase and issued 6,000 thousand new shares. As the Group did not subscribe to the new issues in proportion to its original shareholding, the Group's ownership interest decreased to 33.33%. Even though the Group's direct shareholding is below 50%, it retains substantive control over TempoVision, including decision-making authority over its financial, operational, and personnel matters, and directing its key relevant activities.

Note 5: The Group acquired InPsytech on July 31, 2024. Please refer to Note 6(33) for details. In addition to the issuance of employee stock options by InPsytech in June 2025, the Company also gradually disposed of a portion of its shareholding beginning in August 2025. As of December 31, 2025, the Company's shareholding ratio had decreased to 62.77%.

Note 6: Considering Kiwi's and Egis Vision's future long-term development needs, both sides conducted a share exchange under the Mergers and Acquisitions Act, with Kiwi issuing new shares as consideration to Egis Vision's shareholders to acquire 100% equity in Egis Vision. The record date was set for January 15, 2025, and following the exchange, the Group's shareholding ratio in Kiwi became 25.55%. Since the Group is Kiwi's largest shareholder and has obtained substantive control through effective agreements with other shareholders, securing majority voting rights in the shareholders' meeting, Kiwi is included in the consolidated financial statements. Additionally, on February 19, 2025, Kiwi issued 3,000 thousand new shares through a capital increase. As the Group did not subscribe in proportion to its existing holdings, its shareholding ratio changed to 23.98%.

Note 7: On May 3 and November 5, 2024, Alcor resolved at its board meetings to acquire 1,995 thousand shares and 505 thousand shares of StarRiver Semiconductor Corp. (StarRiver) at a price of NT$234 per share. Following the transaction, Alcor's equity stake in StarRiver increased to 100%, leading to a simplified merger, where StarRiver was dissolved, and Alcor remained as the surviving entity. The merger date was set as December 31, 2024.

Note 8: On July 5, 2024, Transducer Star issued 1,200 thousand new shares through a capital increase, all of which were subscribed by Egis, resulting in a change in the Group's shareholding ratio to 93.72%. On January 3, 2025, Transducer Star issued 1,000 thousand new shares through a capital increase, which were subscribed by Syncomm, raising the Group's shareholding ratio to 94.81%. Additionally, in May, 2025, Transducer Star implemented an employee stock option plan and granted 273 thousand shares, resulting in a change in the Group's shareholding ratio to 90.53%.

Note 9: Taurus conducted a capital increase and issued new shares in August 2025, all of which were fully subscribed by Syncomm.

Note 10: On January 17, 2024, the board of directors of Egis Vision resolved to conduct a cash capital increase by issuing 4,000 thousand new shares. As Alcorlink did not subscribe to the capital increase proportionately to its ownership and the Company subscribed 2,986 thousand shares, the Group's total ownership increased to 76.32%. In August 2024, Alcorlink sold all its shares in Egis Vision to Egis and AlgolTek.

Note 11: The Group's subsidiary, Alcor, was the single major shareholder of Syncomm, ENE and AlgolTek. Although the direct shareholding ratio did not reach 50%, Alcor had substantial decision-making power on each companies' finance, operations and personnel administration, and in the conduct of their main business activities. Further, Alcor has obtained the majority voting right and has substantial control power during the shareholders' meeting of each company, thus, they were included in the consolidated financial statements.

Note 12: Since Syncomm undertook cash capital increase, issuance, retirement of restricted stocks and over-allotment, the Group's total shareholding ratio changed to 29.30% and 29.29% as of December 31, 2025 and 2024, respectively.

Note 13: Following the adjustments of AlgolTek's treasury shares, the exercise of employee's stock options, the retirement of restricted stocks and sale of shares, the Group's shareholding ratios in AlgolTek as of December 31, 2025 and 2024, were changed to 31.51% and 31.48% respectively.

Note 14: On January 2, 2024, AlgolTek acquired 40.43% equity interest in Joint Power Exponent in cash, became the single largest shareholder of Joint Power Exponent and has significant control over Joint Power Exponent as it obtained two out of five seats in the board of directors and entered into effective agreements among other shareholders. On January 23, 2024, Joint Power Exponent's board of directors approved to increase capital by issuing 3,750 thousand new shares. The Group did not acquire shares proportionally to its interest. As a result, the shareholding ratio increased to 45.24%. Additionally, on January 14, 2025, Joint Power exponent's board approved another capital increase, issuing 4,617 thousand new shares. With AlgolTek again not subscribing proportionally, its shareholding ratio increased to 50.25%.

Note 15: The board of directors of ShenZhen Joint Power Exponent had resolved the dissolution of the company on September 19, 2024. The liquidation was completed on June 6, 2025.

B. Subsidiaries not included in the consolidated financial statements: None.

C. Adjustments for subsidiaries with different balance sheet dates: None.

D. Significant restrictions: None.

E. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2025 and 2024, the non-controlling interest amounted to $6,296,045 and $3,907,970, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest	
		December 31, 2025	
Name of subsidiary	Principal place of business	Amount	Ownership (%)
Alcor and its subsidiaries	Taiwan	$ 3,821,358	79.84%
InPsytech, Inc.	Taiwan	2,298,850	37.23%
		$ 6,120,208	

		Non-controlling interest	
		December 31, 2024	
Name of subsidiary	Principal place of business	Amount	Ownership (%)
Alcor and its subsidiaries	Taiwan	$ 3,907,263	79.53%

Balance sheets

	Alcor and its subsidiaries	
	December 31,	
	2025	2024
Current assets	$ 3,884,407	$ 3,296,618
Non-current assets	3,711,431	3,772,870
Current liabilities	(2,714,694)	(1,979,588)
Non-current liabilities	(378,295)	(711,873)
Total net assets	$ 4,502,849	$ 4,378,027

Statement of comprehensive income

	Alcor and its subsidiaries	
	Years ended December 31,	
	2025	2024
Revenue	$ 2,876,052	$ 2,195,929
Loss before income tax	$ (404,273)	$ (520,752)
Income tax benefit	8,119	115,949
Loss, net of tax	(396,154)	(404,803)
Other comprehensive income	(148,636)	(96,142)
Total comprehensive income (loss)	$ (544,790)	$ (500,945)
Comprehensive loss attributable to non-controlling interest	$ (670,060)	$ (422,265)
Dividends paid to non-controlling interest	$ 76,095	$ 106,569

Statement of cash flows

	Alcor and its subsidiaries	
	Years ended December 31,	
	2025	2024
Net cash from operating activities	$ 312,814	$ 404,639
Net cash used in investing activities	(852,341)	(996,376)
Net cash from financing activities	572,871	518,804
Effect of exchange rate changes on cash and cash equivalents	(8,691)	2,339
Increase (decrease) in cash and cash equivalents	24,653	(70,594)
Cash and cash equivalents, beginning of period	1,268,876	1,339,470
Cash and cash equivalents, end of period	$ 1,293,529	$ 1,268,876

Balance sheets

	December 31, 2025
	InPsytech
Current assets	$ 934,202
Non-current assets	5,868,813
Current liabilities	(109,356)
Non-current liabilities	(518,932)
Total net assets	$ 6,174,727

Statement of comprehensive income

	InPsytech
	Year ended December 31, 2025
Revenue	$ 601,072
Loss before income tax	$ (176,958)
Income tax benefit (expense)	41,542
Loss, net of tax	(135,416)
Total comprehensive income (loss)	$ (135,416)
Comprehensive loss attributable to non-controlling interest	$ 27,790

Statement of cash flows

	InPsytech	
	Year ended December 31, 2025	
Net cash from operating activities	$	3,059
Net cash from investing activities		34,125
Net cash from financing activities		175,000
Effect of exchange rate changes on cash and cash equivalents		-
Increase (decrease) in cash and cash equivalents		212,184
Cash and cash equivalents, beginning of period		469,281
Cash and cash equivalents, end of period	$	681,465

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(b) Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.

(c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. On the partial disposal of foreign operations that result in a loss of control, loss of significant influence or joint control but retain partial equity is considered disposal.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

1. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
2. The Group holds the asset primarily for the purpose of trading.
3. The Group expects to realize the asset within twelve months after the reporting period.
4. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

1. The Group expects to settle the liability in its normal operating cycle.
2. The Group holds the liability primarily for the purpose of trading.
3. The liability is due to be settled within twelve months after the reporting period.
4. The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash with values subject to an insignificant risk of changes.

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, （except for those classified as at fair value through profit or loss), transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

(1) Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of:

A. the Group's business model for managing the financial assets and

B. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as account receivables, financial assets measured at amortized cost and other receivables on balance sheet as at the reporting date:

(a) the financial asset 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 of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) the time value of money; and

(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

C. For account receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

<u>(3) Derecognition of financial assets</u>

A financial asset is derecognized when:

i. The rights to receive cash flows from the asset have expired.
ii. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
iii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

i. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
ii. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
iii. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

i. it eliminates or significantly reduces a measurement or recognition inconsistency; or
ii. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability; or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item. Cost is determined using the weighted average method.

The comparison of cost and net realizable value is made on an item-by-item basis. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(11) Investments accounted for using the equity method

An associate is an entity over which the Group has significant influence.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36

Impairment of Assets. In determining the value in use of the investment, the Group estimates:

(1) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(2) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Information equipment	1~6 years
Research and development equipment	1~8 years
Leasehold improvements	1~10 years
Others	1~10 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

(13) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether the contract, throughout the period of use, has both of the following:

(a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the lessee; and
(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

<u>Group as a lessor</u>

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and presents them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Group's intangible assets is as follows:

Patents, technology, customer relationships, unfulfilled purchase orders, and software costs recognized at acquisition cost and amortized on a straight-line basis over their estimated useful lives as follows:

Patents & Technology	1～15 years
Customer relationships &Unfulfilled purchase orders	4.4～8.4 years
Software costs	1～5 years

(15) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Corporate bonds payable

The convertible bonds payable issued by the Group include an embedded conversion right (i.e., the holder's right to convert the bonds into the Group's common shares, where a fixed amount is converted into a fixed number of shares) and a call option. Upon initial issuance, the issuance price is allocated between financial liabilities and equity based on the terms of the issuance. The accounting treatments are as follows:

1. Embedded Call Option : It is initially recognized at its net fair value as "Financial assets at fair value through profit or loss." Subsequently, on the balance sheet date, it is measured at its then-current fair value, with any difference recognized in the profit or loss of "Financial assets at fair value through profit or loss."

2. Host Contract of the Bonds : It is initially measured at fair value. The difference between the fair value and the redemption value is recognized as a premium or discount on bonds payable. Subsequently, it is amortized over the period of circulation using the effective interest method and recognized in profit or loss as an adjustment to "Finance costs."
3. Embedded Conversion Right (Meeting the Definition of Equity) : Upon initial recognition, the residual value—calculated as the issuance amount minus the aforementioned "Financial assets at fair value through profit or loss" and "Bonds payable"—is recorded as "Capital surplus – stock options" and is not remeasured subsequently.
4. Any directly attributable transaction costs of the issuance are allocated to the respective liability and equity components in proportion to the initial carrying amounts of each component mentioned above.

Upon conversion by the holder, the carrying amounts of the liability components (including "Bonds payable" and "Financial assets at fair value through profit or loss") are processed according to their respective subsequent measurement methods. The carrying amounts of these liability components, plus the carrying amount of "Capital surplus – stock options," are then recognized as the issuance cost of the common shares converted.

(17) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follow:

Sale of goods

The Group manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers (i.e. when the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from the goods). Revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. The Group estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The credit period of the Group's sale of goods is from 30 to 190 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as account receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Intellectual Property (IP) Licensing Revenue

The Group enters into contracts with customers to license its patented technology. As the license is distinct, the revenue is recognized either over the license period or at the point in time when control of the rights is transferred to the customer, depending on the nature of the license.

When the Group performs activities that significantly affect the patented technology to which the customer has rights, directly affecting the customer, and these activities do not result in the transfer of a good or service to the customer, the nature of the license is a right to access the intellectual property. Related royalties are recognized as revenue on a straight-line basis over the license period. If the license does not meet the aforementioned criteria, its nature is a right to use the intellectual property, and revenue is recognized at the point in time when the license is transferred.

Service Revenue

1. The Group provides integrated circuit (IC) design services. Service revenue is recognized when control of the outcome of the service transaction is transferred to the customer, which occurs when the outcome is delivered to the customer and the Group has no unfulfilled performance obligations that could affect the customer's acceptance of said outcome.

2. Accounts receivable are recognized when the outcome of the service transaction is delivered to the customer, as the Group has an unconditional right to the contract price from that point onward, where only the passage of time is required before the consideration is due from the customer.

3. When the services provided by the Group exceed the amount payable by the customer, it is recognized as a contract asset. Conversely, if the amount payable by the customer exceeds the services provided by the Group, it is recognized as a contract liability.

(18) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

(19) Share-based payment transactions

The cost of equity-settled transactions between the Group and its employees is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Group recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

(20) Income taxes

Income tax expense (benefit) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(21) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 *Financial Instruments* either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

5. <u>Significant accounting judgements, estimates and assumptions</u>

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) De facto control without a majority of the voting rights in invested companies

The Company does not have majority of the voting rights in certain invested companies. However, after factoring into conditions such as absolute size of the Company's holding, relative size of the other shareholdings, how widely spread are the remaining shareholders, contractual arrangements between shareholders, potential voting rights, etc., the Company reached the conclusion that it has de facto control over these invested companies. Please refer to Note 4 for further details.

Besides, when it comes to that the Company is the largest shareholder of the invested company with less than 50% equity interest and assessed that it has no control of the invested company and only has significant influence, please refer to Note 6 for further details.

(2) Estimates and assumptions

(a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Inventory

The estimate of net realizable value of inventories takes into accounts as inventories are damaged, wholly or partially obsolete, or in which selling prices have declined, and is based on the most reliable evidence available at the time the estimates are made of the amount that the inventories are expected to realize. Please refer to Note 6 for more details.

(c) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five to eight years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

(d) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. Information regarding unrecognized deferred tax assets as of December 31, 2025 is disclosed in Note 6.

Reasons and Impact of Changes in Accounting Estimates

The Group reviews the estimated useful life of intangible assets at each balance sheet date. To accurately reflect the actual usage of key assets and to provide a fair representation of the company's financial position, operating performance, and financial condition changes, the Group has decided to extend the remaining useful life of specialized technology from 32 months to 68 months, effective on January 1, 2025. This change in accounting estimates is expected to impact amortization expenses for the year 2025 and future periods as follows:

	2025	2026	2027	2028	2029	2030
Increase (Decrease) in Amortization expense	$ (220,205)	$ (220,205)	$ (81,557)	$ 195,738	$ 195,738	$ 130,491

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and revolving funds	$ 893	$ 823
Checking accounts and demand deposits	1,520,536	1,518,428
Time deposits	1,125,712	685,915
	$ 2,647,141	$ 2,205,166

A. The above time deposits pertain to high liquidity investments with a maturity of less than 3 months.

B. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

C. The restricted portion of the Group’s cash and cash equivalents has been reclassified to financial assets measured at amortized cost. Please refer to Note 6(4) for details.

D. The Group has no cash and cash equivalents pledged to others as collateral.

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

	December 31, 2025	December 31, 2024
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 321,002	$ 291,452
Hybrid instrument - convertible bonds	-	8,016
Domestic listed stocks	-	4,115
Non-hedging derivative – callable convertible bonds	-	90
	$ 321,002	$ 303,673
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 204,414	$ 189,371
Domestic listed stocks	68,105	67,646
Domestic unlisted stocks	246,112	36,599
Foreign listed stocks	79,510	-
Foreign unlisted stocks	113,717	146,315
	$ 711,858	$ 439,931

A. For the years ended December 31, 2025 and 2024, the Group recognised gain on financial assets at fair value through profit or loss in the amount of $133,862 and $(24,484), respectively.

B. Details of the Group’s financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.

C. Information relating to fair value of financial assets at fair value through profit or loss is provided in Note 12(3).

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

	December 31, 2025	December 31, 2024
Current items:		
Debt instrument		
Bonds	$ 33,120	$ 33,354
Equity instrument		
Domestic listed stocks	5,142	4,608
	$ 38,262	$ 37,962
Non-current items:		
Equity instrument		
Domestic listed stocks	$ 896,852	$ 1,129,423
Domestic unlisted stocks	466,135	672,567
Foreign listed stocks	30,840	77,433
Foreign unlisted stocks	269,910	280,145
	$ 1,663,737	$ 2,159,568

A. The Group designated the investments shown above as debt instruments as financial assets at fair value through other comprehensive income, because these debt instruments represent those investments that the Group holds within a business model whose objective is achieved by both collecting the contractual cash flows and by selling financial assets.

B. The Group has elected to classify equity investments that are considered to be strategic investments and with steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $1,668,879, and $2,164,176 as of December 31, 2025 and 2024, respectively.

C. Aiming to satisfy the Group’s operating plan, the Group sold the share investment at fair value of $166,459 and $113,584 which resulted in cumulative gains on disposal of $54,626 and $53,243 (deducted the amount from tax effect) respectively for the Years ended December 31, 2025 and 2024.

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

	Years ended December 31,	
	2025	2024
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ (401,123)	$ (190,490)
Cumulative gains reclassified to retained earnings due to derecognition	$ 54,626	$ 53,243
Dividend income recognized in profit or loss from investments held at period-end	$ 43,594	$ 51,929
Debt instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 1,214	$ 87
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to derecognition	-	670
Interest income recognised in profit or loss	$ 1,528	$ 1,681

E. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was the recognised carrying amount of financial assets.

F. Details of the Group's financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.

G. Information relating to the fair value of financial assets at fair value through other comprehensive income is provided in Note 12(3).

(4) Financial assets at amortised cost

	December 31,	
	2025	2024
Current items:		
Time deposits with maturity over three months	$ 340,680	$ 633,502
Pledged demand deposits	17,587	3,249
Pledged time deposits	-	344,243
Bonds	-	6,557
	$ 358,267	$ 987,551
Non-current items:		
Time deposits with maturity over one year	$ -	$ 382
Pledged demand deposits	-	18,477
Pledged time deposits	37,021	38,361
	$ 37,021	$ 57,220

A. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was the recognised carrying amount of financial assets.

B. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Years ended December 31,	
	2025	2024
Interest income	$ 21,089	$ 20,492

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

E. The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Accounts receivable

	December 31,	
	2025	2024
Accounts receivable	$ 462,751	$ 516,709
Less: Allowance for accounts receivable	(21,477)	(54)
	$ 441,274	$ 516,655

A. The ageing analysis of accounts receivable is as follows:

	December 31,	
	2025	2024
Not past due	$ 434,557	$ 512,404
Up to 30 days	2,766	4,305
31 to 90 days	7,968	-
Over 91 days	17,460	-
	$ 462,751	$ 516,709

The above ageing analysis was based on past due date.

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

C. The Group had no accounts receivable pledged to others as collateral.

D. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the accounts receivable held by the Group was the recognised carrying amount of the financial assets.

E. The Group comprehensively considered the geographic area, product types and credit rating of each customer. The Group applies the modified approach using a provision matrix to estimate the expected credit loss. The Group used the consideration of forecast ability to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2025 and 2024, the Group’s expected credit loss rates were not significant.

F. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2025	2024
	Accounts receivable	Accounts receivable
At January 1	$ 54	$ 101
Expected credit loss	21,445	-
Reversal of expected credit loss	(108)	(119)
Others	86	72
At December 31	$ 21,477	$ 54

G. Information relating to credit risk of accounts receivable is provided in Note 12(2).

H. The Group has not pledged accounts receivable as collateral.

I. The Group has obtained collaterals, including time deposits, promissory notes, and fixed assets, from some customers based on credit terms as guarantees for credit enhancement of accounts receivable.

(6) Inventories

	December 31,	
	2025	2024
Raw materials	$ 127,894	$ 130,565
Work in progress	225,173	324,617
Finished goods	537,930	87,565
	$ 890,997	$ 542,747

A. For the years ended December 31, 2025 and 2024, the cost of inventories recognized as cost of goods sold amounted to $3,423,519 and $2,799,409, respectively. Among these, due to the sale or disposal of slow-moving inventories in 2025, the Group recognized a gain on reversal of inventory write-downs in the amount of $42,821 due to the sale or disposal of obsolete inventory. In addition, for the year 2024, the Group recognized an inventory valuation loss of $24,280 resulting from the write-down of inventories to their net realizable value.

B. The Group has no inventories pledged to others as collateral.

C. Subsidiaries of the Group have entered into long-term contracts with certain suppliers that expire on December 31, 2025, under which minimum purchase amounts or quantities are required. Losses arising from failure to meet the minimum purchase commitments under these contracts are recognized as provisions for related liabilities and charged to current period costs.

(7) Investments accounted for using the equity method

A. Details of investments accounted for using the equity method are as follows:

	December 31,			
	2025		2024	
Company name	Shareholding ratio	Amount	Shareholding ratio	Amount
iCatch Technology, Inc. (iCatchTek)	18.66%	$ 817,200	18.66%	$ 1,011,000
SCT Holdings Ltd. (SCT)	24.45%	-	24.45%	151,033
Terawins, Inc. (Terawins) (Note 1)	-	-	17.65%	15,858
Appro Photoelectron Inc. (Appro) (Note 2)	20.32%	202,645	0.00%	-
		$ 1,019,845		$ 1,177,891

Note 1: The Group initially held 5,360 thousand common shares of Terawins, accounting for a 17.65% ownership interest. As the Group served as a corporate director of the associate and held two out of seven board seats, it was deemed to have significant influence over Terawins, and the investment was therefore accounted for using the equity method. In March 2025, the Group disposed 2,360 thousand shares of Terawins with proceeds $7,059(net of securities transaction tax), reducing its ownership interest to 9.88%. After the election of its board members in the 2025 annual general meeting, the Group didn’t retain any board representation. Therefore, it was assessed that the Group no longer has significant influence over Terawins. Accordingly, the remaining investment previously accounted for under the equity method was reclassified as financial assets measured at fair value through other comprehensive income – non-current.

Note 2: In October 2025, the Group acquired a 20.32% equity interest in Appro through a private placement. Upon assessment, the Group does not possess the ability to direct the relevant activities of Appro; therefore, it does not have control over the entity but exercises significant influence.

B. Shares of profit (loss) of associates accounted for using the equity method are as follows:

	Years ended December 31,	
	2025	2024
iCatch Technology, Inc. (iCatchTek) (Note 1)	$ (107,379)	$ (81,885)
SCT Holdings Ltd. (SCT)	(10,454)	(30,554)
Terawins, Inc. (Terawins)	(2,297)	(7,643)
Appro Photoelectron Inc. (Appro) (Note 2)	4,390	-
	$ (115,740)	$ (120,082)

Note 1: The financial information of iCatchTek for the Years ended December 31, 2025 and 2024 is recognised based on the financial statements reviewed by the auditors appointed by the investee.

Note 2: The financial information of Appro for the period from October 27, 2025 to December 31, 2025 was recognized based on the financial statements audited by the independent auditors commissioned by Appro.

C. Although the Group is the single largest shareholder of iCatch Technology, Inc. ("iCatch") and holds more than half of the seats on its Board of Directors, as of December 31, 2025, based on the assessment of the active participation of other shareholders in iCatch's past shareholders' meetings, the Group does not have absolute dominance over voting resolutions. Therefore, it is determined that the Group does not have control over the company but only exercises significant influence; accordingly, iCatch is recognized as an associate. For the year 2025, as its estimated recoverable amount was lower than its carrying amount, an impairment loss of $89,016 was recognized and presented under "Other gains and losses.".

D. On April 8, 2024, the group converted its receivables from SCT into equity investment, subscribing 2,143 thousand shares at a price of US$ 1.4 (in dollars) per share, with a total price of approximately US$ 3,000 thousand (approximately $96,300). After the acquisition, the ownership percentage in the company increased to 24.45%.

As the Group's recognized share of losses from SCT has exceeded its investment cost, the Group performed an assessment of the recoverable amount of its investment in SCT for the year 2024, using the "value in use" as the basis for calculating the recoverable amount. For the years 2025 and 2024, the Group recognized impairment losses on investments accounted for using the equity method in the amounts of $140,579 and $116,917, respectively. These amounts are presented under "Other gains and losses".

E. The summarised financial information of the associates that are material to the Group is as follows:

<u>Balance sheets</u>

	iCatchTek	
	December 31,	
	2025	2024
Current assets	$ 1,407,042	$ 1,616,900
Non-current assets	442,326	338,377
Current liabilities	(220,433)	(212,242)
Non-current liabilities	(73,500)	(25,646)
Total net assets	$ 1,555,435	$ 1,717,389
Share in associate's net assets	$ 290,244	$ 320,465
Goodwill	77,564	166,580
Excess of investments accounted for using the equity method	449,392	523,955
Carrying amount of the associate	$ 817,200	$ 1,011,000

	SCT	
	December 31,	
	2025	2024
Current assets	$ 119,272	$ 82,319
Non-current assets	31,402	37,894
Current liabilities	(461,218)	(411,640)
Non-current liabilities	(3,402)	(5,890)
Total net assets	$ (313,946)	$ (297,317)
Goodwill	$ -	$ 83,862
Excess of investments accounted for using the equity method	-	67,171
Carrying amount of the associate	$ -	$ 151,033

	Appro
	December 31, 2025
Current assets	$ 425,416
Non-current assets	287,803
Current liabilities	(59,229)
Non-current liabilities	(12,540)
Total net assets	$ 641,450
Share in associate’s net assets	$ 130,343
Goodwill	72,302
Carrying amount of the associate	$ 202,645

Statement of comprehensive income (loss)

	iCatchTek	
	Years ended December 31,	
	2025	2024
Revenue	$ 1,125,645	$ 1,018,746
Loss for the period	$ (175,913)	$ (38,913)
Other comprehensive income	(4,376)	2,777
Total comprehensive loss	(180,289)	(36,136)
Share of loss for the period	$ (107,379)	$ (81,885)

	SCT	
	Years ended December 31,	
	2025	2024
Revenue	$ 269,530	$ 537,344
Loss for the period	$ (117,797)	$ (259,803)
Other comprehensive loss	-	-
Total comprehensive loss	(117,797)	(259,803)
Share of loss for the period	$ (10,454)	$ (30,555)

	Appro
	For the years ended December 31,
	2025
Revenue	$ 172,621
Loss for the period	$ (4,331)
Other comprehensive loss	1,256
Total comprehensive loss	(3,075)
Share of loss for the period	$ 4,390

F. The Group’s material associate, iCatchTek and Appro have quoted market prices in active markets. The fair value of iCatchTek as of December 31, 2025 and 2024 was $817,200 and $1,189,800, respectively. The fair value of Appro as of December 31, 2025 was $272,580.

(8) Property, plant and equipment

	2025					
	Information equipment	R&D equipment	Leasehold improvements	Others	Equipment under acceptance (Note 1)	Total
At January 1						
Cost	$ 112,900	$ 311,326	$ 53,130	$ 175,066	$ -	$ 652,422
Accumulated depreciation	(90,461)	(200,879)	(26,419)	(100,594)	-	(418,353)
	$ 22,439	$ 110,447	$ 26,711	$ 74,472	$ -	$ 234,069
At January 1	$ 22,439	$ 110,447	$ 26,711	$ 74,472	$ -	$ 234,069
Additions	15,897	15,582	7,464	53,599	-	92,542
Acquired from business combinations	185	-	280	1,144	-	1,609
Disposals	(138)	(381)	-	(239)	-	(758)
Reclassification	-	(45,756)	1,064	44,692	74	74
Depreciation charge	(12,492)	(38,089)	(9,117)	(56,214)	-	(115,912)
Net exchange differences	(3)	(1)	-	(1)	-	(5)
At December 31	$ 25,888	$ 41,802	$ 26,402	$ 117,453	$ 74	$ 211,619
At December 31						
Cost	$ 129,612	$ 249,736	$ 56,121	$ 305,067	$ 74	$ 740,610
Accumulated depreciation	(103,724)	(207,934)	(29,719)	(187,614)	-	(528,991)
	$ 25,888	$ 41,802	$ 26,402	$ 117,453	$ 74	$ 211,619

	2024					
	Information equipment	R&D equipment	Leasehold improvements	Others	Equipment under acceptance	Total
At January 1						
Cost	$ 98,431	$ 252,811	$ 53,125	$ 156,476	$ -	$ 560,843
Accumulated depreciation	(81,081)	(170,478)	(30,788)	(82,291)	-	(364,638)

	2024											
	Information equipment		R&D equipment		Leasehold improvements		Others		Equipment under acceptance		Total	
	$	17,350	$	82,333	$	22,337	$	74,185	$	-	$	196,205
At January 1	$	17,350	$	82,333	$	22,337	$	74,185	$	-	$	196,205
Additions		14,119		64,490		10,700		46,702		-		136,011
Acquired from business combinations		1,392		543		267		7,036		-		9,238
Disposals		(1)		(212)		(466)		(337)		-		(1,016)
Reclassification		-		2,639		349		(2,988)		-		-
Depreciation charge		(10,412)		(39,345)		(6,477)		(50,131)		-		(106,365)
Net exchange differences		(9)		(1)		1		5		-		(4)
At December 31	$	22,439	$	110,447	$	26,711	$	74,472	$	-	$	234,069
At December 31												
Cost	$	112,900	$	311,326	$	53,130	$	175,066	$	-	$	652,422
Accumulated depreciation		(90,461)		(200,879)		(26,419)		(100,594)		-		(418,353)
	$	22,439	$	110,447	$	26,711	$	74,472	$	-	$	234,069

The Group has no property, plant and equipment pledged to others as collateral.

Note 1: For the year ended December 31, 2025, the amount was transferred from prepayments for equipment.

(9) Lease transactions－lessee

	December 31,	
	2025	2024
Right-of-use assets:		
Buildings and structures	$ 144,513	$ 158,176
Transportation equipment (Business vehicles)	881	2,579
Machinery and equipment	-	167
Other equipment	1,774	2,697
	$ 147,168	$ 163,619
Lease liability:		
Current	$ 60,995	$ 68,893
Non-current	90,543	98,947
	$ 151,538	$ 167,840

A. The Group leases various assets including building, business vehicles, machinery and equipment and parking spaces. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as collateral for borrowing purposes.

B. The depreciation charge of right-of-use assets are as follows:

	Years ended December 31,	
	2025	2024
Buildings and structures	$ 77,710	$ 78,633
Transportation equipment (Business vehicles)	889	1,491
Machinery and equipment	167	500
Other equipment	923	924
	$ 79,689	$ 81,548

C. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were $456 and $10,017, respectively.

D. Short-term leases with a lease term of 12 months or less comprise parking spaces and warehouse. Low-value assets comprise multifunction printers and drinking fountain.

E. The information on profit or loss accounts relating to lease contracts is as follows:

	Years ended December 31,	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 5,001	$ 4,610
Expense on short-term lease contracts	45,480	18,037
Expense on leases of low-value assets	456	540
Revenue from sub-lease of right-of-use assets	6,388	-
Expenses relating to variable lease payments	166	127
Gain arising from lease modifications	199	2,700

F. For the years ended December 31, 2025 and 2024, the Group's total cash outflows for leases were $133,130 and $106,209, respectively.

G. For the years ended December 31, 2025 and 2024, due to the earlier termination of the lease contract and adjustment of the rent-free period, the Group's right-of-use assets decreased by $1,948 and $23,605, lease liabilities decreased by $2,153 and $26,305 on December 31, 2025 and 2024, respectively.

H. Variable lease payments:

Some of the Group's lease contracts contain variable lease payment terms, whereby the payments were calculated and expenses were recognised based on the quantity actually used during the period.

(10) <u>Intangible assets</u>

	2025					
	Goodwill	Patents	Acquired special technology	Customer relationship	Software cost	Total
At January 1						
Cost	$ 4,145,330	$ 227,223	$ 3,209,558	$ 2,367,821	$ 712,260	$ 10,662,192
Accumulated amortisation	-	(160,739)	(390,612)	(295,951)	(410,113)	(1,257,415)
	$ 4,145,330	$ 66,484	$ 2,818,946	$ 2,071,870	$ 302,147	$ 9,404,777
At January 1	$ 4,145,330	$ 66,484	$ 2,818,946	$ 2,071,870	$ 302,147	$ 9,404,777
Additions - acquired separately	-	-	6,502	-	221,781	228,283
Additions - acquired through business combinations (Note 1)	303,043	-	231,134	-	212	534,389
Disposals	-	-	(27,719)	-	-	(27,719)
Reclassification (Note 2)	-	-	-	-	(12,968)	(12,968)
Amortisation charge	-	(29,520)	(411,045)	(346,704)	(215,348)	(1,002,617)
Impairment loss	(112,521)	-	-	-	-	(112,521)
At December 31	$ 4,335,852	$ 36,964	$ 2,617,818	$ 1,725,166	$ 295,824	$ 9,011,624
At December 31						
Cost	$ 4,448,373	$ 227,223	$ 3,366,856	$ 2,367,821	$ 936,157	$ 11,346,430
Accumulated amortisation	(112,521)	(190,259)	(749,038)	(642,655)	(640,333)	(2,334,806)
	$ 4,335,852	$ 36,964	$ 2,617,818	$ 1,725,166	$ 295,824	$ 9,011,624

	2024					
	Goodwill	Patents	Acquired special technology	Customer relationship	Software cost	Total
At January 1						
Cost	$ 892,827	$ 243,119	$ 680,967	$ 402,071	$ 603,429	$ 2,822,413
Accumulated amortisation	-	(125,133)	(109,734)	(110,119)	(218,299)	(563,285)
	$ 892,827	$ 117,986	$ 571,233	$ 291,952	$ 385,130	$ 2,259,128
At January 1	$ 892,827	$ 117,986	$ 571,233	$ 291,952	$ 385,130	$ 2,259,128
Additions - acquired separately	-	470	1,364,519	-	126,564	1,491,553
Additions - acquired through business combinations (Note 1)	3,252,503	757	1,013,126	2,106,157	223	6,373,529
Reclassification (Note 2)	-	-	19,464	-	(19,504)	(40)
Amortisation charge	-	(50,894)	(149,396)	(327,000)	(190,265)	(717,555)
Impairment Loss	-	(1,835)	-	-	-	(1,835)
Net exchange differences	-	-	-	(2)	(1)	(3)
At December 31	$ 4,145,330	$ 66,484	$ 2,818,946	$ 2,071,870	$ 302,147	$ 9,404,777
Cost	$ 4,145,330	$ 227,223	$ 3,209,558	$ 2,367,821	$ 712,260	$ 10,662,192
Accumulated amortisation	-	(160,739)	(390,612)	(295,951)	(410,113)	(1,257,415)
	$ 4,145,330	$ 66,484	$ 2,818,946	$ 2,071,870	$ 302,147	$ 9,404,777

Note 1: For details regarding the business combination, please refer to Note 6(33).

Note 2: Pertains to a transfer to other current assets for the Years ended December 31, 2025 and 2024, respectively.

A. Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2025	2024
Operating costs	$ 6	$ 119
Selling expenses	322,869	162,006
General and administrative expenses	19,131	5,608
Research and development expenses	660,611	549,822
	$ 1,002,617	$ 717,555

B. The Group has no intangible assets pledged to others.

C. Goodwill is allocated as follows to the Group's cash-generating units:

	December 31, 2025	December 31, 2024
Egis and subsidiaries:		
Biometric sensor chip and its application (Note 1)	$ 147,948	$ 106,827
Wearable electroacoustic products and its application	5,159	5,159
IoT sensing products (Note 2)	192,215	-
Development on the intellectual property of silicon	3,209,689	3,209,689
Alcor and subsidiaries:		
USB control chip and automotive sensor chip	594,847	594,847
Multimedia video converter control chip and its application	185,994	185,994
Smart power control IC	-	42,814
	$ 4,335,852	$ 4,145,330

Note 1: The company acquired the mobile division business of Fingerprint Cards AB, and it's goodwill is tentative and is pending on the completion of allocation of final acquisition price.

Note 2: The amount of goodwill arising from IoT sensing products is tentative and is pending on the completion of allocation of the final acquisition price. The Group performs impairment testing on the cash-generating units to which goodwill is allocated at the end of each annual reporting period, using value in use as the basis for determining recoverable amounts.

D. The goodwill generated from the Group's acquisitions primarily stems from the expected growth in operating revenue within the regions where the acquired companies are located and the benefits derived from acquired customer relationships. In accordance with IAS 36, goodwill acquired in a business combination shall be tested for impairment at the end of each year. For the purpose of impairment testing, goodwill is allocated to the cash-generating units (CGUs) that are expected to benefit from the synergies of the combination.

The recoverable amount for the impairment of goodwill related to IoT sensing products, USB controllers, automotive sensing chips, and multimedia video module control chips refers to the higher of its fair value less costs of disposal and its value in use. For the remaining units, the recoverable amount is determined by calculating the value in use of each CGU. The key assumptions used to calculate the recoverable amount are as follows:.

	December 31,	
	2025	2024
Biometric Sensing Chips and Their Applications		
Sustainable Growth Rate	2%	2%
Discount Rate	14.29%	18.43%
Silicon IP (Intellectual Property) Development		
Sustainable Growth Rate	3%	3%
Discount Rate	22.0%	21.50%

The operating revenue growth rates adopted by management are consistent with the forecasts in industry reports. The discount rates used are based on the mid-to-long-term government bond yields in Taiwan as a benchmark, adjusted by adding a risk premium to reflect the incremental risk of general equity investments and the specific systematic risks associated with each cash-generating unit (CGU).

E. As of December 31, 2025, the Group assessed that the fair value less costs of disposal of Kiwi technology was lower than its carrying amount. Based on the results of this analysis, management recognized a goodwill impairment loss of $69,707 for the year ended December 31, 2025. The fair value was measured using the market approach and categorized as Level 3 within the fair value hierarchy.

F. As of December 31, 2025, the Group assessed that the value in use of Joint Power Exponent was lower than its carrying amount. Based on the results of this analysis, management recognized a full impairment loss of $42,814 on the carrying amount of goodwill. The pre-tax discount rate used for the cash flow projections in the value-in-use calculation was 22.71% as of December 31, 2025, while cash flows beyond the five-year period were extrapolated using an operating revenue growth rate of 2%.

G. The Group assessed that certain patents no longer possess economic benefits; therefore, an impairment loss of $1,835 was recognized for the year ended December 31, 2024 and presented under "Research and development expenses."

H. In July 2024, the Group entered into a software and Silicon IP (SIP) licensing agreement with ARM Limited. The contract provides for a fixed licensing fee of US$35 million, payable in installments within one year. Furthermore, according to the agreement, the Group shall pay royalties based on a certain percentage of sales for products sold in the future that utilize the licensed technology.

(11) Short-term borrowings

Type of borrowings	December 31, 2025	December 31, 2024
Bank borrowings		
Unsecured borrowings	$ 834,000	$ 1,071,000
Secured borrowings	283,750	440,493
Short-term borrowings	$ 1,117,750	$ 1,511,493
Undrawn facilities	$ 1,673,730	$ 854,600
Interest rate range	2.00%~2.60%	1.97%～6.25%

Information about the collateral that was pledged for short-term borrowings is provided in Note 8.

(12) Other payables

	December 31, 2025	December 31, 2024
Payable on wages, salaries and bonuses	$ 315,549	$ 334,489
Payable on investment funds (Note 1)	226,831	223,914
Payable on acquisition of intangible assets	43,539	995,132
Payable on tariffs	23,810	-
Payable on professional service fees	17,552	19,195
Payable on research, development and testing expenses	14,357	8,085
Payable on machinery and equipment	14,177	6,358
Payable on software licensing fees	7,128	31,794
Payable on employees' compensation and directors' remuneration	5,017	23,933
Payable on royalties	3,020	4,597
Payable on raw materials on behalf of subsidiary companies	2,459	-
Payable on technical service expenditures	707	861
Others	76,861	97,472
	$ 751,007	$ 1,745,830

Note 1: The Group acquired its subsidiary, StarRiver, in October 2023 and increased its shareholding in May 2024. A portion of the investment consideration is scheduled to be paid in installments on June 2, 2025; December 31, 2025; June 1, 2026; and December 31, 2026, in the amounts of $228,818, $57,929, $228,817, and $57,929 (undiscounted), respectively.

(13) Long-term borrowings

Type of borrowings	December 31, 2025	December 31, 2024
Long-term bank borrowings		
Unsecured borrowings	$ 78,857	$ 218,286
Secured borrowings		
Syndicated borrowings	-	2,400,000
Bank borrowings	326,514	541,714
	405,371	3,160,000
Less: Current portion	(341,257)	(2,751,429)
	$ 64,114	$ 408,571
Undrawn facilities	$ -	$ 370,000
Maturity year	2025-2027	2025-2027
Interest rate range	2.24%~2.96%	2.03%~2.95%

A. Compliance with borrowing contracts

(A) Secured borrowings – syndicated borrowings

On July 2, 2024, the Group entered into a contract for the 2-year syndicated borrowings with Cathay United Bank and other banks. According to the contract, the Group shall maintain current ratio (as defined in the contract) not less than 100%, net financial debt ratio (as defined in the contract) not less than 150%, interest coverage ratio (as defined in the contract) not less than 1.5 times, and total amount of the equity attributable to owners of the parent (as defined in the contract) not less than $4,000,000. The aforementioned financial ratios will be reviewed every half year, and the financial ratios are based on the consolidated financial statements provided by the Group that have been reviewed or audited by independent accountants.

If an event of default occurs during the contract period, the credit line will be suspended to drawdown immediately. The management bank can take related actions, such as:

i. Upon the termination of the trust contract and the return of the trust assets to the Company, the Company is required to immediately sign a share pledge agreement for the relevant shares;
ii. Deposits in the syndicated banking group and all claims against the syndicated banking group shall be settled before the maturity date, and the amounts which are settled before the maturity date will be directly offset;
iii. Exercise various rights on the collateral;
iv. Exercise all promissory notes obtained under the contract;

v. Compensation of various expenses or settlement of default fine, etc.

Based on the Group’s audited consolidated financial statements for the year ended December 31, 2024, certain financial ratios did not meet the agreed standards stipulated in the syndicated loan agreement. In accordance with the contract, the lead bank may take relevant measures to enforce its rights. Accordingly, the Group classified the syndicated borrowings as current portion of long-term borrowings as of December 31, 2024.

As of December 31, 2025, the Group’s syndicated loan had been fully repaid.

(B) According to the borrowing agreements entered into between the Group and certain creditor banks, the Group is required to submit its consolidated financial statements for the first half of each year and at each year-end during the borrowing period, and maintain the financial ratios agreed upon by both parties. If the agreed ratios are not met, the borrowing interest rate shall be increased pursuant to the contract. For the year ended December 31, 2024 and 2025, the Group’s net worth, current ratio, and interest coverage ratio did not meet the standards agreed with certain creditor banks. Consequently, the banks increased the borrowing interest rates in accordance with the loan agreements. However, the above adjustments had no material impact on the Group.

B. Information regarding the collateral that was pledged for long-term borrowings is provided in Note 8.

(14) Convertible Bonds

	December 31, 2025	December 31, 2024
Convertible Bonds Payable	$ 300,000	$ 300,000
Less: Discount on Bonds Payable.	(10,088)	(16,685)
	$ 289,912	$ 283,315

A. The issuance of domestic convertible bonds by the Group’s subsidiary- ENE

(A) The terms of the third domestic secured convertible bonds issued by ENE are as follows:

i. The Company issued the third domestic unsecured convertible bonds in the amount of $300,000, at 0% coupon rate, as approved by the competent authority. The bonds mature in 3 years from the issue date (from June 25, 2024 to June 25, 2027) and will be redeemed in a lump sum in cash at face value on the maturity date. The bonds were listed on the Taipei Exchange on June 25, 2024.

ii. The bondholders have the right to request for conversion of the bonds into common shares of ENE Technology Inc. during the period from the day after 3 month of the bonds issue (September 26, 2024) to 40 days before the maturity date (May 16, 2027), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model on each effective date regulated by the terms. The initial conversion price of the convertible bonds was NT$65.8 per share. In response to the ENE's distribution of cash dividends on common shares and the distribution of capital surplus in cash, the conversion price was adjusted to NT$63.3 per share on May 19, 2025.

iv. ENE Technology Inc. may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of ENE Technology Inc. common shares is above the then conversion price by 50% for 30 consecutive trading days during the period from the date after one month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.

v. Under the terms of the bonds conversion, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

(B) As of December 31, 2025, no convertible bonds were converted into common shares and repurchased.

B. Regarding the issuance of convertible bonds of ENE, the equity conversion options in the amount of $20,876 were separated from the liability component and were recognised in 'capital surplus - others' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in accordance with IFRS 9 because the economic characteristics and risks of the debt instruments of the host contracts were not closely related. The effective interest rate of the bonds payable after such separation was 2.03%.

(15) Pensions

A. Defined benefit plan

(a) The domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labour pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the domestic subsidiaries will make contributions for the deficit by next March.

(b) ENE Technology Inc., a subsidiary of the Group, has processed and settled all defined benefit retirement liabilities as of February 2024, due to the resignation of regular employees covered by the aforementioned defined benefit plan or their choice to switch to the defined contribution retirement plan. This settlement was officially approved by the competent authority in April 2024.

(c) For the years ended December 31, 2025 and 2024, the pension costs recognized by the Group under the aforementioned retirement plans were both $0.

(d) As of December 31, 2024, the contributions paid by the Group to the retirement plan exceeded the present value of the defined benefit obligation; therefore, no further contributions to the pension fund are required.

(e) The amounts recognized in the balance sheet are as follows:

	December 31, 2025	December 31, 2024
Present Value of the Defined Benefit Obligation	$ (1,518)	$ (1,442)
Fair Value of Plan Assets	8,377	7,721
Net Defined Benefit Asset (Note)	$ 6,859	$ 6,279

Note : Presented as "Other non-current assets"

(f) The amounts recognized in the balance sheet are as follows:

	2025		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit asset
At January 1	$ (1,442)	$ 7,721	$ 6,279
Interest expense (income)	(23)	124	101
	(1,465)	7,845	6,380
Remeasurements			
Return on plan assets (Note)	-	532	532
Effect of changes in financial assumptions	(33)	-	(33)
Experience adjustments	(20)	-	(20)
	(53)	532	479
Benefits paid	-	-	-
Refund of plan assets	-	-	-
At December 31	$ (1,518)	$ 8,377	$ 6,859

	2024		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit asset
At January 1	$ (2,911)	$ 14,265	$ 11,354
Interest expense (income)	(476)	544	68
	(3,387)	14,809	11,422
Remeasurements			
Return on plan assets (Note)	-	620	620
Effect of changes in financial assumptions	50	-	50
Experience adjustments	(107)	-	(107)
	(57)	620	563
Benefits paid	2,002	(1,800)	202
Refund of plan assets	-	(5,908)	(5,908)
At December 31	$ (1,442)	$ 7,721	$ 6,279

Note : Excluding amounts included in interest income or expenses.

(g) The fund assets of the defined benefit retirement plans for the Group's domestic subsidiaries are managed by the Bank of Taiwan in accordance with the proportion and amount ranges specified in the fund's annual investment utilization plan, and pursuant to Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (i.e., deposits in domestic and foreign financial institutions, investment in domestic and foreign listed, over-the-counter, or private equity securities, and investment in domestic and foreign securitized real estate products, etc.). The relevant utilization is supervised by the Labor Pension Fund Supervisory Committee. The minimum annual earnings distribution of the fund shall not be lower than the earnings calculated based on the two-year time deposit interest rate of local banks; any shortfall shall be supplemented by the National Treasury upon approval by the competent authority. Since the Company has no right to participate in the operation and management of the fund, it is unable to disclose the classification of the fair value of plan assets in accordance with paragraph 142 of IAS 19. For the fair value of the total assets of the fund as of December 31, 2025 and 2024, please refer to the annual Labor Retirement Fund utilization reports published by the government.

(h) Summary of actuarial assumptions for pensions is as follows:

	Years ended December 31,	
	2025	2024
Discount rate	1.30%	1.60%
Future salary increase rate	4.50%	4.50%

The assumptions for future mortality rates for the years 2025 and 2024 were estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

The analysis of the impact on the present value of the defined benefit obligation due to changes in key actuarial assumptions is as follows:

	Discount rate		Future salary increase rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2025				
Impact on defined benefit obligation	$ (28)	$ 29	$ 24	$ (24)
December 31, 2024				
Impact on defined benefit obligation	$ (30)	$ 31	$ 26	$ (26)

The aforementioned sensitivity analysis is conducted by analyzing the potential impact on the defined benefit obligation when a single actuarial assumption (such as the discount rate or expected salary) undergoes a reasonably possible change, while holding all other assumptions constant. Since some actuarial assumptions are interrelated, it is rare in practice for only a single actuarial assumption to change in isolation; therefore, this analysis has its limitations.

The methods and assumptions used in the sensitivity analysis for the current period are consistent with those used in the prior period..

B. Defined benefit plan

(a) The Company and its domestic subsidiaries have established a defined contribution retirement plan in accordance with the "Labor Pension Act," which applies to employees of R.O.C. nationality. For those employees who choose to participate in the labor pension system under the Labor Pension Act, the Company and its domestic subsidiaries contribute 6% of the employees' monthly salaries to their individual pension accounts at the Bureau of Labor Insurance. The payment of pension benefits to employees is based on the balance in their individual pension accounts and the accumulated investment earnings thereof, and may be received in the form of monthly pension payments or a lump-sum payment.

(b) Other overseas subsidiaries contribute to endowment insurance or retirement reserves based on local employees' salaries in accordance with the retirement regulations of their respective local governments. Other than these annual contributions, these companies have no further obligations.

(c) For the Years ended December 31, 2025 and 2024, the pension costs recognized by the Group under the aforementioned retirement plans were $60,036 and $51,362, respectively.

(16) Share-based payment

A. As of December 31, 2025, the Group’s share-based payment arrangements were as follows:

Issuing entity	Type of arrangement	Grant date	Quantity granted (unit in thousands)	Contract period	Vesting conditions
Alcor	Employee subscription reserved for cash capital increase	2025.02.25	800	N/A	Vested immediately
"	Restricted stocks to employees	2023.03.20	723	3 years	Graded vesting at a certain percentage upon one year of service and achieving the required KPI (Note 1)
"	"	2022.01.03	477	3 years	Graded vesting at a certain percentage upon one year of service and achieving the required KPI (Note 2)
ENE	Employee stock option plan	2025.11.24	2,250	5 years	Graded vesting at a certain percentage upon two years of service and achieving the required KPI (Note 10)
"	Restricted stocks to employees "	2022.05.10	20	3 years	Graded vesting at a certain percentage upon one year of service and achieving the required KPI (Note3)

Issuing entity	Type of arrangement	Grant date	Quantity granted (unit in thousands)	Contract period	Vesting conditions
"	"	2022.03.16	980	3 years	Graded vesting at a certain percentage upon one year of service and achieving the required KPI (Note 3)
Syncomn	"	2023.02.01	300	3 years	Graded vesting at a certain percentage upon one year of service and achieving the required KPI (Note 4)
"	"	2022.03.17	700	3 years	Graded vesting at a certain percentage upon one year of service and achieving the required KPI (Note 4)
Alcorlink	"	2021.11.05	1,000	3 years	Graded vesting at a certain percentage upon one year of service and achieving the required KPI (Notes 5 and 6)
Syncomn	Employee subscription reserved for cash capital increase	2024.6.18	80	N/A	Vested immediately (Note 7)
JOINT POWER	"	2025.01.14	235	N/A	Vested immediately
"	"	2024.01.23	3,750	N/A	Vested immediately
Transducer Star	Employee stock options	2024.10.01	1,500	1 years	(Note 8)
InPsytech, Inc.	"	2025.06.20	350	3 years	(Note 9)

(a) The restricted stocks issued by Alcor and Alcorlink cannot be sold, pledged, transferred, gifted, collateralised or disposed in any other method and have no rights to participate in the allocation (subscription) of dividends to original shareholders before meeting the vesting conditions.

(b) The restricted stocks issued by Syncomm and ENE cannot be sold, pledged, transferred, gifted, collateralised or disposed in any other method before meeting the vesting conditions.

The share-based payment arrangements above are settled by equity.

Note 1: Whether the vesting conditions have been met will be determined on March 31 each year and the restrictions on rights will be lifted from April 22 each year (postponed when the day falls on a public holiday).

Note 2: Whether the vesting conditions have been met will be determined on December 31 each year and the restrictions on rights will be lifted from January 31 each year (postponed when the day falls on a public holiday).

Note 3: Restricted stocks granted will be available to employees who meet certain performance requirements and are still employed after one year, two years and three years after the grant date at the rate of 20%, 30% and 50%, respectively.

Note 4: Restricted stocks granted will be available to employees who meet certain performance requirements and are still employed after one year, two years and three years after the grant date at the rate of 30%, 35% and 35%, respectively.

Note 5: Restricted stocks granted will be available to employees who meet certain performance requirements and are still employed after one year, two years and three years after the grant date at the rate of 30%, 30% and 40%, respectively.

Note 6: As a result of the share swap, AlgolTek assumed the performance obligation of employee restricted stocks initially issued by Alcorlink starting from the effective date of the share swap. Therefore, the underlying shares were changed from Alcorlink to AlgolTek, and the conversion price and quantity granted were adjusted based on the share swap ratio. The number of shares subscribable per unit was adjusted based on the share swap ratio of 1:0.6, and the quantity granted was changed from 1,000 thousand shares to 600 thousand shares.

Note 7: After the benchmark date for self-capital increase, certain employees are eligible to acquire 50% of the shares upon completing six months of service, and 100% upon completing one year of service.

Note 8: After the benchmark date for self-capital increase, certain employees are eligible to acquire 33% of the shares upon completing six months of service, 67% after completing years of service, and 100% after completing twelve months of service.

Note 9: According to the relevant regulations of the stock option plan, employees may exercise 100% of their options two days after the grant date. Upon exercise, the stock options shall be settled through the issuance of new shares.

Note 10: Employees who remain employed and meet the performance conditions for two and three years from the grant date of the restricted stocks are entitled to vest in 60% and 40% of the granted shares, respectively.

B. Details of the share-based payment are as follows:

(a) Alcor:

	Years ended December 31,	
	2025	2024
	Number (in thousands)	Number (in thousands)
Beginning balance of restricted stocks	86	298
Stocks vested	(43)	(62)
Stocks expired	-	(150)
Ending balance of restricted stocks	43	86

(b) Alcorlink (had been converted to AlgolTek's restricted stocks):

	Years ended December 31,	
	2025	2024
	Number (in thousands)	Number (in thousands)
Beginning balance of restricted stocks	156	336
Stocks vested	(117)	(123)
Stocks expired	(39)	(57)
Ending balance of restricted stocks	-	156

The above stock options had been converted from Alcorlink's shares into AlgolTek's shares at a ratio of 1:0.6.

(c) Syncomm:

	Years ended December 31,	
	2025	2024
	Number (in thousands)	Number (in thousands)
Beginning balance of restricted stocks	455	790
Stocks vested	(340)	-
Stocks retired	(21)	(335)
Ending balance of restricted stocks	94	455

(d) ENE:

	Years ended December 31,	
	2025	2024
	Number (in thousands)	Number (in thousands)
Beginning balance of employee stock option plan	467	748
Stock option granted	(467)	(281)
Stock option vested	-	-
Ending balance of employee stock option plan	-	467

(e) InPsytech:

	Years ended December 31,	
	2025	2024
	Number (in thousands)	Number (in thousands)
Beginning balance of employee stock option plan	-	-
Stock option granted	350	-
Stock option vested	(350)	-
Ending balance of employee stock option plan	-	-

(f) Transducer Star:

	Years ended December 31,	
	2025	2024
	Number (in thousands)	Number (in thousands)
Beginning balance of employee stock option plan	-	-
Stock option granted	500	-
Stock option vested	(500)	
Ending balance of employee stock option plan	-	-

C. The fair value of restricted stocks to employees, treasury shares transferred to employees and employee stock options is measured using the Black-Scholes model. Relevant input information is as follows:

Issuing entity	Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (Note 1)	Expected option life	Expected dividend rate	Risk-free interest rate	Fair value
Alcor	Employee subscription reserved for cash capital increase	2025.02.25	116.5	90.00	61.35%	0.041year	-	1.22%	26.63
"	Restricted stocks to employees	2023.03.20	34.85	0.00		Note 2			34.85
"	"	2022.01.03	60.50	0.00		Note 2			60.50
ENE	Employee stock option plan	2025.11.24	27.20	23.00	47.10% and 52.17%, respectively.	3.50 year and 4.00 year respectively.	-	1.1867% and 1.2107%, respectively.	11.20 and 12.65, respectively.
	Restricted stocks to employees "	2022.05.10	40.25	0.00		Note 3			40.25
"	"	2022.03.16	41.50	0.00		Note 3			41.50
Syncomm	"	2023.02.01	22.62	0.00		Note 2			22.62
"	"	2022.03.17	25.49	0.00		Note 2			25.49
Alcorlink	"	2021.11.05	34.70	0.00		Note 2			31.41~ 33.60
Syncomm	Employee subscription reserved for cash capital increase	2024.06.18	42.43	33.5	32.64%	0.02 year	-	1.32%	8.94
JOINT POWER	"	2025.01.14	8.32	9.00	32.67%	0.01 year	0%	0.74%	0.00
"	"	2024.01.23	3.23	8.00	38.93%	0.02 year	0%	0.71%	0.00
Transducer Star.	Employee stock options	2024.10.01	10.00	10.00	31.14%	Note 4	0%	0.41%	Note 4
InPsytech, Inc.	"	2025.06.20	897	500.00 (Note 5)	56.16%	1 year	0%	1.32%	448.7

Note 1: Expected price volatility rate was estimated by using the average price volatility of similar listed entities within the appropriate period and the historical common stock price volatility within a year from the date of the Company's assessment.

Note 2: The restricted stocks were issued at a price of NT$0 (in dollars) (i.e. without consideration) with a par value of $10 (in dollars) per share and measured at fair value based on the closing price on the grant date and taking into account restrictions on dividend collection.

Note 3: The restricted stocks were issued at a price of NT$0 (in dollars) (i.e. without consideration) with a par value of $10 (in dollars) per share and measured at fair value based on the closing price on the grant date.

Note 4: The employee stock options were issued at par value of NT$10 per share, the issuance price was NT$10 per share, and the fair value was measured at the latest price of cash capital increase of Transducer Star.

Note 5: The employee stock options were issued at par value of NT$10 per share, the issuance price was NT$500 per share, and the fair value was measured based on the book value per share on the grant date.

C. Compensation cost that the Group recognised for the abovementioned share-based payment transactions for the Years ended December 31, 2025 and 2024 amounted to $182,099 and $18,888, respectively.

(17) Other Current Liabilities – Others

	December 31,	
	2025	2025
Provisions	$ 40,215	$ 30,725
Others	24,514	10,477
	$ 64,729	$ 41,202

	2025	2024
Beginning balance of Provisions	$ 30,725	$ 27,656
Changes in Provisions	9,490	3,069
Ending balance of Provisions	$ 40,215	$ 30,725

The Group's subsidiary, ENE, entered into a long-term contract with certain suppliers, where the minimum production amount or quantity to be commissioned was provided in the contract. Management assessed that compensation may be paid for the related losses if the minimum production amount was not met, and thus a provision was recognised. The provision is recognised in profit or loss in the current period.

(18) Share capital

A. As of December 31, 2025, the Company's authorised capital was $2,000,000, consisting of 200,000 thousand shares of common stock, and the paid-in capital was $912,508 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

B. To meet the operational development needs, the stockholders at their annual stockholders' meeting on June 25, 2024 adopted a resolution to raise additional cash through private placement with the effective date set on November 8, 2024. The maximum number of shares to be issued through the private placement is 10,000 thousand shares at a subscription price of $168 (in dollars) per share. The amount of capital raised through the private placement was $481,823 which had been registered. Pursuant to the Securities and Exchange Act, the ordinary shares raised through the private placement are subject to certain transfer restrictions and cannot be listed on the stock exchange until three years after they have been issued and have been offered publicly. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued ordinary shares.

C. On July 31, 2024, the Company exchanged shares with InPsytech, completing the acquisition with cash as well as with the issuance of new shares as consideration. After completing the share exchange, the Company's share capital will increase by $141,110 and the registration was completed. Please refer to Note 6(33) for details regarding business combination.

(19) Capital surplus

	December 31,	
	2025	2024
Share premium	$ 4,936,992	$ 4,936,992
Difference between consideration and carrying amount of subsidiaries acquired or disposed	2,583,658	-
Changes in ownership interests in subsidiaries	18,139	-
	$ 7,538,789	$ 4,936,992

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid- in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(20) Retained earnings

A. The current year's earnings, if any, shall first be used to pay all taxes and offset accumulated operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. After that, a special reserve shall be set aside or reverse in accordance with the related laws or regulations made by the regulatory authority. The remainder along with the opening balance of unappropriated earnings shall be proposed by the board of directors and submitted to the shareholders during their meeting for resolution when they are distributed in the form of new shares; and resolved by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors then reported to the shareholders during their meeting according to

Paragraph 5 of Article 240 of the Company Act when they are distributed in the form of cash.

B. The Company's dividend policy is adopted by taking into consideration for current and future development plans, investment environment, capital needs, domestic and foreign competitors, shareholders' interests and the general standards of dividend distribution in the industry and capital market. The dividends to shareholders can be distributed in the form of cash or shares and cash dividends shall account for at least 20% of the total dividends distributed.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve for the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The appropriations of 2024 and 2023 earnings as resolved by the shareholders at their meeting on June 25, 2025 and June 27, 2024 respectively, which are as follows:

	Years ended December 31,			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Appropriate (reversal) of special reserve	$ 130,131	-	$ (384,039)	-

F. The Company has accumulated deficits as of the year ended December 31, 2025, the Board of Directors resolved on March 16, 2026 not to distribute any dividends.

(21) Other equity interest

	Currency translation		Unrealised (losses) gains on valuation		Total	
At January 1, 2025	$	3,800	$	(637,629)	$	(633,829)
Currency translation differences						
- Group		3,511		-		3,511
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income						
- Group		-		(359,164)		(359,164)
- Associates		-		(1,106)		(1,106)
- Reclassifications of disposal of investments accounted for other comprehensive income to retained earning		-		(54,626)		(54,626)
Unrealised gains from investments in debt instruments measured at fair value through other comprehensive income						
- Group		-		247		247
At December 31, 2025	$	7,311	$	(1,052,278)	$	(1,044,967)

	Currency translation	Unrealised (losses) gains on valuation	Total
At January 1, 2024	$ 474	$ (474,164)	$ (473,690)
Currency translation differences			
- Group	728	-	728
- Associates	2,598	-	2,598
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income			
- Group	-	(110,439)	(110,439)
- Associates	-	355	355
- Reclassifications of disposal of investments accounted for other comprehensive loss to retained earning	-	(53,243)	(53,243)
Unrealised gains from investments in debt instruments measured at fair value through other comprehensive income			
- Group	-	(138)	(138)
At December 31, 2024	$ 3,800	$ (637,629)	$ (633,829)

(22) Operating revenue

A. The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major geographical regions:

	Year ended December 31, 2025		
	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Major geographical regions:			
Taiwan	$ 170,450	$ 833,517	$ 1,003,967
Asia	2,289,393	1,916,578	4,205,971
America	78,896	787	79,683
Others	-	37,878	37,878
	$ 2,538,739	$ 2,788,760	$ 5,327,499

	Year ended December 31, 2024		
	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Major geographical regions:			
Taiwan	$ 243,104	$ 675,105	$ 918,209
Asia	2,373,092	1,503,041	3,876,133
America	-	609	609
Others	-	49	49
	$ 2,616,196	$ 2,178,804	$ 4,795,000

	Year ended December 31, 2025		
	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Major product/service lines:			
Sales revenue	$ 2,008,761	$ 2,660,269	$ 4,669,030
Service revenue	27,024	125,124	152,148
Licensing revenue	502,954	3,367	506,321
	$ 2,538,739	$ 2,778,760	$ 5,327,499

	Year ended December 31, 2024		
	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Major product/service lines:			
Sales revenue	$ 2,159,342	$ 2,093,075	$ 4,252,417
Service revenue	56,550	77,344	133,894
Licensing revenue	400,304	8,385	408,689
	$ 2,616,196	$ 2,178,804	$ 4,795,000

B. The Group has recognised the revenue-related contract liabilities - advance receipts amounting to $1,827,638, $257,984 and $46,234 on December 31, 2025, December 31, 2024 and January 1, 2024, respectively.

C. The revenue recognised that was included in the contract liability balance as of December 31, 2025 and 2024 were $188,145 and $53,366 respectively.

D. Assets recognised from costs to fulfil a contract

The Group entered into entrusted design service contracts with customers. Costs incurred should be recognised in assets and accounted as other current assets in the balance sheet under IFRS 15 if they generate resources used in satisfying the contract and are expected to be recovered. As of December 31, 2025 and 2024, the balance was $146,582 and $40,993, respectively.

(23) Interest income

	Years ended December 31,	
	2025	2024
Interest income from bank deposits	$ 43,959	$ 44,788
Other interest income	24,435	25,285
	$ 68,394	$ 70,073

(24) Other gains and losses

	Years ended December 31,	
	2025	2024
Gains(losses) on financial assets at fair value through profit or loss	$ 133,862	$ (24,484)
Disposal of property, plant and equipment	(453)	(266)
Foreign exchange gains(losses)	(61,348)	67,410
Gains from lease modifications	199	2,700
Gains or losses on disposal of investments	4,221	708
Impairment losses on prepayments (Note 1)	-	(77,599)
Impairment loss on intangible assets	(112,521)	(1,835)
Impairment loss on investments accounted for using equity method (Note 2)	(229,595)	(116,917)
Other gains or losses	(27,774)	3,003
	$ (293,409)	$ (147,280)

Note 1: The Group prepaid the related design fee to the entrusted design suppliers in accordance with the agreement in prior years. Since the suppliers did not complete the related development according to the agreement, and although they proposed an alternative plan to substitute the original one, it did not meet the Group’s future strategic development. Therefore, the prepayment to the suppliers had been reclassified as loss.

Note 2: For information regarding the impairment loss on investments accounted for using the equity method, please refer to Note 6(7).

(25) Finance costs

	Years ended December 31,	
	2025	2024
Interest expense on bank borrowings	$ 102,011	$ 110,451
Lease liability	5,001	4,610
Interest expense on bonds payable	6,597	1,365
Other interest expense	58,910	6,203
	$ 172,519	$ 122,629

(26) Other income

	Years ended December 31,	
	2025	2024
Dividend income	$ 45,304	$ 52,353
Rental income	8,737	5,638
Others	50,522	20,825
	$ 104,563	$ 78,816

(27) Expenses by nature

	Year ended December 31, 2025		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 8,509	$ 1,230,517	$ 1,239,026
Share-based payments	136	181,963	182,099
Directors' remuneration	-	22,267	22,267
Labour and health insurance fee	660	85,851	86,511
Pension costs	413	59,724	60,137
Other personnel expenses	323	45,752	46,075
	$ 10,041	$ 1,626,074	$ 1,636,115
Depreciation charges	$ 17,658	$ 177,943	$ 195,601
Amortisation charges	$ 6	$ 1,002,611	$ 1,002,617

	Year ended December 31, 2024		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 9,098	$ 1,233,043	$ 1,242,141
Share-based payments	169	18,719	18,888
Labour and health insurance fee	628	77,702	78,330
Pension costs	382	51,048	51,430
Other personnel expenses	265	42,340	42,605
	$ 10,542	$ 1,422,852	$ 1,433,394
Depreciation charges	$ 24,915	$ 162,998	$ 187,913
Amortisation charges	$ 119	$ 717,436	$ 717,555

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 5% for employees' compensation and shall not be higher than 1% for directors' remuneration. However, if the Company has accumulated losses, earnings should be reserved to cover losses first. The aforementioned employees' compensation can be distributed in the form of shares or cash. The employees that the Company shall distribute employees' compensation include the employees of subsidiaries who meet the requirements prescribed by the Board of Directors. The directors' remuneration can only be distributed in the form of cash.

B. For the Years ended December 31, 2025 and 2024, the Company incurred loss before tax and thus did not accrue and distribute employees' compensation and directors' remuneration.

C. In accordance with the Articles of Incorporation, on March 20, 2025 and March 12, 2024, the Board of Directors resolved not to distribute directors' remuneration and employees' compensation due to the loss for the Years ended December 31, 2024 and December 31, 2023 respectively.

D. Information about directors' remuneration and employees' compensation of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2025	2024
Current tax:		
Current tax on profit for the period	$ 260,385	$ 62,238
Additional tax on unappropriated earnings	2,326	5,164
Investment tax credits utilized	(12,543)	-
Current withholding tax on foreign profits for the period	2,093	-
Prior year income tax (over) estimation	(17,703)	(2,934)
Total current tax	234,558	64,468
Deferred tax:		
Origination and reversal of temporary differences	(88,282)	(126,312)
Total deferred tax	(88,282)	(126,312)
Income tax expense (benefit)	$ 146,276	$ (61,844)

The income tax relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2025	2024
Disposal of financial assets at fair value through other comprehensive income	$ (1,641)	$ (355)

(b) Reconciliation of income tax expense and accounting profit

	Years ended December 31,	
	2025	2024
Income tax benefit calculated at the statutory rate on loss before tax	$ (367,800)	$ (279,920)
Non-deductible expenses	625,707	166,969
Tax-exempt income under tax laws	(534,659)	(8,608)
Impact of temporary differences unrecognized as deferred tax assets and liabilities	44,485	(386)
Impact of tax losses unrecognized as deferred tax assets	251,634	225,364
Tax effect of investment tax credits	(12,543)	-
Changes in assessment of realizability of deferred tax assets	(86,700)	(94,574)
Impact of differences in the timing of realization of deferred tax liabilities	-	(83,447)
Overestimation of income tax for prior years	(17,703)	(2,934)
Tax effect of Alternative Minimum Tax	212,524	520
Surtax on undistributed earnings	2,326	5,164
Others	29,005	10,008
Income tax benefit	$ 146,276	$ (61,844)

(c) The movements in deferred tax assets and liabilities (prior to offsetting within the same tax jurisdiction) during the period are as follows:

	2025				
	January 1	Recognized in profit or loss	Recognized in Other Comprehensive income	Arising from business combinations	December 31
Temporary differences：					
Allowance for inventory valuation losses	$ 135,931	$ (22,805)	$ -	$ -	$ 113,126
Gain(loss) on valuation of financial assets	(25,636)	11,356	-	-	(14,280)
Unrealized foreign exchange gains	(5,500)	2,838			(2,662)
Unrealized foreign exchange losses	5,696	3,269	-	-	8,965
Amortization of assets acquired at a premium	(618,623)	88,642	-	(29,939)	(559,920)
Others	(12,752)	5,714	1,641	-	(5,397)
Tax losses	170,269	(732)	-	-	169,537
		$ 88,282	$ 1,641	$ (29,939)	
Net deferred tax assets(liabilities)	$ (350,615)				$ (290,631)
Information expressed in balance sheet is as follows:					
Deferred tax assets	$ 322,485				$ 309,063
Deferred tax liabilities	$ (683,100)				$ (599,694)

	2024				
	January 1	Recognized in profit or loss	Recognized in Other Comprehensive income	Arising from business combinations	December 31
Temporary differences：					
Allowance for inventory valuation losses	$ 143,595	$ (7,664)	$ -	$ -	$ 135,931
Gain(loss) on valuation of financial assets	(14,887)	(10.749)	-	-	(25,636)
Unrealized foreign exchange gains	(231)	(3,566)		(1,703)	(5,500)
Unrealized foreign exchange losses	7,651	(2,032)	-	77	5,696
Amortization of assets acquired at a premium	(148,068)	153,443	-	(623,998)	(618,623)
Others	875	(13,611)	-	(16)	(12,752)
Tax losses	159,778	10,491	-	-	170,269
		$ 126,312	$ -	$ (625,640)	
Net deferred tax assets(liabilities)	$ 148,713				$ (350,615)
Information expressed in balance sheet is as follows:					
Deferred tax assets	$ 345,163				$ 322,485
Deferred tax liabilities	$ (196,450)				$ (683,100)

(d) The expiration years and the amounts of unrecognized deferred tax assets related to the Company's unused tax losses are as follows:

December 31, 2025				
Occurrence year	Assessed amount	Unutilized amount	Unrecognised deferred tax assets	Last year of deduction
2025	$ 830,837	$ 830,837	$ 166,167	2035
2024	436,405	436,405	87,281	2034
2023	338,813	338,813	67,763	2033
2022	417,961	417,961	-	2032
2021	240,397	240,397	-	2031

December 31, 2024				
Occurrence year	Assessed amount	Unutilized amount	Unrecognised deferred tax assets	Last year of deduction
2024	$ 529,445	$ 529,445	$ 105,889	2034
2023	362,271	362,271	72,454	2033
2022	455,387	455,387	-	2032
2021	240,397	240,397	-	2031

(e) The expiration years and the amounts of unrecognized deferred tax assets related to the Company's subsidiaries unused tax losses are as follows:

December 31, 2025				
Entity	Occurrence year	Filed amount / Assessed amount	Unutilized amount	Unrecognized deferred tax assets
Luxsentek	2020-2023	$ 164,779	$ 164,779	$ 32,956
VASUBI	2022-2025	57,444	57,444	11,489
NUI	2022-2025	68,489	68,489	13,697
Taurus Wireless	2022-2025	85,808	85,808	17,162
Transducer Star	2022-2025	71,814	71,814	14,363
TempoVision	2024-2025	87,406	87,406	17,481
Alcor	2020-2025	620,773	585,210	99,574
Syncomm	2015-2025	167,021	113,801	17,995
ENE	2014-2020	693,714	477,175	95,435
AlgolTek	2023-2025	756,214	756,214	151,243
Egis Vision	2023-2024	138,110	138,110	27,622
Kiwi	2018-2025	234,480	234,480	46,896
Joint Power	2015-2025	202,771	189,093	37,819

December 31, 2024				
Entity	Occurrence year	Filed amount / Assessed amount	Unutilized amount	Unrecognized deferred tax assets
Luxsentek	2020-2024	$ 166,592	$ 166,592	$ 33,318
VASUBI	2022-2024	43,565	43,565	8,713
NUI	2022-2024	67,760	67,760	13,552
Taurus Wireless	2022-2024	75,731	75,731	15,416
Transducer Star	2022-2024	48,312	48,312	9,662
TempoVision	2024	27,036	27,036	5,407
Alcor	2020-2024	392,458	356,895	53,911
Syncomm	2015-2023	163,332	155,294	26,660
ENE	2014-2020	693,444	568,895	113,779
AlgolTek	2023-2024	343,925	343,925	68,785
Alcorlink	2023	16,250	16,250	3,250
Egis Vision	2023-2024	139,002	139,002	27,800

(f) As of December 31, 2025 and 2024, the unrecognized deferred tax assets of the Company and its domestic subsidiaries, excluding those related to tax losses, amounted to $3,647 and $10,970, respectively.

B. The assessment of income tax returns

As of 31 December 2025, the assessment of the income tax returns of the Company is as follows:

	Assessed and approved status
EGIS TECHNOLOGY INC.	Assessed and approved through 2023

(29) Loss per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	$ (1,597,932)	91,250	$ (17.51)

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	$ (1,024,749)	80,632	$ (12.71)

Note: Since the Company incurred net losses for the Years ended December 31, 2025 and 2024, the potential ordinary shares would have an anti-dilutive effect. Therefore, the calculation of diluted loss per share is the same as the calculation of basic loss per share.

(30) Non-controlling interest

	2025	2024
At January 1	$ 3,907,970	$ 4,629,327
Share attributable to non-controlling interest:		
Loss for the period	(660,651)	(358,558)
Currency translation differences	(1,447)	3,575
Unrealised gains (losses) on valuation of financial assets measured at fair value through other comprehensive income		
-Equity instrument	(41,931)	(68,135)
-Debt instrument	967	(12,352)
Remeasurements of defined benefit plans	479	-
Cash capital increase	779,707	-
Share-based payment transactions	175,000	-
Changes in ownership interests in subsidiaries (Note)	25,524	-
Increase (decrease) in non-controlling interests (Note)	2,186,522	(179,318)
Distribution of earnings for non-controlling interests	(76,095)	(106,569)
At December 31	$ 6,296,045	$ 3,907,970

Note: The increase in non-controlling interests primarily resulted from Egis Vision's acquisition of Kiwi and the phase reduction in InPsytech's shareholding. Furthermore, as some shareholders did not participate proportionally in the capital increases of Kiwi, Alcor, and TempoVision, the portion attributable to the non-controlling interests decreased accordingly.

(31) Supplemental cash flow information

A. Investing activities with partial cash payments

	Years ended December 31,	
	2025	2024
Purchase of property, plant and equipment	$ 92,542	$ 136,011
Add: Opening balance of payable on equipment	6,358	9,141
Ending balance of prepayments	-	13,951
Less: Opening balance of prepayments	(13,951)	(959)
Ending balance of payable on equipment	(14,177)	(6,358)
Cash paid during the period	$ 70,772	$ 151,786

	Years ended December 31,	
	2025	2024
Purchase of Intangible asset	$ 228,283	$ 1,491,553
Add: Opening balance of payable on equipment (Note)	995,132	223,920
Ending balance of prepayments	71,530	32,749
Less: Opening balance of prepayments	(32,749)	(39,518)
Ending balance of payable on equipment	(43,539)	(995,132)
Cash paid during the period	$ 1,218,657	$ 713,572

Note: Excluding other payables related to the acquisition of Fingerprint Cards AB mobile business.

Investing activities with partial cash settlement:

	Years ended December 31, 2025	Years ended December 31, 2024
Disposal of financial assets at fair value through other comprehensive income	$ 161,888	$ 119,823
Add: Opening balance of receivable on financial asset	4,571	933
Less: Ending balance of receivable on financial asset	(23,097)	(4,571)
Cash received during the period	$ 143,362	$ 116,185

(32) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (Including current portion)	Lease liabilities	Convertible Bonds Payable
At January 1, 2025	$ 1,511,493	$ 3,160,000	$ 167,840	$ 283,315
Changes in cash flow from financing activities	(386,078)	(2,754,629)	(82,027)	-
Changes in acquisition of subsidiaries	-	-	67,666	-
Changes in other non-cash items	(7,665)	-	(1,941)	6,597
At December 31, 2025	$ 1,117,750	$ 405,371	$ 151,538	$ 289,912

	Short-term borrowings	Long-term borrowings (Including current portion)	Lease liabilities	Convertible Bonds Payable
At January 1, 2024	$ 1,354,000	$ 1,273,700	$ $ 255,320	$ -
Changes in cash flow from financing activities	157,493	1,886,300	(82,895)	300,350
Changes in acquisition of subsidiaries	-	-	6,036	-
Changes in other non-cash items	-	-	(10,621)	(17,035)
At December 31, 2024	$ 1,511,493	$ 3,160,000	$ 167,840	$ 283,315

(33) Business combinations

A. On January 15, 2025, the Group acquired a 25.55% equity interest of Kiwi Technology Inc. through a share exchange. This acquisition positions Egis Vision Inc. as the largest single shareholder of Kiwi Technology Inc., allowing it to secure majority votes in the shareholders' meetings of companies and has substantial control over Kiwi Technology Inc., Therefore the subsidiary is included in the consolidated financial statements.

(a) The following table summarises the fair values of the assets acquired and liabilities assumed from the combination of Kiwi Technology Inc. at the acquisition date, as well as the non- controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

	January 15, 2025
Purchase consideration	
Equity Instruments	$ 294,664
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	199,523
	494,187
Fair value of the identifiable assets acquired and liabilities assumed	
Current assets	83,667
Financial assets measured at fair value through profit or loss - non-current	42,817
Property, plant and equipment	1,609
Right-of-use assets	64,870
Intangible assets - computer software	212
Intangible assets - specialized technology	149,695
Other non-current assets	6,060
Current liabilities	(84,019)
Non-current liabilities	(2,707)
Deferred tax liabilities	(29,939)
Total identifiable net assets	232,265
Goodwill	$ 261,922

(b) From the date of acquisition of Kiwi Technology Inc. on January 15, 2025, the operating revenue and net loss before tax contributed by Kiwi Technology Inc. were $60,720 and $(93,203), respectively. Had Kiwi Technology Inc. been consolidated from January 1, 2025, the Group's operating revenue and net loss before tax would have been $5,327,900 and $(2,104,976), respectively.

(c) The identifiable intangible assets acquired by the Group were adjusted based on the preliminary fair value of $149,965 from the initial purchase price allocation (PPA) report issued by experts as of December 31, 2025, however, the valuation of such assets is still subject to final determination. Any subsequent adjustments to the purchase price allocation will be made by adjusting the amount of goodwill.

B. In order to expand the business of technology development on the intellectual property of silicon, the Group acquired 100% equity interest in InPsytech in cash and equity securities amounting to $2,639,981 and $3,393,696 on July 31, 2024, respectively, and obtained control over InPsytech.

(a) The following table summarises the fair values of the assets acquired and liabilities assumed from the combination of InPsytech, Inc. at the acquisition date:

		July 31, 2024
Purchase consideration		
Cash	$	2,639,981
Equity instruments		3,393,696
		6,033,677
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		637,326
Accounts receivable, net		7,917
Current Income Tax Assets		27,655
Prepayments		4,544
Property, plant and equipment		8,376
Right-of-use assets		4,814
Deferred tax assets		4,517
Refundable deposit		1,097
Intangible assets		3,119,231
Other payable		(19,402)
Other current liabilities		(301)
Contract liabilities		(335,548)
Lease liability		(4,873)
Deferred tax liabilities		(631,365)
Total identifiable net assets		2,823,988
Goodwill	$	3,209,689

The Group has engaged in independent valuation of net assets held by InPsytech, Inc. The assessment of the aforementioned assets has been completed.

(b) The Group acquired InPsytech on July 31, 2024. The operating revenue and income before tax contributed by InPsytech amounted to $400,304 and $331,157 over the same period. Had InPsytech been consolidated on January 1, 2024, the operating revenue and loss before income tax would have amounted to $4,798,879 and $(1,599,069) for the year ended December 31, 2024.

(c) The fair value totalling $3,393,696 of the 14,111 thousand ordinary shares issued as part of the consideration paid to acquire InPsytech was based on the ordinary share price on July 31, 2024.

C. On January 2, 2024, the subsidiary of the Group, AlgolTek, acquired 40.43% equity interest in Joint Power Exponent, Ltd. (Joint Power Exponent) at $51,000 in cash, obtained two seats and the effective agreements between other shareholders out of five seats in the board of directors and obtained control over Joint Power Exponent to diversify its business and maximize operational performance.

(a) The following table summarises the fair values of the assets acquired and liabilities assumed from the combination of Joint Power Exponent at the acquisition date, as well as the non- controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date. The purchase price allocation of Joint Power Exponent was completed in the fourth quarter of 2024:

	January 2, 2024
Purchase consideration	
Cash	$ 51,000
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	11,659
	62,659
Fair value of the identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	7,706
Accounts receivable, net	2,117
Inventory	7,688
Prepayments	3,054
Right-of-use assets	6,134
Property, plant and equipment	862
Intangible assets	1,001
Other non-current assets	200
Accounts payable	(646)
Other payables	(2,267)
Lease liability	(6,134)

	January 2, 2024
Other current liabilities	(144)
Total identifiable net assets	19,571
Goodwill	$ 43,088

(b) At the end of 2024, the Group completed the fair value remeasurement of Joint Power Exponent and its subsidiaries as of the acquisition date. Intangible assets were adjusted upward by $794 thousand, other assets were adjusted downward by $62 thousand, and other liabilities were adjusted upward by $55 thousand, resulting in a final decrease in goodwill of $274 thousand.

(c) The Group acquired Joint Power Exponent on January 2, 2024. The operating revenue and income before tax contributed by Joint Power Exponent amounted to $4,549 and $(42,630) over the same period. Had Joint Power Exponent been consolidated on January 1, 2024, the operating revenue and loss before income tax would have amounted to $4,795,000 and $(211,054) for the year ended December 31, 2024.

D. In order to expand the business of biometric sensor chip development, the Group acquired the mobile division of Fingerprint Cards AB (hereinafter referred to as FPC) on August 15, 2025.

(a) The following table summarises the fair values of the assets acquired, liabilities assumed and consideration paid for FPC on the acquisition date:

	August 15, 2025
Purchase consideration	$ 122,560
Fair value of the identifiable assets acquired and liabilities assumed	
Intangible assets	81,439
Total identifiable net assets	81,439
Goodwill	$ 41,121

Intangible assets refer to specialized technology and are amortized over their respective periods of expected future economic benefits. The acquisition consideration amounted to USD 4 million, approximately equivalent to NT$122,560 thousand. The consideration was fully paid during the year ended December 31, 2025. The amount of goodwill is provisional and subject to finalization upon completion of the purchase price allocation.

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Mr. SEN-CHOU LO	The president of the Company
Mr. CHUN-KAI CHAN	General Manager of Transducer Star, a subsidiary of the Group
iCatch Technology Inc. (iCatchTek)	Associate - investee company accounted for using the equity method
Terawins, Inc. (Terawins)	Associate - investee company accounted for using the equity method (Note 2)
SCT Holdings Ltd. and its subsidiaries (SCT Ltd.)	Associate - investee company accounted for using the equity method
May Sun Technology Co., Ltd. (May Sun)	Other related party (Note 1)
Gear Radio Electronics Corp. (Gear)	Other related party
Gear Radio Limited. (Gear Radio)	Other related party

Note 1: The representative of May Sun was formerly the chief technology officer of the Company but resigned from the Company on March 12, 2024.

Note 2: In March, 2025, the Group disposed a portion of common stock in Terawins, reducing its ownership percentage to 9.88%. After assessment, it was determined that the Group no longer has significant influence over Terawins. On May 21, 2025, Terawins re-elected its board of directors and since the Group did not secure any board seats, Terawins is no longer considered a related party of the Group.

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2025	2024
Sales of services:		
iCatchTek	$ 25,519	$ 8,155
Terawins	833	3,113
	$ 26,352	$ 11,268

The sales of services by the Group to related parties mainly pertain to technical service revenue and licensing revenue. The transaction prices were negotiated by both parties and the collection terms were the same as those of non-related parties.

B. Technical service expenditures

	Years ended December 31,	
	2025	2024
Technology licensing:		
May Sun	$ -	$ 1,600
Purchases of services:		
Terawins	482	682
iCatchTek	-	2,919
	$ 482	$ 5,201

For the purchases of services and technology licensing from related parties, the transaction prices were negotiated by both parties and the payment term was 30 days.

C. R&D expenses

	Years ended December 31,	
	2025	2024
Gear	$ -	$ 967

D. Accounts receivable due from related parties

	December 31,	
	2025	2024
Accounts receivable:		
Terawins (Note)	$ -	$ 734
iCatchTek	15,511	-
Other receivables:		
SCT Ltd.	-	2,807
	$ 15,511	$ 3,541

Note: The receivables from the related party have been secured by a time deposit certificate of $3,000 provided by Terawins.

Receivables from related parties mainly arose from the rendering of services and the purchase of inventories on behalf of associates, which are unsecured and non-interest bearing. Additionally, the Group recognized an impairment loss of $2,705 on receivables from related parties for the current year.

E. Prepayments

	December 31, 2025	December 31, 2024
Gear		
Other non-current assets (prepayments on intangible assets)	$ 35,036	$ 16,159
Prepayments	2,374	-
	$ 37,410	$ 16,159

F. Account Payables to related parties

	December 31, 2025	December 31, 2024
Accounts payable		
iCatchTek	$ -	$ 3,098

G. Other payables

Other Payables - Related Parties:

	December 31, 2025	December 31, 2024
SEN-CHOU LO	$ 11,346	$ 11,341
Terawins	-	365
Gear	405	-
	$ 11,751	$ 11,706

Other non-current liabilities:

	December 31, 2025	December 31, 2024
SEN-CHOU LO	$ -	$ 11,102

The other payables to related parties arise mainly from the transaction for acquisition of subsidiaries' equity interest.

H. Receipt in advance (shown as 'other current liabilities')

	December 31, 2025	December 31, 2024
iCatchTek	$ -	$ 10,771

I. Loans from related party

Ending balance:

	December 31,	
	2025	2024
SEN-CHOU LO	$ 36,096	$ 34,693
CHUN-KAI CHAN	-	1,502
	$ 36,096	$ 36,195

Interest expense:

	Years ended December 31,	
	2025	2024
SEN-CHOU LO	$ 344	$ 458
CHUN-KAI CHAN	-	2
	344	460

The primary purpose is to borrow funds for use as working capital.

J. Equity acquisition transaction

On August 25, 2025, the Group acquired convertible bonds from GEAR RADIO for US1,500 thousand. On September 1, 2025, the Group converted these bonds at a conversion price of US0.5 per share, obtaining 973 thousand common shares and 2,027 thousand preferred shares for transaction amounts of $14,894 and $31,029, respectively. After the conversion, the Group held a 10.08% equity interest in the company.

On December 31, 2024, the Group purchased 101 thousand shares of StarRiver Semiconductor Corp. from SEN-CHOU LO at a price of NT$234 per share, with a total transaction amount of $23,644.

K. Unrecognised contract commitments

The Group entered into contracts for the licensing of intangible assets with Gear. As of December 31, 2025, the licensing costs contracted but not yet paid was US$1,100 thousand.

(3) Key management compensation

	Years ended December 31,	
	2025	2024
Short-term employee benefits	$ 143,110	$ 96,203
Post-employment benefits	3,870	1,402
Termination benefits	1,045	363
Share-based payments	23,270	2,197
	$ 171,295	$ 100,165

8. Pledged Assets

The Group’s assets pledged as collateral are as follows:

	Carrying amount		
	December 31,		
Pledged asset	2025	2024	Purpose
Pledged demand deposits （recorded as financial assets measured at amortized cost - current）	$ 17,587	$ 3,249	Note 1 Note 6
Pledged time deposits （recorded as financial assets measured at amortized cost - current）	-	344,243	Note 1
Pledged demand deposits （recorded as financial assets measured at amortized cost – non-current）	-	18,477	Note 4
Pledged time deposits （recorded as Financial assets measured at amortized cost - non-current）	37,021	38,361	Note 2
Financial assets at fair value through profit or loss – non-current	-	66,533	Note 4
Financial assets at fair value through other comprehensive income – non-current	896,852	1,088,705	Note 1 Note 3
Investments accounted for using the equity method	-	1,011,000	Note 4
Stock of subsidiary	357,681	7,004,120	Note 4 Note 5
	$ 1,309,141	$ 9,574,688	

Note 1: Guarantees for bank performance and short-term bank borrowings.
Note 2: Guarantees for custom duties on imported raw materials and purchases of raw materials and supplies.
Note 3: Guarantee for long-term bank borrowings.
Note 4: Guarantee for syndicated borrowings.
Note 5: Guarantee for short-term bank borrowings.
Note 6: Performance guarantee for government R&D subsidies.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

A. In May 2024, the Company received a letter from Lenovo Group Ltd., requesting the Company to share Lenovo Group Ltd.'s litigation costs and settlements in the U.S. patent lawsuit based on the warranty clause in the fingerprint reader supply contract. However, there might be only one lawsuit of Lenovo Group Ltd. related to fingerprint readers, and whether the patent is associated with the fingerprint readers provided by the Company remains to be clarified. On July 1, 2025, the Company formally engaged legal counsel to initiate contact with Lenovo Group Ltd.'s external attorneys. It was agreed that Lenovo Group Ltd. would provide complete information to the Company upon execution of a confidentiality agreement by both parties. On April 22, 2025, the Company submitted its proposed revisions to the confidentiality agreement provided by Lenovo Group Ltd. As of December 31, 2025, Lenovo Group Ltd. had not responded to the proposed revisions.

(2) Commitments

A. A subsidiary of the Group, ENE Technology Inc., entered into contracts for the licensing of software. As of December 31, 2025, the purchases contracted but not yet paid amounted to $45,354.

B. The Group's subsidiary, AlgolTek, signed contracts for the purchase of intangible assets and for commissioning chip and IC component designs. As of December 31, 2025, the contracted but unpaid amount was $6,441.

C. ENE Technology Inc., a subsidiary of the Group, has entered into an investment agreement with Aero-Sense Technology Inc. As of December 31, 2025, the Group has invested $22,760, which is recognized as "financial assets at fair value through profit or loss." The remaining contracted but unpaid investment amount is $67,240.

D. The Group has acquired software and silicon intellectual property licenses from ARM Limited. In accordance with the agreement, royalties must be paid based on future sales. Please refer to Note 6 (10) for details.

E. Refer to Note 7 for unrecognised contracts with related parties.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

A. Equity acquisition

To strengthen strategic industrial cooperation, the Group entered into an agreement with the counterparty on December 18, 2025, to acquire a 70% equity interest in XinPal Semi Sdn. Bhd. for a total consideration of USD $700,000. The acquisition date for this transaction was January 2, 2026. As the Group obtained control over the company, it will be included in the consolidated financial statements. As of the audit report date, the acquiree’s financial statements as of the acquisition date are still being finalized; therefore, the fair values of the identifiable assets and liabilities, as well as the related profit and loss information, are currently unavailable for disclosure.

B. Private placement of common shares

To enrich capital and meet the needs of future development, the Company's Board of Directors approved a private placement of common shares on March 16, 2026. The total number of shares to be issued shall not exceed 10,000 thousand shares. The reference price per share will be determined in accordance with the 'Directions for Public Companies Tendering Private Placements of Securities,' and the issuance price shall not be lower than 80% of the reference price.

To enrich working capital, Algoltek, Inc., a subsidiary of the Group, approved a private placement of common shares at its Board of Directors' meeting on March 10, 2026. The total number of shares to be issued shall not exceed 10,000 thousand shares. The reference price per share will be determined in accordance with the 'Directions for Public Companies Tendering Private Placements of Securities,' and the issuance price shall not be lower than 80% of the reference price.

12. Others

(1) Capital management

The Group plans the fund requirements for future operating capital, research and development expenses, repayment of debt and dividends distribution based on the Group’s characteristics of current operating industry and the Group’s future development, taking into account changes in the external environment so as to safeguard the Group’s ability to continue as a going concern, provide returns for shareholders as well as the benefit of other related parties and maintain an optimal capital structure to enhance shareholders’ value in the long-term.

(2) Financial instruments

A. Financial instruments by category

Refer to the consolidated balance sheets and Note 6 for the amount and information in relation to the Group’s financial assets (financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, cash and cash equivalents, financial assets at amortised cost, accounts receivable (including related parties), other receivables (including related parties) and guarantee deposits paid) and financial liabilities (short-term borrowings, accounts payable, long-term borrowings (including current portion), other payables (including related parties), refund liabilities, guarantee deposits received and lease liabilities).

Financial Assets

	December 31,	
	2025	2024
Financial assets at fair value through profit or loss (Note 1)	$ 1,032,860	$ 743,604
Financial assets at fair value through other comprehensive income (Note 2)	$ 1,701,999	$ 2,197,530
Financial assets at amortized cost		
Cash and cash equivalents	$ 2,647,141	$ 2,205,166
Financial assets at amortized cost (Note 3)	395,288	1,044,771
Accounts receivable (including related parties)	456,785	517,389
Other receivables (including related parties)	13,188	23,202
Refundable deposits	25,985	22,069
Total	$ 3,538,387	$ 3,812,597

Financial Liabilities

	December 31,	
	2025	2024
Financial liabilities at amortized cost		
Short-term borrowings	$ 1,117,750	$ 1,511,493
Accounts payable (including related parties)	266,089	285,590
Long-term borrowings (including current portion)	405,373	3,160,000
Other payables (including related parties)	798,854	1,793,731
Refund liabilities	37,977	32,210
Guarantee deposits received	1,745	1,890
Bonds payable	289,912	283,315
Other non-current liabilities	-	231,808
	$ 2,917,700	$ 7,300,037
Lease liabilities	$ 151,538	$ 167,840

Note 1: Mandatorily measured at fair value through profit or loss.

Note 2: Financial assets at fair value through other comprehensive income – equity and debt instruments (including non-current).

Note 3: Financial assets at amortized cost (including non-current).

B. Financial risk management policies

(1) The Group’s daily operations are exposed to various financial risks, including market risk (comprising foreign exchange risk, interest rate risk, and price risk), credit risk, and liquidity risk. The Group’s overall risk management policy is established based on the economic environment, competitive landscape, and changes in market value. It aims to set market risk management objectives and seeks to minimize potential adverse effects on the Group’s financial position and financial performance, thereby achieving optimized risk positions while maintaining appropriate liquidity and centrally managing all market risks.

(2) Risk management is carried out by the Group’s finance department under policies approved by the Board of Directors. The Group’s finance department works closely with the operating units to identify, evaluate, and hedge financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; the subsidiaries' functional currency: NTD, RMB, KRW and USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2025				
				Sensitivity analysis	
	Foreign currency (in thousands)	Exchange rate	Book value (NT$)	Degree of variation	Effect on profit or loss
Financial assets					
Monetary items					
USD:NTD	$ 42,292	31.43	$ 1,329,237	1%	$ 13,292
RMB:NTD	299	4.50	1,348	1%	14
JPY:NTD	110,440	0.20	22,088	1%	221
Non-monetary items					
USD:NTD	13,105	31.43	411,896		
SEK:NTD	9,018	3.42	30,840		
Effect from net assets of consolidated entities measured at foreign currency					
USD:NTD	1,770	31.43	55,645		
RMB:NTD	5,189	4.50	23,352		
JPY:NTD	35,435	0.20	7,087		
KRW:NTD	389,000	0.02	7,780		
Financial liabilities					
Monetary items					
USD:NTD	14,170	31.43	445,379	1%	4,454
RMB:NTD	6,266	4.50	28,197	1%	282
JPY:NTD	12,928	0.20	2,586	1%	26

	December 31, 2024						
					Sensitivity analysis		
	Foreign currency (in thousands)	Exchange rate	Book value (NT$)		Degree of variation	Effect on profit or loss	
Financial assets							
Monetary items							
USD:NTD	$ 69,550	32.79	$ 2,280,545		1%	$ 22,805	
RMB:NTD	3,167	4.48	14,188		1%	142	
Non-monetary items							
USD:NTD	21,913	32.79	718,527				
SEK:NTD	25,897	2.99	77,433				
Effect from net assets of consolidated entities measured at foreign currency							
USD:NTD	1,766	32.79	57,898				
RMB:NTD	4,110	4.48	18,413				
KRW:NTD	1,323,600	0.02	26,472				
Financial liabilities							
Monetary items							
USD:NTD	12,907	32.79	423,221		1%	4,232	
RMB:NTD	12,446	4.48	55,758		1%	558	

The total exchange gains (losses), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the Years ended December 31, 2025 and 2024, amounted to $(61,348) and $67,410, respectively.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise open-end funds. The prices of equity securities would change due to the change of the future value of investee companies. Additionally, the unlisted equity securities and convertible bonds were held for strategic investment, thus the Company did not actively transact such investments. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, post-tax profit for the Years ended December 31, 2025 and 2024 would have increased/decreased by $25,372 and $12,734, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $83,444 and $108,209 respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

<u>Cash flow and fair value interest rate risk</u>

i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. On December 31, 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in New Taiwan Dollars and US Dollars.

ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

iii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, loss, net of tax for the Years ended December 31, 2025 and 2024 would have increased/decreased by $12,185 and $37,372, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

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

ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a certain grade are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

(i) If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
(ii) If any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low.

iv. If the credit rating grade of an investment target degrades two scales, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The default occurs when the contract payments are past due over 90 days.

vi. The Group classifies customer's accounts receivable in consideration of credit risk on trade. The Group applies the simplified approach using a provision matrix to estimate the expected credit loss.

vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
(ii) The disappearance of an active market for that financial asset because of financial difficulties;
(iii) Default or delinquency in interest or principal repayments;
(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

viii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

ix. The Group used the forward-looking information to adjust historical and timely information to assess the default possibility of accounts receivable, which was insignificant as of December 31, 2025 and 2024.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's covenant compliance and compliance with internal balance sheet ratio targets.

ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non- derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	December 31, 2025	
	Less than a year	Over a year
Non-derivative financial liabilities:		
Short-term borrowings	$ 1,120,366	$ -
Accounts payable	266,089	-
Other payables (including related parties)	798,854	-
Lease liabilities	69,358	98,283
Long-term borrowings (including current portion)	349,873	68,354
Bonds payable	-	300,000

	December 31, 2024	
	Less than a year	Over a year
Non-derivative financial liabilities:		
Short-term borrowings	$ 1,515,030	$ -
Accounts payable	285,590	-
Other payables (including related parties)	1,793,731	-
Lease liabilities	74,767	108,965
Long-term borrowings (including current portion)	2,834,648	430,121
Other non-current liabilities	-	228,817
Bonds payable	-	300,000

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group’s investment in certain beneficiary certificates, certain financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group’s principal-protected products and financial bonds are included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group’s investment in certain beneficiary certificates, hybrid instrument, certain financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is included in Level 3.

B. Financial instruments not measured at fair value:

The carrying amounts of the Group’s financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost, accounts receivable (including related parties), other receivables (including related parties), guarantee deposits paid, accounts payable, short-term borrowings, other payables (including related parties), lease liabilities, long- term borrowings (including current portion) and guarantee deposits received) are approximate to their fair values.

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

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 289,418	$ -	$ 235,998	$ 525,416
Equity instruments	147,615	-	359,829	507,444
Financial assets at fair value through other comprehensive income				
Equity instruments	932,834	-	736,045	1,668,879
Debt instruments	33,120	-	-	33,120
	$ 1,402,987	$ -	$ 1,331,872	2,734,859

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 261,118	$ -	$ 219,705	$ 480,823
Equity instruments	71,761	-	182,914	254,675
Convertible bonds	8,016	-		8,016
Convertible bonds redemption rights	-	90	-	90
Financial assets at fair value through other comprehensive income				
Equity instruments	1,211,464	-	952,712	2,164,176
Debt instruments	33,354	-	-	33,354
	$ 1,585,713	$ 90	$ 1,355,331	$ 2,941,134

D. The methods and assumptions the Group used to measure fair value are as follows:

(a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Stocks	Closed-end fund	Open-end fund	Corporate bond
Market quoted price	Closing price	Closing price	Net asset value	Ex-dividend quoted price

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by reference to counterparty quotes.

(c) If one or more of the significant inputs are not obtained based on observable market data, the financial instruments are included in level 3.

E. The fair value of the Group’s principal guaranteed notes and bank debentures is included in Level 2.

F. For the Years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for the Years ended December 31, 2025 and 2024:

	Years ended December 31,	
	2025	2024
At January 1	$ 1,355,331	$ 1,645,761
Loss recognised in profit or loss	88,631	(81,072)
Loss recognised in other comprehensive income	(195,588)	(95,891)
Acquired during the period	144,578	148,530
Disposed during the period	(84,000)	(69,927)
Proceeds from capital reduction	(23,003)	(29,109)
Transferred to level 3	45,923	(163,925)
Effect of exchange rate changes	-	964
At December 31	$ 1,331,872	$ 1,355,331

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

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

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 526,342	Market comparable companies	Price to book ratio multiple	2.94~18.51%	The higher the multiple and control premium, the higher the fair value.
		Discounted cash flow	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value.
〃	9,120	Market comparable companies	Enterprise value to revenue ratio multiple	79%	The higher the multiple, the higher the fair value.
		Discounted cash flow	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value.
〃	199,813	Most recent non-active market price	Not applicable	Not applicable	Not applicable
	86,955	Discounted cash flow	Discount for lack of	30%	The higher the discount for lack of

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
			marketability		marketability, the lower the fair value.
			Discount for lack of control	34.60%	The higher the discount for lack of control, the lower the fair value.
Venture capital shares	273,644	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value.
Beneficiary Certificate	235,998	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value.

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 556,403	Market comparable companies	Price to book ratio multiple	2.11~44.16%	The higher the multiple and control premium, the higher the fair value.
		Discounted cash flow	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value.
〃	171,287	Most recent non-active market price	Not applicable	Not applicable	Not applicable
	90,175	Discounted cash flow	Discount for lack of marketability	29.86%~30.00%	The higher the discount for lack of marketability, the lower the fair value.
			Discount for lack of control	34.60%	The higher the discount for lack of control, the lower the fair value.
Venture capital shares	317,761	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value.
Beneficiary Certificate	219,705	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value.

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2025			
			Recognised in profit or loss		Recognised in other comprehensive income (loss)	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	$ 2,746	$ (2,746)	$ 2,353	$ (2,353)
Equity instrument	Discount for lack of marketability	±1%	-	-	441	(264)
Equity instrument	Discount for lack of control	±1%	-	-	549	(372)

			December 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income (loss)	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	$ 1,829	$ (1,829)	$ 3,407	$ (3,407)
Equity instrument	Discount for lack of marketability	±1%	-	-	326	(446)
Equity instrument	Discount for lack of control	±1%	-	-	417	(537)

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Refer to Table 1.
B. Provision of endorsements and guarantees to others: None.
C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to Table 2.
D. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Refer to Table 5.
E. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.
F. Significant inter-company transactions during the reporting period: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to Table 3.

(3) Information on investments in Mainland China

A. Basic information: Refer to Table 4.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. Segment Information

(1) General information

The Group has two reportable operating segments: Egis and its subsidiaries are primarily engaged in the research, development, design, sales of biometric application software and hardware and intellectual property licensing of silicon ; and Alcor and its subsidiaries are primarily engaged in the research, development, design and sales of USB control chip and automotive sensor chip, wearable electroacoustic products, multimedia video converter control chip and intelligent power control chip. The chief operating decision-maker of the Group uses overall operating results as the basis of performance assessment and identified that the Group has two reportable operating segments.

Year ended December 31, 2025	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Total segment revenue	$ 2,538,739	$ 2,788,760	$ 5,327,499
Segment loss	$ (1,806,461)	$ (305,846)	$ (2,112,307)

Year ended December 31, 2024	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Total segment revenue	$ 2,616,196	$ 2,178,804	$ 4,795,000
Segment loss	$ (994,993)	$ (450,158)	$ (1,445,151)

(2) Measurement of segment information

A. Segment income (loss) of the Group is measured using the pre-tax operating margin and is used as a basis for performance assessment. The accounting policies and accounting estimates of operating segment are in agreement with the summary of significant accounting policies and the critical accounting estimates and assumptions described in Notes 4 and 5.

B. The external revenue (excluding revenue from transactions of other operating segments in the entities), profit or loss, and financial information reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

C. The amounts provided to the chief operating decision maker with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements.

(3) Geographical information

A. Geographical information on the Group’s operating revenues for the years ended December 31, 2025 and 2024 is disclosed in Note 6(22). Information on non-current assets is set out as follows:

December 31, 2025	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Taiwan	$ 3,217,040	$ 1,775,836	$ 4,992,876
Asia	2,458	-	2,458
	$ 3,219,498	$ 1,775,836	$ 4,995,334

December 31, 2024	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Taiwan	$ 3,597,853	$ 2,327,929	$ 5,925,782
Asia	7,913	-	7,913
	$ 3,605,766	$ 2,327,929	$ 5,933,695

Non-current assets include property, plant and equipment, right-of-use assets and intangible assets (excluding goodwill), and other non-current assets (excluding financial instruments and deferred tax assets).

B. Information about the Group’s major customers for the years ended December 31, 2025 and 2024 is as follows:

	Years ended December 31,			
	2025		2024	
	Revenue	Percentage of the related item	Revenue	Percentage of the related item
Client A	$ 908,117	17%	$ -	-
Client B	610,796	11%	776,314	16%
Client C	213,116	4%	629,639	13%

EGIS TECHNOLOGY INC. AND SUBSIDIARIES
Loans to Others
For the year ended December 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum Amount (Note 2)	Ending Balance	Actual Disbursement	Interest Rate Range	Nature of loan (Note 4)	Amount of transactions with the borrower	Reason for short-term financing	Allowance of doubtful accounts	Collateral		Limits on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
													Name	Value			
1	InPsytech, Inc.	The Company	Other Receivables - Related Parties	Yes	$ 150,000	$ -	$ 150,000	2.02%	2	$ -	Operating capital	$ -	None	$ -	$ 359,084	$ 359,084	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Fill in the maximum outstanding balance of loans to others for the year ended December 31, 2025.

Note 3: Limit on loans granted to a single party is 40% of the Company's net asset based on the latest financial statements, and limit on total loans is 40% of the Company's net asset based on the latest financial statements.

Note 4: The nature of loans:

(1) Business transaction: 1

(2) Short-term financing: 2

EGIS TECHNOLOGY INC. AND SUBSIDIARIES
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Name of securities	Relationship with the securities issuer	General ledger account	As of September 30, 2025				Footnote
					No. of shares	Book value	Ownership (%)	Fair value	
EGIS TECHNOLOGY INC.	Stock	Gingy Technology Inc.	None	Note 4	33	$ -	0.26%	$ -	
〃	〃	Integrated Digital Technologies, Inc.	〃	〃	4,000	-	13.96%	-	
〃	〃	AIStorm, Inc.	〃	〃	5,211	80,651	19.45%	80,651	
〃	〃	MEMS DRIVE INC.	〃	〃	188	-	2.87%	-	
〃	〃	Astrogate Inc.	〃	〃	1,000	1,849	12.24%	1,849	
〃	〃	Calumino Pty Ltd.	〃	〃	1,011	1,749	0.29%	1,749	
〃	〃	Gallopwave Inc.	〃	〃	3,125	7,831	4.06%	7,831	
〃	〃	xMEMS Labs, Inc.,	〃	〃	1,003	15,580	0.67%	15,580	
〃	〃	Attopsemi Technology Co., Ltd.	〃	〃	675	84,668	4.38%	84,668	
〃	〃	CyteSi, Inc.,	〃	〃	163	3,736	1.16%	3,736	
〃	〃	Silicon Optronics, Inc.	〃	〃	12,319	896,852	15.90%	896,852	
〃	〃	BE Epitaxy Semiconductor Technology Co., Ltd.	〃	Note 2	821	45,569	5.42%	45,569	
〃	Beneficiary certificates	Dian-Te Gas Investment LP	〃	〃	-	44,850	67.32%	44,850	
〃	Stock	JET Optoelectronics Co., Ltd.	〃	〃	2,871	68,105	4.71%	68,105	
〃	〃	Precise Biometrics AB	〃	Note 4	3,921	30,840	5.00%	30,840	
〃	Funds	Vertex Growth (SG) LP	〃	Note 2	-	39,262	-	39,262	
〃	〃	Vertex Growth II (SG) LP	〃	〃	-	49,207	-	49,207	
〃	〃	Vertex Venture (SG) SEA IV LP	〃	〃	-	9,447	-	9,447	
〃	Beneficiary certificates	JAFCO Taiwan II Venture Capital Limited Partnership	〃	〃	-	6,995	-	6,995	
〃	Stock	Sirius Wireless Inc.	〃	〃	2,528	51,221	10.11%	51,221	
〃	〃	Gear Radio Limited. preferred stock	Other related party	Note 4	1,733	27,076	3.69%	27,076	
〃	〃	Metanoia Communications Inc.	None	〃	1,875	3,869	1.40%	3,869	
〃	Beneficiary certificates	Megawood Capital	〃	Note 2	-	12,240	7.46%	12,240	
〃	Stock	Linkou Leisure Industry Co., Ltd.	〃	〃	-	15,500	0.10%	15,500	
〃	〃	PIMIC INC.	〃	Note 4	821	-	4.65%	-	
〃	〃	Best Epitaxy Manufacturing Company Ltd.	〃	Note 2	3,219	162,283	2.39%	162,283	
〃	〃	CREATIVE5 INC.	〃	Note 4	323	8,313	4.35%	8,313	
Alcor Micro, Corp.	Funds	PGIM Money Market Fund	〃	Note 1	303	5,070	-	5,070	
〃	〃	Nomura Taiwan Money Market	〃	〃	292	5,025	-	5,025	
〃	Stock	Shin Kong Financial Holding Co.,Ltd. Preferred Shares A	〃	Note 3	130	5,142	0.17%	5,142	
〃	〃	HUA VI VENTURE CAPITAL	〃	Note 4	11	1,436	2.11%	1,436	
〃	〃	WK Venture Capital XI	〃	〃	7,678	202,496	15.38%	202,496	
〃	〃	WK Technology Fund IX II Ltd.	〃	〃	5,000	51,808	4.45%	51,808	

EGIS TECHNOLOGY INC. AND SUBSIDIARIES
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Name of securities	Relationship with the securities issuer	General ledger account	As of September 30, 2025				Footnote
					No. of shares	Book value	Ownership (%)	Fair value	
Alcor Micro, Corp.	Stock	Sirius Wireless Inc.	None	Note 4	742	$ 16,447	2.97%	$ 16,447	
〃	〃	Foxfortune Technology II Ventures Limited	〃	〃	499	17,904	5.80%	17,904	
〃	〃	Koodata Inc. Common Stock	〃	〃	2,375	11,793	3.00%	11,793	
〃	〃	Koodata Inc. Preferred Stock	〃	〃	10,088	75,162	12.71%	75,162	
〃	〃	Helios Bioelectronics Inc.	〃	〃	14,300	-	10.49%	-	
〃	〃	Xinpal Pte Ltd.	〃	〃	4,000	12,572	3.20%	12,572	
〃	Bonds	AT&T Inc.	〃	Note 3	-	2,261	-	2,261	
〃	Beneficiary certificates	Fuyou Venture Capital Co., Ltd	〃	Note 2	-	42,413	-	42,413	
Syncomm Technology Corp.	Funds	Fubon Money Market Fund	〃	Note 1	1,336	20,986	-	20,986	
〃	〃	Taishin Ta Chong Money Market Fund	〃	〃	690	10,376	-	10,376	
〃	〃	Mega Diamond Money Market Fund	〃	〃	801	10,630	-	10,630	
〃	〃	PGIM Money Market Fund	〃	〃	2,294	38,389	-	38,389	
〃	Stock	Gear Radio Limited. ordinary stock	Other related party	Note 4	973	6,045	2.07%	6,045	
〃	〃	Gear Radio Limited. preferred stock	〃	〃	2,027	31,671	4.32%	31,671	
AlgolTek, Inc.	Funds	Fuh Hwa Fund	None	Note 1	2,487	31,584	-	31,584	
〃	Stock	Terawins, Inc.	〃	Note 4	3,000	9,120	9.88%	9,120	
〃	〃	Skymizer Taiwan Inc.	〃	〃	66	24,269	1.46%	24,269	
ENE Technology Inc.	Funds	Fubon Money Market Fund	〃	Note 1	3,832	60,195	0.00%	60,195	
〃	〃	Taishin Ta Chong Money Market Fund	〃	〃	3,995	60,109	0.00%	60,109	
〃	Stock	Hsuan Yuan Technology Co., Ltd.	〃	Note 2	569	22,760	8.13%	22,760	
〃	〃	Aeroprobing Inc.	〃	Note 4	1,000	40,000	14.69%	40,000	
Chun-Feng Investment Limited	Funds	PGIM Money Market Fund	〃	Note 1	12	201	-	201	
〃	〃	PGIM US Investment Grade Corporate Bond Fund	〃	〃	1,514	15,173	-	15,173	
〃	〃	PGIM USD High Yield Bond Fund	〃	〃	2,382	26,558	-	26,558	
〃	〃	Eastspring Investments Optimal Income Fund of Funds	〃	〃	893	13,059	-	13,059	
〃	〃	PGIM Aggressive Growth ETF Fund of Funds	〃	〃	732	13,246	-	13,246	
〃	〃	Eastspring Investments Global Intelligent Data Dividend Funds	〃	〃	450	4,815	-	4,815	
〃	〃	PGIM Global Multinational Blue Chip 100 ETF	〃	〃	300	5,586	-	5,586	
Alcor Micro Technology, Inc.	Stock	NGD Systems Inc.	〃	Note 4	8,705	-	3.45%	-	
Alcor Micro Technology,(H.K.) Limited	Bonds	HP Inc.	〃	Note 3	-	2,483	-	2,483	
〃	〃	Power Finance Corp. Ltd.	〃	〃	-	6,273	-	6,273	
〃	〃	TSMC Arizona Corp.	〃	〃	-	6,284	-	6,284	
〃	〃	AT&T Inc.	〃	〃	4	2,800	-	2,800	
〃	〃	Macquarie Bank Ltd.	〃	〃	-	6,015	-	6,015	
〃	〃	HSBC Holdings PLC	〃	〃	-	7,004	-	7,004	
InPsytech, Inc.	Stock	PRIMEMAS INC.	〃	Note 2	201	62,496	0.01	62,496	
Kiwi Technology Inc.	Stock	GreenBee.	〃	〃	306	79,510	13.03%	79,510	

Note 1: Current financial assets at fair value through profit or loss.
Note 2: Non-current financial assets at fair value through profit or loss.
Note 3: Current financial assets at fair value through other comprehensive income.
Note 4: Non-current financial assets at fair value through other comprehensive income.

EGIS TECHNOLOGY INC. AND SUBSIDIARIES

Information on investees

For the year ended December 31, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2025			Net income (loss) of investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as of December 31, 2025	Balance as of December 31, 2024	No. of shares	Ownership (%)	Book value			
The Company	Egis Technology (Japan) Inc.	Japan	Customer service, business promotion and technical service	$ 109,279	$ 109,279	7,680,000	100.00%	$ 964	$ 48	$ 48	
〃	Egis Technology Korea Inc.	Korea	Customer service, business promotion and technical service	4,330	18,233	4,750	100.00%	7,780	1,031	1,031	
〃	OceanX Inc.	Taiwan	Holding company	1,880	1,880	167,000	100.00%	2,160	20	20	
〃	Luxsentek Microelectronics Corp.	Taiwan	Technology development	140,000	140,000	14,000,000	86.93%	3,943	(1,169)	(1,017)	
〃	Alcor Micro, Corp.	Taiwan	Electronic materials wholesale, design and development of IC and international trade	824,928	707,000	21,310,310	20.16%	581,770	(349,385)	(98,870)	
〃	VASUBI Technology Inc.	Taiwan	Technology development	40,000	40,000	4,000,000	100.00%	(18,086)	(14,697)	(14,697)	
〃	NUI Technology Inc.	Taiwan	Technology development	90,000	90,000	9,000,000	100.00%	21,496	(894)	(894)	
〃	Taurus Wireless Inc.	Taiwan	Technology development	76,000	76,000	7,600,000	84.76%	3,009	(10,778)	(10,162)	
〃	Transducer Star Technology Inc.	Taiwan	Technology development	48,900	48,900	4,480,000	74.01%	12,474	(23,634)	(20,096)	
〃	iCatch Technology Inc.	Taiwan	Technology development	1,189,600	1,189,600	18,000,000	18.66%	817,200	(175,913)	(107,379)	Note 7
〃	SCT Holdings Ltd.	Cayman Islands	Design, development and sales of IC	467,680	467,680	8,546,402	24.45%	-	(117,797)	(10,454)	Note 7
〃	Egis Vision Inc.	Taiwan	Design, development and sales of IC	-	67,691	-	0.00%	-	(3,545)	(1,385)	Note 5
〃	TempoVision Inc.	Taiwan	Technology development	25,000	15,000	2,500,000	33.33%	(4,187)	(60,526)	(35,967)	
〃	InPsytech, Inc.	Taiwan	IP Devlopment	4,014,861	5,931,231	18,854,977	62.77%	3,875,877	162,037	(154,233)	
〃	Kiwi Technology Inc.	Taiwan	Design, development and sales of IC and product development solutions	67,691	-	5,997,217	12.28%	207,885	(100,696)	(13,149)	
Kiwi Technology Inc.	Egis Vision Inc.	Taiwan	Design, development and sales of IC	1,475,399	-	20,000,000	100.00%	(9,422)	(90,759)		Note 6
〃	Kiwi Technology Inc.	Japan	Product Technical Support Services	22,671	22,671	1,599	100.00%	(8,786)	(3,384)		Note 6
Alcor Micro, Corp.	Alcor Micro Technology, Inc. (AMTI)	Cayman Islands	Investment holding company	932,166	932,166	30,613,000	100.00%	55,644	(1,011)		Note 6
〃	AlgolTek, Inc.	Taiwan	Development, design and sales of IC	332,996	332,996	14,040,710	31.51%	505,316	54,817		Note 6
〃	Syncomm Technology Corp.	Taiwan	Development, design and sales of IC	197,097	197,097	10,887,288	24.53%	167,555	(9,933)		Note 6
〃	Chun-Feng Investment Limited	Taiwan	General investment business	90,000	90,000	9,000,000	100.00%	108,441	6,257		Note 6
〃	ENE Technology Inc.	Taiwan	Development, design and sales of IC	252,800	252,800	8,000,000	17.67%	246,660	(23,457)		Note 6
〃	Egis Vision Inc.	Taiwan	Development, design and sales of IC	-	7,500	-	0.00%	-	(3,545)		Note 6
〃	Kiwi Technology Inc.	Taiwan	Design, development and sales of IC and product development solutions	7,500	-	667,000	1.37%	8,248	(100,696)		Note 6
Syncomm Technology Corp.	Transducer Star Technology Inc.	Taiwan	Technology development	25,000	-	1,000,000	16.52%	1,115	(23,634)		Note 6
〃	Taurus Wireless Inc.	Taiwan	Technology development	15,037	-	1,367,000	15.24%	-	(10,778)		Note 6
Chun-Feng Investment Limited	AlgolTek, Inc.	Taiwan	Development, design and sales of IC	5,814	5,814	353	0.00%	1,431	54,817		Note 6
〃	Syncomm Technology Corp.	Taiwan	Development, design and sales of IC	30,878	30,878	2,117,159	4.77%	29,014	(9,933)		Note 6
Alcor Micro Technology, Inc.(AMTI)	Alcor Micro Technology, (H.K.) Limited (AMTHK)	Hong Kong	Management and sales of electronic products	633,056	633,056	20,790,000	100.00%	48,309	(1,066)		Note 6
AlgolTek, Inc.	Terawins, Inc.	Taiwan	Development, design and sales of IC	-	48,239	-	0.00%	-	(13,012)		Note 3,6
〃	Joint Power Exponent, LTD.	Taiwan	Design, development and sales of IC	113,230	76,584	19,883,759	50.25%	9,413	(30,256)		Note 4,6
〃	Egis Vision Inc.	Taiwan	Design, development and sales of IC	-	37,810	-	0.00%	-	(3,545)		Note 6
〃	Kiwi Technology Inc.	Taiwan	Design, manufacture and sale of various image-related products	37,810	-	5,043,854	10.33%	33,679	(100,696)		Note 6
〃	Appro Photoelectron Inc.	Taiwan	Design, development and sales of IC and product development solutions	198,000	-	6,600,000	20.32%	202,645	21,601		Note 8

Note 1: The accounts of the Company are expressed in New Taiwan dollars. Income statement accounts denominated in foreign currencies are translated into New Taiwan dollars at the weighted average exchange rates prevailing at the transaction period and balance sheet accounts at spot exchange rates prevailing at the balance sheet date.

Note 2: The transactions were eliminated when preparing the consolidated financial statements.

Note 3: AlgolTek's original investment in Terawins was NT$48,239. On March 18, 2025, AlgolTek sold 2,360 thousand shares of Terawins' common stock, reducing its ownership percentage to 9.88%. After evaluation, AlgolTek was determined to no longer have significant influence over Terawins, and the remaining equity interest was reclassified as a financial asset measured at fair value through other comprehensive income (OCI) – non-current.

Note 4: AlgolTek's initial investment in Joint Power Exponent was NT$76,584. On January 14, 2025, Joint Power Exponent's board of directors approved a cash capital increase, with AlgolTek subscribing to 4,072 thousand shares at an issue price of NT$9 per share, for a transaction price of NT$36,646.

Note 5: The equity conversion between Kiwi and Egis Vision was conducted with January 15, 2025 as the record date. Each issued ordinary share of Egis Vision was exchanged for 1.334 newly issued ordinary shares of Kiwi. The transaction price was NT$45.62 per share, resulting in a total transaction amount of NT$294,644. As this transaction represented an equity conversion, the Company, Alcor Micro, and AlgolTek's original investment amounts in Kiwi were equivalent to their original investment amounts in Egis Vision. The Company recognized an investment loss of NT$1,385 for the year ended December 31, 2025.

Note 6: The invested company is a subsidiary within the consolidated entity.

Note 7: An impairment loss was recognised as the recoverable amount of the investee company was lower than its carrying amount.

Note 8: Alcor acquired 6,600 thousand ordinary shares of Appro Photoelectron Inc. through a private placement in October 2025, representing a 20.32% ownership interest, with a total investment amount of $198,000 thousand.

EGIS TECHNOLOGY INC. AND SUBSIDIARIES
Information on investments in Mainland China
For the year ended December 31, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Egis Intelligent (Shanghai) Co., Ltd.	Customer service, business promotion and technical service	$ 55,521	Note 1	$ 62,125	$ -	$ -	$ 62,125	$ 4,728	100%	$ 4,728	$ 23,352	$ -	
JOINT POWER EXPONENT (ShenZhen), LTD.	Development, design and sales of IC	-	Note 1	-	-	-	-	(1)	100%	(1)	-	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA	Footnote
Egis Technology Inc.	$62,125	$62,125	$8,094,387	Note 4
Joint Power Exponent.,LTD	-	Note 2	10,974	Note 5

Note 1: Direct investment in Mainland China.
Note 2: JOINT POWER EXPONENT (Shenzhen) Ltd. was resolved by the Board of Directors on September 19, 2024 to undergo dissolution and liquidation, and the liquidation was completed on June 6, 2025.
Note 3: The above investment income (loss) was recognised based on the financial statements that were not reviewed by independent auditors.
Note 4: The accounts of the Company are presented in New Taiwan dollars. Income statement accounts denominated in foreign currencies are translated into New Taiwan dollars at the weighted-average exchange rates prevailing at the transaction period, and balance sheet accounts are translated at the spot exchange rates prevailing at the balance sheet date.
Note 5: The investment limit for investments in Mainland China is calculated based on the higher of the company's net value or the consolidated net value.

EGIS TECHNOLOGY INC. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

For the year ended December 31, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction information				Compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Egis Intelligent (Shanghai) Co., Ltd.	Egis technology inc.	The Company's parent company	Sales (Note)	$ 133,851	2.51%	45 days after monthly billings	Both are approximate to normal transaction terms		$ 25,543	5.59%	

Note: The abovementioned trascation was that EGIS purchased on behalf of Egis (Shanghai). The accounting treatment was to recognise on a net basis, and the transaction was eliminated when preparing the consolidated financial statements.