

Taiwan Mask Corporation
Parent Only financial statements and independent
auditor's report
2025 and 2024
(Stock Code: 2338)

Company address: No. 11, Chuangxin 1st Road, Baoshan,
Hsinchu County, Hsinchu Science Park

Telephone: (03)563-4370

Taiwan Mask Corporation

2025 and 2024 Parent Only Financial Statements and Independent Auditor's Report

Table of Contents

Items	Page
I. Cover	1
II. Table of Contents	2 ~ 3
III. Independent Auditors' Report	4 ~ 8
IV. Parent Only Balance Sheets	9 ~ 10
V. Parent Only Statements of Comprehensive Income	11
VI. Parent Only Statements of Changes in Equity	12
VII. Parent Only Statements of Cash Flows	13 ~ 14
VIII. Notes to the Parent Only Financial Statements	15 ~ 70
(I) Company History	15
(II) Date and procedures for passing the financial statement	15
(III) Application of New and Revised International Financial Reporting Standards	15 ~ 16
(IV) Summary of Significant Accounting Policies	16 ~ 24
(V) Critical Accounting Judgments and Key Sources of Estimation and Uncertainty	24 ~ 25
(VI) Summary of Significant Accounting Items	25 ~ 54
(VII) Related Party Transactions	55 ~ 59
(VIII) Pledged Assets	59

Items	Page
(IX) Significant Contingent Liabilities and Unrecognized Contract Commitments	60
(X) Losses due to Major Disasters	60
(XI) Major Events after Financial Statement Date	60
(XII) Others	60 ~ 70
(XIII) Supplementary Disclosure	70
1. Information on significant transactions	70
2. Information on investees	70
3. Information on investments in Mainland China	70
(XIV) Segment Information	70
IX. Schedule of Significant Accounting Items	71 ~ 93

Independent Auditors' Report

(115) Tsai-Sheng-Bao-Zi No. 25004755

To Taiwan Mask Corporation,

Opinions

We have audited the accompanying parent-only balance sheets of Taiwan Mask Corporation as of December 31, 2025 and 2024, and the related statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2025 and 2024, and notes to the parent only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors, as described in the Other matters section of our report, the parent only financial statements present fairly, in all material respects, the standalone financial position of Taiwan Mask Corporation as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years ending on December 31, 2025 and 2024, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in Taiwan. Our responsibilities under those standards are further described in the Independent Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of Taiwan Mask Corporation in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of the other independent 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 standalone financial statements of Taiwan Mask Corporation of fiscal year 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole and, in forming our opinion thereon, we do not provide a standalone opinion on these matters.

Key audit matters for the parent-only financial statements in fiscal year 2025 are stated as follows:

Recognition of sales revenue

Explanation

For the accounting policy on income recognition, please refer to Note 4 (27) of the financial report. For sales revenue please refer to Note 6 (21); the operating revenue in fiscal year 2025 was NT\$3,614,813 thousand.

Taiwan Mask Corporation is primarily engaged in the manufacture and sale of photomask products used in semiconductors. As the Company has a large number of customers and a diversified customer base, and sales revenue is a major transaction item with a significant impact on the standalone financial statements, we therefore determined this matter to be a key audit matter.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Assess the appropriateness of the sales revenue recognition policy.
2. Assess and test the effectiveness of the design and implementation of internal controls relevant to the recognition of sales revenue.
3. Obtain the sales revenue detail schedule, select samples of sales transactions, and trace them to the relevant supporting documents to verify the occurrence and accuracy of sales revenue transactions.
4. Obtain and review the details of sales revenue, sales returns, and allowances for a period before and after the balance sheet date, and on a sample basis trace the transactions to the original supporting documents to assess whether any significant or unusual transactions, or material subsequent returns, have occurred.

Other matters

As described in Note 12(4) to the standalone financial statements, Taiwan Mask Corporation's debt ratio and current ratio as of December 31, 2025 were 68% and 54%, respectively. Taiwan Mask Corporation has formulated a sound operational improvement plan.

Responsibilities of management and those charged with governance for the parent only financial statements

Management is responsible for the preparation and fair presentation of the standalone financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of

standalone financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the parent only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC AS 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 standalone financial statements.

As part of an audit conducted in accordance with ROC AS, we exercise professional judgment and professional skepticism throughout the audit. We also conduct the following undertakings:

1. Identify and assess the risks of material misstatement of the parent only 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 Taiwan Mask Corporation's internal control.
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 Taiwan Mask Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the parent only 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 report. However, future events or conditions may cause Taiwan Mask Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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 Taiwan Mask Corporation to express an opinion on the parent only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicated 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 for the current period.

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 parent-only financial statements for the year ended December 31, 2025, and are therefore the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonable are expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Taiwan

Chien-Yu Liu

CPA

Hsin-Yi Tsai

Financial Supervisory Commission of the Executive Yuan

Approval Document for Attestation:

Jin-Guan-Zheng-Shen-Zi No. 1090350620

Jin-Guan-Zheng-Shen-Zi No. 1140351490

March 13, 2026

Taiwan Mask Corporation
Parent Only Balance Sheets
December 31, 2025 and 2024

Unit: NT\$ Thousand

Assets	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current assets						
1100	Cash and Cash Equivalents	6(1)	\$ 247,068	2	\$ 532,868	3
1110	Financial Assets at Fair Value Through Profit or Loss - Current	6(2) and 8	599,128	4	1,050,247	7
1136	Financial Assets at Amortized Cost - Current	6(3) and 8	479,049	4	-	-
1140	Contract Asset - Current	6(21)	79,142	1	76,496	1
1170	Accounts Receivables (Net)	6(4)	601,273	4	795,123	5
1180	Accounts Receivables - Related Parties (Net)	6(4) and 7	14,218	-	5,612	-
1200	Other Receivables		26,438	-	19,243	-
1210	Other Receivables - Related Parties	7	177,151	1	602,437	4
130X	Inventories	6(5)	175,988	1	205,380	1
1410	Prepayments		212,830	2	104,704	1
1470	Other Current Assets		152	-	752	-
11XX	Total Current Assets		<u>2,612,437</u>	<u>19</u>	<u>3,392,862</u>	<u>22</u>
Non-Current Assets						
1510	Financial Asset at Fair Value Through Profit or Loss - Non Current	6(2)	60,140	1	57,520	-
1535	Financial Assets at Amortized Cost - Non Current	6(3) and 8	421,770	3	518,270	3
1550	Investment under Equity Method	6(6)	1,199,457	9	1,296,209	9
1600	Property, plant and equipment	6(7) and 8	8,538,435	63	8,713,454	57
1755	Right-of-use Asset	6(8)	369,137	3	401,774	3
1760	Investment property (Net)	6(10) and 8	188,270	1	585,436	4
1780	Intangible assets		5,475	-	28,286	-
1840	Deferred Income Tax Assets	6(28)	10,728	-	13,011	-
1900	Other Non-Current Assets	6(11)	134,406	1	346,110	2
15XX	Total Non-Current Assets		<u>10,927,818</u>	<u>81</u>	<u>11,960,070</u>	<u>78</u>
1XXX	Total Assets		<u>\$ 13,540,255</u>	<u>100</u>	<u>\$ 15,352,932</u>	<u>100</u>

(Continued)

Taiwan Mask Corporation
Parent Only Balance Sheets
December 31, 2025 and 2024

Unit: NT\$ Thousand

Liabilities and Equities	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current liabilities						
2100	Short Term Loans	6(12)	\$ 2,525,503	19	\$ 2,406,478	16
2120	Financial Liabilities at Fair Value Through Profit or Loss - Current	6(2)	-	-	19,204	-
2130	Contract Liabilities - Current	6(21)	58,755	-	13,611	-
2170	Accounts Payable		94,207	1	116,962	1
2200	Other Payables	6(13)	618,139	4	819,364	5
2220	Other Payables - Related Parties	7	3,044	-	793	-
2280	Lease Liability - Current		25,142	-	25,928	-
2320	Long-term liabilities due within one year or one business cycle	6(15)(16)	1,447,737	11	857,444	6
2399	Other Current Liabilities - Other		23,227	-	24,108	-
21XX	Total Current Liabilities		<u>4,795,754</u>	<u>35</u>	<u>4,283,892</u>	<u>28</u>
Non-current liabilities						
2530	Corporate bonds payable	6(14)	1,996,838	15	3,609,156	23
2540	Long-term Loans	6(15)	2,101,444	15	2,634,986	17
2570	Deferred Income Tax.	6(28)	5,547	-	-	-
2580	Lease liability - Non Current		357,854	3	388,343	3
2640	Defined Benefit Liabilities - Non Current	6(16)	2,815	-	7,473	-
2645	Guarantee Deposits Received	6 (31) and 7	650	-	33,914	-
25XX	Total Non-Current Liabilities		<u>4,465,148</u>	<u>33</u>	<u>6,673,872</u>	<u>43</u>
2XXX	Total Liabilities		<u>9,260,902</u>	<u>68</u>	<u>10,957,764</u>	<u>71</u>
Equities						
Capital						
3110	Capital stock	6(17)	3,168,492	24	2,564,562	17
Capital surplus						
3200	Capital surplus	6(18)	2,305,149	17	1,532,041	10
Retained earnings						
3310	Legal reserve	6(19)	863,958	6	863,958	6
3350	Unappropriated earnings		(1,184,883)	(9)	581,828	4
Other equity interests						
3400	Other equity interests	6(20)	18,396	-	20,148	-
3500	Treasury stock	6(17)	(891,759)	(6)	(1,167,369)	(8)
3XXX	Total Equities		<u>4,279,353</u>	<u>32</u>	<u>4,395,168</u>	<u>29</u>
Major Commitments and Contingencies 9						
Major Events after Financial Statement Date 11						
3X2X	Total Liabilities and Equities		<u>\$ 13,540,255</u>	<u>100</u>	<u>\$ 15,352,932</u>	<u>100</u>

The attached notes to the standalone financial statements are part of the standalone financial report.

Chairman: Chun-Kuang Tu

Managerial Officer: Lidon Chen

Accounting Officer: Shu-Hua Lin

Taiwan Mask Corporation
Parent Only Statement of Comprehensive Income
January 1 to December 31 of 2025 and 2024

Unit: NT\$ Thousand
(Except for loss per share in NT\$)

	Items	Notes	2025		2024	
			Amount	%	Amount	%
4000	Operating income	6 (21) and 7	\$ 3,614,813	100	\$ 4,260,484	100
5000	Operating costs	6(5)	(3,085,042)	(86)	(2,833,103)	(66)
5900	Gross profit		<u>529,771</u>	<u>14</u>	<u>1,427,381</u>	<u>34</u>
	Operating Expenses	6(26) (27) and 7				
6100	Selling Expenses		(76,239)	(2)	(82,663)	(2)
6200	Administrative Expenses		(320,186)	(9)	(288,760)	(7)
6300	R&D Expenses		(189,144)	(5)	(201,143)	(5)
6450	Expected Credit Impairment Benefit (Loss)	12(2)	4,934	-	(3,295)	-
6000	Total Operating Expenses		<u>(580,635)</u>	<u>(16)</u>	<u>(575,861)</u>	<u>(14)</u>
6900	Operating (loss) profit		<u>50,864</u>	<u>(2)</u>	<u>851,520</u>	<u>20</u>
	Non-operating income and expenses					
7100	Interest income	6(22) and 7	15,364	1	18,675	-
7010	Other Incomes	6(23) and 7	143,308	4	196,036	5
7020	Other Gains and Losses	6(24)	(129,340)	(4)	(172,931)	(4)
7050	Financial Costs	6(25)	(206,337)	(6)	(200,045)	(5)
7070	The share of subsidiaries, affiliates and joint venture profits and losses recognized by the equity method		(945,914)	(26)	(1,070,993)	(25)
7000	Total Non-Operating Incomes and Losses		<u>(1,122,919)</u>	<u>(31)</u>	<u>(1,229,258)</u>	<u>(29)</u>
7900	Net loss before taxes		<u>(1,173,783)</u>	<u>(33)</u>	<u>(377,738)</u>	<u>(9)</u>
7950	Income tax benefit (expense)	6(28)	67	-	(94,783)	(2)
8200	Net loss		<u><u>(\$ 1,173,716)</u></u>	<u><u>(33)</u></u>	<u><u>(\$ 472,521)</u></u>	<u><u>(11)</u></u>
	Other Comprehensive Incomes (Net)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Re-measurements of defined benefit plan	6(16)	(\$ 606)	-	\$ 237	-
8330	Profit and loss of subsidiaries, associates and joint ventures recognized by using equity method - Items that will not be reclassified to profit or loss		391	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statement translation differences of foreign operations	6(20)	(2,143)	-	18,507	-
8300	Other Comprehensive Incomes (Net)		<u><u>(\$ 2,358)</u></u>	<u><u>-</u></u>	<u><u>\$ 18,744</u></u>	<u><u>-</u></u>
8500	Total comprehensive income for the year		<u><u>(\$ 1,176,074)</u></u>	<u><u>(33)</u></u>	<u><u>(\$ 453,777)</u></u>	<u><u>(11)</u></u>
	Loss per share	6(29)				
9750	Basic		<u><u>(\$ 4.88)</u></u>	<u><u>(2.21)</u></u>	<u><u>(\$ 2.21)</u></u>	<u><u>(2.21)</u></u>
9850	Diluted		<u><u>(\$ 4.88)</u></u>	<u><u>(2.21)</u></u>	<u><u>(\$ 2.21)</u></u>	<u><u>(2.21)</u></u>

The attached notes to the standalone financial statements are part of the standalone financial report.

Chairman: Chun-Kuang Tu

Managerial Officer: Lidon Chen

Accounting Officer: Shu-Hua Lin

Taiwan Mask Corporation
Parent Only Statements of Changes in Equity
January 1 to December 31 of 2025 and 2024

Unit: NT\$ Thousand

	Notes	Retained earnings			Other equity interests			Treasury stock	Total Equity
		Capital stock	Capital surplus	Legal reserve	Unappropriated earnings	Translation of Foreign Financial Statements Exchange Differences on	Unrealized gain or loss on financial assets at fair value through other comprehensive income		
<u>2024</u>									
Beginning Balance as of January 1, 2024		\$ 2,564,465	\$ 1,439,959	\$ 827,460	\$ 1,464,101	\$ 4,307	(\$ 2,666)	(\$ 1,174,484)	\$ 5,123,142
Net loss		-	-	-	(472,521)	-	-	-	(472,521)
Other Comprehensive Profit or Loss	6(20)	-	-	-	237	18,507	-	-	18,744
Total comprehensive income for the year		-	-	-	(472,284)	18,507	-	-	(453,777)
Distribution and appropriation of earnings for 2023	6(19)	-	-	-	-	-	-	-	-
Legal capital reserve		-	-	36,498	(36,498)	-	-	-	-
Cash dividends		-	-	-	(373,491)	-	-	-	(373,491)
Changes in ownership interests in subsidiaries recognized	6(18)	-	1,196	-	-	-	-	-	1,196
Adjustment of capital reserve by dividends paid to subsidiaries	6(18) and 7	-	52,997	-	-	-	-	-	52,997
Subsidiaries donated treasury stock	6(17)	-	-	-	-	-	-	7,115	7,115
Changes in shares of affiliates and joint ventures recognized under the equity method	6(18)	-	37,203	-	-	-	-	-	37,203
Conversion of convertible bonds	6 (14) (18)	97	686	-	-	-	-	-	783
Ending Balance as of December 31, 2024		\$ 2,564,562	\$ 1,532,041	\$ 863,958	\$ 581,828	\$ 22,814	(\$ 2,666)	(\$ 1,167,369)	\$ 4,395,168
<u>2025</u>									
Ending Balance as of January 1, 2025		\$ 2,564,562	\$ 1,532,041	\$ 863,958	\$ 581,828	\$ 22,814	(\$ 2,666)	(\$ 1,167,369)	\$ 4,395,168
Net loss		-	-	-	(1,173,716)	-	-	-	(1,173,716)
Other Comprehensive Profit or Loss	6(20)	-	-	-	(606)	(2,143)	391	-	(2,358)
Total comprehensive income for the year		-	-	-	(1,174,322)	(2,143)	391	-	(1,176,074)
Cash capital increase	6 (17) (18)	633,700	912,528	-	-	-	-	-	1,546,228
Changes in ownership interests in subsidiaries recognized	6(18)	-	113,092	-	-	-	-	-	113,092
Recognition of the effect of waiver of amounts due from subsidiaries and impairment loss		-	-	-	(592,389)	-	-	-	(592,389)
Changes in shares of affiliates and joint ventures recognized under the equity method	6(18)	-	(6,672)	-	-	-	-	-	(6,672)
Cancellation of treasury shares	6 (17) (18)	(29,770)	(245,840)	-	-	-	-	275,610	-
Ending Balance as of December 31, 2025		\$ 3,168,492	\$ 2,305,149	\$ 863,958	(\$ 1,184,883)	\$ 20,671	(\$ 2,275)	(\$ 891,759)	\$ 4,279,353

The attached notes to the standalone financial statements are part of the standalone financial report.

Chairman: Chun-Kuang Tu

Managerial Officer: Lidon Chen

Accounting Officer: Shu-Hua Lin

Taiwan Mask Corporation
Parent Only Statements of Cash Flow
January 1 to December 31 of 2025 and 2024

Unit: NT\$ Thousand

	Notes	January 1 to December 31 2025	January 1 to December 31 2024
<u>Cash Flow from Operating Activities</u>			
Net loss before tax for the period		(\$ 1,173,783)	(\$ 377,738)
Adjustments to Reconcile Net Income to Net Cash Flow from Operating Activities			
Revenues and Expenses			
Depreciation	6(26)	1,308,370	1,102,588
Amortization	6(26)	22,811	23,067
Expected Credit Impairment (Profit) Loss	6 (4) and 12 (II)	(4,934)	3,295
Dividend income	6(23)	(34,688)	(50,497)
Interest income	6(22)	(15,364)	(18,675)
Disposal of interests in property, plant and equipment	6(24)	(2,177)	(40)
Interest Expenses	6(25)	206,337	200,045
Net losses of financial assets at fair value through profit or loss	6(24)	108,018	159,301
Gain (loss) on disposal of investments	6(24)	(8,607)	(67)
The Share of Subsidiaries and Affiliates Profits and Losses Recognized by the Equity Method		945,914	1,070,993
Property, plant and equipment reclassified as expenses	6(7)	-	12,906
Gain on lease modifications	6(24)	-	(1,295)
Goodwill impairment loss	6(24)	-	27,002
Loss on repurchase of corporate bonds payable	6(24)	15,234	-
The Changes of Assets/ Liabilities related to Operating Activities			
Net Changes of Assets related to Operating Activities			
Mandatory financial assets at fair value through profit or loss		306,044	262
Contract Assets		(2,646)	10,325
Accounts Receivables		198,784	(112,620)
Accounts Receivables – Related Parties		(8,606)	882
Other Receivables		1,736	2,422
Other Receivables – Related Parties		(91,852)	(511,497)
Inventories		29,392	(75,805)
Prepayments		(103,014)	35,635
Other Current Assets		600	(566)
Net Changes of Liabilities related to Operating Activities			
Contract Liabilities		45,144	(20,373)
Accounts Payable		(22,755)	42,156
Accounts payable - Related party		-	(323)
Other Payables		128,704	(82,649)
Other Payables- related Parties		563	-
Other Current Liabilities		(881)	(23,196)
Defined Benefit Liabilities		(5,264)	(2,937)
Net Cash In-Flow from Operating		1,843,080	1,412,601
Dividends Received		34,688	50,497
Interest Received		15,364	15,740
Interest Paid		(163,133)	(186,518)
Income Tax Paid		(1,038)	(119,544)
Net Cash In-Flow (Out-Flow) from Operating Activities		1,728,961	1,172,776

(Continued)

Taiwan Mask Corporation
Parent Only Statements of Cash Flow
January 1 to December 31 of 2025 and 2024

Unit: NT\$ Thousand

Notes	January 1 to December 31 2025	January 1 to December 31 2024
<u>Cash Flow from Investment Activities</u>		
Increase in financial assets measured at amortized cost	(\$ 513,545)	(\$ 237,300)
Decrease in financial assets measured at amortized cost	31,000	139,540
Acquisition of Investments Accounted for Under the Equity Method	(590,203)	(410,400)
Proceeds from Disposal of Investments Accounted for Under the Equity Method	10,578	72
Acquisition of Property, Plants and Equipment	6(30) (1,084,787)	(1,654,873)
Proceeds from Disposal of Property, Plant and Equipment	2,451	242
Acquisition of Intangible Assets	-	(5,678)
Increase in refundable deposit	(7,623)	(1,360)
Decrease of Guarantee Deposits	6,400	5,230
Repayment of Loans to Subsidiaries	100,000	-
Net Cash Outflow from Investing Activities	(2,045,729)	(2,164,527)
<u>Cash Flows from Financing Activities</u>		
Increase of Short Term Loan	6(31) 4,060,106	4,933,506
Redemption of Short Term Loan	6(31) (3,941,081)	(3,607,011)
Increase of Long Term Loan	6(31) 1,279,876	900,000
Redemption of Long Term Loan	6(31) (1,325,490)	(915,555)
Issuance of corporate bonds	6(31) -	498,730
Repayment of corporate bonds	6(31) (1,528,266)	(332,817)
Distribution of cash dividends (including capital surplus distribution cash)	6(19) -	(373,491)
Redemption of Lease Principal	6(31) (27,141)	(30,689)
Decrease of Guarantee Deposits Received	6(31) (33,264)	(47)
Cash capital increase	6 (17) (18) 1,546,228	-
Net Cash In-Flow (Out-Flow) from Funding Activities	30,968	1,072,626
Net increase (decrease) in cash and cash equivalents	(285,800)	80,875
Beginning Balance of Cash and Cash Equivalents	6(1) 532,868	451,993
Ending Balance of Cash and Cash Equivalents	6(1) \$ 247,068	\$ 532,868

The attached notes to the standalone financial statements are part of the standalone financial report.

Chairman: Chun-Kuang Tu

Managerial Officer: Lidon Chen

Accounting Officer: Shu-Hua Lin

Taiwan Mask Corporation
Notes to the Parent Only Financial Statements
2025 and 2024

Unit: NT\$ Thousand
(Unless otherwise specified)

I. Company History

Taiwan Mask Corporation (hereinafter referred to as the "Company") was established on October 21, 1988, and started its operations in March 1989. The Company was approved by the shareholders meeting on June 12, 2000 to acquire Shin-Tai Technology Co., Ltd., on the merger record date of December 1, 2000, with the Company being the surviving entity. The Company mainly engage in the research, development, manufacturing and sales of photomask, providing technical assistance, consultation, inspection and repair of the abovementioned products. The parent company of the Company is Star Fusion Group Co., Ltd. (formerly Softstar Entertainment Inc.), which holds a 20% equity interest in the Company and is the single largest shareholder of the Company.

II. Date and procedures for passing the financial report

The accompanying parent-only financial statements were approved and authorized for issuance by the Board of Directors on March 13, 2026.

III. Application of New and Revised International Financial Reporting Standards

(I) The impact from adopting the newly released and revised IFRS and IAS recognized and issued into effect by the Financial Supervisory Commission (FSC).

The following table summarizes the applicable newly released, revised and amended standards and interpretations of the IFRS and IAS recognized and issued into effect by the Financial Supervisory Commission in 2025:

<u>Newly released/corrected/amended standards and interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IAS No. 21 "Lack of Exchangeability"	January 1, 2025

The Company believes that the adoption of aforementioned IFRSs will not have a significant effect on the financial position and performance.

(II) Impact of the newly released and amended IFRS and IAS recognized by the FSC not yet adopted by the Company.

The following table summarizes the applicable newly released, revised and amended standards and interpretations of the IFRS and IAS recognized by the Financial Supervisory Commission in 2026:

<u>Newly released/corrected/amended standards and interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7, "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
IFRS 17 - Insurance contracts	January 1, 2023
Amendment to IFRS 17 - Insurance contracts	January 1, 2023
Amendments to IFRS 17 "First-time Adoption of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

The Company believes that the adoption of aforementioned IFRSs will not have a significant effect on the financial position and performance.

(III) IFRS and IAS issued by the IASB but not yet recognized by the FSC.

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the IFRS and IAS issued by the IASB but not yet recognized by the FSC:

<u>Newly released/corrected/amended standards and interpretations</u>	<u>Effective Date Issued by IASB</u>
IFRS 10 and IAS 28 amendments, Sale or contribution of assets between an investor and its associate or joint venture	To be determined by the IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendments to IAS 21, “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note: In a press release dated September 25, 2025, the FSC announced that public companies will adopt IFRS 18, International Financial Reporting Standard 18 (hereinafter referred to as “IFRS 18”), beginning in 2028. In addition, if an entity elects to early adopt IFRS 18, it may do so after IFRS 18 has been endorsed by the FSC.

The Company believes that the adoption of aforementioned IFRSs will not have a significant effect on the financial position and performance, except for the following:

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” replaces IAS 1, updates the structure of comprehensive income statement, requires the disclosure of management-defined performance measures, and enhances the principles for grouping and classifying information for main financial statements and notes.

IV. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these parent only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance statement

These parent only financial statements of the Company have been prepared in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers".

(II) Basis of Preparation

1. Except for the following items, these standalone financial statements have been prepared under the historical cost convention.

- (1) Financial assets and financial liabilities at fair value through profit or loss (including derivatives).
- (2) Financial Assets at Fair Value Through Other Comprehensive Income.
- (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

2. The preparation of financial statements in conformity with IFRS, IAS, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(III) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The parent only financial statements are presented in New Taiwan dollar, which is the Company's functional currency and reporting currency.

1. Foreign currency transactions and balances

- (1) Foreign currency transactions are translated into the functional currency using spot exchange rate at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (2) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated using spot exchange rate at the balance sheet date. Exchange differences arising from re-translation at the balance sheet date are recognized in profit or loss.
- (3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated using spot exchange rate at the balance sheet date. Their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated using spot exchange at the balance sheet date. Their translation differences are recognized in other comprehensive income. For those which are not measured at fair value, they measured by the historical exchange rate of the initial transaction date.
- (4) All foreign exchange gains and losses are presented in the statement of comprehensive income within "Other gains and losses".

2. Translation of foreign operations

- (1) The operating results and financial position of all corporate group entities and affiliates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - A. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet.
 - B. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period.
 - C. All resulting exchange differences are recognized in other comprehensive income.
- (2) When the foreign operation that is partially disposed of or sold is a subsidiary, the accumulated conversion difference recognized as other comprehensive income is re-attributed to the foreign operation's non-controlling interests on a pro rata basis. However, even if the Company retains part of its equity in the former subsidiary, but has lost control of the subsidiary of the foreign operation, it will be treated with as a disposal of the entire equity of the foreign operation
- (3) Goodwill and fair value adjustments arising on acquisition of a foreign entity are regarded as assets and liabilities of the foreign entity, and are translated at the closing rate.

(IV) Classification of current and non-current items

1. Assets that meet one of the following criteria are classified as current assets:

- (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.
- (2) Assets held mainly for trading purposes.
- (3) Assets that are expected to be realized within twelve months after the reporting period.
- (4) Cash or cash equivalents, unless they are restricted from being exchanged or used to settle liabilities for at least twelve months after the reporting period.

Assets that do not meet the above criteria are considered non-current.

2. Liabilities that meet one of the following criteria are classified as current liabilities:
- (1) Liabilities that are expected to be paid off within the normal operating cycle.
 - (2) Assets held mainly for trading purposes.
 - (3) Liabilities that are to be paid off within twelve months after the reporting period.
 - (4) The right to defer settlement of the liability for at least twelve months after the reporting period is not held.

Liabilities that do not meet the above criteria are considered non-current.

(V) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(VI) Financial Assets at Fair Value Through Profit or Loss

1. Refer to the financial assets that are not measured at amortized cost, or are measured at fair value through other comprehensive gain or loss.
2. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
3. The Company measures financial assets at fair value in initial recognition. The related transaction costs are recognized in profit and loss. These financial assets are subsequently re-measured and stated at fair value, and any changes in the fair value of these financial assets are recognized in profit or loss.
4. When the right to receive dividends is established, the economic benefits associated with the dividends are likely to flow in, and the amount of dividends can be reliably measured, the Company recognizes dividend income in profit or loss.

(VII) Financial assets measured at amortized cost

1. Refer to those that meet the following criteria at the same time:
 - (1) The objective of the business model is achieved by collecting contractual cash flows.
 - (2) The assets' contractual cash flows solely represent payments of principal and interest.
2. The Company holds time deposits that are not considered cash equivalents. Due to the short holding period, the impact of discounting is insignificant and is measured by the amount of investment.

(VIII) Accounts Receivables

1. Refers to accounts representing an unconditional right to receive consideration in exchange for the transfer of goods or services.
2. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(IX) Impairment Loss of Financial Assets

Regarding the financial assets measured at amortized cost, accounts receivable or contract assets that contain significant financing components, the Company, on each balance sheet date, considers all reasonable and supportable information (including forward-looking ones) and measure the loss allowance based on the 12-month expected credit losses for those that do not have their credit risk increased significantly since initial recognition. For those that have increased significantly since initial recognition, the loss allowance is measured based on the full lifetime expected credit losses. A loss allowance for full lifetime expected credit losses is also required for contract assets or trade receivables that do not constitute a financing transaction.

(X) De-recognition of financial assets

A financial asset is derecognized when the Company's rights to receive cash flows from the financial assets have expired.

(XI) Lessor's lease transaction - Operating lease

Lease income from operating leases, less any incentives given to the lessee, is amortized in current profit or loss on a straight-line basis over the lease term.

(XII) Inventories

Inventories are measured at the lower of cost or net realizable value, and the cost is determined by weighted-average method. The cost of finished goods and work-in-progress comprises raw materials, direct labor, other direct costs and related production overheads (amortized according to normal production capacity), but excludes borrowing costs. At the end of year, inventories are evaluated at the lower of cost or net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable costs of completion and selling expenses.

(XIII) Investments accounted for using equity method - Subsidiaries and associates

1. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
2. Unrealized gains or losses on transactions between Company and its subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
3. The Company recognized the profit and loss upon the acquisition of subsidiaries as the current profit and loss. Other comprehensive profit and loss after the acquisition are recognized as the other comprehensive profit and loss. If the Company's recognized profit and loss of the subsidiaries equal to or exceed the equity in the subsidiaries, the Company will continue to recognize the loss in proportion to its shareholding.
4. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are equity transactions, and they are considered as transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is directly recognized in equity.
5. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
6. Associates refer to entities over which the Company has significant influence but does not have control. In general, the Company may directly or indirectly own more than 20% of the associates' voting shares. The Company accounts for its investment in associates using the equity method, and the investment is initially recognized at cost.
7. The Company recognizes the profit and loss upon the acquisition of associates as the current profit and loss. Other comprehensive profit and loss after the acquisition are recognized as the other comprehensive profit and loss. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company will

not recognize further losses, unless it has incurred legal or constructive obligations or make payments on behalf of the associate.

8. If an associate has changes in equity not from profit or loss or other comprehensive income, and such changes do not affect the Company's shareholding in the associate, the Company will recognize all changes in equity attributable to the Company's share of the associate as "capital surplus" according to the shareholding percentage.
9. Unrealized gains on transactions between the Company and associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
10. In the event that an associate issues new shares and the Company does not subscribe to or acquire the new shares in proportion, which results in a change to the Company's shareholding percentage but the Company maintains a significant influence on the associate, the increase or decrease of the Company's share of equity interest is the adjustment of "capital surplus" and "investments accounted for under the equity method". If the investment percentage is reduced, in addition to the above adjustments, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionally on the same basis as would be required if the relevant assets or liabilities were disposed of.
11. Pursuant to the "Guidelines Governing the Preparation of Financial Statements by Securities Issuers", the profit or loss during the period and other comprehensive income presented in consolidated financial statements shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to owners of the parent presented in the financial statements prepared on a consolidated basis, and the owners' equity presented in the parent company only financial statements shall be the same as the equity attributable to owners of the parent presented in the financial statements prepared on a consolidated basis.

(XIV) Property, plant and equipment

1. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the costs of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
3. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. 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 must be depreciated separately.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any changes are accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors," from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3 years to 56 years
Machinery and equipment	2 years to 16 years
Transportation equipment	5 years
Office equipment	3 years to 10 years

(XV) Leasing agreements (lessee) - Right-of-use assets/lease liabilities

1. Leases are recognized as right-of-use assets and lease liabilities at the date at which the leased assets are available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as expenses on a straight-line basis over the lease term.
2. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments include fixed payments, less any lease incentives receivables.

The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of re-measurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

3. At the commencement date, the right-of-use asset is recognized at cost which includes:

- (1) The amount of initial measurement of lease liability.
- (2) Any lease payments made at or before the commencement date.
- (3) Any original direct costs incurred.
- (4) The estimated cost of dismantling, removing the underlying asset and restoring its location, or restoring the underlying asset to the condition required in the lease terms and conditions.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's service life or the end of lease term. When the lease liability is remeasured, the amount of re-measurement is recognized as an adjustment to the right-of-use asset.

(XVI) Real estate investment

Investment properties are initially measured at cost, and may be subsequently measured using a cost model. Except for land, the service life is recognized on a straight-line basis of depreciation and is about 50 years.

(XVII) Intangible assets

Computer software is recognized at the cost of acquisition, and amortized based on the estimated useful life of 3 years based on the straight-line method.

(XVIII) Impairment of non-financial assets

1. The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal cost or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(XIX) Borrowings

Refers to long- and short-term funds borrowed from banks and other long- and short-term borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(XX) Accounts Payable

1. Refers to liabilities incurred as a result of the purchase of raw materials, goods or services, including accounts arising from business and non-business purposes.

2. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(XXI) Convertible bonds payable

The convertible bonds payable issued by the Company are embedded with conversion options (i.e., the holder's right to choose to convert to the Company's common stock for a fixed amount of shares), put options and call options. The issuance price is classified as financial assets, financial liabilities or equity at the time of initial issuance according to the terms of issuance, which is treated as follows:

1. Embedded put options and call options: "Financial assets or liabilities at fair value through profit or loss" are recorded at their net fair value on initial recognition; subsequently, "Gain or loss on financial assets (liabilities) at fair value through profit or loss" is recognized on the balance sheet date, with the difference valued at current fair value.
2. Master contract of corporate bonds: The difference between the fair value of the corporate bonds and the redemption value is recognized as a premium or discount on the corporate bonds payable at the time of original recognition; subsequently, it is recognized in profit or loss as an adjustment to "finance costs" using the effective interest method under the amortization procedure over the circulation period.
3. Embedded conversion options (which meet the definition of equity): On initial recognition, the remaining value of the issue amount, net of the above "financial assets or liabilities at fair value through profit or loss" and "corporate bonds payable", is recorded as "capital surplus - stock options" and is not subsequently remeasured.
4. Any directly attributable transaction costs of the issuance are allocated to each component of liabilities and equity in proportion to the original carrying amount of each component mentioned above.
5. Upon conversion, the components of liabilities (including "corporate bonds payable" and "financial assets or liabilities at fair value through profit or loss") are subsequently measured according to their respective classifications, and the carrying amount of the aforementioned components of liabilities is added to the carrying amount of "capital surplus - stock options" as the issuance cost of common stock exchanged.

(XXII) Employee benefits

1. Short-term employee benefits

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

2. Pension

(1) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(2) Defined-benefit plans

A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using the

current interest rates of government bonds (at the balance sheet date) consistent with the currency and period of the defined-benefit plan instead.

B. Re-measurements arising on defined-benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. The related expenses of the past service cost are immediately recognized as profit and loss.

3. Remuneration for employees and directors

Employees' bonuses and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(XXIII) Share-based payment to employees

The share-based payment agreement for delivery of equity is a transaction in which employees' labor service received as consideration for the Company's equity instrument at fair value, and it is recognized as compensation costs during the vesting period, and the equity is adjusted accordingly. The fair value of equity instrument shall reflect the effects of vesting and non-vesting conditions of market value. The recognized remuneration costs are adjusted in accordance with the expected service conditions to be met and the non-vesting market value conditions, until the final recognized amount is recognized with the vesting amount on the vesting date.

(XXIV) Income tax

1. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted by the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
3. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent only balance sheet. However, the deferred income tax arising from the initially recognized goodwill is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not generate taxable and deductible temporary difference. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At

each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

(XXV) Capital

1. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
2. When the Company buys back the issued shares, the consideration paid, including any directly attributable incremental costs, is recognized as a deduction of shareholders' equity with the net amount after tax. When purchased shares are reissued, the difference between the consideration received and the book amount after deducting any directly attributable incremental costs and the impact of income tax is recognized as an adjustment to shareholders' equity.

(XXVI) Dividend distribution

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities. Stock dividends are recorded as dividends to be distributed and transferred to be common stocks on the record date of issuance of new shares.

(XXVII) Recognized revenue

1. The Company mainly provides photomask manufacturing services. The actual services provided and fees will vary according to different customers. Prices are negotiated separately before providing services, and are based on the prevailing market price. The performance obligations identified based on customer contracts are mainly for photomask manufacturing services, and revenue is recognized by measuring the degree of completion of performance obligations during the period of service provision.

With the provision of photomask manufacturing services, the customer simultaneously receives and consumes the performance benefits, and the customer has control over the asset when the asset is created or enhanced. The Company's performance does not create any assets available for other purposes and has the exercisable right to the amount that has been completely performed till now. The related revenue is recognized by measuring the degree of completion of the performance obligation during the service period. The photomask manufacturing service is based on the input of the technical staff on the basis of the service, and the progress of completion is measured based on the percentage of the incurred cost to the estimated total cost. After the agreed service or shipment is fulfilled for the contract agreement, a bill is issued, so the contract assets are recognized when the service provided, and transferred to account receivables when the customer agrees to the Company to issue the bill.

2. The time interval between the transfer products or services promised to customers and the customers' payment has not exceeded one year, so the Company has not adjusted the transaction price to reflect the time value of money.

(XXVIII) Government subsidies

Government subsidies are recognized at fair value once it is reasonably convinced that the Company complies with the conditions for subsidies and will be receiving the subsidies. If the nature of the government subsidies is to compensate the expenses incurred by the Company, the government subsidies are recognized as current gains and losses on a systematic basis during the period in which the related expenses are incurred.

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

The preparation of these parent only financial statements requires the management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Please see the following explanation of critical accounting judgments and key sources of estimation and uncertainty:

(I) Important judgments adopted by the accounting policies

None.

(II) Critical accounting estimates and assumptions

Evaluation of Inventories

The Company is primarily engaged in production and sale of photomask products in the semiconductor industry. Due to rapid technological innovations, short life-cycle and competition within the photomask industry, the risk of price fluctuations, Loss on decline in value of inventories and obsolescence is higher than that of other industries. The Company measures inventory based on the lower of cost and net realizable value. For inventories that are older than a certain period of inventory age or are outdated and obsolete, the Company must use judgment and estimation to determine the net realizable value of the inventory on the balance sheet date. The valuation of inventory may undergo major changes.

As of December 31, 2025, the book value of the Company's inventory was NT\$175,988.

VI. Summary of Significant Accounting Items

(I) Cash and Cash Equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Demand Deposit	\$ 247,068	\$ 529,376
Time deposits	-	3,492
Total	<u>\$ 247,068</u>	<u>\$ 532,868</u>

1. The Company associates 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.

2. The Company has no cash and cash equivalents pledged to others.

(II) Financial assets and liabilities at fair value through profit or loss

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Mandatory financial assets at fair value through profit or loss		
Shares of listed and OTC company	\$ 776,832	\$ 1,220,959
Valuation adjustment	(177,704)	(170,712)
	<u>\$ 599,128</u>	<u>\$ 1,050,247</u>
Financial liabilities mandatorily measured at fair value through profit or loss		
Convertible bond call/put options	<u>\$ -</u>	<u>(\$ 19,204)</u>

Items	December 31, 2025	December 31, 2024
Non-current items:		
Mandatory financial assets at fair value through profit or loss		
Shares of listed and OTC company	\$ 87,400	\$ 87,400
Shares of non-listed and non-OTC company	12,500	12,500
Valuation adjustment	<u>(39,760)</u>	<u>(42,380)</u>
	<u>\$ 60,140</u>	<u>\$ 57,520</u>

1. Details of financial assets/liabilities at fair value through profit or loss recognized in profit or loss are as follows:

	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Shares of listed and OTC company	(\$ 127,042)	(\$ 160,601)
Shares of non-listed and non-OTC company	(180)	11,328
Convertible bond call/put options	<u>19,204</u>	<u>(10,028)</u>
	<u>(\$ 108,018)</u>	<u>(\$ 159,301)</u>

2. Please see Note 8 on how the Company provides financial assets at fair value through profit or loss as a pledged collateral.

3. Please see Note 12 (2) and (3) for the price risk and fair value information related to financial assets at fair value through profit or loss.

(III) Financial assets measured at amortized cost

Items	December 31, 2025	December 31, 2024
Current items:		
Demand Deposit	\$ 27,049	\$ -
Time deposits	<u>452,000</u>	<u>-</u>
Total	<u>\$ 479,049</u>	<u>\$ -</u>
Non-current items:		
Demand Deposit	\$ 382,810	\$ 382,810
Common corporate bonds	-	100,000
Time deposits	<u>38,960</u>	<u>35,460</u>
Total	<u>\$ 421,770</u>	<u>\$ 518,270</u>

1. Financial assets at amortized cost is recognized in the profit or loss shown as follows:

	2025	2024
Interest income	\$ 6,514	\$ 4,136

2. Without taking into account any collaterals or other credit enhancements, the maximum credit risk exposure of financial assets at amortized cost held by the Company was NT\$900,819 and NT\$518,270 as of December 31, 2025 and 2024, respectively.

3. Please see Note 8 how the Company provides financial assets at amortized cost as a pledged collateral.

(IV) Accounts receivable (Including related parties)

	December 31, 2025	December 31, 2024
Accounts Receivables	\$ 601,958	\$ 800,742
Accounts Receivables – Related Parties	14,218	5,612
	616,176	806,354
Less: Loss allowance	(685)	(5,619)
	\$ 615,491	\$ 800,735

1. Aging of accounts receivable is as follows:

	December 31, 2025	December 31, 2024
Not past due	\$ 558,557	\$ 631,299
Up to 30 days	47,287	93,283
31-90 days	9,634	77,026
91-180 days	243	4,037
More than 181 days past due	455	709
	\$ 616,176	\$ 806,354

The above is an aging report based on the number of days past due.

2. As of December 31, 2025 and 2024, accounts receivable were from contracts with customers. The balances of notes and accounts receivable as of January 1, 2024 were NT\$692,292.

3. While not considering other credit enhancements, the accounts receivable held by the Company had the maximum exposure of credit risk at NT\$615,491 and NT\$800,735, respectively, as of December 31, 2025 and 2024.

4. Please refer to Note 12 (2) for the information on credit risk of accounts receivable.

(V) Inventories

	December 31, 2025		
	Cost	(Gain from reversal of) loss allowance on decline in market value of inventories	Book value
Raw materials	\$ 143,177	(\$ 8,328)	\$ 134,849
Work in process	34,317	-	34,317
Finished goods	6,822	-	6,822
Total	\$ 184,316	(\$ 8,328)	\$ 175,988

	December 31, 2024		
	Cost	(Gain from reversal of) loss allowance on decline in market value of inventories	Book value
Raw materials	\$ 186,297	(\$ 9,369)	\$ 176,928
Work in process	24,704	-	24,704
Finished goods	<u>3,748</u>	<u>-</u>	<u>3,748</u>
Total	<u>\$ 214,749</u>	<u>(\$ 9,369)</u>	<u>\$ 205,380</u>

The cost of inventories recognized as losses by the Company.

	2025	2024
Cost of goods sold	\$ 3,086,083	\$ 2,828,528
Loss on inventory write-down and inventory obsolescence (gain on reversal)	<u>(1,041)</u>	<u>4,575</u>
	<u>\$ 3,085,042</u>	<u>\$ 2,833,103</u>

For 2025, part of the inventory for which the provision for impairment losses had been made in the previous period was sold, resulting in a gain from recovery.

(VI) Investment under Equity Method

	2025	2024
Subsidiary:		
SunnyLake Park International Holdings, Inc.	\$ 5,674	\$ 5,938
Goke Holdings Co., Ltd.	111,445	207,987
Innova Vision INC.	89,857	(23,539)
Miracle Technology CO., LTD.	316,749	471,901
Pilot Energy Co., Ltd.	23,098	86,166
Taiwan Laser Welding Technology Corporation	220,174	-
Magpie Energy Co., Ltd.	25,165	-
ONE TEST SYSTEMS	(48)	86,458
Affiliates:		
TrueLight Corporation	363,237	388,848
Advagene Biopharma Co., Ltd.	30,760	46,599
Weida Hi-Tech Co., Ltd.	<u>13,346</u>	<u>25,851</u>
	<u>\$ 1,199,457</u>	<u>\$ 1,296,209</u>

1. Affiliates

(1) The basic information of the Company's material associates is as follows:

Name of Company	Main location of business	Shareholding percentage		Measurement method
		December 31, 2025	December 31, 2024	
TrueLight Corporation	Taiwan	12.11%	12.11%	Equity method

(2) The summarized financial information of the Company's material associates is as follows:

Balance Sheet

	TrueLight Corporation	
	December 31, 2025	December 31, 2024
Current assets	\$ 447,745	\$ 729,988
Non-Current Assets	663,359	622,913
Current liabilities	(230,685)	(222,706)
Non-current liabilities	(135,121)	(173,413)
Total net assets	\$ 745,298	\$ 956,782
Share of net assets of associates	\$ 90,259	\$ 115,870
Goodwill	272,978	272,978
Book value of associates	\$ 363,237	\$ 388,848

Statement of Comprehensive Income

	TrueLight Corporation	
	2025	2024
Revenue	\$ 670,246	\$ 556,137
Net loss of current period from continuing operations	(\$ 155,678)	(\$ 239,597)
Other comprehensive income (net after tax)	-	-
Total comprehensive income for the year	(\$ 155,678)	(\$ 239,597)
Dividends received from associates	\$ -	\$ -

(3) The book value and the share of operating results of each of the Company's insignificant affiliates are summarized as follows:

As of December 31, 2025 and 2024, the aggregate carrying amounts of the Company's individually insignificant associates were NT\$44,106 and NT\$72,450, respectively.

	2025	2024
Total comprehensive income for the year	(\$ 26,266)	(\$ 16,541)

(4) The Company's material associate, TrueLight Corporation, has a quoted market price, and its fair value as of December 31, 2025 and 2024 was NT\$644,625 and NT\$621,675, respectively.

2. For information on the Company's subsidiaries, please refer to Note 4 (3) of 2025 consolidated financial statements.
3. In March 2024, the Company acquired 13,500 thousand shares of TrueLight Corporation through private placement with an investment amount of NT\$410,400. As of December 31, 2025, the shareholding ratio was 12.11%, making the Company the single largest shareholder of TrueLight Corporation. However, the Company's shareholding does not reach the statutory attendance percentage of shareholders meetings, indicating that it has no actual ability to direct relevant activities. Therefore it is concluded that the Company has no control over the investee, but only significant influence.
4. In January 2025, the Company participated in the cash capital increase of its subsidiary, Innova Vision Inc., with an investment amount of NT\$90,203. In addition, the Company did not participate in Innova Vision Inc.'s cash capital increase in November 2025, resulting in a decrease in its shareholding ratio from 66.71% to 53.11%.
5. In November 2025, the Company's subsidiary, Pilot Energy Co., Ltd., spun off and transferred its hydrogen energy-related business, including the related assets, liabilities, and operations, to a newly incorporated company, Magpie Energy Co., Ltd. As consideration, Magpie Energy Co., Ltd. issued new shares to the shareholders of Pilot Energy Co., Ltd.; accordingly, the Company's shareholding ratio is 20%.
6. In May 2025, the Company participated in the capital increase of its subsidiary, Goke Holdings Co., Ltd. (formerly You-Yuan Investment Co., Ltd.), by setting off the subscription price for new shares against a monetary claim in the amount of NT\$700,000.
7. In October 2025, the Company established its subsidiary, Taiwan Laser Welding Technology Corporation, by contributing steel structure business equipment with an appraised value of NT\$270,000 as capital.
8. In 2025 and 2024, the Company disposed of part of its equity interest in Advagene Biopharma Co., Ltd. and recognized gains on disposal of investments of NT\$8,607 and NT\$67, respectively.

(This page is intentionally left blank)

(VII) Property, plant and equipment

	Buildings and structures (including land)	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
January 1, 2025							
Cost	\$ 2,347,411	\$ 8,540,315	\$ 69,728	\$ 5,958	\$ 755,145	\$ 1,185,463	\$ 12,904,020
Accumulated depreciation	(1,045,628)	(2,808,732)	(47,331)	(3,074)	(285,801)	-	(4,190,566)
	<u>\$ 1,301,783</u>	<u>\$ 5,731,583</u>	<u>\$ 22,397</u>	<u>\$ 2,884</u>	<u>\$ 469,344</u>	<u>\$ 1,185,463</u>	<u>\$ 8,713,454</u>
<u>2025</u>							
January 1	\$ 1,301,783	\$ 5,731,583	\$ 22,397	\$ 2,884	\$ 469,344	\$ 1,185,463	\$ 8,713,454
Additions	47,309	733,471	6,234	-	59,837	92,621	939,472
Disposals - Cost	-	(3,990)	-	(730)	-	-	(4,720)
Disposal - Accumulated depreciation	-	3,258	-	535	-	-	3,793
Depreciation	(215,943)	(877,403)	(12,191)	(998)	(160,781)	-	(1,267,316)
Reclassification - Cost	425,981	1,066,090	-	-	54,865	(1,139,352)	407,584
Reclassification - Accumulated depreciation	(22,969)	-	-	-	-	-	(22,969)
Transferred through spin-off (Note)	-	(212,946)	(56)	-	(17,861)	-	(230,863)
December 31	<u>\$ 1,536,161</u>	<u>\$ 6,440,063</u>	<u>\$ 16,384</u>	<u>\$ 1,691</u>	<u>\$ 405,404</u>	<u>\$ 138,732</u>	<u>\$ 8,538,435</u>
December 31, 2025							
Cost	\$ 2,820,701	\$ 9,995,399	\$ 75,562	\$ 5,228	\$ 845,335	\$ 138,732	\$ 13,880,957
Accumulated depreciation	(1,284,540)	(3,555,336)	(59,178)	(3,537)	(439,931)	-	(5,342,522)
	<u>\$ 1,536,161</u>	<u>\$ 6,440,063</u>	<u>\$ 16,384</u>	<u>\$ 1,691</u>	<u>\$ 405,404</u>	<u>\$ 138,732</u>	<u>\$ 8,538,435</u>

Note: In October 2025, the Company established its subsidiary, Taiwan Laser Welding Technology Corporation, by contributing steel structure business equipment with an appraised value of NT\$270,000 as capital.

	Buildings and structures (including land)	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
January 1, 2024							
Cost	\$ 2,184,268	\$ 7,184,723	\$ 56,112	\$ 6,268	\$ 551,186	\$ 1,010,828	\$ 10,993,385
Accumulated depreciation	(835,607)	(2,096,348)	(35,304)	(2,408)	(161,505)	-	(3,131,172)
	<u>\$ 1,348,661</u>	<u>\$ 5,088,375</u>	<u>\$ 20,808</u>	<u>\$ 3,860</u>	<u>\$ 389,681</u>	<u>\$ 1,010,828</u>	<u>\$ 7,862,213</u>
<u>2024</u>							
January 1	\$ 1,348,661	\$ 5,088,375	\$ 20,808	\$ 3,860	\$ 389,681	\$ 1,010,828	\$ 7,862,213
Additions	41,202	517,882	13,616	500	173,250	1,109,433	1,855,883
Disposals - Cost	-	-	-	(810)	-	-	(810)
Disposal - Accumulated depreciation	-	-	-	608	-	-	608
Depreciation	(203,253)	(712,384)	(12,027)	(1,274)	(124,296)	-	(1,053,234)
Reclassification - Cost	121,941	837,710	-	-	30,709	(934,798)	55,562
Reclassification - Accumulated depreciation	(6,768)	-	-	-	-	-	(6,768)
December 31	<u>\$ 1,301,783</u>	<u>\$ 5,731,583</u>	<u>\$ 22,397</u>	<u>\$ 2,884</u>	<u>\$ 469,344</u>	<u>\$ 1,185,463</u>	<u>\$ 8,713,454</u>
December 31, 2024							
Cost	\$ 2,347,411	\$ 8,540,315	\$ 69,728	\$ 5,958	\$ 755,145	\$ 1,185,463	\$ 12,904,020
Accumulated depreciation	(1,045,628)	(2,808,732)	(47,331)	(3,074)	(285,801)	-	(4,190,566)
	<u>\$ 1,301,783</u>	<u>\$ 5,731,583</u>	<u>\$ 22,397</u>	<u>\$ 2,884</u>	<u>\$ 469,344</u>	<u>\$ 1,185,463</u>	<u>\$ 8,713,454</u>

1. The Company had no interest capitalization in 2025 and 2024.
2. The major components of the Company's houses and buildings include land, buildings and factory renovation projects. Except for land, they are depreciated for 3 to 56 years.
3. Information on property, plant and equipment pledged to others as collateral is provided in Note 8.
4. The abovementioned property, plant and equipment of the Company are for self-use.

(VIII) Leasing arrangements - lessee

1. The underlying assets leased by the Company include land, buildings, company vehicles and other equipment, and the leasing contracts are typically made for periods of 3 to 20 years. Lease contracts are negotiated separately and include a variety of terms and conditions. There are no restrictions for the leased assets, except that they cannot be used as loan collaterals.
2. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Book value	Book value
Land	\$ 306,063	\$ 331,679
Buildings and structures	2,381	3,442
Transportation equipment (company vehicles)	6,246	7,566
Other equipment	54,447	59,087
	<u>\$ 369,137</u>	<u>\$ 401,774</u>

	<u>2025</u>	<u>2024</u>
	Depreciation	Depreciation
Land	\$ 17,153	\$ 22,786
Buildings and structures	1,269	1,147
Transportation equipment (company vehicles)	5,263	5,769
Other equipment	4,818	3,930
	<u>\$ 28,503</u>	<u>\$ 33,632</u>

3. For 2025 and 2024, the increases of right-of-use assets were NT\$4,327 and NT\$33,134, respectively. The decreases of right-of-use assets of the Company in 2025 and 2024 were NT\$8,461 and NT\$133,255, respectively.
4. The information on profit or loss items related to lease contracts is as follows:

	<u>2025</u>	<u>2024</u>
<u>Items affecting current profit and loss</u>		
Interest expenses on lease liabilities	\$ 5,662	\$ 6,672
Expenses for short-term lease contracts	1,265	405
Lease of low-value assets	232	570
Gain on lease modifications	-	1,295

5. The Company's total cash outflow on leases for 2025 and 2024 was NT\$34,300 and NT\$38,336, respectively.
6. Options to extend or terminate leases

In determining lease terms, the Company into consideration all facts and circumstances that create economic incentives to exercise an option to extend or terminate leases. The assessment of lease

period is reviewed if a significant event occurs which affects the assessment of options to extend or options not to terminate.

(IX) Leasing arrangements - lessor

1. The Company leases out assets such buildings. The lease contracts are typically made for periods of 1 to 2 years. The terms of lease contracts are negotiated separately and include various terms and conditions. In order to preserve the condition of leased assets, the Group usually requires lessees not to pledge the underlying leased assets.
2. The Company recognized rental income of NT\$102,705 and NT\$137,699 based on operating lease contracts in 2025 and 2024, respectively, and none of the lease contracts were variable lease payments.
3. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
2025	\$ -	\$ 69,245
2026	22,581	-
2027	<u>6,020</u>	<u>-</u>
After Y+6 years	<u>-</u>	<u>-</u>
Total	<u>\$ 28,601</u>	<u>\$ 69,245</u>

(X) Real estate investment

	<u>Buildings and structures</u>
January 1, 2025	
Cost	\$ 688,477
Accumulated depreciation	<u>(103,041)</u>
	<u>\$ 585,436</u>
<u>2025</u>	
January 1	\$ 585,436
Reclassification - Cost	(407,584)
Reclassification - Accumulated depreciation	22,969
Depreciation	<u>(12,551)</u>
December 31	<u>\$ 188,270</u>
December 31, 2025	
Cost	\$ 280,893
Accumulated depreciation	<u>(92,623)</u>
	<u>\$ 188,270</u>

	<u>Buildings and structures</u>
January 1, 2024	
Cost	\$ 756,945
Accumulated depreciation	<u>(94,091)</u>
	<u>\$ 662,854</u>
<u>2024</u>	
January 1	\$ 662,854
Reclassification - Cost	<u>(68,468)</u>
Reclassification - Accumulated depreciation	6,772
Depreciation	<u>(15,722)</u>
December 31	<u>\$ 585,436</u>
December 31, 2024	
Cost	\$ 688,477
Accumulated depreciation	<u>(103,041)</u>
	<u>\$ 585,436</u>

1. Rental income and direct operating expenses of investment real estate:

	<u>2025</u>	<u>2024</u>
Rental income from investment property	<u>\$ 102,705</u>	<u>\$ 137,699</u>
Direct operating expenses incurred by investment properties that generate rent income in the period	<u>\$ 12,551</u>	<u>\$ 15,722</u>

2. The fair value of the investment property held by the Company as of December 31, 2025 and 2024 were NT\$452,920 and NT\$1,982,672, respectively. They were valued using the income method and were of Level 3 fair value, and the major assumptions are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	3.69%	3.36%
Annual rent (net income)	\$ 44,939	\$ 111,640
Number of years	50	50

3. No capitalization of interest for investment property in 2025 and 2024.

4. As of December 31, 2025 and 2024, the investment properties had been used as collaterals. Please refer to Note 8.

(XI) Other Non-Current Assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Prepayments for equipment	\$ 126,899	\$ 339,826
Refundable Deposit	<u>7,507</u>	<u>6,284</u>
	<u>\$ 134,406</u>	<u>\$ 346,110</u>

(XII) Short Term Loans

<u>Type of borrowings</u>	<u>December 31, 2025</u>	<u>Range of interest rate</u>	<u>Collateral</u>
Bank borrowings			
Credit loan	\$ 1,038,576	1.6%~3.5%	None Reserve account (Note), shares of listed companies, and machinery and equipment
Secured borrowings	<u>1,486,927</u>	1.64%~3.5%	
	<u>\$ 2,525,503</u>		
<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Range of interest rate</u>	<u>Collateral</u>
Bank borrowings			
Credit loan	\$ 1,886,478	1.87%~2.63%	None Shares of listed and OTC company
Secured borrowings	<u>520,000</u>	2.21%~2.53%	
	<u>\$ 2,406,478</u>		

Note: The responsible person of the Company is the joint guarantor.

The interest expenses recognized in profit and loss in 2025 and 2024 were \$52,616 and \$36,677, respectively.

(XIII) Other Payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Machine maintenance payable	\$ 240,101	\$ 55,693
Payable on machinery and equipment	72,805	432,736
Payroll and bonus payable	63,853	58,517
Others	<u>241,380</u>	<u>272,418</u>
	<u>\$ 618,139</u>	<u>\$ 819,364</u>

(XIV) Corporate bonds payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Corporate bonds payable	\$ 4,300,000	\$ 4,300,000
Less: Amount of exercised conversion options	(325,200)	(325,200)
Less: Discount on corporate bonds payable	<u>(4,392)</u>	<u>(32,828)</u>
	3,970,408	3,941,972
Less: Corporate bonds with the put option exercised	(1,576,900)	(33,400)
Less: Early redemption	(299,416)	(299,416)
Less: Current portion of corporate bonds payable	<u>(97,254)</u>	<u>-</u>
	<u>\$ 1,996,838</u>	<u>\$ 3,609,156</u>

1. The terms of issuance for the Company's 3rd domestic unsecured convertible bonds are as follows:

- (1) The Company has been approved by the competent authority to raise and issue NT\$2,000,000 of the 3rd domestic unsecured convertible bonds, with a coupon rate of 0% and an issuance period of 5 years from August 3, 2021 to August 3, 2026. The convertible bonds are repayable in cash at par value on maturity. The convertible bonds were listed for trading on August 3, 2021.
- (2) The bondholders may request the conversion of the convertible bonds into the Company's common shares at any time from the day after the expiration of three months from the date of issuance of the corporate bonds to the maturity date, except during the period when the transfer of the corporate bonds is suspended in accordance with the regulations or laws, and the rights and obligations of the converted common shares are the same as those of the original issued common shares.
- (3) The conversion price of the convertible bonds is determined in accordance with the pricing model stipulated in the Measures, and the conversion price will be adjusted in accordance with the pricing model stipulated in the Conversion Measures in the event that the Company is subject to anti-dilution provisions. The conversion price will be reset on the base date set by the Regulations in accordance with the pricing model stipulated in the Conversion Measures. As of December 31, 2025, the conversion price was NT\$74.50 per share.
- (4) If the closing price of the Company's common stock exceeds 30% of the then conversion price for 30 consecutive business days from the day following the third month of the issuance of the convertible bonds to the 40th business day prior to the expiration of the issuance period, the Company may redeem the outstanding corporate bonds within the next 30 business days at the par value of the corporate bonds in cash.
- (5) If the outstanding balance of the convertible bonds is less than 10% of the total par value of the corporate bonds issued, the Company may redeem the convertible bonds at any time thereafter for cash at the par value of the corporate bonds, from the day following the third month of the issuance of the corporate bonds to the 40th business day prior to the expiration of the issuance period.
- (6) As of December 31, 2025, a total amount of NT\$325,200 had been converted into 3,742 thousand shares of common stock.
- (7) As of December 31, 2025, 15,769 convertible bonds were repurchased at the price of NT\$100 thousand; the repurchase amount was NT\$1,576,900.

(8) Upon issuance of convertible bonds, the Company separated the conversion options from the components of liabilities in accordance with IAS 32, "Financial Instruments: Presentation", and recorded "capital surplus - stock options" at NT\$406,616. The embedded repurchase and repurchase rights are separated from the principal contractual debt instruments in accordance with IFRS 9, "Financial Instruments", because they are not closely related to the economic characteristics and risks of the principal contractual debt instruments, and are recorded as "financial assets or liabilities at fair value through profit or loss" on a net basis. The effective interest rate of the master contract debt after the separation was 0.0902%.

2. First series domestic secured corporate bonds

In order to raise the Company's working capital, the board of directors resolved to approve on August 5, 2022 the issue of the first series domestic secured corporate bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:

- (1) Total amount of issue: According to the different issue conditions, there are two types of bonds, A and B, of which A is issued with an amount of NT\$300,000, and B is issued with an amount of NT\$200,000, totaling NT\$500,000.
- (2) Issue period: Five years, issued on September 28, 2022, and matured on September 28, 2027.
- (3) Coupon rate and repayment method of principal and interest: Both Bond A and Bond B have a fixed annual coupon rate of 1.80%. Simple interest is calculated and paid once a year, and the principal is repaid in cash at the face value of the bond at maturity.
- (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.

3. Second series domestic secured convertible corporate bonds

In order to raise the Company's working capital, the board of directors resolved to approve on August 5, 2022 the issue of the second series domestic secured corporate bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:

- (1) Total amount of issue: According to the different issue conditions, there are two types of bonds, A and B, of which A is issued with an amount of NT\$200,000, and B is issued with an amount of NT\$300,000, totaling NT\$500,000.
- (2) Issue period: Five years, issued on December 27, 2022, and matured on December 27, 2027.
- (3) Coupon rate and repayment method of principal and interest: Bond A has a fixed annual coupon rate of 2.20% and Bond B has a fixed annual coupon rate of 2.38%. Simple interest is calculated and paid once a year, and the principal is repaid in cash at the face value of the bond at maturity.
- (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.
- (5) Upon the resolution of the Group's board of directors on May 27, 2024, the Chairman was authorized to repurchase all the second series domestic secured convertible corporate bonds B issued by the Company in 2022 from the securities dealer's office for cancellation and delisting. As the early repurchase was near the expiration of principal repayment of NT\$300,000 on June 24, 2024 the delisting from Taipei Exchange was determined to be done on June 25, 2024.

4. Third series domestic secured convertible corporate bonds

In order to raise the Company's working capital, the board of directors resolved to approve on August 4, 2023 the issue of the third series domestic secured corporate bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:

- (1) Total amount issued: NT\$300,000 in total.
- (2) Issuance period: Five years from issuance on August 28, 2023 to expiration on August 28, 2028.
- (3) Coupon rate and method of repayment of principal and interest: The coupon rate is a fixed interest rate of 1.62% per annum, and this simple interest is calculated annually. At maturity, the principal is repaid in cash based on the face value of the bond.
- (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.

5. Fourth series domestic secured convertible corporate bonds

In order to raise the Company's working capital, the board of directors resolved to approve on August 4, 2023 the issue of the fourth series domestic secured corporate bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:

- (1) Total amount issued: NT\$500,000 in total.
- (2) Issuance period: Five years from issuance on December 12, 2023 to expiration on December 12, 2028.
- (3) Coupon rate and method of repayment of principal and interest: The coupon rate is a fixed interest rate of 1.8% per annum, and this simple interest is calculated annually. At maturity, the principal is repaid in cash based on the face value of the bond.
- (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.

6. Fifth series domestic secured convertible corporate bonds

In order to raise the Group's working capital, the board of directors resolved to approve on August 1, 2024 the issue of the fifth series domestic secured convertible corporate bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:

- (1) Total amount issued: NT\$500,000 in total.
- (2) Issuance period: Five years from issuance on August 1, 2024 to expiration on August 1, 2029.
- (3) Coupon rate and method of repayment of principal and interest: The coupon rate is a fixed interest rate of 2.2% per annum, and the simple interest is calculated once a year. At maturity, the principal is repaid in cash based on the face value of the bond.
- (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.

(XV) Long-term Loans

<u>Type of borrowings</u>	<u>Borrowing period and payment method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Long-term bank borrowings				
Secured borrowings	From January 28, 2022 to June 20, 2027, to be repaid in installments over the agreed period	2.47%~ 2.93%	Houses and buildings, machinery equipment and investment property	\$ 750,000
Secured borrowings	From December 27, 2021 to March 24, 2030, to be repaid in installments and installments over the agreed period	2.33%~ 2.40%	Machinery and equipment	938,750
Secured borrowings	From August 23, 2024 to December 28, 2032, to be repaid in installments and installments over the agreed period	2.30%~ 2.58%	Houses and buildings and investment property	1,126,316
Other long-term borrowings				
Secured borrowings	Repayable in portions and in installments during the term specified in the agreement from May 22, 2023 to September 5, 2027	3.04%~ 3.58%	Machinery and equipment	636,861
				-
				3,451,927
Less: Current portion of long-term borrowings				(1,350,483)
				<u>\$ 2,101,444</u>

Type of borrowings	Borrowing period and payment method	Range of interest rate	Collateral	December 31, 2024
Long-term bank borrowings				
Secured borrowings	From January 28, 2022 to January 27, 2027, to be repaid in installments and installments over the agreed period	2.67%	Houses and buildings, machinery equipment and investment property	\$ 750,000
Secured borrowings	From December 21, 2022 to May 20, 2029, to be repaid in installments and installments over the agreed period	2.30%~ 2.93%	Machinery and equipment	1,060,000
Secured borrowings	From December 27, 2022 to August 23, 2029, to be repaid in installments and installments over the agreed period	2.30%~ 2.57%	Houses and buildings and investment property	1,215,790
Other long-term borrowings				
Secured borrowings	Repayable in portions and in installments during the term specified in the agreement from May 22, 2023 to May 31, 2027	3.58%	Machinery and equipment	466,640
				-
				3,492,430
Less: Current portion of long-term borrowings				(857,444)
				<u>\$ 2,634,986</u>

(XVI) Pensions

- (1) The Company operates a defined-benefit pension plan in accordance with the Labor Standards Act, which cover 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 six months prior to retirement. The Company contributes a monthly amount equal to 2% of employees' monthly salaries and wages to a retirement fund at the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the

aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by the end of next March.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	(\$ 23,516)	(\$ 22,527)
Fair value of plan assets	<u>21,331</u>	<u>15,575</u>
Defined Benefit Liabilities	<u>(\$ 2,185)</u>	<u>(\$ 6,952)</u>

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

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Defined Benefit Liabilities</u>
2025			
Balance on January 1	(\$ 22,527)	\$ 15,575	(\$ 6,952)
Current service cost	(133)	-	(133)
Interest (expense) income	<u>(360)</u>	<u>267</u>	<u>(93)</u>
	<u>(23,020)</u>	<u>15,842</u>	<u>(7,178)</u>
Re-measurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	990	990
Change in financial assumptions	(676)	-	(676)
Experience adjustments	<u>(920)</u>	<u>-</u>	<u>(920)</u>
	<u>(1,596)</u>	<u>990</u>	<u>(606)</u>
Pension fund contribution	-	5,599	5,599
Paid pension	<u>1,100</u>	<u>(1,100)</u>	<u>-</u>
Balance on December 31	<u>(\$ 23,516)</u>	<u>\$ 21,331</u>	<u>(\$ 2,185)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Defined Benefit Liabilities
2024			
Balance on January 1	(\$ 22,650)	\$ 12,417	(\$ 10,233)
Current service cost	(139)	-	(139)
Interest (expense) income	(294)	174	(120)
	<u>(23,083)</u>	<u>12,591</u>	<u>(10,492)</u>
Re-measurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	845	845
Change in financial assumptions	718	-	718
Experience adjustments	<u>(1,326)</u>	<u>-</u>	<u>(1,326)</u>
	<u>(608)</u>	<u>845</u>	<u>237</u>
Pension fund contribution	-	3,303	3,303
Paid pension	<u>1,164</u>	<u>(1,164)</u>	<u>-</u>
Balance on December 31	<u><u>(\$ 22,527)</u></u>	<u><u>\$ 15,575</u></u>	<u><u>(\$ 6,952)</u></u>

(4) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than the aforementioned rates, government shall make payments for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating the fund and hence the Company is unable to disclose the classification of fair value of plan asset in accordance with IAS19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(5) The principal actuarial assumptions used were as follows:

	2025	2024
Discount rate	<u>1.3%</u>	<u>1.6%</u>
Future salary increases	<u>2.125%</u>	<u>2.125%</u>

The assumptions for future mortality rates for the years 2025 and 2024 are estimated based on the Sixth Taiwan Life Insurance Experience Mortality Table.

Because the main actuarial assumption changes, the present value of defined benefit obligation is affected. The analysis is as follows:

	Discount rate		Future salary increases	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
December 31, 2025				
Effect on present value of defined benefit obligation	<u>(\$ 572)</u>	<u>\$ 557</u>	<u>\$ 574</u>	<u>(\$ 573)</u>
December 31, 2024				
Effect on present value of defined benefit obligation	<u>(\$ 608)</u>	<u>\$ 629</u>	<u>\$ 611</u>	<u>(\$ 593)</u>

The sensitivity analysis above analyzes the impact from changing one of the assumptions while others remain constant. In practice, more than one assumption may change all at once. The sensitivity analysis is the same with the method used to calculate the net pension liabilities of the balance sheet.

- (6) The expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2026 are NT\$2,133.
- (7) As of December 31, 2025, the weighted average duration of the retirement plan is 10 years.
2. (1) Starting July 1, 2005, the Company has established a retirement plan based on the Labor Pension Act applicable to the domestic employees. Under the new plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (2) For 2025 and 2024, the pension costs recognized by the Company in accordance with the abovementioned pension measures were NT\$16,679 and NT\$17,085, respectively.

(XVII) Capital

1. As of December 31, 2025, the Company's authorized capital was NT\$5,000,000, consisting of 500,000 thousand shares (including 20,000 thousand shares issuable as employee stock options). The paid-in capital was NT\$3,168,492 with a par value of NT\$10. All proceeds from shares issued have been collected.

The movements in the number of the Company's common stocks outstanding are as follows:

	Unit: Thousand shares	
	2025	2024
January 1	213,663	213,153
Cash capital increase	63,370	-
Subsidiaries donated treasury stock	-	500
Conversion of corporate bonds	-	10
December 31	<u>277,033</u>	<u>213,663</u>

2. Treasury stock

(1) Reasons for repurchase of shares and changes in the quantity:

Company name of the shareholding	Reasons for buyback	December 31, 2025	
		Number of shares (thousand)	Book value
Subsidiary - Goke Holdings Co., Ltd. (Note)	Subsidiary holds the company's stock	35,331	\$ 502,776
The Company	Transfer shares to employees	4,485	388,983
		<u>39,816</u>	<u>\$ 891,759</u>

Note: Formerly named You-Yuan Investment Co., Ltd., it was renamed Goke Holdings Co., Ltd. in August 2025.

Company name of the shareholding	Reasons for buyback	December 31, 2024	
		Number of shares (thousand)	Book value
Subsidiary - Goke Holdings Co., Ltd.	Subsidiary holds the company's stock	35,331	\$ 502,776
The Company	Transfer shares to employees	7,462	664,593
		<u>42,793</u>	<u>\$ 1,167,369</u>

- (2) The Securities and Exchange Act stipulates that the percentage of the Company's repurchase of outstanding shares shall not exceed 10% of the Company's total issued shares, and the total value of shares purchased shall not exceed the retained earnings plus the premium of issued shares and the amount of realized capital reserve.
- (3) The treasury stocks bought back by the Company in accordance with the Securities and Exchange Act shall not be pledged. Before transfer, shareholders are not entitled to the shareholders' rights.
- (4) According to the provisions of the Securities and Exchange Act, the share repurchased to be transferred to employees shall be transferred within 5 years from the date of the purchase. If the transfer is not made within the time limit, the shares are deemed as unissued shares, and change of registration shall be made to cancel the shares. In order to maintain the Company's credit and shareholders equity, the shares bought back should have the registration changed to cancel the shares within six months from the date of the purchase.
- (5) The Company's stock held by the subsidiary Goke Holdings Co., Ltd. is treated as treasury stock. As of December 31, 2025 and 2024, Goke Holdings Co., Ltd. held 35,331 thousand shares of the Company. The average book value per share was NT\$14.23, and the fair value per share was NT\$35.35 and NT\$49.25, respectively. The cost of transferring treasury stocks is calculated based on the book value of the Company's stock held by Goke Holdings Co., Ltd. and the Company's indirect shareholding during each period.
- (6) On November 3, 2021, the Board of Directors resolved to purchase 6,000 thousand shares of the Company's stock in the centralized trading market and transfer them to employees. This

amount represented 2.37% of the total number of issued shares of the Company. The repurchase of 4,485 thousand shares was completed between November 4, 2021 and January 3, 2022. On January 21, 2022, the Board of Directors approved the transfer of 4,485 thousand shares to employees.

- (7) On May 6, 2022, the Board of Directors resolved to purchase 10,000 thousand shares of the Company's stock in the centralized trading market and transfer them to employees. This amount represented 3.91% of the total number of issued shares of the Company. The repurchase of 10,000 thousand shares was completed between May 9, 2022 and July 8, 2022. On April 14, 2023, the Board of Directors approved the transfer of 10,000 thousand shares to employees, of which 7,023 thousand shares were transferred to employees in June 2023. As of May 5, 2025, there were still 2,977 thousand shares that had not yet been transferred to employees. On May 5, 2025, the Board of Directors resolved to cancel the treasury shares, with July 8, 2025 as the capital reduction record date. The cancellation of such shares has been completed.

(XVIII) Capital surplus

In accordance with the Company Act, any capital surplus arising from paid-in capital in excess of the 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 Securities and Exchange Act requires that the amount of capital surplus to be capitalized, as above, should not exceed 10% of paid-in capital each year. Capital reserves should not be used to cover accumulated deficit unless the legal reserve is insufficient. The following is a breakdown of the capital reserve:

	Issue premiums	Trading of treasury stock	Changes in ownership interests in subsidiaries recognized	stock option	Equity changes in associates	Others	Total
January 1, 2025	\$ 44,997	\$ 912,335	\$ 155,293	\$ 288,895	\$ 119,385	\$ 11,136	\$ 1,532,041
Cash capital increase	912,528	-	-	-	-	-	912,528
Changes in ownership interests in subsidiaries recognized	-	-	113,092	-	-	-	113,092
Changes in shares of affiliates and joint ventures recognized under the equity method	-	-	-	-	(6,672)	-	(6,672)
Put option on convertible corporate bonds	(24,911)	-	-	(288,895)	-	313,806	-
Cancellation of treasury shares	-	(245,840)	-	-	-	-	(245,840)
December 31, 2025	<u>\$ 932,614</u>	<u>\$ 666,495</u>	<u>\$ 268,385</u>	<u>\$ -</u>	<u>\$ 112,713</u>	<u>\$ 324,942</u>	<u>\$ 2,305,149</u>

	Issue premiums	Trading of treasury stock	Changes in ownership interests in subsidiaries recognized	stock option	Equity changes in associates	Others	Total
January 1, 2024	\$ 44,148	\$ 859,338	\$ 154,097	\$ 295,848	\$ 82,220	\$ 4,308	\$ 1,439,959
Conversion of convertible bonds	849	-	-	(163)	-	-	686
Distribution of cash from capital surplus	-	-	-	(6,790)	-	6,790	-
Adjustment of capital reserve by dividends paid to subsidiaries	-	52,997	-	-	-	-	52,997
Changes in ownership interests in subsidiaries recognized	-	-	1,196	-	-	-	1,196
Changes in shares of affiliates recognized under the equity method	-	-	-	-	37,165	38	37,203
December 31, 2024	<u>\$ 44,997</u>	<u>\$ 912,335</u>	<u>\$ 155,293</u>	<u>\$ 288,895</u>	<u>\$ 119,385</u>	<u>\$ 11,136</u>	<u>\$ 1,532,041</u>

(XIX) Retained earnings

1. According to the Articles of Incorporation, any surplus from profit concluded at the end of year by the Company is first subject to reimbursement of previous losses and payment of taxes, followed by 10% provision for legal reserve and provision or reversal of special reserve as the laws may require. Any earnings remaining shall be distributed as shareholders' dividends in whole or partially.
2. The Company takes into account the overall business environment, industrial growth, and the Company's long-term financial planning for stable operation and development to adopt a residual dividend policy, which is mainly based on the Company's future capital budgeting plan to measure the annual capital needs. After using the retained earnings for funding, the remaining surplus will be distributed in the form of dividends, and the distribution steps are shown as follows:
 - (1) Decide on the best capital budgeting.
 - (2) Decide on the financing required for one of the capital budgeting items.
 - (3) Decide on the amount of the financing to be supported by retained earnings (methods such as cash capital increase or corporate bonds and so on can be adopted as support).
 - (4) After retaining the portion required for operation needs out of the earnings remainder, the rest should be distributed to shareholders in the form of dividends. Cash dividends distribution proportion should not be lower than 20% of the total amount of dividends for the distribution proportion of the Company's dividends.
3. 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 the 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.
4. In accordance with the regulations, the Company shall set aside special reserve from 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.
5. On March 13, 2026, the Board of Directors resolved to approve the proposal for offsetting the 2025 deficit by using legal reserve of NT\$863,958 and capital surplus of NT\$320,925.
6. The Company's shareholders' meeting approved the proposal for covering the losses in 2024 on May 28, 2025.
7. The Company's shareholders' meeting resolved on May 27, 2024 to distribute a cash dividend of NT\$1.50 per common share from the 2023 earnings, with a total dividend of NT\$373,477. In addition, due to the conversion of convertible bonds, the number of the Company's outstanding shares changed to 248,994 thousand shares (excluding the treasury stock of 7,462 thousand shares). With the cash dividends remained at NT\$1.5 per share, the total amount of cash dividends distributed from earnings in 2023 was adjusted to NT\$373,491.

(XX) Other equity interests

	2025	
	Unrealized gains and losses	Foreign currency translation
January 1	(\$ 2,666)	\$ 22,814
Difference in foreign currency translation	-	(2,143)
Valuation adjustment	391	-
December 31	<u>(\$ 2,275)</u>	<u>\$ 20,671</u>

	2024	
	Unrealized gains and losses	Foreign currency translation
January 1	(\$ 2,666)	\$ 4,307
Difference in foreign currency translation	-	18,507
December 31	(\$ 2,666)	\$ 22,814

(XXI) Operating income

	2025	2024
Revenue from contracts with customers	\$ 3,614,813	\$ 4,260,484

1. Segmentation of revenue from contracts with customers

The Company derives its revenue from the transfer of goods and services either over time. The revenue can be divided into the following main product lines:

<u>2025</u>	<u>Photomask and semiconductor segment</u>
Revenue from contracts with external customers	\$ 3,614,813
Cut-off point of income recognition Income recognized gradually over time	\$ 3,614,813
<u>2024</u>	<u>Photomask and semiconductor segment</u>
Revenue from contracts with external customers	\$ 4,260,484
Cut-off point of income recognition Income recognized gradually over time	\$ 4,260,484

2. Contract Asset and Contract Liability

(1) The Company has recognized the following revenue-related contract assets and contract liabilities:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract Assets	\$ 79,142	\$ 76,496	\$ 86,821
Contract Liabilities	\$ 58,755	\$ 13,611	\$ 33,984

(2) Contract liabilities at the beginning of the period recognized as revenue of the period

	2025	2024
Opening balance of contract liabilities recognized in the current period	\$ 2,806	\$ 3,087

(XXII) Interest income

	<u>2025</u>	<u>2024</u>
Interest from bank deposits	\$ 2,807	\$ 14,426
Interest income from financial assets measured at amortized cost	6,514	4,136
Other interest incomes	<u>6,043</u>	<u>113</u>
	<u>\$ 15,364</u>	<u>\$ 18,675</u>

(XXIII) Other Incomes

	<u>2025</u>	<u>2024</u>
Rental income	\$ 102,705	\$ 137,699
Dividend income	34,688	50,497
Other income - Others	<u>5,915</u>	<u>7,840</u>
	<u>\$ 143,308</u>	<u>\$ 196,036</u>

(XXIV) Other Gains and Losses

	<u>2025</u>	<u>2024</u>
Disposal of interests in property, plant and equipment	\$ 2,177	\$ 40
Gain (loss) on disposal of investments	8,607	-
Gain on lease modifications	-	1,295
Foreign currency exchange gains (losses)	(4,321)	28,170
Net losses of financial assets and liabilities at fair value through profit or loss	(108,018)	(159,301)
Goodwill impairment loss	-	(27,002)
Loss on repurchase of corporate bonds payable	(15,234)	-
Other losses -- Depreciation of investment properties	(12,551)	(15,722)
Other Gains and Losses	<u>-</u>	<u>(411)</u>
	<u>(\$ 129,340)</u>	<u>(\$ 172,931)</u>

(XXV) Financial Costs

	2025	2024
Interest expenses:		
Bank borrowings	\$ 149,147	\$ 128,539
Convertible bonds	51,462	64,715
Lease liabilities	5,662	6,672
Others	66	119
	<u>\$ 206,337</u>	<u>\$ 200,045</u>

(XXVI) Expenses by nature

	2025	2024
Employee benefits expenditure	\$ 499,079	\$ 481,404
Depreciation expense (Note)	1,308,370	1,102,588
Amortization expense	22,811	23,067
	<u>\$ 1,830,260</u>	<u>\$ 1,607,059</u>

Note: Including investment property and right-of-use assets

(XXVII) Employee benefits expenditure

	2025	2024
Payroll expenses	\$ 416,182	\$ 399,422
Labor and health insurance fees	38,747	39,624
Pension expense	16,905	17,344
Other personnel expenses	27,245	25,014
	<u>\$ 499,079</u>	<u>\$ 481,404</u>

1. According to the Articles of Incorporation, the Company shall distribute not less than 10% of the current year's profit situation for employee remuneration and not more than 2% of current year's profit situation for director remuneration. However, profits must first be taken to offset against cumulative losses, if any.
2. The estimated amounts of employee compensation and directors' remuneration for 2025 and 2024 were both NT\$0.

The remuneration of employees and directors for 2025 and 2024 were estimated in accordance with the Articles of Incorporation taking the annual profit into account.

The 2025 and 2024 remuneration for employees, directors as resolved by the Board of Directors are consistent with the amounts recognized in the 2025 and 2024 financial statements.

Information about employees remuneration and director remuneration of the Company as resolved by the Board of Directors is available on the MOPS.

(XXVIII) Income tax

1. Income tax expense (benefit)

Components of income tax (profit) expense:

	<u>2025</u>	<u>2024</u>
Current tax:		
Current tax on profits for the year	\$ 1,038	\$ 103,467
Over provision of prior year's income tax	<u>(8,935)</u>	<u>(764)</u>
Total current tax	<u>(7,897)</u>	<u>102,703</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>7,830</u>	<u>(7,920)</u>
Total Deferred Income Tax	<u>7,830</u>	<u>(7,920)</u>
Income tax expense (or benefit)	<u>(\$ 67)</u>	<u>\$ 94,783</u>

2. Reconciliation between income tax (profit) expense and accounting profit

	<u>2025</u>	<u>2024</u>
Tax calculated based on profit before tax and statutory tax rate	(\$ 234,757)	(\$ 36,209)
Impact tax deductibles of investment	-	(50,000)
Fees excluded according to the tax law	170,882	181,756
Tax-exempt income under the tax law	(6,938)	-
Temporary difference of unrecognized deferred income tax assets	17,316	-
Changes in assessment of realizability of deferred income tax assets	(7,830)	-
Over provision of prior year's income tax	(8,935)	(764)
Tax loss of unrecognized deferred income tax assets	<u>70,195</u>	<u>-</u>
Income tax expense (or benefit)	<u>(\$ 67)</u>	<u>\$ 94,783</u>

3. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2025			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
- Deferred income tax assets:				
Pension liabilities	\$ 1,391	(\$ 953)	\$ -	\$ 438
Loss on inventory	1,874	(208)	-	1,666
Interest on corporate bonds	3,732	2,640	-	6,372
Amortization of bond issue costs	(244)	244	-	-
Unrealized exchange loss	<u>6,258</u>	<u>(4,006)</u>	<u>-</u>	<u>2,252</u>
Subtotal	<u>\$ 13,011</u>	<u>(\$ 2,283)</u>	<u>\$ -</u>	<u>\$ 10,728</u>
- Deferred income tax liabilities:				
Amortization of bond issue costs	-	(517)	-	(517)
Unrealized gain on exchange	<u>-</u>	<u>(5,030)</u>	<u>-</u>	<u>(5,030)</u>
Subtotal	<u>\$ -</u>	<u>(\$ 5,547)</u>	<u>\$ -</u>	<u>(\$ 5,547)</u>
Total	<u>\$ 13,011</u>	<u>(\$ 7,830)</u>	<u>\$ -</u>	<u>\$ 5,181</u>

	2024			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
- Deferred income tax assets:				
Pension liabilities	\$ 2,047	(\$ 656)	\$ -	\$ 1,391
Loss on inventory	959	915	-	1,874
Interest on corporate bonds	-	3,732	-	3,732
Amortization of bond issue costs	-	(244)	-	(244)
Unrealized exchange loss	<u>2,304</u>	<u>3,954</u>	<u>-</u>	<u>6,258</u>
Subtotal	<u>\$ 5,310</u>	<u>\$ 7,701</u>	<u>\$ -</u>	<u>\$ 13,011</u>
- Deferred income tax liabilities:				
Unrealized gain on exchange	<u>(219)</u>	<u>219</u>	<u>-</u>	<u>-</u>
Subtotal	<u>(\$ 219)</u>	<u>\$ 219</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ 5,091</u>	<u>\$ 7,920</u>	<u>\$ -</u>	<u>\$ 13,011</u>

4. Deductible temporary difference not recognized as deferred income tax assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Deductible temporary difference	<u>\$ 196,840</u>	<u>\$ 110,261</u>

5. The effective periods of unused tax losses and the related amounts of unrecognized deferred income tax assets are as follows:

<u>December 31, 2025</u>				
<u>Year of occurrence</u>	<u>Reported amount/Assessed amount</u>	<u>Amount not yet deducted</u>	<u>Amount of unrecognized deferred income tax assets</u>	<u>Last year to be deducted</u>
2025	\$ 306,636	\$ 306,636	\$ 306,636	2035

6. The Company's income tax returns up to and including 2023 have been assessed and approved by the tax authority.

(XXIX) Loss per share

	<u>2025</u>		
	<u>Amount after tax</u>	<u>Weighted average number of shares outstanding (thousand shares)</u>	<u>Loss per share (in dollars)</u>
<u>Basic and diluted loss per share</u>			
Net loss attributable to common stock shareholders for the period	<u>(\$ 1,173,716)</u>	<u>240,400</u>	<u>(\$ 4.88)</u>
	<u>2024</u>		
	<u>Amount after tax</u>	<u>Weighted average share outstanding (thousand shares)</u>	<u>Loss per share (in dollars)</u>
<u>Basic and diluted loss per share</u>			
Net loss attributable to common stock shareholders for the period	<u>(\$ 472,521)</u>	<u>213,570</u>	<u>(\$ 2.21)</u>

The weighted-average number of shares outstanding for 2025 and 2024 was calculated after deducting the number of the Company's shares held by the Company and its subsidiary, Goke Holdings Co., Ltd., which were deemed treasury shares (the number of shares was calculated based on the Company's ownership ratio). In addition, as the Company incurred losses in both 2025 and 2024, there was no dilutive effect from potential common shares; therefore, diluted loss per share was equal to basic loss per share.

(XXX) Supplemental cash flow information

Investing activities with partial cash payments:

	2025	2024
Purchase of property, plant and equipment	\$ 939,472	\$ 1,855,883
Add: Opening balance of payable on equipment	432,736	240,893
Prepayments for equipment at the end of the period	126,899	339,826
Less: Ending balance of payable on equipment (including related parties)	(74,494)	(432,736)
Prepayments for equipment at the beginning of the period	(339,826)	(348,993)
Cash paid during the year	<u>\$ 1,084,787</u>	<u>\$ 1,654,873</u>

(XXXI) Changes in liabilities arising from financing activities

	Short Term Loans	Corporate bonds payable (Mature within one year)	Long-term borrowings (including current portion)	Lease liabilities	Guarantee Deposits Received	Total liabilities arising from financing activities
January 1, 2025	\$2,406,478	\$ 3,609,156	\$ 3,492,430	\$414,271	\$ 33,914	\$ 9,956,249
Change in cash flow from financing activities	119,025	(1,528,266)	(45,614)	(27,141)	(33,264)	(1,515,260)
Interest Expenses	-	51,462	-	5,662	-	57,124
Interest Paid	-	(38,260)	-	(5,662)	-	(43,922)
Other Non-Cash Transactions	-	-	5,111	(4,134)	-	977
December 31, 2025	<u>\$2,525,503</u>	<u>\$ 2,094,092</u>	<u>\$ 3,451,927</u>	<u>\$382,996</u>	<u>\$ 650</u>	<u>\$ 8,455,168</u>

	Short Term Loans	Corporate bonds payable	Long-term borrowings (including current portion)	Lease liabilities	Guarantee Deposits Received	Total liabilities arising from financing activities
January 1, 2024	\$1,079,983	\$ 3,424,600	\$ 3,465,263	\$546,375	\$ 33,961	\$ 8,550,182
Change in cash flow from financing activities	1,326,495	165,751	(15,555)	(30,689)	(47)	1,445,955
Interest Expenses	-	64,715	-	6,672	-	71,387
Interest Paid	-	(45,975)	-	(6,672)	-	(52,647)
Other Non-Cash Transactions	-	65	42,722	(101,415)	-	(58,628)
December 31, 2024	<u>\$2,406,478</u>	<u>\$ 3,609,156</u>	<u>\$ 3,492,430</u>	<u>\$414,271</u>	<u>\$ 33,914</u>	<u>\$ 9,956,249</u>

VII. Related Party Transactions

(I) Related parties' names and relationship

The Company is controlled by Star Fusion Group Co., Ltd., which holds 20% of the Company's shares and is the Company's ultimate parent company.

(II) Parent company and ultimate controlling party

Name of the related parties	Relationship with the Company
Miracle Technology CO., LTD.	Subsidiary
Goke Holdings Co., Ltd.	Subsidiary
Innova Vision INC.	Subsidiary
Pilot Energy Co., Ltd.	Subsidiary
SunnyLake Park International Holdings, Inc.	Subsidiary
Taiwan Laser Welding Technology Corporation	Subsidiary
Aptos Technology INC.	2nd-tier subsidiary
Miracle International Enterprise (Shanghai) Co., Ltd.	2nd-tier subsidiary
Xsense Technology Corporation (B.V.I.) Taiwan Branch	2nd-tier subsidiary
Digital-Can Tech. Co., Ltd.	2nd-tier subsidiary
ADL Energy Corp	2nd-tier subsidiary
Weida Hi-Tech Co., Ltd.	Affiliates
BKS Tec Corp.	Other related party
Taiwan Mask Charity Foundation	Other related party
TrueLight Corporation	Affiliate (Note 1)
YLTLINK Technology Corporation	Affiliate (Note 2)

Note 1: TrueLight re-elected the directors of the Board of directors on May 30, 2024. The Chairman of the Board of directors is the CEO and General Manager of the Company, and the company is an affiliate of the Company.

Note 2: YLTLINK Technology Corporation is a subsidiary of TrueLight Corporation. The Chairman of the Board of directors and the CEO and General Manager of the Company are the same person.

(III) Significant transactions with the related parties

1. Operating revenue

	2025	2024
Product sales:		
Miracle Technology CO., LTD.	\$ 38,271	\$ 5,500
Miracle International Enterprise(Shanghai) Co., Ltd.	23,852	15,716
Weida Hi-Tech Co., Ltd.	12,698	9,621
	<u>\$ 74,821</u>	<u>\$ 30,837</u>

There are no major abnormalities in the transaction prices and payment terms of the related party compared to that of non-related parties.

2. Account receivable from related parties.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts Receivables:		
Miracle Technology CO., LTD.	\$ 9,266	\$ 1,432
Weida Hi-Tech Co., Ltd.	3,242	-
Miracle International Enterprise(Shanghai) Co., Ltd.	1,488	2,315
Digital-Can Tech. Co., Ltd.	222	1,811
Affiliates	<u>-</u>	<u>54</u>
Subtotal	<u>14,218</u>	<u>5,612</u>
Other Receivables:		
Aptos Technology INC.	134,750	165,937
Innova Vision INC.	85,022	128,094
Xsense Technology Corporation (B.V.I.) Taiwan Branch	72,665	7,098
Goke Holdings Co., Ltd.	-	300,000
Taiwan Laser Welding Technology Corporation Subsidiary	111	-
Other related party	5,203	805
Affiliates	6	501
2nd-tier subsidiary	-	2
Less: Loss allowance	<u>(134,133)</u>	<u>-</u>
Subtotal	<u>177,151</u>	<u>602,437</u>
Total	<u>\$ 191,369</u>	<u>\$ 608,049</u>

3. Other Payables - Related Parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other Payables:		
Digital-Can Tech. Co., Ltd.	\$ 2,392	\$ 704
Pilot Energy Co., Ltd.	652	-
Xsense Technology Corporation (B.V.I.) Taiwan Branch	<u>-</u>	<u>89</u>
Total	<u>\$ 3,044</u>	<u>\$ 793</u>

4. Acquisition of other assets

	Account item	2025		2024	
		Acquisition price		Acquisition price	
Xsense Technology Corporation (B.V.I.) Taiwan Branch	Corporate bonds	\$	-	\$	100,000
Digital-Can Tech. Co., Ltd.	Fixed assets		988		171,337
2nd-tier subsidiary	Fixed assets		621		3,860
Total		\$	1,609	\$	275,197

5. Acquisition of financial assets

2025:

	Account item	Number of shares acquired (note)	2025	
			Acquisition price (note)	
Goke Holdings Co., Ltd.	Investment under Equity Method	70,000,000	\$	700,000
Taiwan Laser Welding Technology Corporation	Investment under Equity Method	27,000,000		270,000
Subsidiary	Investment under Equity Method	4,510,156		90,203
Total			\$	1,060,203

Note 1: In 2024, the Company extended a loan of NT\$300,000 to Goke Holdings Co., Ltd. During the current year, NT\$100,000 was repaid and the Company increased the loan by NT\$500,000. In May 2025, the Company participated in the capital increase of its subsidiary, Goke Holdings Co., Ltd. (formerly You-Yuan Investment Co., Ltd.), by offsetting the subscription price for new shares against a monetary claim in the amount of NT\$700,000 and acquired 70,000,000 shares.

Note 2: In October 2025, the Company established its subsidiary, Taiwan Laser Welding Technology Corporation, by contributing steel structure business equipment with an appraised value of NT\$270,000 as capital. The gain on disposal of property, plant and equipment to the subsidiary is considered unrealized and is reclassified as realized gain over the useful lives of the assets. In 2025, the Company recognized realized gain on disposal of NT\$652. As of December 31, 2025, the unrealized gain or loss on disposal of property, plant and equipment was recorded under investments accounted for using the equity method in the amount of NT\$38,484.

2024: None.

6. Others

(1) Guarantee Deposits Received:	2025	2024
Miracle Technology CO., LTD.	\$ 416	\$ 416
BKS Tec Corp.	118	118
	\$ 534	\$ 534

(2) Rental income:	2025	2024
Xsense Technology Corporation (B.V.I.) Taiwan Branch	\$ 36,452	\$ 48,044
Aptos Technology INC.	23,983	50,785
Innova Vision INC.	19,376	17,628
Other related party	3,873	1,725
Subsidiary	2,445	2,689
2nd-tier subsidiary	-	2
	\$ 86,129	\$ 120,873

The Company leases buildings to subsidiaries, 2nd-tier subsidiaries and other related parties. The lease contract period is from 2020 to 2025, and the rent is collected in accordance with the contract.

(3) Interest income:	2025	2024
Goke Holdings Co., Ltd.	\$ 3,921	\$ 1,837
Xsense Technology Corporation (B.V.I.) Taiwan Branch	3,000	-
Aptos Technology INC.	1,098	709
Innova Vision INC.	914	459
	\$ 8,933	\$ 3,005

(4) The Company issued cash dividends of NT\$0 and NT\$52,997 to Goke Holdings Co., Ltd. in 2025 and 2024, respectively.

(5) In 2025 and 2024, the Company donated NT\$402 and NT\$1,728, respectively, in cash to the Taiwan Mask Charity Foundation.

7. Endorsements and guarantees provided by related parties

	December 31, 2025	December 31, 2024
Innova Vision INC.	\$ 314,000	\$ -
Goke Holdings Co., Ltd.	180,000	-
Xsense Technology Corporation (B.V.I.) Taiwan Branch	146,000	-
Miracle Technology CO., LTD.	125,720	
Pilot Energy Co., Ltd.	73,000	-
	<u>\$ 838,720</u>	<u>\$ -</u>

(IV) Compensation of key management personnel

	2025	2024
Salary and short-term employee benefits	\$ 10,540	\$ 9,839
Post-employment benefits	-	14,880
	<u>\$ 10,540</u>	<u>\$ 24,719</u>

VIII. Pledged assets

Assets pledged by the Company as collateral are as follows:

Assets	Book value		Purpose
	December 31, 2025	December 31, 2024	
Time deposit (Recognized as "Financial assets at amortized cost")	\$ 490,960	\$ 35,460	Guarantee of cargo out of free trade zone and lease deposit
Demand deposit (Recognized as "Financial assets at amortized cost")	409,859	382,810	Corporate bond guarantee and short term loans
Stocks of publicly traded and OTC companies (recognized as "Financial assets at fair value through profit or loss")	593,304	793,986	Short Term Loans
Buildings and structures (including land)	1,071,743	1,199,487	Long-term Loans
Real estate investment	188,270	121,246	Long-term Loans
Machinery and equipment and equipment under acceptance	4,794,938	3,286,966	Short term and long term loans
Other equipment	213	993	Long-term Loans
	<u>\$ 7,549,287</u>	<u>\$ 5,820,948</u>	

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) Contingencies

None.

(II) Commitments

1. Capital expenditures that have been signed but not yet incurred

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment	<u>\$ 642,669</u>	<u>\$ 1,175,844</u>

2. Lease agreement

Please see Note 6 (8) and (9)

X. Losses due to major disasters

None.

XI. Major Events after Financial Statement Date

The Company's Board resolution of March 13, 2026 approved the 2025 deficit offset. Please refer to Note 6 (19) for details.

XII. Others

(I) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the parent only balance sheet) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the parent only balance sheet plus net debt.

The Company's strategy in 2025 and 2024 was to take out long-term loans and issue corporate bonds to purchase machinery and equipment and obtain long-term working capital. For the years ended December 31, 2025 and 2024, the debt-to-capital ratios were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total borrowings	\$ 8,071,522	\$ 9,508,064
Less: Cash and cash equivalents	<u>(247,068)</u>	<u>(532,868)</u>
Net debt	7,824,454	8,975,196
Total equity	<u>4,279,353</u>	<u>4,395,168</u>
Total capital	<u>\$ 12,103,807</u>	<u>\$ 13,370,364</u>
Debt-to-equity ratio	<u>64.64%</u>	<u>67.13%</u>

(II) Financial instruments

1. Types of financial instrument

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial Assets at Fair Value Through Profit or Loss		
Mandatory financial assets at fair value through profit or loss	\$ 659,268	\$ 1,107,767
Financial assets measured at amortized cost		
Cash and Cash Equivalents	\$ 247,068	\$ 532,868
Financial assets measured at amortized cost	900,819	518,270
Accounts receivable (Including related parties)	615,491	800,735
Other account receivable (Including related parties)	203,589	621,680
Refundable Deposit	7,508	6,284
	<u>\$ 1,974,475</u>	<u>\$ 2,479,837</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Short Term Loans	\$ 2,525,503	\$ 2,406,478
Accounts Payable	94,207	116,962
Other accounts payable (Including related parties)	621,183	820,157
Corporate bonds payable (mature within one year)	2,094,092	3,609,156
Long-term borrowings (including current portion)	3,451,927	3,492,430
Guarantee Deposits Received	650	33,914
	<u>\$ 8,787,562</u>	<u>\$ 10,479,097</u>
Lease liabilities	<u>\$ 382,996</u>	<u>\$ 414,271</u>

2. Risk management policies

- (1) The Company's activities expose it to a variety of financial risks, including market risk (exchange rate, interest rate and price), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and performance.
- (2) Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. Company's finance department identifies, evaluates and hedges financial risks in close collaboration with the Company's operating units. The Board provides

- B. Total exchange (loss) gain, including realized and unrealized gains from significant foreign exchange variations on monetary items held by the Company amounted to a loss of (NT\$4,321) and a gain of NT\$28,170 for the years ended December 31, 2025 and 2024, respectively.
- C. The analysis of foreign currency risk due to significant exchange rate fluctuation is as follows:

		2025		
		Sensitivity Analysis		
		Fluctuation	Effect on profit or loss	Other comprehensive profit and loss affected
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD : NTD	1%	\$ 4,512	\$ -
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD : NTD	1%	(\$ 2,400)	\$ -
	JPY : NTD	1%	(2,107)	-
	Euro : NTD	1%	(299)	-
		2024		
		Sensitivity Analysis		
		Fluctuation	Effect on profit or loss	Other comprehensive profit and loss affected
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD : NTD	1%	\$ 7,999	\$ -
	JPY : NTD	1%	734	-
	Euro : NTD	1%	420	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD : NTD	1%	(\$ 3,136)	\$ -
	JPY : NTD	1%	(719)	-
	Euro : NTD	1%	(610)	-

Price risk

- A. The equity instruments owned by the Company exposing to the price risk are financial assets at fair value through profit or loss.
- B. The Company invests primarily in beneficiary certificates and equity instruments. The price of such equity instrument is subject to the uncertainty of the future value of investment target. If the price of such equity instrument increases or decreases by 1%, while all other factors remain unchanged, the net profit after tax affected by equity instruments at fair value through profit or loss after tax for 2025 and 2024 is an increase or decrease of NT\$5,274 and NT\$8,862, respectively.

Cash flow and fair value interest rate risk

- A. The Company's interest rate risk mainly comes from long-term borrowings issued at floating rates, which exposes the Company to cash flow interest rate risk. For 2025 and 2024, the Company's borrowings issued at floating rates were mainly denominated in New Taiwan Dollars.
- B. The Company's borrowings are measured at amortized cost, and the annual interest rate is re-priced according to the contract, which exposes the Company to the risk of future market interest rate changes.
- C. If the long- and short-term borrowing rates increase or decrease by 0.25%, while all other factors remain constant, the net profit after tax for 2025 and 2024 is a decrease or increase of NT\$11,950 and NT\$11,798, respectively, mainly due to the interest expense changes caused by the floating interest rate.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments under contract obligations, and the defaults are accounts receivable and the contract cash flow from debt instruments measured at amortized cost, measured at fair value through other comprehensive income and measured at fair value through profit or loss.
- B. The management of credit risk is established with a Company perspective. Only the banks and financial institutions with an independent credit rating of at least "A" can be accepted as transaction partners of the Group. According to the internal credit policy, each operating entity of the Company is responsible for managing and analyzing 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 utilization of credit limits is regularly monitored.
- C. The Company considers a contract payment overdue in accordance with the agreed payment terms a breach of contract.
- D. The Company uses IFRS 9 to provide the following assumption as a basis for determining whether there is a significant increase in the credit risk of financial instruments after the original recognition:
 - (A) If the contract payment is overdue for more than 30 days in accordance with the agreed payment terms, the credit risk of the financial asset is significantly increased since the original recognition.

- (B) For bond investments in Taipei Exchange, if any external rating agency rates it as an investment grade on the balance sheet date, the credit risk of the financial asset is considered low.
- E. The Company uses the following indicators to determine the status of credit impairments of debt instruments:
- (A) The issuer has suffered significant financial difficulties or is likely to enter bankruptcy or other financial restructuring.
- (B) The issuer has suffered significant financial difficulties or is likely to enter bankruptcy or other financial restructuring.
- (C) The issuer delays or does not pay for the interest or principal.
- (D) Unfavorable changes in the national- or regional-level economic situation resulting in the issuer's default.
- F. The Company categorizes the accounts receivable from customers based on the characteristics of trade credit risks. The simplified approach is adopted for estimating the expected credit loss based on the provision matrix.
- G. The Company may write off the amount of financial assets that cannot be reasonably expected to be recovered after recourse. However, the Company will continue the recourse to protect the rights of the claims.
- H. The Company has incorporated forward-looking considerations to adjust the loss rate established based on historical and current information in order to estimate the loss allowance for accounts receivables. The provision matrix for the years ended December 31, 2025 and 2024 are shown as follows:

	Not past due	30 days past due	31 to 90 days past due	91 to 180 days past due	181 to 360 days past due	Total
<u>December 31, 2025</u>						
Expected loss rate	0.00%	0.01~2.48%	5~19.63%	25.68~34.98%	25.93~70.07%	
Total book value	\$ 558,557	\$ 47,287	\$ 9,634	\$ 243	\$ 455	\$ 616,176
Loss allowance	-	-	(482)	(85)	(118)	(685)
	Not past due	30 days past due	31 to 90 days past due	91 to 180 days past due	181 to 360 days past due	Total
<u>December 31, 2024</u>						
Expected loss rate	0.01%	0.01~8.62%	5~66.68%	35~66.68%	50~75.46%	
Total book value	\$ 631,299	\$ 93,283	\$ 77,026	\$ 4,037	\$ 709	\$ 806,354
Loss allowance	-	-	(3,851)	(1,413)	(355)	(5,619)

- I. The Company adopts a simplified method in which the loss allowance for the accounts receivable is shown as follows:

	2025	2024
January 1	\$ 5,619	\$ 2,324
Recognize impairment (profit) loss	(4,934)	3,295
December 31	<u>\$ 685</u>	<u>\$ 5,619</u>

(3) Liquidity risk

- A. Cash flow forecasting is performed by the operating entity of the Company and aggregated by the Company's finance department. The Company's Finance Department monitors the forecast of the Group's demand for working capital to ensure that it has sufficient funds to meet operational needs, and maintains sufficient unspent loan commitments at all times so that the Company will not exceed the relevant borrowing limits or violate the terms. These forecasts take into account the Company's debt financing plan, compliance with debt terms, and compliance with the financial ratio objectives of the internal balance sheet.
- B. The remaining cash held by each operating entity will be transferred back to the Company's finance department. The finance department of the Company invests the remaining funds in interest-bearing demand deposits, time deposits, and financial assets at amortized cost (time deposits with maturities of more than 3 months and less than 12 months). The instruments selected have appropriate maturities or sufficient liquidity to respond to the abovementioned forecasts and provide sufficient liquidity headroom. For the years ended December 31, 2025 and 2024, the money market holdings of the Company were NT\$1,147,887 and NT\$1,051,138, respectively, and were expected to generate immediate cash flow to manage liquidity risk.
- C. The Company's undrawn borrowing facilities are shown as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Floating rate		
Mature within one year	\$ 81,253	\$ 543,000
Maturity of more than 1 year	<u>40,000</u>	<u>-</u>
	<u>\$ 121,253</u>	<u>\$ 543,000</u>

- D. The following table shows the Company's non-derivative financial liabilities and derivative financial liabilities settled on a net or total amount, grouped according to the relevant maturity date. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2025	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>
<u>Non-derivative</u> <u>financial liabilities:</u>				
Short Term Loans	\$ 2,545,010	\$ -	\$ -	\$ -
Accounts Payable	94,207	-	-	-
Other accounts payable (Including related parties)	621,183	-	-	-
Lease liabilities	30,428	30,649	75,624	296,326

December 31, 2025	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>				
Corporate bonds payable (mature within one year)	136,160	736,010	1,357,240	-
Long-term borrowings (including current portion)	1,421,953	1,088,214	908,877	183,445
Guarantee Deposits Received	650	-	-	-
December 31, 2024	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>				
Short Term Loans	\$ 3,413,129	\$ -	\$ -	\$ -
Accounts Payable	116,962	-	-	-
Other accounts payable (Including related parties)	820,157	-	-	-
Lease liabilities	31,584	29,180	75,576	337,258
Corporate bonds payable	38,260	38,260	3,715,520	-
Long-term borrowings (including current portion)	928,962	997,156	1,420,547	342,118
Guarantee Deposits Received	-	33,914	-	-

(III) Fair value information

- 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 Company's investment in stocks of publicly traded or OTC firms and beneficiary certificates is 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.

Level 3: The Company's investments in unlisted stocks all involve unobservable inputs for the assets or liabilities.

- Financial instruments not measured at fair value

Cash and cash equivalents, notes receivable, accounts receivable, other receivable, short-term borrowings, notes payable, accounts payable and other payable as reasonable approximation of fair value.

3. The related information for 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 is as follows:

December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss - Equity securities	<u>\$ 599,128</u>	<u>\$ 60,140</u>	<u>\$ -</u>	<u>\$ 659,268</u>
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss - Equity securities	<u>\$ 1,050,247</u>	<u>\$ 57,520</u>	<u>\$ -</u>	<u>\$ 1,107,767</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Convertible bond call/put options	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,204</u>	<u>\$ 19,204</u>

4. The methods and assumptions adopted by the Company for assessing the fair value are as follows:

- (1) The Company adopt market pricing as the input of fair value (i.e. Level 1), and the breakdown of the characteristics of the instrument is as follows:

	<u>Shares of listed and OTC company</u>	<u>Open-end funds</u>
Market price	Closing price	Net Value

- (2) Except for the abovementioned financial instruments with active markets, the fair value of the remaining financial instruments is obtained using valuation techniques. The fair value obtained through valuation techniques can refer to the current fair value of other financial instruments with similar substantive conditions and characteristics, discounted cash flow method, or other valuation techniques, including the use of market information available on the date of the parent only balance sheet.

- (3) The output of the valuation model is the estimated value, and the valuation technique may not reflect all the relevant factors of the financial instruments and non-financial instruments held by the Company. Therefore, the estimated value of the valuation model will be appropriately adjusted according to additional parameters, such as model risk or liquidity risk. According to the Company's fair value valuation model management policies and related control procedures, the management believes that in order to properly express the fair value of

financial instruments and non-financial instruments in the parent only balance sheet, valuation adjustments are appropriate and necessary. The price information and parameters used in the valuation process are carefully assessed and appropriately adjusted according to current market conditions.

- (4) The Company incorporates credit risk valuation adjustments into the consideration of fair value of financial instruments and non-financial instruments to reflect counterparty credit risk and the credit quality of the Company, respectively.
5. There were no transfers between Level 1 and 2 in 2025 and 2024.
6. The following table shows the changes in Level 3 in 2025 and 2024:

	<u>Financial instruments</u>
January 1, 2025	(\$ 19,204)
Corporate bonds payable redeemed during the period	15,234
Recognized in profit or loss	<u>3,970</u>
December 31, 2025	<u>\$ -</u>

	<u>Financial instruments</u>
January 1, 2024	(\$ 9,383)
Recognized in profit or loss	<u>(9,821)</u>
December 31, 2024	<u>(\$ 19,204)</u>

7. The quantitative information about the significant unobservable input value of the valuation model and the sensitivity analysis of the significant unobservable input value change used in the Level 3 fair value measurements are explained as follows:

December 31, 2025: None.

December 31, 2024

	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Range (weighted average)</u>	<u>Relationship between inputs and fair value</u>
Derivative equity / liability					
Convertible bond call/put options	(\$ 19,204)	Convertible bond evaluation model	Stock price volatility	32.66%	The higher the stock price volatility, the higher the fair value

8. The Company has carefully assessed the valuation models and parameters used to measure fair value. However, use of different valuation models or parameters may result in different measurement. For financial assets or liabilities classified in Level 3, changes in valuation parameters have the following impacts on the income or other comprehensive income of the period:

December 31, 2025: None.

		<u>December 31, 2024</u>			
		<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>	
<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>

Financial assets						
Debt	Stock price fluctuation	± 1%	\$ 50	(\$ 50)	\$ -	\$ -

(IV) Sound operational improvement plan

As of December 31, 2025, the Company's debt ratio and current ratio were 68% and 54%, respectively. To strengthen its financial structure, the Group has implemented a sound operational improvement plan covering funding, operations, and governance.

In terms of funding, the Company has obtained approval from the competent authority for a public offering and issuance of new shares through cash capital increase, which is expected to be completed in the first quarter of 2026. The proceeds will be used to repay bank borrowings and further improve the financial structure.

On the operational front, the Group will continue to improve operating efficiency and cash collection capability by optimizing capacity allocation, controlling costs and expenses, and strengthening accounts receivable management.

On the governance front, the Group will continue to strengthen its risk management mechanisms, regularly report the implementation status to the Board of Directors and the Audit Committee, and monetize assets as needed based on operational requirements in order to maintain a sound financial structure.

The Company expects that the implementation of the above measures will help improve its financial structure and strengthen its long-term operational development.

XIII. Supplementary Disclosure

(I) Significant transactions information

1. Loans to others: Please refer to Table 1.
2. Provision of endorsements and guarantees to others: Please refer to Table 2.
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures): Please refer to Table 3.
4. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
5. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
6. Business relationships and significant intercompany transactions between the parent company and subsidiaries: Please refer to Table 4.

(II) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Table 5.

(III) Information on investments in Mainland China

Please see Table 6.

XIV. Segments Information

Not applicable.

Taiwan Mask Corporation
Cash and Cash Equivalents Schedule
December 31, 2025

Unit: NT\$ Thousand

Items	Summary	Amount
Bank deposits		
Demand deposits - NTD		\$ 156,652
- Foreign currency	USD 2,807, exchange rate 31.43	88,214
	JPY 9,471, exchange rate 0.2008	1,902
	EUR 3, exchange rate 36.90	101
	GBP 5, exchange rate 42.33	199
		<u>\$ 247,068</u>

Taiwan Mask Corporation
Accounts Receivable Schedule
December 31, 2025

Unit: NT\$ Thousand

Customer Name	Summary	Amount	Note
General customers			
Company B		\$ 74,644	
Company H		72,120	
Company A		59,572	
Company G		42,929	
Company C		42,894	
Company D		41,117	
Company I		32,603	
Others		236,079	The balance of each separate account did not exceed 5% of the total Account balances outstanding for more than one year were NT\$0
		601,958	
Less: Allowance for bad debts	(685)	
		601,273	
Related party			
Miracle Technology Co., Ltd.		\$ 9,266	
Miracle International Enterprise(Shanghai) Co., Ltd.		1,488	
DIGITAL-CAN TECH. CO., LTD.		222	
Weida Hi-Tech Co., Ltd.		3,242	
		14,218	Account balances outstanding for more than one year were NT\$0
Less: Allowance for bad debts		-	
		<u>\$ 14,218</u>	

Taiwan Mask Corporation
Inventories Schedule
December 31, 2025

Unit: NT\$ Thousand

Items	Summary	Amount		Note
		Cost	Market value	
Raw materials		\$ 143,177	\$ 142,445	Net realizable value as the market value
Work in process		34,317	56,751	Net realizable value as the market value
Finished goods		<u>6,822</u>	<u>11,343</u>	Net realizable value as the market value
		184,316	<u>\$ 210,539</u>	
Less: Loss on falling prices of inventory and inventory obsolescence		<u>(8,328)</u>		
		<u>\$ 175,988</u>		

Taiwan Mask Corporation
Financial assets schedule at fair value through profit and loss
January 1 to December 31, 2025

Unit: NT\$ Thousand

Name	Opening Balance		Increase this period		Decrease this period		Ending balance		Status of guarantees and pledges provided	Note
	Number of Shares	Book value	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Book value		
Common stocks of United Microelectronics Corporation	7,554,000	\$ 325,200	-	\$ -	(7,554,000)	(\$ 325,200)	-	-	None	
Common stock of China Steel Structure Co., Ltd.	14,329,000	725,047	-	-	(30,000)	(125,919)	14,299,000	599,128	Yes	14,160 shares pledged
Common stocks of Avision Inc. through private placement.	10,000,000	34,600	-	2,800	-	-	10,000,000	37,400	None	
Common Stock of 3S Silicon Tech Inc.	1,000,000	22,920	-	-	-	(180)	1,000,000	22,740	None	
Convertible bond call/put options	-	(19,204)	-	-	-	19,204	-	-	None	
Total		<u>\$ 1,088,563</u>		<u>\$ 2,800</u>		<u>(\$ 432,095)</u>		<u>\$ 659,268</u>		

Taiwan Mask Corporation
Schedule of Investments Changes Accounted for Using Equity Method
January 1 to December 31, 2025

Unit: NTS Thousand

Name	Opening Balance		Increase in investment for the period		Decrease in investment for the period		Increase (decrease) in investments accounted for using the equity method (Note)	Ending balance		Market value or equity net value			Status of guarantees and pledges provided	Note
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount		Number of Shares	Ownership percentage	Amount	Unit price (in dollars)	Total amount		
SunnyLake Park International Holdings, Inc.	3,120,000	\$ 5,938	-	\$ -	-	\$ -	(\$ 264)	3,120,000	100.00%	\$ 5,674	\$ 1.82	\$ 5,674	None	
Goke Holdings Co., Ltd.	534,877,568	207,987	70,000,000	700,000	(200,000,000)	-	(796,542)	404,877,568	100.00%	111,445	2.53	1,025,096	None	
Innova Vision INC. Advagene Biopharma Co., Ltd.	18,906,567	(23,539)	4,510,156	90,203	-	-	23,193	23,416,723	53.11%	89,857	0.33	7,687	None	
Miracle Technology CO., LTD.	12,546,652	46,599	-	-	(550,000)	(1,971)	(13,868)	11,996,652	20.20%	30,760	2.56	30,760	None	
Weida Hi-Tech Co., Ltd.	22,955,033	471,901	-	-	-	-	(155,152)	22,955,033	100.00%	316,749	8.66	198,868	None	
ONE TEST SYSTEMS	12,176,880	25,851	-	-	-	-	(12,505)	12,176,880	28.20%	13,346	1.10	13,346	None	
Pilot Energy Co., Ltd.	940,000	86,458	-	-	-	-	(86,506)	940,000	100.00%	(48)	(0.05)	(8)	None	
Magpie Energy Co., Ltd.	3,600,000	86,166	1,420,000	-	(1,640,000)	(25,187)	(37,881)	3,380,000	20.00%	23,098	5.92	20,012	None	
Taiwan Laser Welding Technology Corporation	-	-	1,640,000	25,187	-	-	(22)	1,640,000	20.00%	25,165	9.99	16,378	None	
TrueLight Corporation	-	-	27,000,000	270,000	-	-	(49,826)	27,000,000	100.00%	220,174	9.58	258,659	None	
	13,500,000	388,848	-	-	-	-	(25,611)	13,500,000	12.11%	363,237	47.75	644,625	None	
Total		\$ 1,296,209		\$ 1,085,390		(\$ 27,158)	(\$ 1,154,984)			\$ 1,199,457		\$ 2,221,057		

Note: Mainly the share of profit or loss of subsidiaries and affiliates accounted for using the equity method, the share of other comprehensive income, and the cash dividends received from investees.

Taiwan Mask Corporation
Property, Plant and Equipment Cost Changes Schedule
January 1 to December 31, 2025

Unit: NT\$ Thousand

Items	Opening Balance	Increase this period	Decrease this period	Reclassification for the year	Closing balance	Guarantee or pledge	Note
Buildings and structures (including land)	\$ 2,347,411	\$ 47,309	\$ -	\$ 425,981	\$ 2,820,701	Yes	
Machinery and equipment	8,540,315	733,471	(3,990)	725,603	9,995,399	Yes	
Transportation equipment	5,958	-	(730)	-	5,228	None	
Office equipment	69,728	6,234	-	(400)	75,562	Yes	
Other equipment	755,145	59,837	-	30,353	845,335	None	
Unfinished construction and equipment to be inspected	<u>1,185,463</u>	<u>92,621</u>	<u>-</u>	<u>(1,139,352)</u>	<u>138,732</u>	None	
	<u>\$ 12,904,020</u>	<u>\$ 939,472</u>	<u>(\$ 4,720)</u>	<u>\$ 42,185</u>	<u>\$ 13,880,957</u>		

Taiwan Mask Corporation
Property, Plant and Equipment Accumulated Depreciation Changes Schedule
January 1 to December 31, 2025

Unit: NT\$ Thousand

Items	Opening Balance	Increase this period	Decrease this period	Reclassification for the year	Balance of the period	Note
Buildings and structures	\$ 1,045,628	\$ 215,943	\$ -	\$ 22,969	\$ 1,284,540	
Machinery and equipment	2,808,732	877,403	(3,258)	(127,541)	3,555,336	
Transportation equipment	3,074	998	(535)	-	3,537	
Office equipment	47,331	12,191	-	(344)	59,178	
Other equipment	285,801	160,781	-	(6,651)	439,931	
	<u>\$ 4,190,566</u>	<u>\$ 1,267,316</u>	<u>(\$ 3,793)</u>	<u>(\$ 111,567)</u>	<u>\$ 5,342,522</u>	

Taiwan Mask Corporation
Right-of-Use Assets Schedule
January 1 to December 31, 2025

Unit: NT\$ Thousand

Items	Opening Balance	Increase this period	Decrease this period	Ending balance	Note
Land	\$ 421,606	\$ -	(\$ 8,461)	\$ 413,145	
Buildings and structures	5,635	208	-	5,843	
Transportation equipment (company vehicles)	15,133	3,943	(4,769)	14,307	
Other equipment	67,888	176	-	68,064	
Total	<u>\$ 510,262</u>	<u>\$ 4,327</u>	<u>(\$ 13,230)</u>	<u>\$ 501,359</u>	

Taiwan Mask Corporation
Right-of-Use Assets Accumulated Depreciation Schedule
January 1 to December 31, 2025

Unit: NT\$ Thousand

Items	Opening Balance	Increase this period	Decrease this period	Ending balance	Note
Land	\$ 89,927	\$ 17,153	\$ -	\$ 107,080	
Buildings and structures	2,192	1,269	-	3,461	
Transportation equipment (company vehicles)	7,568	5,263	(4,769)	8,062	
Other equipment	8,801	4,818	-	13,619	
Total	<u>\$ 108,488</u>	<u>\$ 28,503</u>	<u>(\$ 4,769)</u>	<u>\$ 132,222</u>	

Taiwan Mask Corporation
Short-Term Borrowings Schedule
December 31, 2025

Unit: NT\$ Thousand

Types of borrowings	Explanation	Ending balance	Contract Duration	Range of interest rate	Financing Amount	Pledge or Guarantee	Note
Credit loan		\$ 1,038,576	2025/09/16~2026/09/23	1.6%-3.5%	\$ -	None	
Secured borrowings		<u>1,486,927</u>	2025/07/21~2026/10/22	1.64%-3.5%	-	Yes	Reserve account, shares of listed companies, and machinery and equipment
		<u>\$ 2,525,503</u>					

Taiwan Mask Corporation
Long-Term Borrowings Schedule
December 31, 2025

Unit: NT\$ Thousand

<u>Creditors</u>	<u>Summary</u>	<u>Amount Borrowed</u>	<u>Contract Duration</u>	<u>Coupon rate</u>	<u>Pledge or Guarantee</u>	<u>Note</u>
King's Town Bank	Repaid in installments over the agreed period	\$ 660,000	January 28, 2022 - December 21, 2027	Note	Houses and buildings, machinery equipment and investment property	
First Commercial Bank of Taiwan	Repaid in installments over the agreed period	500,000	August 23, 2024 - August 23, 2029	Note	Buildings (excluding land)	
Shanghai Commercial and Savings Bank	Repaid in installments over the agreed period	776,316	December 27, 2021 - December 28, 2032	Note	Houses and buildings, machinery equipment and investment property	
Agricultural Bank of Taiwan	Repaid in installments over the agreed period	200,000	December 27, 2022 - December 27, 2027	Note	Machinery and equipment	
Cathay United Bank	Repaid in installments over the agreed period	218,750	May 20, 2024 - May 20, 2029	Note	Machinery and equipment	
Taiwan Business Bank Co., Ltd.	Repaid in installments over the agreed period	460,000	March 24, 2025 - March 24, 2030	Note	Machinery and equipment	
Chailease Finance Co., Ltd.	Repaid in installments over the agreed period	279,920	May 22, 2023 - May 31, 2027	Note	Machinery and equipment	
HOTAI FINANCE DEVELOPMENT CO., LTD.	Repaid in installments over the agreed period	137,301	January 22, 2025 - January 22, 2027	Note	Machinery and equipment	
Shinshin Credit Corporation	Repaid in installments over the agreed period	219,640	September 5, 2025 - September 5, 2027	Note	Machinery and equipment	
		3,451,927				
Less: Mature within one year		<u>(1,350,483)</u>				
		<u>\$ 2,101,444</u>				

Note: The borrowing interest rates ranged from 2.30% to 3.58%.

Taiwan Mask Corporation
Sales Income Schedule
January 1 to December 31, 2025

Unit: NT\$ Thousand

<u>Items</u>	<u>Quantity</u>	<u>Amount</u>	<u>Note</u>
Photomask	58,454 pieces	<u>\$ 3,614,813</u>	

Taiwan Mask Corporation
Operating Costs Schedule
January 1 to December 31, 2025

Unit: NT\$ Thousand

Items	Amount	Note
Direct materials		
Opening raw materials	\$ 186,297	
Incoming materials in the current period	657,437	
Less: Ending raw materials	(143,177)	
Consumed for manufacturing	(97,534)	
Consumed for research and development	(20,080)	
Consumption in this period	582,943	
Director labor	131,573	
Manufacturing expenses	2,387,389	
Manufacturing cost	3,101,905	
Add: Opening work-in-progress	24,704	
Less: Ending work-in-progress	(34,317)	
Cost of finished goods	3,092,292	
Add: Opening finished goods	3,748	
Less: Ending finished goods	(6,822)	
Consumed for research and development	(12)	
Sampling fees	(3,123)	
Cost of goods sold	3,086,083	
Gain on reversal of inventory obsolescence and write-down	(1,041)	
Operating costs	<u>\$ 3,085,042</u>	

Taiwan Mask Corporation
Manufacturing Expenses Schedule
January 1 to December 31, 2025

Unit: NT\$ Thousand

Items	Summary	Amount	Note
Depreciation		\$ 1,105,376	
Contract maintenance fee		679,145	
Salaries expense		167,393	
Utilities		120,124	
Others		<u>315,351</u>	The balance of each separate account did not exceed 5% of this account.
		<u>\$ 2,387,389</u>	

Taiwan Mask Corporation
Operating Expenses Schedule
January 1 to December 31, 2025

Unit: NT\$ Thousand

Items	Summary	Amount	Note
Marketing expenses:			
Shipping expenses		\$ 30,608	
Salaries expense		23,423	
Export declaration fee		6,811	
Others		<u>15,397</u>	The balance of each individual account did not exceed 5% of the total
		<u>\$ 76,239</u>	
Administrative Expenses:			
Depreciation		\$ 92,091	
Salaries expense		79,064	
Utilities		37,650	
Bank expenses		30,406	
Others		<u>80,975</u>	The balance of each individual account did not exceed 5% of the total
		<u>\$ 320,186</u>	
Research and development expenses:			
Depreciation		\$ 97,719	
Salaries expense		41,157	
Material costs		21,581	
Others		<u>28,687</u>	The balance of each individual account did not exceed 5% of the total
		<u>\$ 189,144</u>	
Expected Credit Impairment Gain		<u>\$ 4,934</u>	

Taiwan Mask Corporation
Employee Benefits, Depreciation, Depletion and Amortization in the Current Period
January 1 to December 31, 2025

Unit: NT\$ Thousand

Function Type	2025				2024			
	Operating costs	Operating expenses	Non-operating income and expenses	Total	Operating costs	Operating expenses	Non-operating income and expenses	Total
Employee benefits expenditure								
Payroll expenses	\$ 267,418	\$143,644	\$ -	\$ 411,062	\$ 257,377	\$ 137,145	\$ -	\$ 394,522
Labor and health insurance fees	27,468	11,279	-	38,747	26,273	13,351	-	39,624
Pension expense	12,226	4,679	-	16,905	11,157	6,186	-	17,343
Director remuneration	-	5,120	-	5,120	-	4,900	-	4,900
Other employee benefit expenses	21,797	5,448	-	27,245	20,006	5,008	-	25,014
Depreciation	1,105,376	190,443	12,551	1,308,370	923,904	162,962	15,722	1,102,588
Amortization expense	18,890	3,922	-	22,812	19,518	3,549	-	23,067

1. As of the end of the current period and the previous year, the number of employees was 456 and 496, respectively. The number of directors not concurrently holding employee positions was 5 for both periods.
2. Stocks are listed on the Taiwan Stock Exchange or the Taipei Exchange and the following information is disclosed:
 - (1) Average employee benefit expenses for the current year were NT\$1,095 thousand ("Total employee benefit expenses for the current year - total directors' remuneration"/"Number of employees for the current year - number of directors who are not also employees").
Average employee benefit expenses for the previous year were NT\$970 thousand ("Total employee benefit expenses for the previous year - total directors' remuneration"/"Number of employees for the previous year - number of directors who are not also employees").
 - (2) Average employee salary expense for the current year was NT\$911 thousand (Total salary expense for the current year/"Number of employees for the current year - Number of directors who were not also employees").

Taiwan Mask Corporation
Employee Benefits, Depreciation, Depletion and Amortization in the Current Period
January 1 to December 31, 2025

Unit: NT\$ Thousand

Average employee salary expense for the previous year was NT\$804 thousand (Total salary expense for the previous year/"Number of employees for the previous year - Number of directors who were not also employees").

- (3) The change in average employee salary was 13 % ("Average employee salary expense for the current year - Average employee salary expense for the previous year"/Average employee salary expense for the previous year)
- (4) The Company has an audit committee, so there is no supervisor's remuneration.
- (5) The Company has established and regularly reviewed the policies, systems, standards and structure of performance appraisal and salary remuneration of directors and managerial officers according to the Remuneration Committee charter, and abided by the following rules:
 - A. The performance evaluation of the directors and managerial officers and their salary and remuneration shall be considered in reference to the payment standard among industry peers and individual performances, in relevance to its reasonableness with the Company's operations performance and future risks.
 - B. Shall not lead directors and managerial officers to pursue salary and remuneration, engaging in risky conducts that outstrip the Company's capacity to handle.
 - C. The bonus proportion of short-term performance for directors and senior level managerial officers and partial changes to remuneration payment time shall be decided in consideration of the industrial characteristics and the nature of the Company's business.
- (6) Directors' remuneration and employee remuneration are subject to the Company's Articles of Incorporation. The distribution shall be executed after the resolution approval at the Board meeting with more than two-thirds of directors attending and of more than half of the attending directors agreed and passed the resolution, and reported to the shareholders meeting.
 - A. Employee remuneration: Allocated based on the Company's operating condition, and is distributed based on employee's position, performance, and tenure of service.
 - B. Quarterly bonus: Allocated based on the Company's operating condition, and is given as an incentive for achieving the set targets.
 - C. Annual salary adjustment: Carried out in accordance with the Company's operating condition. Annual salary adjustment: Carried out in accordance with the Company's operating condition. The salary adjustment range takes into account industry salary adjustments, domestic economic growth, price index, and individual performance appraisal.

Taiwan Mask Corporation and Subsidiaries

Loans to Others

January 1 to December 31, 2025

Unit: NIS Thousand
(Unless otherwise specified)

Table 1

Code (Note 1)	Company that lent funds	Borrowing party	General ledger account	Related party?	Maximum Balance for the		Range of interest rate	Nature of loan	Amount of transaction with borrower	Reason for short-term financing	Amount of recognized impairment loss	Collateral		Limit on loans granted to a		Note		
					Period	Ending balance						Name	Value	single party	Ceiling on total loan granted			
0	Taiwan Mask Corporation	Goke Holdings Co., Ltd.	Other Receivables—Related Parties	Y	\$	800,000	\$ 20,000	-	2.7%	Short-term financing	\$ -	Working Capital Turnover	\$ -	Promissory note	\$ 20,000	\$ 1,711,471	\$ 1,711,471	Note 2
0	Taiwan Mask Corporation	Aptos Technology INC.	Other Receivables—Related Parties	Y		130,000	-	-	2.7%	Short-term financing	-	Working Capital Turnover	-	None	-	1,711,471	1,711,471	Note 2
0	Taiwan Mask Corporation	Innova Vision INC.	Other Receivables—Related Parties	Y		50,000	-	-	2.7%	Short-term financing	-	Working Capital Turnover	-	None	-	1,711,471	1,711,471	Note 2
1	Goke Holdings Co., Ltd.	Aptos Technology INC.	Other Receivables—Related Parties	Y		350,000	-	-	2.7%	Short-term financing	-	Working Capital Turnover	-	None	-	410,038	410,038	Note 4
1	Goke Holdings Co., Ltd.	Xcense Technology Corporation (H.V.I.) Taiwan Branch	Other Receivables—Related Parties	Y		320,000	300,000	300,000	2.7%	Short-term financing	-	Working Capital Turnover	300,000	Promissory note	300,000	410,038	410,038	Note 4
1	Goke Holdings Co., Ltd.	Innova Vision INC.	Other Receivables—Related Parties	Y		180,000	-	-	2.7%	Short-term financing	-	Working Capital Turnover	-	None	-	410,038	410,038	Note 4
2	Miracle Technology CO., LTD.	Aptos Technology INC.	Other Receivables—Related Parties	Y		170,000	170,000	170,000	2.7%	Short-term financing	-	Working Capital Turnover	170,000	Promissory note	170,000	79,547	79,547	Note 3
3	Miko-China Enterprise (Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	Other Receivables—Related Parties	Y		109,752	62,944	40,464	2.51%	Short-term financing	-	Working Capital Turnover	-	None	-	147,970	147,970	Note 6
4	Pilot Energy Co., Ltd.	Xcense Technology Corporation (H.V.I.) Taiwan Branch	Other Receivables—Related Parties	Y		90,000	40,000	40,000	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	40,000	40,025	40,025	Note 5
5	ADL Energy Corp	Pilot Energy Co., Ltd.	Other Receivables—Related Parties	Y		10,000	-	-	2.7%	Short-term financing	-	Working Capital Turnover	-	None	-	11,242	11,242	Note 7

Note 1: The description of the number columns are as follows:

(1) Fill in "0" for the issuer.

(2) The investee company is numbered in sequence starting from the Arabic numeral 1 according to company type.

Note 2: Amendment to the Procedures for Lending Funds to Others:

(1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.

(2) For companies or businesses that have business dealings with the Company, the loan amount of each individual borrowers shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company net value.

(3) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.

(4) Inter-company loans of funds between overseas companies in which the Company owns, directly or indirectly, 100% of the voting shares, are not restricted by the abovementioned paragraphs. However, the total amount of loans and the amount of loan to a single party shall not exceed 50% of the Company's net value.

Note 3: Subsidiary - Miracle Technology Procedures for Lending Funds to Others

(1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.

(2) For companies or businesses that have business dealings with the Company, the loan amount of each individual borrowers shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company net value.

(3) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.

(4) Inter-company loans of funds between overseas companies in which the Company owns, directly or indirectly, 100% of the voting shares, are not restricted by the abovementioned paragraphs. However, the total amount of loans and the amount of loan to a single party shall not exceed 50% of the Company's net value.

Note 4: Subsidiary - Goke Holdings Co., Ltd. Procedures for Lending Funds to Others

(1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.

(2) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.

Note 5: Subsidiary - Pilot Energy Co., Ltd. Procedures for Lending Funds to Others:

The Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:

(1) Where an inter-company or inter-firm business transaction calls for a loan arrangement.

(2) Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40% of the lender's net worth.

Note 6: Subsidiary - Miko-China Enterprise (Shanghai) Co., Ltd. Procedures for Lending Funds to Others:

(1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.

(2) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.

Note 7: Subsidiary - ADL Energy Corp Procedures for Lending Funds to Others:

(1) Total amount of loans: The total amount of the Company's loans shall not exceed 50% of the Company's net value.

(2) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.

Taiwan Mask Corporation and Subsidiaries
Endorsements and Guarantees to Others
January 1 to December 31, 2025

Unit: NTS Thousand
(Unless otherwise specified)

Code (Note 1)	Endorser/guarantor	Name of Company	Relationship (Note 2)	Limits on Endorsement/Guarantee			Amount Actually Drawn	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/Guarantee Amount Allowable (Notes 3, 4, 5.)	Guarantee Provided by Parent Company to Subsidiary	Guarantee Provided by Subsidiary to Parent Company	Guarantee Provided to Subsidiaries in Mainland China	Note
				Amount Provided to Each Guaranteed Party (Notes 3, 4, 5)	Maximum Balance of Endorsement/Guarantee for the Period	Ending Balance of Endorsement/Guarantee								
0	Taiwan Mask Corporation	Goke Holdings Co., Ltd.	2	\$ 316,849	\$ 180,000	\$ 180,000	\$ 80,000	\$ 80,000	4.21%	\$ 1,711,471	Y	N	N	Note 3
0	Taiwan Mask Corporation	Miracle Technology CO., LTD.	2	229,550	132,820	125,720	-	-	2.94%	1,711,471	Y	N	N	Note 3
0	Taiwan Mask Corporation	Pilot Energy Co., Ltd.	2	180,000	73,000	73,000	58,000	58,000	1.74%	1,711,471	Y	N	N	Note 3
0	Taiwan Mask Corporation	Innova Vision INC.	2	316,849	314,000	314,000	278,000	168,000	7.34%	1,711,471	Y	N	N	Note 3
0	Taiwan Mask Corporation	Xsense Technology Corporation (H.V.1.) Taiwan Branch	2	230,000	146,000	146,000	146,000	146,000	3.41%	1,711,471	Y	N	N	Note 3
1	Miracle Technology CO., LTD.	Xsense Technology Corporation (H.V.1.) Taiwan Branch	1	86,970	150,000	-	-	-	0.00%	79,547	N	N	N	Note 5
1	Miracle Technology CO., LTD.	Aptos Technology INC.	1	86,970	20,000	-	-	-	0.00%	79,547	N	N	N	Note 5
2	Goke Holdings Co., Ltd.	Xsense Technology Corporation (H.V.1.) Taiwan Branch	2	230,000	57,000	57,000	57,000	57,000	5.56%	410,038	Y	N	N	Note 6
2	Goke Holdings Co., Ltd.	Pilot Energy Co., Ltd.	2	180,000	13,000	-	-	-	0.00%	410,038	Y	N	N	Note 6
2	Goke Holdings Co., Ltd.	Innova Vision INC.	2	351,000	38,000	-	-	-	0.00%	410,038	Y	N	N	Note 6
3	Miko-China Enterprise (Shanghai) Co., Ltd.	Taiwan Mask Corporation	3	454,362	175,344	175,344	175,344	175,344	47.40%	369,926	N	Y	N	Note 4
3	Miko-China Enterprise (Shanghai) Co., Ltd.	Miracle Technology CO., LTD.	3	454,362	233,223	53,952	53,952	53,952	14.58%	369,926	N	Y	N	Note 4

Note 1: The description of the number columns are as follows:

- (1) Fill in "0" for the issuer.
- (2) The investee company is numbered in sequence starting from the Arabic numeral 1 according to company type.

Note 2: The relationship between the guarantor and the guarantee are one of the seven types indicated below:

- (1) A company with which it does business.
- (2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.
- (3) A company that directly and indirectly holds more than 50% of the voting shares in the Company.
- (4) Companies in which the Company holds, directly or indirectly, 90%, or more of the voting shares may make endorsements/guarantees for each other.
- (5) A company that is mutually insured by a contract between peers or co-founders based on the needs of the contracted work.
- (6) A company that is guaranteed by all contributing shareholders in proportion to their shareholdings due to a joint investment relationship.
- (7) Companies that are engaged in joint and several guarantees for the performance guarantee of pre-sale housing sales contracts in accordance with the regulations of the Consumer Protection Act.

Note 3: The Company's endorsement and guarantee practices for others provide that:

- (1) The total amount of the Company's external endorsement guarantee shall not exceed 30% of the Company's paid-in capital.
- (2) The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.
- (3) Companies with which the Company has a parent-child relationship: The endorsement and guarantee for a single enterprise shall not exceed 10% of the Company's paid-in capital and the company's paid-in capital being endorsed and guaranteed.
- (4) The aggregate amount of the endorsement and guarantee of the Company and its subsidiaries as a whole shall not exceed 40% of the net worth of the Company, of which the endorsement and guarantee of a single subsidiary shall not exceed 20% of the net worth of the Company.

Note 4: Miko-China Enterprise (Shanghai) Co., Ltd. Endorsement and Guarantee Procedures:

The total amount of endorsement guarantee liability is limited to RMB 30 million, and the amount of endorsement guarantee for a single enterprise shall not exceed RMB 30 million; however, for the parent company that directly or indirectly holds, through a subsidiary, more than 50% of the common stock equity of a company, it may endorse up to its net value.

Note 5: Subsidiary - Miracle Technology Co., Ltd. Endorsement and Guarantee Procedures:

The aggregate amount of cumulative external endorsement guarantees shall not exceed 40% of the net value of the Company's most recent audited or reviewed financial statements.

Note 6: Subsidiary - Goke Holdings Co., Ltd. Endorsement and Guarantee Procedures:

- (1) The total amount of the Company's external endorsement guarantee shall not exceed 30% of the Company's paid-in capital.
- (2) The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.
- (3) Companies with which the Company has a parent-child relationship: The endorsement and guarantee for a single enterprise shall not exceed 10% of the Company's paid-in capital and the company's paid-in capital being endorsed and guaranteed.
- (4) The aggregate amount of the endorsement and guarantee of the Company and its subsidiaries as a whole shall not exceed 40% of the net worth of the Company, of which the endorsement and guarantee of a single subsidiary shall not exceed 20% of the net worth of the Company.

Taiwan Mask Corporation and Subsidiaries
Ending holding of marketable securities (not including subsidiaries, associates and joint ventures)
December 31, 2025

Table 3

Unit: NTS Thousand
(Unless otherwise specified)

Company name of the shareholding	Marketable securities	Relationship with the marketable securities issuer	General ledger account	End of period				Note
				Number of shares	Book value	Ownership percentage	Fair value	
Taiwan Mask Corporation	Common stock of China Steel Structure Co., Ltd.	None	Financial Assets at Fair Value Through Profit or Loss - Current	14,299,000	\$ 599,128	7.15%	\$ 599,128	14,160 shares pledged
Taiwan Mask Corporation	Common stocks of Avisicon Inc. through private placement.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	10,000,000	37,400	4.61%	37,400	
Taiwan Mask Corporation	Common Stock of 3S Silicon Tech Inc.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	1,000,000	22,740	2.69%	22,740	
Taiwan Mask Corporation	Ordinary corporate bonds of Xsense Technology Corporation (B.V.L.) Taiwan Branch	Subsidiary	Financial assets measured at amortized cost	-	100,000	-	100,000	Eliminated in the consolidated financial statements
Goke Holdings Co., Ltd.	Common stocks of Microtek International	None	Financial Assets at Fair Value Through Profit or Loss - Current	22,893,000	251,823	11.13%	251,823	20,000 shares pledged
Goke Holdings Co., Ltd.	Common stocks of Taiwan Mask	Parent company	Financial Assets at Fair Value Through Profit or Loss - Non Current	35,331,440	1,248,966	11.14%	1,248,966	30,900 thousand shares were pledged and treated as treasury shares in the consolidated financial statements
Goke Holdings Co., Ltd.	Common stock of China Steel Structure Co., Ltd.	None	Financial Assets at Fair Value Through Profit or Loss - Current	21,750,000	911,325	10.88%	911,325	21,750 shares pledged
Goke Holdings Co., Ltd.	B Current Impact Investment	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	1,000,000	10,000	10.00%	10,000	
Goke Holdings Co., Ltd.	B Current Impact Investment Partnership	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	1,000,000	10,000	-	10,000	
Goke Holdings Co., Ltd.	Intellectual Property Innovation Corporation Partnership Fund	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	-	17,500	-	17,500	
Goke Holdings Co., Ltd.	Wisdom Capital Limited Partnership	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	-	82,802	-	82,802	
Jing Hao Investment Co., Ltd.	G-TECH ELECTRONICS LTD.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	1,097,092	-	8.08%	-	
Jing Hao Investment Co., Ltd.	Common stocks of MEMCHIP TECHNOLOGY CO., LTD.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	187,915	-	3.13%	-	
Aptos Technology INC.	Common stocks of TOPGUN TECHNOLOGY INC.	None	Financial Assets at Fair Value Through Other Comprehensive Income - Non Current	100,000	-	12.27%	-	
Miko-China Enterprise (Shanghai) Co., Ltd.	Common stocks of Shenzhen He Mei Jing Yi Semiconductor Technology Co., Ltd.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	480,000	21,581	0.27%	21,581	
Miracle Technology CO., LTD.	Ordinary corporate bonds of Innova Vision Inc.	Fellow subsidiary	Financial assets measured at amortized cost	-	30,000	-	30,000	Eliminated in the consolidated financial statements

Table 4

Taiwan Mask Corporation and Subsidiaries
Significant inter-company transactions during the reporting periods
January 1 to December 31, 2022

Unit: NTS Thousand
(Unless otherwise specified)

Significant inter-company transactions during the reporting periods									
Statement of transaction									
Code (Note 1)	Name of the company	Company	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)		
0	Taiwan Mask Corporation	Miracle Technology Co., LTD.	1	Sales	38,271	Same with other customers			0.67%
0	Taiwan Mask Corporation	Goke Holdings Co., Ltd.	1	Endorsement and guarantee	100,000	Same with other customers			1.07%
0	Taiwan Mask Corporation	Miracle Technology Co., LTD.	1	Endorsement and guarantee	125,720	Same with other customers			0.72%
0	Taiwan Mask Corporation	Pilot Energy Co., Ltd.	1	Endorsement and guarantee	75,000	Same with other customers			0.62%
0	Taiwan Mask Corporation	Imnova Vision INC.	1	Endorsement and guarantee	314,000	Same with other customers			1.80%
0	Taiwan Mask Corporation	Xceme Technology Corporation (B.V.) Taiwan Branch	1	Endorsement and guarantee	146,000	Same with other customers			0.84%
0	Taiwan Mask Corporation	Miracle International Enterprise(Shanghai) Co., Ltd.	1	Sales	23,852	Same with other customers			0.40%
0	Taiwan Mask Corporation	Miracle International Enterprise(Shanghai) Co., Ltd.	1	Accounts Receivables	1,488	Net 60			0.01%
0	Taiwan Mask Corporation	Miracle Technology Co., LTD.	1	Accounts Receivables	9,266	Net 60			0.05%
0	Taiwan Mask Corporation	Aptos Technology INC.	1	Other Receivables	134,790	Receipt and payment at an agreed time			0.77%
0	Taiwan Mask Corporation	Imnova Vision INC.	1	Rental income	19,376	Same with other customers			0.32%
0	Taiwan Mask Corporation	Aptos Technology INC.	1	Rental income	23,983	Same with other customers			0.40%
0	Taiwan Mask Corporation	Imnova Vision INC.	1	Other Receivables	85,022	Receipt and payment at an agreed time			0.49%
0	Taiwan Mask Corporation	Xceme Technology Corporation (B.V.) Taiwan Branch	1	Other Receivables	72,665	Receipt and payment at an agreed time			0.42%
0	Taiwan Mask Corporation	Xceme Technology Corporation (B.V.) Taiwan Branch	1	Rental income	16,452	Same with other customers			0.60%
0	Taiwan Mask Corporation	Miracle Technology Co., LTD.	1	Rental income	2,419	Same with other customers			0.04%
0	Taiwan Mask Corporation	Goke Holdings Co., Ltd.	1	Interest income	3,921	Receipt and payment at an agreed time			0.06%
0	Taiwan Mask Corporation	Aptos Technology INC.	1	Interest income	1,998	Receipt and payment at an agreed time			0.02%
0	Taiwan Mask Corporation	Xceme Technology Corporation (B.V.) Taiwan Branch	1	Interest income	3,000	Receipt and payment at an agreed time			0.05%
0	Taiwan Mask Corporation	Xceme Technology Corporation (B.V.) Taiwan Branch	1	Corporate bonds	100,000	Receipt and payment at an agreed time			0.57%
0	Taiwan Mask Corporation	Taiwan Laser Welding Technology Corporation	1	Other Receivables	13,527	Receipt and payment at an agreed time			0.08%
1	Miracle Technology Co., LTD.	Aptos Technology INC.	3	Interest income	3,821	Receipt and payment at an agreed time			0.06%
1	Miracle Technology Co., LTD.	Xceme Technology Corporation (B.V.) Taiwan Branch	3	Sales	1,256	Same with other customers			0.03%
1	Miracle Technology Co., LTD.	Miracle International Enterprise(Shanghai) Co., Ltd.	3	Sales	88,011	Same with other customers			1.46%
1	Miracle Technology Co., LTD.	Miracle International Enterprise(Shanghai) Co., Ltd.	3	Accounts Receivables	3,864	Net 30			0.02%
1	Miracle Technology Co., LTD.	Aptos Technology INC.	3	Other receivables (loans of funds)	170,000	Receipt and payment at an agreed time			0.97%
1	Miracle Technology Co., LTD.	Aptos Technology INC.	3	Other Receivables	5,973	Receipt and payment at an agreed time			0.03%
1	Miracle Technology Co., LTD.	Sichuan Miracle Power Technology Co., Ltd.	3	Sales	21,911	Same with other customers			0.36%
1	Miracle Technology Co., LTD.	Sichuan Miracle Power Technology Co., Ltd.	3	Accounts Receivables	2,411	Net 60			0.01%
1	Miracle Technology Co., LTD.	Imnova Vision INC.	3	Corporate bonds	35,000	Receipt and payment at an agreed time			0.20%
1	Miracle Technology Co., LTD.	Imnova Vision INC.	3	Refundable Deposit	20,000	Receipt and payment at an agreed time			0.11%
2	Goke Holdings Co., Ltd.	Aptos Technology INC.	3	Other Receivables	13,461	Receipt and payment at an agreed time			0.08%
2	Goke Holdings Co., Ltd.	Xceme Technology Corporation (B.V.) Taiwan Branch	3	Other Receivables	2,508	Receipt and payment at an agreed time			0.01%
2	Goke Holdings Co., Ltd.	Aptos Technology INC.	3	Interest income	6,112	Receipt and payment at an agreed time			0.10%
2	Goke Holdings Co., Ltd.	Xceme Technology Corporation (B.V.) Taiwan Branch	3	Other receivables (loans of funds)	300,000	Receipt and payment at an agreed time			1.72%
2	Goke Holdings Co., Ltd.	Xceme Technology Corporation (B.V.) Taiwan Branch	3	Interest income	8,261	Receipt and payment at an agreed time			0.14%
2	Goke Holdings Co., Ltd.	Imnova Vision INC.	3	Interest income	1,418	Receipt and payment at an agreed time			0.02%
2	Goke Holdings Co., Ltd.	Xceme Technology Corporation (B.V.) Taiwan Branch	3	Endorsement and guarantee	57,000	Same with other customers			0.33%
3	Miho-China Enterprise (Shanghai) Co., Ltd.	Miracle Technology Co., LTD.	3	Endorsement and guarantee	53,952	Same with other customers			0.31%
3	Miho-China Enterprise (Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	3	Other receivables (loans of funds)	40,464	Receipt and payment at an agreed time			0.23%
3	Miho-China Enterprise (Shanghai) Co., Ltd.	Taiwan Mask Corporation	2	Endorsement and guarantee	175,344	Same with other customers			1.00%
4	Pilot Energy Co., Ltd.	Xceme Technology Corporation (B.V.) Taiwan Branch	3	Other receivables (loans of funds)	40,000	Receipt and payment at an agreed time			0.23%
4	Pilot Energy Co., Ltd.	Xceme Technology Corporation (B.V.) Taiwan Branch	3	Interest income	1,079	Receipt and payment at an agreed time			0.02%
5	Imnova Vision INC.	ibo Vision Inc.	3	Accounts Receivables	10,238	Net 60			0.06%
5	Imnova Vision INC.	ibo Vision Inc.	3	Sales	17,734	Same with other customers			0.29%
6	ibo Vision Inc.	Imnova Vision INC.	3	Sales	21,650	Same with other customers			0.36%
7	Digital-Cin Tech. Co., Ltd.	Taiwan Mask Corporation	2	Sales	3,338	Same with other customers			0.06%
7	Digital-Cin Tech. Co., Ltd.	Taiwan Mask Corporation	2	Accounts Receivables	2,392	Net 60			0.01%
8	Xceme Technology Corporation (B.V.) Taiwan Branch	Miracle Technology Co., LTD.	3	Sales	4,954	Same with other customers			0.08%
8	Xceme Technology Corporation (B.V.) Taiwan Branch	Miracle Technology Co., LTD.	3	Contract Liabilities	15,000	Same with other customers			0.09%
9	Sichuan Miracle Power Technology Co., Ltd.	Miracle Technology Co., LTD.	3	Sales	1,323	Same with other customers			0.02%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is "0".
(2) The subsidiaries are numbered in order starting from "1".

Note 2: Relationship between transaction company and company is classified into the following three categories; fill in the number of category each case belongs to (if transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction).

- (1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiaries.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement account.

Note 4: Only transactions with an amount of more than NTS1 million will be disclosed, and transactions with related parties will not be disclosed separately.

Taiwan Mask Corporation and Subsidiaries
Names, locations and other information of investee companies (not including investees in Mainland China)
January 1 to December 31, 2025

Table 5

Unit: NT\$ Thousand
(Unless otherwise specified)

Name of Investor	Investee	Location	Main business activities	Initial investment amount		Shares held at the end of the period			Profit (loss) of the investee for the		Investment profit (loss) recognized for		Note
				Balance at the end of period	End of the previous year	Number of shares	Ownership	Book value	current period	the current period			
Taiwan Mask Corporation	SunnyLake Park International Holdings, Inc.	British Virgin Islands	Re-investment	\$ 103,045	\$ 103,045	3,120,000	100%	\$ 5,674	(\$ 73)	(\$ 73)			
Taiwan Mask Corporation	Goke Holdings Co., Ltd.	Taiwan	Re-investment	1,960,000	1,260,000	404,877,568	100%	111,445	(1,808,643)	(625,302)			
Taiwan Mask Corporation	Advagene Biopharma Co., Ltd.	Taiwan	Medical, R&D, manufacturing	163,715	165,686	11,996,652	20.20%	30,760	(68,289)	(13,868)			
Taiwan Mask Corporation	Miracle Technology CO., LTD.	Taiwan	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	252,651	252,651	22,955,033	100%	316,749	(235,087)	(235,087)			
Taiwan Mask Corporation	Weida Hi-Tech Co., Ltd.	Taiwan	Display panel control chip and other module's research, design, development, manufacturing and sales	293,371	293,371	12,176,880	28.20%	13,346	(43,762)	(12,398)			
Taiwan Mask Corporation	Innova Vision INC.	Taiwan	Manufacturing, retail, wholesale and international trade of medical equipment	688,924	598,721	23,416,722	53.11%	89,857	(139,559)	(89,957)			
Taiwan Mask Corporation	ONE TEST SYSTEMS	United States	Research, development and design of test equipment and related components	121,372	121,372	940,000	100%	(48)	(84,050)	(84,050)			
Taiwan Mask Corporation	Pilot Energy Co., Ltd.	Taiwan	Electronic parts and components and energy technical services	130,800	180,000	3,380,000	20%	23,098	(129,141)	(25,828)			
Taiwan Mask Corporation	Maggie Energy Co., Ltd.	Taiwan	Electronic parts and components and energy technical services	49,200	-	1,640,000	20.00%	25,165	(111)	(22)			
Taiwan Mask Corporation	TrueLight Corporation	Taiwan	Fiber-optic communication related products	410,400	410,400	13,500,000	12.11%	363,237	(155,331)	(18,811)			
Taiwan Mask Corporation	Taiwan Laser Welding Technology Corporation	Taiwan	Laser welding of thick steel plates	270,000	-	27,000,000	100%	220,174	(11,341)	(11,341)			
Goke Holdings Co., Ltd.	Xsense Technology Corporation	British Virgin Islands	Precious metal coating	325,965	325,965	1	100%	6,075	(149)	(149)			
Goke Holdings Co., Ltd.	Xsense Technology Corporation (B.V.I) Taiwan Branch	Taiwan	Precious metal coating	-	-	12,189,191	53%	381,545	(341,492)	(180,980)			
Goke Holdings Co., Ltd.	Aptos Technology INC.	Taiwan	Design, packaging and testing of NAND flash memory, solid state drives and the related products	434,692	434,692	28,481,161	47.19%	169,468	(75,095)	(35,436)			
Goke Holdings Co., Ltd.	Innova Vision INC.	Taiwan	Manufacturing, retail, wholesale and international trade of medical equipment	151,533	151,533	47,185	0.11%	344	(139,559)	(175)			
Goke Holdings Co., Ltd.	Digital-Can Tech. Co., Ltd.	Taiwan	3D Printing and Plastic Mold Design	139,072	139,072	7,281,250	57.39%	117,209	(15,761)	(9,045)			
Goke Holdings Co., Ltd.	Pilot Energy Co., Ltd.	Taiwan	Electronic parts and components and energy technical services	97,183	178,500	6,572,222	38.89%	74,533	(129,141)	(50,221)			
Goke Holdings Co., Ltd.	Maggie Energy Co., Ltd.	Taiwan	Electronic parts and components and energy technical services	81,317	-	3,188,889	38.89%	53,765	(111)	(43)			
Goke Holdings Co., Ltd.	Moment Semiconductor, Inc.	Taiwan	Retail and wholesale of memory products	43,590	43,590	2,179,500	25.27%	15,753	(41,325)	(20,355)			
Goke Holdings Co., Ltd.	BKS Tec Corp.	Taiwan	Electronics Components Manufacturing	30,000	30,000	6,000,000	38.91%	-	(47,562)	(18,589)			
Aptos Technology INC.	New Samise Limited	Samoa	Re-investment	-	-	-	100%	-	-	-		Note	
ADL Energy Corp	Aptos Global Holding Corp.	Seychelles	Re-investment	29,795	29,795	10,000,000	100%	-	-	-			
Miracle Technology CO., LTD.	Jing Hao Investment Co., Ltd.	Taiwan	Re-investment	10,012	10,012	23,875,243	100%	298,218	19,308	19,308			
Jing Hao Investment Co., Ltd.	Miko Technology Co., Ltd.	Hong Kong	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	37	37	10,000	100%	6,770	(3)	(3)			
Innova Vision INC.	Innova Technology	Taiwan	Sales of contact lens	64,650	64,650	3,000,000	100%	1,068	2,432	2,432			
Innova Vision INC.	Innova Vision (B.V.I) Inc.	British Virgin Islands	Re-investment	60,157	60,157	1,000,000	100%	405	443	443			
Innova Vision INC.	iPo Vision Inc.	Japan	Sales of contact lens	84,204	84,204	6,400	52.03%	632	924	481			
Innova Vision (B.V.I) Inc.	iPo Vision Inc.	Japan	Sales of contact lens	56,420	56,420	5,900	47.97%	582	924	443			
Pilot Energy Co., Ltd.	ADL Energy Corp	Taiwan	Electronic parts and components and energy technical services	413,050	413,050	9,984,526	100%	28,107	(3,816)	(3,816)			

Note: As of December 31, 2025, the funds for shares have not been remitted.

Taiwan Mask Corporation and Subsidiaries

Information on investments in Mainland China

January 1 to December 31, 2025

Table 6

Unit: NTS Thousand
(Unless otherwise specified)

Investee in Mainland China	Main business activities	Paid-up capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to China at the beginning of the period	Amount remitted from Taiwan to China/Amount remitted back to Taiwan for the period		Accumulated amount of remittance from Taiwan to China at the end of period	Profit (loss) of the investee for the current period	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the current period (Note 2)	Ending carrying amount	Accumulated amount of investment income remitted back to Taiwan	Note
					Remitted to	Remitted back							
Miko-China Enterprise (Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	\$ 3,283	1	\$ 3,283	\$ -	\$ -	\$ 3,283	\$ 23,868	100%	\$ 23,868	\$ 369,926	\$ 93,573	Note 2 (2) C
Miracle International Enterprise(Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	10,215	1	10,215	-	-	10,215	1,006	100%	1,006	105,300	-	Note 2 (2) C, Note 4
Sichuan Miracle Power Technology Co., Ltd.	IC product design, production and sales	53,676	3	-	-	-	-	(45,241)	100%	(45,241)	516	-	Note 2 (2) C
--													
		by the Investment											
Name of Company		Accumulated amount of remittance from Taiwan to China as of the end of the period	Commission of the Ministry of Economic Affairs	Ceiling on investments in China imposed by the Investment Commission of MOEA									
Miracle Technology CO., LTD.		\$ 13,498	\$ 13,498	\$ 119,321									

Note 1: Investment methods are classified into the following three categories; fill in the number of categories each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area (please specify the company), which then invested in Mainland China.
- (3). Others

Note 2: Investment income recognized by the Company for the current period

- (1) If it is still under preparation with no actual gain or loss, it shall be indicated in the box.
- (2) The basis for recognition of the investment gains or losses is divided into the following three,
 - A. Financial statements audited and validated by an international accounting firm that has a collaborative relationship with CPA firms in Taiwan.
 - B. Financial statements audited and validated by a certified accountant or accounting firm who work with the parent company in Taiwan.
 - C. Others.

Note 3: The relevant figures in this table should be presented in New Taiwan Dollars.

Note 4: It was originally invested through Misan Technology Co., Ltd. Since the aforementioned company has gone through dissolution and liquidation, it has been changed to Miracle Technology Co., Ltd. directly investing in Miracle International Enterprise (Shanghai) Co., Ltd.

Note 5: According to the "Review Principles for Investment or Technical Cooperation in the Mainland Area" issued by the Department of Investment Review, MOEA, the limit on investment in Mainland China is 60% of net asset value.