

Taiwan Mask Corporation and Subsidiaries
Consolidated Financial Statements and
Independent Auditor's Report
2025 and 2024
(Stock Code: 2338)

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Taiwan Mask Corporation and Subsidiaries
2025 and 2024 Consolidated Financial Statements and Accounting Auditor's Report
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Taiwan Mask Corporation
Consolidated Financial Statements Declaration

The companies that are required to be included in the affiliated companies consolidated financial statements as of and for the year ending on December 31, 2025, under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in the consolidated financial statements of parent company and subsidiaries prepared in conformity with the International Accounting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the affiliated companies consolidated financial statements is included in the consolidated financial statements of the aforesaid parent company and subsidiaries. Consequently, the Company does not prepare a separate set of consolidated financial statements of the affiliated companies.

Very truly yours

Company Name: Taiwan Mask Corporation

Chairman: Chun-Kuang Tu

March 13, 2026

Independent Auditors' Report

(115) Tsai-Sheng-Bao-Zi No. 25004946

To Taiwan Mask Corporation,

Opinions

We have audited the accompanying consolidated balance sheets of Taiwan Mask Corporation and its subsidiaries (the "Group") as of December 31, 2025 and 2024, and the related consolidated 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 consolidated 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 accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2025 and 2024 in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in Taiwan. Our responsibilities under those standards are further described in the Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements of fiscal year 2025. These matters were addressed in the context of our audit of the consolidated financial statements

as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the TMC Group's consolidated 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 (30) of the financial report. For sales revenue, please refer to Note 6 (23); the operating revenue in fiscal year 2025 was NT\$6,038,069 thousand.

TMC Group is primarily engaged in the manufacture and sale of photomask products used in semiconductors and integrated circuits. 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 consolidated 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 - Sound operational improvement plan

As described in Note 12(4) to the consolidated financial statements, TMC Group's debt ratio and current ratio as of December 31, 2025 were 75% and 63%, respectively. TMC Group has formulated a sound operational improvement plan.

Other matters—Parent company only financial reports

We have audited the standalone financial statements of Taiwan Mask Corporation as of and for the years ended December 31, 2025 and 2024, and have issued thereon an unmodified opinion with an Other Matter paragraph and an unmodified opinion, respectively, for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “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 and issued into effect by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group’s financial reporting process.

Independent Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors’ Report that includes our opinion. 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 the Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 2025 consolidated financial statements of the current period and are therefore deemed 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

Approval Document for Attestation:

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

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

March 13, 2026

Taiwan Mask Corporation and Subsidiaries
Consolidated 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)	\$ 854,720	5	\$ 1,430,542	7
1110	Financial Assets at Fair Value Through Profit or Loss - Current	6(2) and 8	1,762,276	10	3,129,075	15
1136	Financial Assets at Amortized Cost - Current	6(3) and 8	805,245	5	227,534	1
1140	Contract Asset - Current	6(23)	79,142	1	90,967	-
1150	Notes Receivables (Net)	6(4)	20,841	-	167	-
1170	Accounts Receivables (Net)	6(4)	917,701	5	1,367,379	7
1180	Accounts Receivables - Related Parties (Net)	6(4) and 7	3,248	-	2,383	-
1200	Other Receivables		43,285	-	40,137	-
1210	Other Receivables - Related Parties	7	5,608	-	1,306	-
1220	Tax Assets for the Period		728	-	476	-
130X	Inventories	6(5)	419,160	2	723,781	4
1410	Prepayments		351,761	2	277,096	1
1470	Other Current Assets		13,003	-	20,371	-
11XX	Total Current Assets		<u>5,276,718</u>	<u>30</u>	<u>7,311,214</u>	<u>35</u>
Non-Current Assets						
1510	Financial Asset at Fair Value Through Profit or Loss - Non Current	6(2) and 8	202,023	1	187,241	1
1535	Financial Assets at Amortized Cost - Non Current	6(3) and 8	446,624	3	667,051	3
1550	Investment under Equity Method	6(6)	423,096	2	489,392	2
1600	Property, plant and equipment	6(7) and 8	9,887,318	57	10,382,141	50
1755	Right-of-use Asset	6(8)	389,426	2	424,264	2
1760	Investment property (Net)	6(10) and 8	178,933	1	167,109	1
1780	Intangible assets	6(11) and 8	307,661	2	654,780	3
1840	Deferred Income Tax Assets	6(30)	28,661	-	25,492	-
1900	Other Non-Current Assets	6(13)	339,637	2	506,461	3
15XX	Total Non-Current Assets		<u>12,203,379</u>	<u>70</u>	<u>13,503,931</u>	<u>65</u>
1XXX	Total Assets		<u>\$ 17,480,097</u>	<u>100</u>	<u>\$ 20,815,145</u>	<u>100</u>

(continued on next page)

Taiwan Mask Corporation and Subsidiaries
Consolidated 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(14) and 7	\$ 4,831,971	28	\$ 6,200,355	30
2120	Financial Liabilities at Fair Value Through Profit or Loss - Current	6(2)	25,000	-	19,204	-
2130	Contract Liabilities - Current	6(23)	207,391	1	64,453	-
2150	Notes Payable		-	-	43,544	-
2170	Accounts Payable		417,983	2	541,758	3
2200	Other Payables	6(15)	969,734	6	1,236,829	6
2230	Income Tax Liabilities for the Period		13,399	-	10,730	-
2250	Provision for Liabilities - Current		3,260	-	5,568	-
2280	Lease Liability - Current		38,088	-	34,456	-
2320	Long-term liabilities due within one year or one business cycle	6 (16)(17)	1,728,036	10	1,242,279	6
2399	Other Current Liabilities - Other		75,006	-	53,072	-
21XX	Total Current Liabilities		<u>8,309,868</u>	<u>47</u>	<u>9,452,248</u>	<u>45</u>
Non-current liabilities						
2530	Corporate bonds payable	6(16)	1,996,838	12	3,609,156	17
2540	Long-term Loans	6(17)	2,342,790	13	3,072,808	15
2550	Provision for Liabilities - Non-current		-	-	1,500	-
2570	Deferred Income Tax	6(30)	114,616	1	162,297	1
2580	Lease liability - Non Current		366,321	2	402,942	2
2640	Defined Benefit Liabilities - Non Current	6(18)	2,815	-	7,474	-
2645	Guarantee Deposits Received		704	-	34,812	-
25XX	Total Non-Current Liabilities		<u>4,824,084</u>	<u>28</u>	<u>7,290,989</u>	<u>35</u>
2XXX	Total Liabilities		<u>13,133,952</u>	<u>75</u>	<u>16,743,237</u>	<u>80</u>
Equity attributable to shareholders of the parent company						
Capital						
3110	Capital stock	6(19)	3,168,492	18	2,564,562	12
Capital surplus						
3200	Capital surplus	6(20)				
	Retained earnings	6(21)	2,305,149	14	1,532,041	8
3310	Legal reserve		863,958	5	863,958	4
3350	Unappropriated earnings		(1,184,883)	(7)	581,828	3
Other equity interests						
3400	Other equity interests	6(22)				
3500	Treasury stock	6(19) and 8	(891,759)	(5)	(1,167,369)	(6)
31XX	Total Equities Attributable to Parent Company		<u>4,279,353</u>	<u>25</u>	<u>4,395,168</u>	<u>21</u>
36XX	Non-controlling Interests		<u>66,792</u>	<u>-</u>	<u>(323,260)</u>	<u>(1)</u>
3XXX	Total Equities		<u>4,346,145</u>	<u>25</u>	<u>4,071,908</u>	<u>20</u>
Major Commitments and Contingencies 9						
Major Events after Financial Statement Date 11						
3X2X	Total Liabilities and Equities		<u>\$ 17,480,097</u>	<u>100</u>	<u>\$ 20,815,145</u>	<u>100</u>

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

Chairman: Chun-Kuang Tu

Managerial Officer: Lidon Chen

Accounting Officer: Shu-Hua Lin

Taiwan Mask Corporation and Subsidiaries
Consolidated 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(23) and 7	\$ 6,038,069	100	\$ 7,561,749	100
5000 Operating costs	6(5) and 7	(5,564,281)	(92)	(6,140,062)	(81)
5900 Gross profit		473,788	8	1,421,687	19
Operating Expenses	6(28) (29) and 7				
6100 Selling Expenses		(297,009)	(5)	(311,586)	(4)
6200 Administrative Expenses		(449,019)	(8)	(418,133)	(6)
6300 R&D Expenses		(327,643)	(5)	(389,236)	(5)
6450 Expected loss on credit impairment	12(2)	(8,556)	-	(81,338)	(1)
6000 Total Operating Expenses		(1,082,227)	(18)	(1,200,293)	(16)
6900 Operating (loss) profit		(608,439)	(10)	221,394	3
Non-operating income and expenses					
7100 Interest income	6(24)	11,136	-	27,737	-
7010 Other Incomes	6(25) and 7	123,764	2	151,772	2
7020 Other Gains and Losses	6(26)	(658,717)	(11)	(667,378)	(9)
7050 Financial Costs	6(27) and 7	(306,314)	(5)	(345,590)	(4)
7060 The share of affiliates and joint venture profits and losses recognized by the equity method	6(6)	(65,462)	(1)	(53,984)	(1)
7000 Total Non-Operating Incomes and Losses		(895,593)	(15)	(887,443)	(12)
7900 Net loss before taxes		(1,504,032)	(25)	(666,049)	(9)
7950 Income tax benefit (expense)	6(30)	27,067	-	(119,962)	(1)
8200 Net loss		<u>(\$ 1,476,965)</u>	<u>(25)</u>	<u>(\$ 786,011)</u>	<u>(10)</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(18)	(\$ 606)	-	\$ 237	-
8320 Profit and loss of 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(22)	(2,143)	-	18,507	-
8300 Other Comprehensive Incomes (Net)		<u>(\$ 2,358)</u>	<u>-</u>	<u>\$ 18,744</u>	<u>-</u>
8500 Total comprehensive income for the year		<u>(\$ 1,479,323)</u>	<u>(25)</u>	<u>(\$ 767,267)</u>	<u>(10)</u>
Net Incomes (Losses) Attributable to:					
8610 Parent Company		(\$ 1,173,716)	(20)	(\$ 472,521)	(6)
8620 Non-controlling Interests		(303,249)	(5)	(313,490)	(4)
Total		<u>(\$ 1,476,965)</u>	<u>(25)</u>	<u>(\$ 786,011)</u>	<u>(10)</u>
Total Comprehensive Incomes (Losses) Attributable to:					
8710 Parent Company		(\$ 1,176,074)	(20)	(\$ 453,777)	(6)
8720 Non-controlling Interests		(303,249)	(5)	(313,490)	(4)
Total		<u>(\$ 1,479,323)</u>	<u>(25)</u>	<u>(\$ 767,267)</u>	<u>(10)</u>
Loss per share	6(31)				
9750 Basic		(\$ 4.88)		(\$ 2.21)	
9850 Diluted		(\$ 4.88)		(\$ 2.21)	

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

Chairman: Chun-Kuang Tu

Managerial Officer: Lidon Chen

Accounting Officer: Shu-Hua Lin

Taiwan Mask Corporation and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31 of 2025 and 2024

Unit: NT\$ Thousand

	Equity attributable to shareholders of the parent company										
	Notes	Retained earnings				Other equity interests			Total	Non-controlling Interests	Total Equity
		Capital stock	Capital surplus	Legal reserve	Unappropriated earnings	Financial statement translation differences of foreign operations	Unrealized gain (loss) on investments on financial assets at fair value through other comprehensive income	Treasury stock			
<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	(\$ 13,238)	\$ 5,109,904
Net loss		-	-	-	(472,521)	-	-	-	(472,521)	(313,490)	(786,011)
Other Comprehensive Profit or Loss	6(22)	-	-	-	237	18,507	-	-	18,744	-	18,744
Total comprehensive income for the year		-	-	-	(472,284)	18,507	-	-	(453,777)	(313,490)	(767,267)
Distribution and appropriation of earnings for 2023											
Legal capital reserve		-	-	36,498	(36,498)	-	-	-	-	-	-
Cash dividends		-	-	-	(373,491)	-	-	-	(373,491)	-	(373,491)
Changes in ownership interests in subsidiaries recognized	6(20)	-	1,196	-	-	-	-	-	1,196	3,468	4,664
Adjustment of capital reserve by dividends paid to subsidiaries	6(20)	-	52,997	-	-	-	-	-	52,997	-	52,997
Subsidiaries donated treasury stock	6(19)	-	-	-	-	-	-	7,115	7,115	-	7,115
Changes in shares of affiliates and joint ventures recognized under the equity method	6(20)	-	37,203	-	-	-	-	-	37,203	-	37,203
Conversion of convertible bonds	6(20)	97	686	-	-	-	-	-	783	-	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	(\$ 323,260)	\$ 4,071,908
<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	(\$ 323,260)	\$ 4,071,908
Net loss		-	-	-	(1,173,716)	-	-	-	(1,173,716)	(303,249)	(1,476,965)
Other Comprehensive Profit or Loss	6(22)	-	-	-	(606)	(2,143)	391	-	(2,358)	-	(2,358)
Total comprehensive income for the year		-	-	-	(1,174,322)	(2,143)	391	-	(1,176,074)	(303,249)	(1,479,323)
Cash capital increase	6 (19)(20)	633,700	912,528	-	-	-	-	-	1,546,228	-	1,546,228
Changes in ownership interests in subsidiaries recognized	6(20)	-	113,092	-	-	-	-	-	113,092	(113,092)	-
Recognition of the effect of waiver of amounts due from subsidiaries and impairment loss	4(3)	-	-	-	(592,389)	-	-	-	(592,389)	592,389	-
Changes in shares of affiliates and joint ventures recognized under the equity method	6(20)	-	(6,672)	-	-	-	-	-	(6,672)	-	(6,672)
Cancellation of treasury shares	6 (19)(20)	(29,770)	(245,840)	-	-	-	-	275,610	-	-	-
Changes in non-controlling interests		-	-	-	-	-	-	-	-	14,327	14,327
Cash increase of non-controlling equity in Subsidiaries		-	-	-	-	-	-	-	-	199,677	199,677
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	\$ 66,792	\$ 4,346,145

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

Chairman: Chun-Kuang Tu

Managerial Officer: Lidon Chen

Accounting Officer: Shu-Hua Lin

Taiwan Mask Corporation and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31 of 2025 and 2024

Unit: NTS 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		(\$ 1,504,032)	(\$ 666,049)
Adjustments to Reconcile Net Income to Net Cash Flow from Operating Activities			
Revenues and Expenses			
Depreciation	6 (7)(8)(10)(28)	1,469,109	1,286,665
Amortization	6(11)(28)	78,660	88,918
Expected loss on credit impairment	12(2)	8,556	81,338
Interest income	6(24)	(11,136)	(27,737)
Interest Expenses	6(27)	306,314	345,590
Subsidiaries donated treasury stock	7	-	7,115
Net losses of financial assets and liabilities at fair value through profit or loss	6(2)(26)	424,608	714,004
Gain (loss) on disposal of investments	6(6)(26)	(66,981)	(10,037)
Dividend income	6(25)	(79,102)	(115,036)
Share of losses of affiliated companies recognized under the equity method	6(6)	65,462	53,984
Disposal of interests in property, plant and equipment	6(26)	(31,508)	(24,518)
Gain on lease modifications	6(8)(26)	(119)	(3,005)
Impairment Loss of Intangible Assets	6(11)(12)(26)	152,410	-
Goodwill impairment loss	6(11)(12)(26)	94,664	27,390
Impairment loss on property, plant, and equipment	6 (7)(12)(26)	38,369	-
Impairment loss of prepayments for equipment		-	5,310
Loss on repurchase of corporate bonds payable	6(26)	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		892,970	502,215
Contract Assets		11,825	14,296
Notes Receivables	(	20,674)	5,882
Accounts Receivables		422,893	30,089
Accounts Receivables – Related Parties	(	865)	(2,357)
Other Receivables		4,725	(11,134)
Other Receivables – Related Parties	(	4,302)	(899)
Inventories		254,235	(21,958)
Prepayments	(	64,612)	58,324
Other Current Assets		7,368	(9,597)
Other Non-Current Assets		1,092	(420)
Net Changes of Liabilities related to Operating Activities			
Contract Liabilities		142,960	(110,085)
Notes Payable	(	43,544)	43,478
Accounts Payable	(	106,754)	77,866
Other Payables		100,905	(165,172)
Provisions	(	3,808)	2,555
Other Current Liabilities		22,494	(4,741)
Defined Benefit Liabilities	(	5,264)	(2,937)
Net Cash In-Flow from Operating		2,572,152	2,169,337
Interest Received		11,136	27,737
Interest Paid	(	255,531)	(280,875)
Income Tax Paid	(	30,346)	(127,651)
Dividends Received		79,102	115,036
Net Cash In-Flow (Out-Flow) from Operating Activities		<u>2,376,513</u>	<u>1,903,584</u>

(Continued)

Taiwan Mask Corporation and Subsidiaries
Consolidated Statements of Cash Flows
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	6(3)	(\$ 596,414)	(\$ 171,795)
Decrease in financial assets measured at amortized cost	6(3)	240,106	205,430
Acquisition of investment property by the Equity Method	6(6)	-	440,400
Proceeds from Disposal of Investments Accounted for Under the Equity Method	6(6)	61,680	11,807
Acquisition of Property, Plants and Equipment	6 (7)(32)	(1,322,262)	(2,005,238)
Proceeds from Disposal of Property, Plant and Equipment	6(7)	98,442	48,326
Acquisition of Intangible Assets	6(11)	(2,659)	(15,577)
Increase in refundable deposit		(21,216)	(38,787)
Decrease of Guarantee Deposits		55,622	52,995
Decrease in cash due to changes in consolidated entities	6 (32)	(6,881)	-
Net Cash Outflow from Investing Activities		(1,493,582)	(2,353,239)
<u>Cash Flows from Financing Activities</u>			
Increase of Short Term Loan	6 (33)	5,446,554	9,394,535
Redemption of Short Term Loan	6 (33)	(6,738,668)	(8,623,550)
Increase of Long Term Loan	6 (33)	1,444,376	2,525,699
Redemption of Long Term Loan	6 (33)	(1,768,285)	(2,587,302)
Issuance of corporate bonds	6 (33)	-	498,730
Repayment of corporate bonds	6 (33)	(1,528,266)	(332,817)
Other Payables- related Parties		-	(304)
Issuance of financial liabilities designated as at fair value through profit or loss - convertible corporate bonds	6(2)	25,000	-
Redemption of Lease Principal	6 (33)	(42,664)	(46,498)
Increase in Guarantee Deposits Received	6 (33)	406	199
Decrease of Guarantee Deposits Received	6 (33)	(34,515)	(7,787)
Cash increase of non-controlling equity in Subsidiaries	4(3)	199,677	-
Distribution of cash dividends (including capital surplus distribution cash in 2023)	6(21)	-	(320,494)
Cash capital increase	6 (19)(20)	1,546,228	-
Net cash (outflow) inflow in financing activities		(1,450,157)	500,411
Adjustments of Exchange Rate		(8,596)	15,680
Net increase (decrease) in cash and cash equivalents		(575,822)	66,436
Beginning Balance of Cash and Cash Equivalents	6(1)	1,430,542	1,364,106
Ending Balance of Cash and Cash Equivalents	6(1)	\$ 854,720	\$ 1,430,542

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

Chairman: Chun-Kuang Tu

Managerial Officer: Lidon Chen

Accounting Officer: Shu-Hua Lin

Taiwan Mask Corporation and Subsidiaries
Notes to the Consolidated 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 and its subsidiary (collectively referred to as the "Group") mainly engage in the research, development, manufacturing and sales of photomask and integrated circuits, providing technical assistance, consultation, inspection and repair of the abovementioned products, and manufacturing and buying and selling of medical equipment. The parent company of the Company is Star Fusion Group Co., Ltd. (formerly known as Softstar Entertainment Inc.), which holds a 20% equity interest in the Company.

II. Date and procedures for passing the financial statement

The consolidated financial statements were reported to the Board of Directors and issued 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:

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

The Group 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:

Newly released/corrected/amended standards and interpretations	Effective Date Issued by IASB
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 Group 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:

Newly released/corrected/amended standards and interpretations	Effective Date Issued by IASB
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 “IFRS18”), beginning in 2028. In addition, if an entity elects to early adopt IFRS18, it may do so after IFRS18 has been endorsed by the FSC.

The Group 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 polices applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance statement

These consolidated financial statements of the Group have been prepared in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the FSC (collectively referred herein as the "IFRSs").

(II) Basis of Preparation

1. Except for the following items, these consolidated 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 IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note V.

(III) Basis of consolidation

1. The basis for preparation of consolidated financial statements

- (1) All subsidiaries are included in the Corporate Group's consolidated financial statements. Subsidiaries are all entities controlled by the Corporate Group. The Corporate Group controls an entity when the Group 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. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (2) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Corporate Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Corporate Group.
- (3) The profit and loss and the components of other comprehensive income attribute to the owners of the parent company and non-controlling interest. The total comprehensive income also attributes to the owners of the parent company and non-controlling interest, even if this results in the non-controlling interests having a deficit balance.
- (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 Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. 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 Group 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.

2. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activity	Ownership (%)		Explanation
			December 31, 2025	December 31, 2024	
Taiwan Mask Corporation	SunnyLake Park International Holding, Inc.	Investment Company	100	100	
Taiwan Mask Corporation	Goke Holdings Co., Ltd.	Investment Company	100	100	Note 6
Taiwan Mask Corporation	Miracle Technology CO., LTD.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	
Taiwan Mask Corporation	Innova Vision INC.	Manufacturing, retail, wholesale and international trade of medical equipment	53.11	75.32	Note 4
Taiwan Mask Corporation	One Test Systems	Research, development and design of test equipment and related components	100	100	

Name of Investor	Name of Subsidiary	Main Business Activity	Ownership (%)		Explanation
			December 31, 2025	December 31, 2024	
Taiwan Mask Corporation	Pilot Energy Co., Ltd.	Electronic parts and components and energy technical services	20.00	20.00	Note 3
Taiwan Mask Corporation	Magpie Energy Co., Ltd.	Electronic parts and components and energy technical services	20.00	-	Note 8
Taiwan Mask Corporation	Taiwan Laser Welding Technology Corporation	Laser welding of thick steel plates	100	-	Note 7
Goke Holdings Co., Ltd.	Innova Vision INC.	Manufacturing, retail, wholesale and international trade of medical equipment	0.11	0.19	Note 4, Note 6
Goke Holdings Co., Ltd.	Aptos Technology INC.	Design, packaging and testing of NAND flash memory, solid state drives and the related products	47.19	47.19	Note 2, Note 5, Note 6
Goke Holdings Co., Ltd.	Xsense Technology Corporation	Name of Investor	100	100	Note 6
Goke Holdings Co., Ltd.	Xsense Technology Corporation (B.V.I.) Taiwan Branch	Precious metal coating	53.00	53.00	Note 6
Goke Holdings Co., Ltd.	Digital-Can Tech. Co., Ltd.	3D Printing and Plastic Mold Design	57.39	57.39	Note 6
Goke Holdings Co., Ltd.	Pilot Energy Co., Ltd.	Electronic parts and components and energy technical services	38.89	38.89	Note 3, Note 6
Goke Holdings Co., Ltd.	Magpie Energy Co., Ltd.	Electronic parts and components and energy technical services	38.89	-	Note 6, Note 8
Goke Holdings Co., Ltd.	Moment Semiconductor, Inc.	Retail and wholesale of memory products	25.27	52.84	Note 1, Note 6
Aptos Technology INC.	New Sunrise Limited	Investment Company	100	100	Note 6
Pilot Energy Co., Ltd.	ADL Energy Corp	Electronic parts and components and energy technical services	100	100	
ADL Energy Corp	Aptos Global Holding Corp.	Name of Investor	100	100	
Miracle Technology CO., LTD.	Jing Hao Investment Co., Ltd.	Investment Company	100	100	
Miracle Technology CO., LTD.	Miracle International Enterprise(Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	
Jing Hao Investment Co., Ltd.	Miko-China Enterprise (Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	
Jing Hao Investment Co., Ltd.	MIKO Technology Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	
Miko-China Enterprise (Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	IC product design, production and sales	79.17	79.17	

Name of Investor	Name of Subsidiary	Main Business Activity	Ownership (%)		Explanation
			December 31, 2025	December 31, 2024	
Miracle International Enterprise(Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	IC product design, production and sales	20.83	20.83	
Innova Vision INC.	Innova Technology	Medical equipment retail and wholesale	100	100	
Innova Vision INC.	Innova Vision (B.V.I.) Inc.	Name of Investor	100	100	
Innova Vision INC.	iPro Vision Inc.	Medical equipment retail and wholesale	52.03	52.03	
Innova Vision (B.V.I.) Inc.	iPro Vision Inc.	Medical equipment retail and wholesale	47.97	47.97	

Note 1: In September 2024, Moment Semiconductor, Inc. carried out a cash capital increase through the issuance of new shares. Goke Holdings Co., Ltd. did not subscribe in proportion to its shareholding, resulting in its shareholding ratio decreasing from 53.33% to 52.84%, and recognized a decrease in capital surplus of (NT\$410). In October 2025, Moment Semiconductor, Inc. carried out another cash capital increase through the issuance of new shares, and Goke Holdings Co., Ltd. did not participate in the capital increase, resulting in its shareholding ratio decreasing from 52.84% to 25.27% and loss of substantive control over the company. Accordingly, it has been excluded from the consolidated entities since October 2025.

Note 2: The Company's subsidiary, Goke Holdings Co., Ltd., which holds a majority of the Board of Directors of the company, has substantial control over the company and therefore included the company in the consolidated financial statements as a consolidated entity.

Note 3: Pilot Battery Co., Ltd. was renamed Pilot Energy Co., Ltd. in April 2024.

Note 4: Before the capital increases, the Company and its subsidiary, Goke Holdings Co., Ltd., held shareholding ratios of 75.32% and 0.19%, respectively. Innova Vision Inc. carried out cash capital increases through the issuance of new shares in January and November 2025 in the amounts of NT\$200,000 and NT\$89,880, respectively. Although the Company and its subsidiary, Goke Holdings Co., Ltd., participated in the subscriptions, they did not subscribe in proportion to their shareholding ratios, resulting in their shareholding ratios decreasing from 75.32% and 0.19% to 53.11% and 0.11%, respectively, and capital surplus of NT\$113,502 was recognized.

Note 5: In June 2025, Aptos Technology INC. resolved to dissolve the company at its shareholders' meeting and filed a petition for bankruptcy with the court in the same month. As of the issuance date of these consolidated financial statements, the liquidation process has not yet been completed.

Note 6: Formerly named You-Yuan Investment Co., Ltd., it was renamed Goke Holdings Co., Ltd. in August 2025.

Note 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.

Note 8: In November 2025, the Company's subsidiary, Pilot Energy Co., Ltd., carried out a spin-off of its hydrogen energy business to establish a fellow subsidiary, Magpie Energy Co., Ltd.

3. Subsidiaries not included in the consolidated financial statement: None.

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

5. Significant restrictions: None.

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

The total non-controlling interests of the Group as of December 31, 2025 and 2024 were NT\$66,792 and (NT\$323,260). The following information shows subsidiaries that have non-controlling interests that are material to the Group:

Name of Subsidiary	Main location of business	Non-controlling Interests				Explanation
		December 31, 2025		December 31, 2024		
		Amount	Ownership percentage	Amount	Ownership percentage	
Aptos Technology and its subsidiaries	Taiwan	(\$ 33,920)	52.81%	(\$ 372,100)	52.81%	
Xsense Technology Corporation (B.V.I.) Taiwan Branch	Taiwan	(109,627)	47.00%	(163,673)	47.00%	
Pilot Energy Co., Ltd. and its subsidiaries	Taiwan	90,037	47.11%	176,835	41.11%	

Aggregate financial information of subsidiaries:

Balance Sheet

	Aptos Technology and its subsidiaries	
	December 31, 2025	December 31, 2024
Current assets	\$ 20,566	\$ 103,917
Non-Current Assets	8,892	357,565
Current liabilities	(386,072)	(908,842)
Non-current liabilities	(61)	(257,219)
Total net assets	<u>(\$ 356,675)</u>	<u>(\$ 704,579)</u>

	Xsense Technology Corporation (B.V.I.) Taiwan Branch	
	December 31, 2025	December 31, 2024
Current assets	\$ 57,794	\$ 296,422
Non-Current Assets	56,271	250,523
Current liabilities	(790,992)	(741,059)
Non-current liabilities	(12,775)	(154,097)
Total net assets	<u>(\$ 689,702)</u>	<u>(\$ 348,211)</u>

	Pilot Energy Co., Ltd. and its subsidiaries	
	December 31, 2025	December 31, 2024
Current assets	\$ 123,540	\$ 246,193
Non-Current Assets	234,598	388,182
Current liabilities	(158,042)	(166,838)
Non-current liabilities	(110,285)	(165,666)
Total net assets	<u>\$ 89,811</u>	<u>\$ 301,871</u>

Statement of Comprehensive Income

	Aptos Technology and its subsidiaries	
	2025	2024
Revenue	<u>\$ 130,653</u>	<u>\$ 330,550</u>
Net loss before taxes	(75,095)	(234,505)
Income tax benefits	-	-
Net loss of current period from continuing operations	(75,095)	(234,505)
Net loss	(75,095)	(234,505)
Other comprehensive income (net after tax)	-	-
Total comprehensive income for the year	<u>(\$ 75,095)</u>	<u>(\$ 234,505)</u>

	Xsense Technology Corporation (B.V.I.) Taiwan Branch	
	2025	2024
Revenue	<u>\$ 161,549</u>	<u>\$ 445,559</u>
Net loss before taxes	(285,427)	(186,500)
Income tax benefits	-	-
Net loss of current period from continuing operations	(285,427)	(186,500)
Net loss	(285,427)	(186,500)
Other comprehensive income (net after tax)	-	-
Total comprehensive income for the year	<u>(\$ 285,427)</u>	<u>(\$ 186,500)</u>

	Pilot Energy Co., Ltd. and its subsidiaries	
	2025	2024
Revenue	\$ 197,807	\$ 121,717
Net loss before taxes	(119,808)	(108,193)
Income tax benefits	-	-
Net loss of current period from continuing operations	(119,808)	(108,193)
Net loss	(119,808)	(108,193)
Other comprehensive income (net after tax)	-	-
Total comprehensive income for the year	(\$ 119,808)	(\$ 108,193)

Statements of Cash Flows

	Aptos Technology and its subsidiaries	
	2025	2024
Cash In-Flow (Out-Flow) from Operating Activities	\$ 195,184	(\$ 88,499)
Cash In-Flow (Out-Flow) from Investing Activities	8,207	54,559
Net cash (outflow) inflow in financing activities	(196,221)	(12,643)
Net increase (decrease) in cash and cash equivalents	7,170	(46,583)
Beginning Balance of Cash and Cash Equivalents	11,282	57,865
Ending Balance of Cash and Cash Equivalents	\$ 18,452	\$ 11,282

	Xsense Technology Corporation (B.V.I.) Taiwan Branch	
	2025	2024
Cash In-Flow (Out-Flow) from Operating Activities	\$ 5,087	(\$ 25,185)
Cash In-Flow (Out-Flow) from Investing Activities	18,412	(16,553)
Net cash (outflow) inflow in financing activities	(76,745)	56,975
Net increase (decrease) in cash and cash equivalents	(53,246)	15,237
Beginning Balance of Cash and Cash Equivalents	65,060	49,823
Ending Balance of Cash and Cash Equivalents	\$ 11,814	\$ 65,060

	Pilot Energy Co., Ltd. and its subsidiaries	
	2025	2024
Net Cash In-Flow (Out-Flow) from Operating Activities	(\$ 23,122)	(\$ 2,645)
Cash In-Flow (Out-Flow) from Investing Activities	(109,762)	(195,011)
Net cash (outflow) inflow in financing activities	<u>89,936</u>	<u>25,756</u>
Net increase (decrease) in cash and cash equivalents	(42,948)	(171,900)
Beginning Balance of Cash and Cash Equivalents	<u>59,897</u>	<u>231,797</u>
Ending Balance of Cash and Cash Equivalents	<u>\$ 16,949</u>	<u>\$ 59,897</u>

After evaluating the operating conditions of its subsidiaries, Aptos Technology INC. and Xsense Technology Corporation (B.V.I.) Taiwan Branch, and the recoverability of receivables due from these companies, the Group recognized an impairment impact of NT\$592,389 and adjusted retained earnings and non-controlling interests accordingly.

(IV) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional 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 Group 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.

(V) 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.

Those 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.

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

(VI) 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.

(VII) 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 Group 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 Group recognizes dividend income in profit or loss.

(VIII) Financial assets at fair value through other comprehensive profit and loss

1. Refers to an irrevocable election at the time of initial recognition to report the fair value changes of equity investments that are not held for trading in other comprehensive income.
2. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income or loss are recognized and derecognized using trade date accounting.
3. The Corporate Group measures financial assets at fair value plus transaction costs at the initial recognition. The financial assets are subsequently measured at fair value. The fair value changes of equity investments are recognized in other comprehensive income. At the time derecognition, the accumulated gains or losses previously recognized in other comprehensive income shall not subsequently reclassified to profit or loss, and shall be transferred to retained earnings. 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 Group recognizes dividend income in profit or loss.

(IX) 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 Corporate Group 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.

(X) Accounts and notes receivable

1. Refers to accounts and notes that have been unconditionally charged for the right to exchange the value of the consideration due to the transfer of goods or services.
2. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(XI) Impairment Loss of Financial Assets

Regarding debt instruments measured at FVTOCI, financial assets measured at amortized cost, accounts receivable or contract assets and lease receivables that contain significant financing components, the Group, 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.

(XII) De-recognition of financial assets

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

(XIII) 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.

(XIV) 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 the estimated costs of completion and the estimated costs necessary to make the sale.

(XV) Investments accounted for using equity method - Associates

1. Affiliated enterprises refer to entities over which the Corporate Group has significant influence but is not in control. In general, the Group may directly or indirectly own more than 20% of the associates' voting shares. The Corporate Group accounts for its investment in associates using the equity method, and the investment is initially recognized at cost.
2. The Corporate Group 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 Corporate Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group will not recognize further losses, unless it has incurred legal or constructive obligations or make payments on behalf of the associate.
3. If an associate has changes in equity not from profit or loss or other comprehensive income, and such changes do not affect the Corporate Group's shareholding in the associate, the Group will recognize all changes in equity attributable to the Group's share of the associate as "capital surplus" according to the shareholding percentage.
4. Unrealized gains on transactions between the Corporate Group and associates are eliminated to the extent of the Group'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 Corporate Group.
5. In the event that an associate issues new shares and the Corporate Group does not subscribe to or acquire the new shares in proportion, which results in a change to the Group's shareholding percentage but the Group maintains a significant influence on the associate, the increase or decrease of the Group'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.
6. At each balance sheet date, the Group performs impairment testing on associates where there are indications of impairment, treating the entire carrying amount of the investment, including goodwill, as a single asset and comparing its recoverable amount, being the higher of value in use and fair value less costs of disposal, with its carrying amount. Any impairment loss recognized is included in the carrying amount of the investment. A reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(XVI) 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 Corporate Group and the cost 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 change is 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 60 years
Machinery and equipment	2 years to 16 years
Office equipment	2 years to 9 years
Transportation equipment	3 years to 7 years
Leasehold improvements	2 years to 10 years
Mold equipment	2 years
Other equipment	2 years to 12 years

(XVII) 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 Group. 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.

(XVIII) 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 45 years.

(XIX) Intangible assets

1. Trademark and concession

Trademarks and concession obtained separately are recognized at the cost of acquisition, and trademarks and concessions obtained as a result of a business combination are recognized at fair

value on the acquisition date. Trademarks and concessions are assets with a limited useful life and are amortized based on the estimated useful life of 10 to 15 years based on the straight-line method.

2. Computer software

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.

3. Goodwill

Goodwill is measured in a business combination using the acquisition method.

(XX) Impairment of non-financial assets

1. The Group assesses on 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.
2. Goodwill, intangible assets with indefinite useful life and intangible assets not yet available for use are regularly estimated for their recoverable amounts. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The goodwill impairment loss will not be reversed in subsequent years.
3. Goodwill is allocated to cash-generating units for the purpose of conducting the impairment testing. The allocation identified based on the operating segment, and the goodwill is allocated to cash-generation units or groups of cash-generation units expected to benefit from the business combination that generates goodwill.

(XXI) 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.

(XXII) Accounts and notes receivable

1. Refers to debts incurred as a result of the purchase of raw materials, goods or services and the notes payable due to business and non-business purposes.
2. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(XXIII) Financial liabilities at fair value through profit or loss

1. Financial liabilities designated as at fair value through profit or loss upon initial recognition. The Group designates financial liabilities as at fair value through profit or loss upon initial recognition when one of the following conditions is met:
 - (1) It is a hybrid (combined) contract; or
 - (2) Such designation eliminates or significantly reduces a measurement or recognition inconsistency; or
 - (3) It is an instrument that is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management policy.
2. The Group 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.

(XXIV) Convertible bonds payable

The convertible bonds payable issued by the Group are embedded with conversion options (i.e., the holder's right to choose to convert to the Group'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.

(XXV) 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.

3. Termination benefits

Refer to when companies decide to terminate the employees before the normal retirement date, or when employees decide to accept the benefits in exchange for the termination. The Group recognizes expenses when it is no longer able to withdraw the offer of termination benefits or when the relevant restructuring costs are recognized, whichever is earlier. Liabilities that are not expected to be paid off within twelve months from the balance sheet date should be discounted.

4. 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.

(XXVI) 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.

(XXVII) 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 at 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 consolidated 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 Group 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.
5. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities. They are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXVIII) 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.

(XXIX) 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.

(XXX) Recognized revenue

1. Sales of services

The Group mainly provides photomask manufacturing and integrated circuit packaging 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 and packaging 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 and packaging 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 Group'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 and packaging services are 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 Group to issue the bill.

2. Product sales

- (1) The Group manufactures and sells semiconductor-related integrated circuit products, medical equipment products, etc. The sales revenue is recognized when the control of the product is transferred to the customer. That is, once products are delivered to customers, the customers

have discretion on the channel and price of product sales, and the Corporate Group has no outstanding performance obligations that may affect customers' acceptance of the products. The delivery of products occurs when products are shipped to a designated location and the risk of obsolescence and loss has been transferred to customers, and the customers accept the products in accordance with the sales contract or have objective evidence that all criteria have been met.

- (2) The time interval between the transfer products or services promised to customers and the customers' payment has not exceeded one year, so the Corporate Group has not adjusted the transaction price to reflect the time value of money.
- (3) Accounts receivable are recognized when goods are delivered to customers. The Corporate Group has unconditional rights to the contract price, and will be able to collect the amount from the customers after the time has passed.

(XXXI) 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 Group, the government subsidies are recognized as current gains and losses on a systematic basis during the period in which the related expenses are incurred.

(XXXII) Business combination

1. The Corporate Group adopts the acquisition method for business combination. The combination consideration is calculated based on the fair value of transferred assets, liabilities incurred or assumed, and equity instruments issued. The transferred consideration includes the fair value of any assets and liabilities arising from contingent consideration agreed. The acquisition-related costs are recognized as expenses when incurred. The identifiable assets acquired and the liabilities assumed in a business combination are measured at the fair value on the acquisition date. The Group uses individual acquisition transactions as the basis. If the non-controlling interest is part of the current ownership interest and the holder has the right to a proportional share of the company's net assets at the time of liquidation, it is measured at a fair value on the acquisition date or based on the proportion of identifiable assets of acquiree. Other components of non-controlling interests are measured at fair value of the acquisition date.
2. If the total fair value of transfer of consideration, non-controlling interests of acquiree and the interest of acquiree that has been held previously exceeds the fair value of identifiable assets and the assumed liabilities, it is recognized as goodwill on the acquisition date. If the identifiable assets acquired and the assumed liabilities exceed the transfer of consideration, the difference between the non-controlling interests of acquiree and the total fair value of acquiree's interests previously held is recognized as the current profit or loss.

(XXXIII) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the president that makes strategic decisions.

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

The preparation of these consolidated financial statements requires the management to make critical judgments in applying the Group'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 Group is primarily engaged in mask and integrated circuit services in the semiconductor industry. Due to rapid technological innovations, short life-cycle and competition within the mask industry, the risk of price fluctuations, Loss on decline in value of inventories and obsolescence is higher than that of other industries. The Group measures inventory based on the lower of cost and net realizable value. For inventories that are older than a certain period of age or are outdated and obsolete, the Group 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 Group's inventory was NT\$419,160.

VI. Summary of Significant Accounting Items

(I) Cash and Cash Equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand	\$ 32,187	\$ 396
Checking accounts and demand deposits	822,533	1,426,654
Time deposits	-	3,492
Total	<u>\$ 854,720</u>	<u>\$ 1,430,542</u>

1. The Group 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 Group has no cash and 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	\$ 2,361,554	\$ 3,469,504
Valuation adjustment	(599,278)	(340,429)
	<u>\$ 1,762,276</u>	<u>\$ 3,129,075</u>
Financial liabilities mandatorily measured at fair value through profit or loss		
Convertible bond call/put options	<u>\$ -</u>	<u>(\$ 19,204)</u>
Financial liabilities designated as at fair value through profit or loss		
Convertible bonds	<u>(\$ 25,000)</u>	<u>\$ -</u>
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	38,960	125,674
Limited partnership	<u>120,302</u>	<u>95,302</u>
	246,662	308,376
Valuation adjustment	<u>(44,639)</u>	<u>(121,135)</u>
	<u>\$ 202,023</u>	<u>\$ 187,241</u>

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

	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Shares of listed and OTC company	(\$ 443,632)	(\$ 715,349)
Convertible bond call/put options	19,204	(10,028)
Beneficiary certificates	-	45
Shares of non-listed and non-OTC company	<u>(180)</u>	<u>11,328</u>
	<u>(\$ 424,608)</u>	<u>(\$ 714,004)</u>

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

3. The Group recorded NT\$25,000 under “financial liabilities designated as at fair value through profit or loss upon initial recognition”, which represents the convertible corporate bonds issued by the

Group’s subsidiary, Innova Vision Inc. (hereinafter referred to as “Innova Vision”). As these convertible corporate bonds are hybrid instruments, Innova Vision designated the entire convertible corporate bonds payable as financial liabilities at fair value through profit or loss upon initial recognition.

4. The issuance terms of Innova Vision’s first domestic secured convertible corporate bonds issued in 2025 are as follows:
 - (1) Innova Vision issued its first domestic secured convertible corporate bonds with a total issue amount of NT\$75,000, a coupon rate of 2.7%, and a term of five years, to be issued in tranches. The outstanding period of the first tranche is from December 18, 2025 to December 18, 2030. Upon maturity, the convertible corporate bonds will be redeemed in cash in a lump sum at the face value of the bonds plus any accrued and unpaid interest.
 - (2) Unless otherwise prohibited during the periods specified below, the holders of these convertible corporate bonds may, at any time from the day following the expiration of one month after the issuance date of the bonds until the maturity date, request Innova Vision to convert the bonds into ordinary shares of Innova Vision: (1) during the book closure period for Innova Vision’s stock dividends, cash dividends, or subscription to new shares for cash capital increase; (2) during the book closure period as of the capital reduction record date for any capital reduction; and (3) during any other period in which transfer registration of Innova Vision’s ordinary shares is suspended in accordance with applicable laws. The rights and obligations of the ordinary shares issued upon conversion shall be the same as those of the ordinary shares already issued by Innova Vision.
 - (3) The conversion price of these convertible corporate bonds is determined in accordance with the pricing model set forth in the conversion terms. Thereafter, if Innova Vision becomes subject to the anti-dilution provisions, the conversion price shall be adjusted in accordance with the pricing model set forth in the conversion terms. In addition, on the base date specified in the conversion terms, the conversion price shall be reset in accordance with the pricing model set forth therein. As of December 31, 2025, the conversion price was NT\$10 per share.
 - (4) From the date falling three years after the issuance of these convertible corporate bonds until 30 days prior to the expiration of the issuance period, Innova Vision may, by giving 30 days’ prior written notice to the bondholders, redeem these bonds early in cash in accordance with the relevant provisions; provided, however, that the bondholders may still request conversion into ordinary shares of Innova Vision before the redemption date specified in the aforementioned notice.
 - (5) In accordance with the conversion terms, all of these convertible corporate bonds that have been redeemed or converted by Innova Vision shall be canceled and may not be resold or reissued, and the conversion rights attached thereto shall be extinguished accordingly.
5. Please see Note 12 (2) and (3) for the price risk and fair value information related to financial assets and liabilities at fair value through profit or loss.

(III) Financial assets measured at amortized cost

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Demand Deposit	\$ 123,949	\$ 148,097
Time deposits	<u>681,296</u>	<u>79,437</u>
	<u>\$ 805,245</u>	<u>\$ 227,534</u>
Non-current items:		
Demand Deposit	\$ 382,810	\$ 384,710
Time deposits	<u>63,814</u>	<u>282,341</u>
Total	<u>\$ 446,624</u>	<u>\$ 667,051</u>

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

	<u>2025</u>	<u>2024</u>
Interest income	<u>\$ 5,176</u>	<u>\$ 9,651</u>

2. Without taking into account any collateral or other credit enhancements, the maximum exposure to credit risk in respect of the Group's financial assets measured at amortized cost as of December 31, 2025 and 2024 was NT\$1,251,869 and NT\$894,585, respectively.
3. Please see Note VIII on how the Group provides financial assets at amortized cost as a pledged collateral.

(IV) Notes and accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes Receivables	<u>\$ 20,841</u>	<u>\$ 167</u>
Accounts Receivables	\$ 1,008,345	\$ 1,478,141
Accounts Receivables – Related Parties	<u>3,248</u>	<u>2,383</u>
	1,011,593	1,480,524
Less: Loss allowance	<u>(90,644)</u>	<u>(110,762)</u>
	<u>\$ 920,949</u>	<u>\$ 1,369,762</u>

2. Aging of accounts receivable notes receivable is as follows:

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Accounts Receivables</u>	<u>Notes Receivables</u>	<u>Accounts Receivables</u>	<u>Notes Receivables</u>
Not past due	\$ 815,297	\$ 20,841	\$ 1,041,381	\$ 167
Up to 30 days	80,177	-	142,862	-
31-90 days	20,330	-	116,488	-
91-180 days	8,559	-	43,381	-
More than 181 days past due	<u>87,230</u>	<u>-</u>	<u>136,412</u>	<u>-</u>
	<u>\$ 1,011,593</u>	<u>\$ 20,841</u>	<u>\$ 1,480,524</u>	<u>\$ 167</u>

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

2. As of December 31, 2025 and 2024, accounts receivable and notes receivable were from contracts with customers. The balances of notes and accounts receivable as of January 1, 2024 were NT\$1,484,881.
3. Without taking into account any other credit enhancements, the maximum exposure to credit risk in respect of the Group's notes and accounts receivable as of December 31, 2025 and 2024 was NT\$941,790 and NT\$1,369,929, respectively.
4. Please refer to Note 12 (2) for the information on credit risk.

(V) Inventories

	December 31, 2025		
	Cost	(Gain from reversal of) loss allowance on decline in market value of inventories	Book value
Raw materials	\$ 219,989	(\$ 51,045)	\$ 168,944
Work in process	120,050	(20,475)	99,575
Finished goods	142,735	(70,928)	71,807
Merchandise	<u>144,881</u>	<u>(66,047)</u>	<u>78,834</u>
Total	<u>\$ 627,655</u>	<u>(\$ 208,495)</u>	<u>\$ 419,160</u>

	December 31, 2024		
	Cost	(Gain from reversal of) loss allowance on decline in market value of inventories	Book value
Raw materials	\$ 332,936	(\$ 73,731)	\$ 259,205
Work in process	144,526	(32,529)	111,997
Finished goods	141,455	(25,216)	116,239
Merchandise	<u>259,813</u>	<u>(23,473)</u>	<u>236,340</u>
Total	<u>\$ 878,730</u>	<u>(\$ 154,949)</u>	<u>\$ 723,781</u>

The cost of inventories recognized as losses by the Corporate Group.

	2025	2024
Cost of goods sold	\$ 5,511,159	\$ 6,080,056
Construction costs	3,296	-
Loss on falling prices of inventory and inventory obsolescence	51,981	58,706
Revenue from sales of leftovers	(2,532)	(1,800)
Others	<u>377</u>	<u>3,100</u>
	<u>\$ 5,564,281</u>	<u>\$ 6,140,062</u>

(VI) Investment under Equity Method

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Affiliates:		
Advagene Biopharma Co., Ltd.	\$ 30,760	\$ 56,495
Weida Hi-Tech Co., Ltd.	13,346	25,851
TrueLight Corporation	363,237	388,848
BKS Tec Corp.	-	18,198
Moment Semiconductor, Inc.	<u>15,753</u>	<u>-</u>
	<u>\$ 423,096</u>	<u>\$ 489,392</u>

1. Affiliates

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

Balance Sheet

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

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	<u>(\$ 155,678)</u>	<u>(\$ 239,597)</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

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

As of December 31, 2025 and 2024, the aggregate carrying amounts of the Group's individually insignificant associates were NT\$59,859 and NT\$100,544, respectively.

	2025	2024
Total comprehensive income for the year	<u>(\$ 46,652)</u>	<u>(\$ 53,984)</u>

- (4) The Group'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. As of December 31, 2025 and 2024, the Group held 20.20% and 28.20% of the shares of Advagene Biopharma Co., Ltd., respectively, and 25.62% and 28.20% of the shares of Weida Hi-Tech Co., Ltd., respectively. The Group was the single largest shareholder of the companies. However, the Group did not hold a majority of the Board of Directors' seats and therefore did not actually participate in the business decisions and operating policies, including strategic decisions (such as financing, acquisitions, personnel and dividend policies) of Advagene Biopharma and Weida Hi-Tech Co., Ltd. The Group's shareholding alone does not reach the statutory attendance percentage of shareholders meetings, indicating that the Group has no actual ability to direct relevant activities. Therefore it is concluded that the Group has no control over the companies, and only has a significant influence on them.
3. From January to September 2025, the Group sold shares of Advagene Biopharma Co., Ltd., resulting in a decrease in its shareholding ratio from 25.62% to 20.20%, and recognized a gain on disposal of investment of NT\$50,098.
4. In March 2024, the Group acquired 13,500 thousand common 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 Group the single largest shareholder of the Company. However, the Group's shareholding does not reach the statutory attendance percentage of shareholders meetings, indicating that the Group has no actual ability to direct relevant activities. Therefore it is judged that the Group has no control over the company, and only has a significant influence on it.
5. In April 2024, the Group acquired 6,000 thousand common shares of BKS Tec Corp. through a cash capital increase, with an investment amount of NT\$30,000. As of December 31, 2025, the Group's shareholding ratio was 38.91%, making it the single largest shareholder of BKS Tec Corp. However, the Group did not hold a majority of the seats on the Board of Directors and therefore did not actually participate in all business decisions and operating policies of BKS Tec Corp., including strategic decisions (such as financing, acquisitions, personnel matters, and dividend policies). In addition, the

Group's shareholding did not reach half of the historical average attendance rate at shareholders' meetings, indicating that the Group does not have the actual ability to direct the relevant activities. Therefore, the Group concluded that it does not have control over BKS Tec Corp., but only significant influence.

6. In October 2025, the Group did not participate in Moment Semiconductor, Inc.'s issuance of 4,500 thousand new shares through capital increase in 2025, in the amount of NT\$45,000. As the Group did not participate in the subscription in proportion to its shareholding, its shareholding ratio in Moment Semiconductor, Inc. decreased from 52.84% to 25.27%. The Group assessed that it lost control as of that date and recognized its retained investment in the former subsidiary at fair value on the date control was lost. Accordingly, the Group recognized a gain of NT\$16,883, which was recorded under "other gains and losses" in the consolidated statement of comprehensive income. For cash flow information related to its subsidiaries, please refer to Note 6 (32).

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(VII) Property, plant and equipment

	Buildings and structures (including land)	Machinery and equipment	Office equipment	Transportation equipment	Mold equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
January 1, 2025								
Cost	\$ 3,057,156	\$ 9,602,172	\$ 107,518	\$ 9,327	\$ 65,095	\$ 990,567	\$ 1,588,591	\$ 15,420,426
Accumulated depreciation and impairments	(1,156,092)	(3,363,404)	(68,073)	(5,607)	(36,357)	(408,752)	-	(5,038,285)
	<u>\$ 1,901,064</u>	<u>\$ 6,238,768</u>	<u>\$ 39,445</u>	<u>\$ 3,720</u>	<u>\$ 28,738</u>	<u>\$ 581,815</u>	<u>\$ 1,588,591</u>	<u>\$ 10,382,141</u>
<u>2025</u>								
January 1	\$ 1,901,064	\$ 6,238,768	\$ 39,445	\$ 3,720	\$ 28,738	\$ 581,815	\$ 1,588,591	\$ 10,382,141
Add - Cost	47,309	742,995	8,554	770	-	61,848	185,857	1,047,333
Disposals - Cost	-	(474,845)	(2,385)	(1,983)	(5,338)	(5,018)	-	(489,569)
Disposal - Accumulated depreciation	-	408,105	2,385	1,789	5,338	5,018	-	422,635
Transfer out of consolidated entities – cost	-	-	(470)	-	-	(1,149)	-	(1,619)
Transfer out of consolidated entities – accumulated depreciation	-	-	297	-	-	921	-	1,218
Depreciation	(230,957)	(986,241)	(18,773)	(1,294)	(7,563)	(176,072)	-	(1,420,900)
Impairment loss	-	(37,187)	(1,038)	-	-	(144)	-	(38,369)
Reclassification	2,846	1,215,638	-	-	4,925	(6,435)	(1,232,526)	(15,552)
December 31	<u>\$ 1,720,262</u>	<u>\$ 7,107,233</u>	<u>\$ 28,015</u>	<u>\$ 3,002</u>	<u>\$ 26,100</u>	<u>\$ 460,784</u>	<u>\$ 541,922</u>	<u>\$ 9,887,318</u>
December 31, 2025								
Cost	\$ 3,107,311	\$ 11,085,960	\$ 113,217	\$ 8,114	\$ 64,682	\$ 1,039,813	\$ 541,922	\$ 15,961,019
Accumulated depreciation and impairments	(1,387,049)	(3,978,727)	(85,202)	(5,112)	(38,582)	(579,029)	-	(6,073,701)
	<u>\$ 1,720,262</u>	<u>\$ 7,107,233</u>	<u>\$ 28,015</u>	<u>\$ 3,002</u>	<u>\$ 26,100</u>	<u>\$ 460,784</u>	<u>\$ 541,922</u>	<u>\$ 9,887,318</u>

	Buildings and structures (including land)	Machinery and equipment	Office equipment	Transportation equipment	Mold equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
January 1, 2024								
Cost	\$ 2,966,356	\$ 8,379,360	\$ 89,028	\$ 11,826	\$ 337,978	\$ 764,529	\$ 1,162,876	\$ 13,711,953
Accumulated depreciation and impairments	(938,487)	(2,680,006)	(50,616)	(6,892)	(303,317)	(240,244)	-	(4,219,562)
	<u>\$ 2,027,869</u>	<u>\$ 5,699,354</u>	<u>\$ 38,412</u>	<u>\$ 4,934</u>	<u>\$ 34,661</u>	<u>\$ 524,285</u>	<u>\$ 1,162,876</u>	<u>\$ 9,492,391</u>
<u>2024</u>								
January 1	\$ 2,027,869	\$ 5,699,354	\$ 38,412	\$ 4,934	\$ 34,661	\$ 524,285	\$ 1,162,876	\$ 9,492,391
Add - Cost	42,242	539,207	20,513	500	3,704	183,684	1,360,893	2,150,743
Disposals - Cost	(2,199)	(151,500)	(1,792)	(810)	-	(1,687)	-	(157,988)
Disposal - Accumulated depreciation	2,199	128,591	1,096	607	-	1,687	-	134,180
Depreciation	(222,525)	(824,002)	(18,784)	(1,511)	(9,627)	(156,752)	-	(1,233,201)
Reclassification	<u>53,478</u>	<u>847,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,598</u>	<u>(935,178)</u>	<u>(3,984)</u>
December 31	<u>\$ 1,901,064</u>	<u>\$ 6,238,768</u>	<u>\$ 39,445</u>	<u>\$ 3,720</u>	<u>\$ 28,738</u>	<u>\$ 581,815</u>	<u>\$ 1,588,591</u>	<u>\$ 10,382,141</u>
December 31, 2024								
Cost	\$ 3,057,156	\$ 9,602,172	\$ 107,518	\$ 9,327	\$ 65,095	\$ 990,567	\$ 1,588,591	\$ 15,420,426
Accumulated depreciation and impairments	(1,156,092)	(3,363,404)	(68,073)	(5,607)	(36,357)	(408,752)	-	(5,038,285)
	<u>\$ 1,901,064</u>	<u>\$ 6,238,768</u>	<u>\$ 39,445</u>	<u>\$ 3,720</u>	<u>\$ 28,738</u>	<u>\$ 581,815</u>	<u>\$ 1,588,591</u>	<u>\$ 10,382,141</u>

1. The Group had no interest capitalization for investment property in 2025 and 2024.
2. The major components of the Group's houses and buildings include land, buildings and factory renovation projects. Except for land, they are depreciated for 3 to 60 years.
3. For information on impairment of property, plant and equipment, please refer to Note 6(12).
4. Information on property, plant and equipment pledged to others as collateral is provided in Note 8.
5. The abovementioned property, plant and equipment of the Group are for self-use.

(VIII) Leasing arrangements - lessee

1. The underlying assets leased by the Group include land, buildings and company vehicles. 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>
	<u>Book value</u>	<u>Book value</u>
Land	\$ 306,063	\$ 331,679
Buildings and structures	18,522	15,268
Transportation equipment (company vehicles)	10,394	17,911
Other equipment	<u>54,447</u>	<u>59,406</u>
	<u>\$ 389,426</u>	<u>\$ 424,264</u>

	<u>2025</u>	<u>2024</u>
	<u>Depreciation</u>	<u>Depreciation</u>
Land	\$ 17,156	\$ 22,786
Buildings and structures	12,235	12,075
Transportation equipment (company vehicles)	10,273	11,283
Other equipment	<u>4,817</u>	<u>3,929</u>
	<u>\$ 44,481</u>	<u>\$ 50,073</u>

3. For 2025 and 2024, the increases of right-of-use assets were NT\$21,720 and NT\$104,343, respectively. The decreases of right-of-use assets of the Group in 2025 and 2024 were NT\$11,772 and NT\$184,636, 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	\$ 6,082	\$ 7,157
Expenses for short-term lease contracts	3,350	5,551
Lease of low-value assets	844	1,981
Gain on lease modifications	119	3,005

5. The Group's total cash outflow on leases for 2025 and 2024 was NT\$52,940 and NT\$61,187, respectively.
6. Options to extend or terminate leases

In determining lease terms, the Group takes 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 Group leases out assets such as 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 Group's rent receivable has no overdue payment, and the credit risk loss amount is not significant after assessment.
3. The Group recognized rental income of NT\$23,327 and NT\$21,777 based on operating lease contracts in 2025 and 2024, respectively, and none of the lease contracts were variable lease payments.
4. The maturity analysis of the undiscounted lease payments under the operating leases is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
2025	\$ -	\$ 18,261
2026	5,719	-
After 2027	<u>8,820</u>	<u>-</u>
	<u>\$ 14,539</u>	<u>\$ 18,261</u>

(X) Real estate investment

	<u>Buildings and structures</u>
January 1, 2025	
Cost	\$ 192,176
Accumulated depreciation	<u>(25,067)</u>
	<u>\$ 167,109</u>
<u>2025</u>	
January 1	\$ 167,109
Reclassification for the period -- Cost	16,874
Reclassification for the period -- Accumulated depreciation	(1,322)
Depreciation	<u>(3,728)</u>
December 31	<u>\$ 178,933</u>
December 31, 2025	
Cost	\$ 209,050
Accumulated depreciation	<u>(30,117)</u>
	<u>\$ 178,933</u>

	<u>Buildings and structures</u>
January 1, 2024	
Cost	\$ 192,176
Accumulated depreciation	<u>(21,676)</u>
	<u>\$ 170,500</u>
<u>2024</u>	
January 1	\$ 170,500
Depreciation	<u>(3,391)</u>
December 31	<u>\$ 167,109</u>
December 31, 2024	
Cost	\$ 192,176
Accumulated depreciation	<u>(25,067)</u>
	<u>\$ 167,109</u>

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

	<u>2025</u>	<u>2024</u>
Rental income from investment property	<u>\$ 23,327</u>	<u>\$ 21,777</u>
Direct operating expenses incurred by investment property that generates rental income for the period	<u>\$ 3,728</u>	<u>\$ 3,391</u>

2. The fair value of the investment property held by the Group as of December 31, 2025 and 2024 were NT\$92,139 and NT\$271,457, 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%~5.60%	3.36%~5.65%
Annual rent (net income)	\$ 19,335	\$ 17,955
Number of years	45~50	45~50

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) Intangible assets

2025

	<u>Trademarks and concessions</u>	<u>Computer software</u>	<u>Patents</u>	<u>Others</u>	<u>Goodwill</u>	<u>Total</u>
January 1						
Cost	\$ 276,588	\$ 126,820	\$ 179,698	\$ 33,333	\$ 295,626	\$ 912,065
Accumulated amortization and impairments	(96,765)	(95,181)	(25,727)	(12,222)	(27,390)	(257,285)
	<u>\$ 179,823</u>	<u>\$ 31,639</u>	<u>\$ 153,971</u>	<u>\$ 21,111</u>	<u>\$ 268,236</u>	<u>\$ 654,780</u>
January 1	\$ 179,823	\$ 31,639	\$ 153,971	\$ 21,111	\$ 268,236	\$ 654,780
Additions	-	2,659	-	-	-	2,659
disposal	-	-	-	-	(23,706)	(23,706)
Amortization expense	(27,083)	(29,218)	(15,692)	(6,667)	-	(78,660)
Impairment loss	(54,720)	-	(97,690)	-	(94,664)	(247,074)
Reclassification	-	-	(338)	-	-	(338)
December 31	<u>\$ 98,020</u>	<u>\$ 5,080</u>	<u>\$ 40,251</u>	<u>\$ 14,444</u>	<u>\$ 149,866</u>	<u>\$ 307,661</u>
December 31						
Cost	\$ 276,588	\$ 129,479	\$ 179,360	\$ 33,333	\$ 271,920	\$ 890,680
Accumulated amortization and impairments	(178,568)	(124,399)	(139,109)	(18,889)	(122,054)	(583,019)
	<u>\$ 98,020</u>	<u>\$ 5,080</u>	<u>\$ 40,251</u>	<u>\$ 14,444</u>	<u>\$ 149,866</u>	<u>\$ 307,661</u>

2024

	<u>Trademarks and concessions</u>	<u>Computer software</u>	<u>Patents</u>	<u>Others</u>	<u>Goodwill</u>	<u>Total</u>
January 1						
Cost	\$ 280,614	\$ 139,950	\$ 149,599	\$ 33,333	\$ 295,626	\$ 899,122
Accumulated amortization and impairments	(79,082)	(84,083)	(4,222)	-	-	(167,387)
	<u>\$ 201,532</u>	<u>\$ 55,867</u>	<u>\$ 145,377</u>	<u>\$ 33,333</u>	<u>\$ 295,626</u>	<u>\$ 731,735</u>
January 1	\$ 201,532	\$ 55,867	\$ 145,377	\$ 33,333	\$ 295,626	\$ 731,735
Add - Cost	4,900	4,354	30,099	-	-	39,353
Disposals - Cost	(8,926)	(17,484)	-	-	-	(26,410)
Disposal - Accumulated depreciation	8,926	17,484	-	-	-	26,410
Amortization expense	(26,609)	(28,582)	(21,505)	(12,222)	-	(88,918)
Impairment loss	-	-	-	-	(27,390)	(27,390)
December 31	<u>\$ 179,823</u>	<u>\$ 31,639</u>	<u>\$ 153,971</u>	<u>\$ 21,111</u>	<u>\$ 268,236</u>	<u>\$ 654,780</u>
December 31						
Cost	\$ 276,588	\$ 126,820	\$ 179,698	\$ 33,333	\$ 295,626	\$ 912,065
Accumulated amortization and impairments	(96,765)	(95,181)	(25,727)	(12,222)	(27,390)	(257,285)
	<u>\$ 179,823</u>	<u>\$ 31,639</u>	<u>\$ 153,971</u>	<u>\$ 21,111</u>	<u>\$ 268,236</u>	<u>\$ 654,780</u>

1. Goodwill allocated to the cash-generating unit of the Group identified by the operating department:

December 31, 2025		December 31, 2024	
Photomask and semiconductor segment	Medical segment	Photomask and semiconductor segment	Medical segment
\$ 106,618	\$ 43,248	\$ 224,988	\$ 43,248

2. For the impairment of intangible assets, please refer to Note 6, (12).

(XII) Impairment of non-financial assets

1. The details of the impairment losses on property, plant and equipment and intangible assets recognized by the Group in 2025 and 2024, disclosed by asset category, are as follows:

	2025	2024
	Recognized in profit or loss of the period	Recognized in profit or loss of the period
Impairment loss - Machinery and equipment	\$ 37,187	\$ -
Impairment loss - Office equipment	1,038	-
Impairment loss - Other equipment	144	-
Impairment loss - Trademark and concession	54,720	-
Impairment loss - Patents	97,690	-
Impairment loss - Goodwill	94,664	27,390
	<u>\$ 285,443</u>	<u>\$ 27,390</u>

2. As operating performance did not meet expectations and the recoverable amount was assessed to be lower than the carrying amount, impairment losses of NT\$285,443 and NT\$27,390 were recognized in 2025 and 2024, respectively.

The recoverable amount of the Group is assessed based on the value in use. The value in use is calculated based on the pre-tax cash flow forecast of the financial budget approved by the management. The main assumptions used to calculate the value in use are as follows:

- (1) Revenue growth rate: Reference to market-related information and estimated based on the planned operating sales plan.
- (2) Margin rate: Reference to historical values and estimated based on the planned operating sales plan.
- (3) Discount rate: The pre-tax ratio and reflects the specific risks of the relevant operating segments.

(XIII) Other Non-Current Assets

	December 31, 2025	December 31, 2024
Prepayments for equipment	\$ 301,276	\$ 427,812
Refundable Deposit	37,815	76,558
Others	546	2,091
Total	<u>\$ 339,637</u>	<u>\$ 506,461</u>

(XIV) Short Term Loans

Type of borrowings	December 31, 2025	Range of interest rate	Collateral
Bank borrowings			
Credit loan	\$ 1,289,740	1.6%~3.5%	None
Secured borrowings	3,464,737	0.5%~4.469%	Certificates of deposit, reserve accounts (Note 1), stocks of listed and OTC companies and treasury stock
Other borrowings (Related Parties)			
Credit loan	<u>77,494</u>	2.7%	None
	<u>\$ 4,831,971</u>		

Type of borrowings	December 31, 2024	Range of interest rate	Collateral
Bank borrowings			
Credit loan	\$ 2,365,712	1.88%~4.09%	None
Secured borrowings	3,723,674	0.5%~3.61%	Certificates of deposit, reserve accounts (Note 2), machinery equipment, stocks of listed and OTC companies and treasury stock
Other borrowings (Related Parties)			
Credit loan	<u>110,969</u>	2.7%	None
	<u>\$ 6,200,355</u>		

Note 1: The Chairman of the Company is the joint guarantor.

Note 2: The Chairman of the subsidiary is the joint guarantor.

The interest expenses recognized in profit or loss in 2025 and 2024 were NT\$121,589 and NT\$140,465, respectively.

(XV) Other Payables

	December 31, 2025	December 31, 2024
Payable on machinery and equipment	\$ 248,269	\$ 649,734
Machine maintenance payable	240,101	55,693
Payroll and bonus payable	141,405	156,053
Remunerations payable to employees and directors	247	168
Others	<u>339,712</u>	<u>375,181</u>
	<u>\$ 969,734</u>	<u>\$ 1,236,829</u>

(XVI) 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: Corporate bonds redeemed early	(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 Group's 3rd domestic unsecured convertible bonds are as follows:
- (1) The Group 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 Group'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 Group 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 redeemed at the price of NT\$100; the repurchase amount was NT\$1,576,900.

(8) Upon issuance of convertible bonds, the Group 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 Group'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 Group's working capital, the board of directors resolved to approve on August 5, 2022 the issue of the second 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 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 Group's working capital, the board of directors resolved to approve on August 4, 2023 the issue of the third 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\$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 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.

5. Fourth series domestic secured convertible corporate bonds

In order to raise the Group's working capital, the board of directors resolved to approve on August 4, 2023 the issue of the fourth 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 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 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.

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.

(XVII) Long-term Loans

Type of borrowings	Borrowing period and payment method	Range of interest rate	Collateral	December 31, 2025
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 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
Secured borrowings	From July 26, 2023 to August 25, 2040, with interest paid monthly	2.45%~ 3.23%	Plant and land	269,743
Secured borrowings	From December 27, 2021 to March 24, 2030, to be repaid in installments and installments over the agreed period	2.33%~ 3.02%	Machinery and equipment	946,378
Other long-term borrowings				
Credit loan	Repayment of principal and interest in monthly installments from August 2, 2024 to August 2, 2026	5.75%	Refundable Deposit	8,697
Secured borrowings	Repayment of principal and interest in monthly installments from October 28, 2021 to March 28, 2029	3.04%~ 5.61%	Machinery and equipment	663,736
Secured borrowings	From June 10, 2022 to July 28, 2028, to be repaid in installments and installments over the agreed period	3.44%~ 6.54%	Buildings, machinery and equipment, and refundable deposits	195,057
Secured borrowings	Repayment of principal and interest in monthly installments from February 29, 2024 to January 31, 2027	8.20%	Machinery equipment and refundable deposits	13,645
				-
				3,973,572
Less: Current portion of long-term borrowings				(1,630,782)
				<u>\$ 2,342,790</u>

Type of borrowings	Borrowing period and payment method	Range of interest rate	Collateral	December 31, 2024
Long-term bank borrowings				
Credit loan	From May 23, 2024 to August 28, 2029, to be repaid in installments and installments over the agreed period	2.22%~ 3.95%	None	\$ 23,696
Credit loan	From January 24, 2022 to January 24, 2027, to be repaid in installments and installments over the agreed period	3.13%	None (Note)	4,335
Secured borrowings	From January 28, 2022 to January 27, 2027, to be repaid in installments and installments over the agreed period	2.68%	Houses and buildings, machinery equipment and investment property	750,000
Secured borrowings	From December 27, 2022 to August 23, 2029, to be repaid in installments and installments over the agreed period	2.30%~ 2.58%	Houses and buildings and investment property	1,365,789
Secured borrowings	From July 26, 2023 to July 26, 2038, to be repaid in installments and installments over the agreed period	2.45%~ 3.23%	Plant and land	183,964
Secured borrowings	From October 29, 2021 to May 20, 2029, to be repaid in installments and installments over the agreed period	2.33%~ 4.47%	Machinery and equipment	974,629
Other long-term borrowings				
Credit loan	From June 9, 2023 to August 2, 2026, to be repaid in installments and installments over the agreed period	4.19%~ 7.80%	None	129,052
Secured borrowings	From July 29, 2021 to March 28, 2029, to be repaid in installments and installments over the agreed period	2.26%~ 8.20%	Machinery and equipment	876,754
Secured borrowings	From June 28, 2023 to June 28, 2025, to be repaid in installments and installments over the agreed period	4.06%	Machine and equipment, land, buildings and structures	6,868
				-
				4,315,087
Less: Current portion of long-term borrowings				(1,242,279)
				\$ 3,072,808

Note: The Chairman of the subsidiary is the joint guarantor.

(XVIII) Pensions

1. (1) The Company and its domestic subsidiaries operate 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 and its domestic subsidiaries contribute 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 and its domestic subsidiaries 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 and its domestic subsidiaries 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:

2025	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Defined Benefit Liabilities</u>
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>

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

(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	1.3%	1.6%
Future salary increases	2.125%	2.125%

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 Group 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) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (hereinafter referred to as the “New Plan”) under the Labor Pension Act (hereinafter referred to as the “Act”), covering all regular employees with domestic citizenship. Under the New Plan, the Company and its domestic subsidiaries contribute 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) The mainland China subsidiaries make monthly contributions to pension insurance in accordance with the pension insurance system prescribed by the policies of the People’s Republic of China, based on a certain percentage of the total monthly salaries of local employees. Other than making such monthly contributions, the Company has no further obligation.
- (3) For 2025 and 2024, the pension costs recognized by the Corporate Group in accordance with the abovementioned pension measures were NT\$45,202 and NT\$56,743, respectively.

(XIX) Capital

1. As of March 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:

		December 31, 2025	
Company name of the shareholding	Reasons for buyback	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.

		December 31, 2024	
Company name of the shareholding	Reasons for buyback	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.

(XX) 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	Treasury shares transaction	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	\$ 932,614	\$ 666,495	\$ 268,385	\$ -	\$ 112,713	\$ 324,942	\$ 2,305,149

	Issue premiums	Treasury shares transaction	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
Redemption of convertible corporate bonds	-	-	-	(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	\$ 44,997	\$ 912,335	\$ 155,293	\$ 288,895	\$ 119,385	\$ 11,136	\$ 1,532,041

(XXI) 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.

(XXII) Other equity interests

	2025	
	<u>Unrealized gains and losses</u>	<u>Foreign currency translation</u>
January 1	(\$ 2,666)	\$ 22,814
Difference in foreign currency translation:		
- Group	-	(2,143)
Valuation adjustment		
- Group	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:		
- Group	-	18,507
December 31	(\$ 2,666)	\$ 22,814

(XXIII) Operating income

	2025	2024
Revenue from contracts with customers	\$ 6,038,069	\$ 7,561,749

1. Segmentation of revenue from contracts with customers

The Corporate Group derives its revenue from the transfer of goods and services either over time or at a point in time. The revenue can be divided into the following main product lines:

	2025		
	Photomask and semiconductor segment	Medical segment	Total
Revenue from contracts with external customers	\$ 5,660,244	\$ 377,825	\$ 6,038,069
Cut-off point of income recognition			
Income recognized at a particular point in time	\$ 1,973,463	\$ 377,825	\$ 2,351,288
Income recognized gradually over time	3,686,781	-	3,686,781
	\$ 5,660,244	\$ 377,825	\$ 6,038,069
	2024		
	Photomask and semiconductor segment	Medical segment	Total
Revenue from contracts with external customers	\$ 7,263,675	\$ 298,074	\$ 7,561,749
Cut-off point of income recognition			
Income recognized at a particular point in time	\$ 2,658,375	\$ 298,074	\$ 2,956,449
Income recognized gradually over time	4,605,300	-	4,605,300
	\$ 7,263,675	\$ 298,074	\$ 7,561,749

2. Contract Asset and Contract Liability

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

	December 31, 2025	December 31, 2024	January 1, 2024
Contract Assets	\$ 79,142	\$ 90,967	\$ 105,263
Contract Liabilities	\$ 207,391	\$ 64,453	\$ 174,538

(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	\$ 47,372	\$ 145,132

(XXIV) Interest income

	2025	2024
Interest from bank deposits	\$ 5,810	\$ 17,840
Interest income from financial assets measured at amortized cost	5,176	9,651
Other interest incomes	150	246
	\$ 11,136	\$ 27,737

(XXV) Other Incomes

	2025	2024
Rental income	\$ 23,327	\$ 21,777
Dividend income	79,102	115,036
Other income - Others	21,335	14,959
	\$ 123,764	\$ 151,772

(XXVI) Other Gains and Losses

	<u>2025</u>	<u>2024</u>
Disposal of interests in property, plant and equipment	\$ 31,508	\$ 24,518
Gain (loss) on disposal of investments	66,981	10,037
Gain on lease modifications	119	3,005
Foreign currency exchange gains (losses)	(24,750)	47,259
Net losses of financial assets and liabilities at fair value through profit or loss	(424,608)	(714,004)
Loss on repurchase of corporate bonds payable	(15,234)	-
Other losses -- Depreciation of investment properties	(3,728)	(3,391)
Other Gains and Losses	(3,562)	(2,102)
Impairment loss on property, plant, and equipment	(38,369)	-
Impairment Loss of Intangible Assets	(152,410)	-
Goodwill impairment loss	(94,664)	(27,390)
Impairment loss of prepayments for equipment	-	(5,310)
	<u>(\$ 658,717)</u>	<u>(\$ 667,378)</u>

(XXVII) Financial Costs

	<u>2025</u>	<u>2024</u>
Interest expenses:		
Bank and other borrowings	\$ 247,645	\$ 271,911
Corporate bonds	51,462	64,715
Lease liabilities	6,082	7,157
Others	1,125	1,807
	<u>\$ 306,314</u>	<u>\$ 345,590</u>

(XXVIII) Expenses by nature

	<u>2025</u>	<u>2024</u>
Employee benefits expenditure	\$ 1,080,129	\$ 1,251,100
Depreciation	1,469,109	1,286,665
Amortization	78,660	88,918
	<u>\$ 2,627,898</u>	<u>\$ 2,626,683</u>

(XXIX) Employee benefits expenditure

	<u>2025</u>	<u>2024</u>
Payroll expenses	\$ 885,588	\$ 1,019,543
Labor and health insurance fees	82,210	102,092
Pension expense	45,428	57,002
Other personnel expenses	<u>66,903</u>	<u>72,463</u>
	<u>\$ 1,080,129</u>	<u>\$ 1,251,100</u>

1. According to the Articles of Incorporation, the Company shall distribute no less than 10% of the current year's profit as employee compensation, of which no less than 10% shall be distributed to entry-level employee compensation, and no more than 2% of the current year's profit as directors' remuneration. However, profits must first be taken to offset against cumulative losses, if any.

2. As the Company had accumulated deficits in both 2025 and 2024, no employee compensation or directors' remuneration was accrued.

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.

(XXX) Income tax

1. Income tax expense (benefit)

Components of income tax expense:

	<u>2025</u>	<u>2024</u>
Current tax:		
Current tax on profits for the year	\$ 36,828	\$ 124,365
Additional surtax on undistributed earnings	-	772
Over provision of prior year's income tax	<u>(13,045)</u>	<u>(781)</u>
Total current tax	<u>23,783</u>	<u>124,356</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>(50,850)</u>	<u>(4,394)</u>
Total Deferred Income Tax	<u>(50,850)</u>	<u>(4,394)</u>
Income tax expense (or benefit)	<u>(\$ 27,067)</u>	<u>\$ 119,962</u>

2. Reconciliation between income tax expense and accounting profit

	2025	2024
Tax calculated based on net loss before tax and statutory tax rate	(\$ 775,375)	(\$ 475,038)
Fees excluded according to the tax law	176,829	(1,654)
Tax-exempt income under the tax law	(6,938)	-
Temporary difference of unrecognized deferred income tax assets	410,752	332,324
Tax loss of unrecognized deferred income tax assets	193,367	99,596
Income tax effects of the alternative minimum tax system	-	888
Changes in assessment of realizability of deferred income tax assets	(12,657)	213,855
Impact tax deductibles of investment	-	(50,000)
Additional surtax on undistributed earnings	-	772
Over provision of prior year's income tax	(13,045)	(781)
Income tax expense (or benefit)	<u>(\$ 27,067)</u>	<u>\$ 119,962</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	December 31
Deferred income tax assets:			
- Temporary differences:			
Loss on inventory	\$ 7,331	\$ 6,590	\$ 13,921
Unrealized exchange loss	7,612	(4,006)	3,606
Others	4,967	585	5,552
Tax loss	<u>5,582</u>	<u>-</u>	<u>5,582</u>
Subtotal	<u>\$ 25,492</u>	<u>\$ 3,169</u>	<u>\$ 28,661</u>
Deferred income tax liabilities:			
- Temporary differences:			
Unrealized gain on exchange	(568)	(4,666)	(5,234)
Long-term investments	(83,379)	(4,974)	(88,353)
Intangible assets	(52,852)	37,413	(15,439)
Others	<u>(25,498)</u>	<u>19,908</u>	<u>(5,590)</u>
Subtotal	<u>(162,297)</u>	<u>47,681</u>	<u>(114,616)</u>
Total	<u>(\$ 136,805)</u>	<u>\$ 50,850</u>	<u>(\$ 85,955)</u>

	2024		
	January 1	Recognized in profit or loss	December 31
Deferred income tax assets:			
- Temporary differences:			
Loss on inventory	\$ 8,573	(\$ 1,242)	\$ 7,331
Unrealized exchange loss	3,658	3,954	7,612
Others	4,524	443	4,967
Tax loss	<u>5,582</u>	<u>-</u>	<u>5,582</u>
Subtotal	<u>\$ 22,337</u>	<u>\$ 3,155</u>	<u>\$ 25,492</u>
Deferred income tax liabilities:			
- Temporary differences:			
Unrealized gain on exchange	(568)	-	(568)
Long-term investments	(136,232)	52,853	(83,379)
Intangible assets	(26,324)	(26,528)	(52,852)
Others	<u>(412)</u>	<u>(25,086)</u>	<u>(25,498)</u>
Subtotal	<u>(163,536)</u>	<u>1,239</u>	<u>(162,297)</u>
Total	<u>(\$ 141,199)</u>	<u>\$ 4,394</u>	<u>(\$ 136,805)</u>

4. The effective period of the unused tax losses and unrecognized deferred income tax assets of the Group are as follows:

December 31, 2025				
Year of occurrence	Reported amount/Assessed amount	Amount not yet deducted	Amount of unrecognized deferred income tax assets	Last year to be deducted
2016	375,964	371,098	371,098	2026
2017	621,244	618,216	618,216	2027
2018	582,548	581,625	581,625	2028
2019	372,163	372,163	372,163	2029
2020	379,642	351,446	351,446	2030
2021	813,208	813,208	813,208	2031
2022	755,605	755,605	755,605	2032
2023	563,812	563,812	563,812	2033
2024	223,232	223,232	223,232	2034
2025	<u>916,325</u>	<u>916,325</u>	<u>916,325</u>	2035
	<u>\$ 5,603,743</u>	<u>\$ 5,566,730</u>	<u>\$ 5,566,730</u>	

December 31, 2024

Year of occurrence	Reported amount/Assessed amount	Amount not yet deducted	Amount of unrecognized deferred income tax assets	Last year to be deducted
2015	672,536	669,304	669,304	2025
2016	375,964	371,098	371,098	2026
2017	621,244	618,216	618,216	2027
2018	582,548	581,625	581,625	2028
2019	372,163	372,163	372,163	2029
2020	379,642	364,284	364,284	2030
2021	813,208	813,208	813,208	2031
2022	755,605	755,605	755,605	2032
2023	566,642	566,642	566,642	2033
2024	<u>223,232</u>	<u>223,232</u>	<u>223,232</u>	2034
	<u>\$ 5,362,784</u>	<u>\$ 5,335,377</u>	<u>\$ 5,335,377</u>	

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

	December 31, 2025	December 31, 2024
Deductible temporary difference	<u>\$ 596,738</u>	<u>\$ 211,761</u>

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

(XXXI) Loss per share

	2025		
	Amount after tax	Weighted average share outstanding (thousand shares)	Loss per share (in dollars)
<u>Basic and diluted loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	<u>(\$ 1,173,716)</u>	<u>240,400</u>	<u>(\$ 4.88)</u>
	2024		
	Amount after tax	Weighted average share outstanding (thousand shares)	Loss per share (in dollars)
<u>Basic and diluted loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	<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.

(XXXII) Supplemental cash flow information

1. Investing activities with partial cash payments:

	2025	2024
Purchase of property, plant and equipment	\$ 1,047,333	\$ 2,150,743
Add: Prepayments for equipment at the end of the period	301,276	427,812
Beginning balance of payable on equipment	649,734	498,861
Less: Prepayments for equipment at the beginning of the period	(427,812)	(422,444)
Ending balance of payable on equipment	<u>(248,269)</u>	<u>(649,734)</u>
Cash paid during the year	<u>\$ 1,322,262</u>	<u>\$ 2,005,238</u>

2. The Group lost control over its subsidiary, Moment Semiconductor, Inc., on October 14, 2025. Please refer to Notes 4(3) and 6(6) for details. Information on the assets and liabilities of the subsidiary is as follows:

	October 14, 2025
Cash and Cash Equivalents	6,881
Accounts Receivables (Net)	18,253
Other Receivables	1,063
Inventories	50,385
Prepayments	1,020
Other Current Assets	14
Property, plant and equipment	401
Right-of-use Asset	305
Other Non-Current Assets	2,412
Short Term Loans	(75,664)
Contract Liabilities - Current	(82)
Accounts Payable	(17,021)
Other Payables	(4,457)
Lease Liability - Current	(153)
Long-term borrowings due within one year or one business cycle	(18,132)
Other Current Liabilities - Other	(537)
Long-term Loans	<u>(8,351)</u>
Total identifiable net assets	(43,663)
Non-controlling Interests	20,183
Goodwill	23,706
Fair value of investments accounted for under the equity method	<u>(17,109)</u>
Gain (loss) on disposal of investments	<u>(\$ 16,883)</u>

(XXXIII) Changes in liabilities arising from financing activities

	Short Term Loans	Corporate bonds payable (Mature within one year)	Long-term Loans (Mature within one year)	Lease liabilities	Guarantee Deposits Received	Total liabilities arising from financing activities
January 1, 2025	\$ 6,200,355	\$ 3,609,156	\$ 4,315,087	\$ 437,398	\$ 34,812	\$ 14,596,808
Change in cash flow from financing activities	(1,292,114)	(1,528,266)	(323,909)	(42,664)	(34,109)	(3,221,062)
Interest Expenses	-	51,462	-	6,082	-	57,544
Interest Paid	-	(38,260)	-	(6,082)	-	(44,342)
Other Non-Cash Transactions	(76,270)	-	(17,606)	9,675	1	(84,200)
December 31, 2025	<u>\$ 4,831,971</u>	<u>\$ 2,094,092</u>	<u>\$ 3,973,572</u>	<u>\$ 404,409</u>	<u>\$ 704</u>	<u>\$ 11,304,748</u>

	Short Term Loans	Corporate bonds payable	Long-term Loans (Mature within one year)	Lease liabilities	Guarantee Deposits Received	Total liabilities arising from financing activities
January 1, 2024	\$ 5,429,370	\$ 3,424,600	\$ 4,342,556	\$ 567,193	\$ 42,282	\$ 13,806,001
Change in cash flow from financing activities	770,985	165,914	(61,603)	(46,498)	(7,588)	821,210
Interest Expenses	-	64,715	-	7,157	-	71,872
Interest Paid	-	(45,975)	-	(7,157)	-	(53,132)
Other Non-Cash Transactions	-	(98)	34,134	(83,297)	118	(49,143)
December 31, 2024	<u>\$ 6,200,355</u>	<u>\$ 3,609,156</u>	<u>\$ 4,315,087</u>	<u>\$ 437,398</u>	<u>\$ 34,812</u>	<u>\$ 14,596,808</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

<u>Name of the related parties</u>	<u>Relationship with the Group</u>
Weida Hi-Tech Co., Ltd.	Affiliates
TrueLight Corporation	Affiliate (Note 1)
BKS Tec Corp.	Affiliate (Note 2)
YLTLINK Technology Corporation	Affiliate (Note 3)
Moment Semiconductor, Inc.	Affiliates
Ontario Capital Co., Ltd.	Other related party
Taiwan Mask Charity Foundation	Other related party
RED SUNRISE CO., LTD.	Other related party

Note 1: The Group acquired the equity of TrueLight Corporation in March 2024, which was recognized in “Investment under Equity Method”. Please refer to Note 6(6) for details.

Note 2: The Group acquired the equity of BKS Tec Corp. in April 2024, which was recognized in “Investment under Equity Method”. Please refer to Note 6(6) for details.

Note 3: Investments accounted for under the equity method - Subsidiary of TrueLight Corporation

(III) Significant transactions with the related parties

1. Operating revenue

	<u>2025</u>	<u>2024</u>
Product sales:		
TrueLight Corporation	\$ 160	\$ 325
Weida Hi-Tech Co., Ltd.	<u>12,698</u>	<u>9,621</u>
	<u>\$ 12,858</u>	<u>\$ 9,946</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:		
Weida Hi-Tech Co., Ltd.	\$ 3,242	\$ 2,316
Affiliates/other related party	<u>6</u>	<u>67</u>
Subtotal	<u>3,248</u>	<u>2,383</u>
Other Receivables:		
BKS Tec Corp.	\$ 5,203	\$ 805
Affiliates/other related party	<u>405</u>	<u>501</u>
Subtotal	<u>5,608</u>	<u>1,306</u>
Total	<u>\$ 8,856</u>	<u>\$ 3,689</u>

3. Acquisition of financial assets

BKS Tec Corp. was another related party of the Group. On April 1, 2024, the Group invested NT\$30,000 to acquire 6,000 thousand shares of BKS Tec Corp., a 38.91% shareholding, thereby obtaining significant influence over the company. This was recognized under “Investments accounted for under Equity Method”. Please refer to Note 6(6) for details.

4. Others

(1) Deposits Received:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Affiliates/other related party	<u>\$ 118</u>	<u>\$ 118</u>

(2) Rent income:

	<u>2025</u>	<u>2024</u>
Affiliates/other related party	<u>\$ 3,873</u>	<u>\$ 1,312</u>

(3) Other income

	<u>2025</u>	<u>2024</u>
Affiliates/other related party	<u>\$ 688</u>	<u>\$ 159</u>

(4) In 2024, the Company's subsidiary, Goke Holdings Co., Ltd., donated 500,000 shares of the Company's stock, totaling NT\$7,115, to the Taiwan Mask Charitable Foundation.

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

5. Loaning of funds to related parties

Loans from related parties:

(1) Closing balance (recorded as "short-term borrowings")

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Ontario Capital Co., Ltd.	<u>\$ 77,494</u>	<u>\$ 110,969</u>

(2) Interest expenses

	<u>2025</u>	<u>2024</u>
Ontario Capital Co., Ltd.	\$ 1,601	\$ 1,639
RED SUNRISE CO., LTD.	<u>74</u>	<u>-</u>
Total	<u>\$ 1,675</u>	<u>\$ 1,639</u>

The conditions for borrowing from related parties are that the interest is paid monthly at an annual interest rate of 2.7% after the loan is disbursed, and the principal is repaid at the maturity. The borrowing period is from March 31, 2024 to December 18, 2026.

(IV) Compensation of key management personnel

	<u>2025</u>	<u>2024</u>
Salary and short-term employee benefits	\$ 32,241	\$ 36,428
Post-employment benefits	<u>121</u>	<u>15,083</u>
Total	<u>\$ 32,362</u>	<u>\$ 51,511</u>

VIII. Pledged assets

Assets pledged by the Corporate Group as collateral are as follows:

Assets	Book value		Purpose
	December 31, 2025	December 31, 2024	
Demand deposit (Recognized as "Financial assets at amortized cost")	\$ 506,759	\$ 532,807	Short-term borrowings, reserve accounts, and corporate bond guarantee
Time deposit (Recognized as "Financial assets at amortized cost")	730,806	361,778	Short-term borrowings, customs duty guarantees, and lease deposits
Stocks of publicly traded and OTC companies (recognized as "Financial assets at fair value through profit or loss")	1,724,629	2,753,540	Short Term Loans
Shares of the Company (recognized as "treasury stock") (Note)	439,707	493,070	Short Term Loans
Buildings and structures (including land)	1,154,589	1,245,385	Long-term Loans
Machinery and equipment and equipment under acceptance	5,324,859	3,629,379	Long- and short-term loans
Real estate investment	178,933	167,109	Long-term Loans
Other equipment	40,888	30,292	Long-term Loans
Intangible assets	-	1,050	Long-term Loans
Refundable Deposit	14,900	42,690	Long-term loans and lease deposits
	<u>\$ 10,116,070</u>	<u>\$ 9,257,100</u>	

Note: The cost of pledged treasury shares was NT\$439,707, and fair value as of December 31, 2025 was NT\$1,092,315.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) Contingencies

None.

(II) Commitments

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

	December 31, 2025	December 31, 2024
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 (21) for details.

XII. Others

(I) Capital management

The Group's objectives when managing capital are to safeguard the Group'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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group 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 consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus net debt.

The Group'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	\$ 10,899,635	\$ 14,124,598
Less: Cash and cash equivalents	<u>(854,720)</u>	<u>(1,430,542)</u>
Net debt	10,044,915	12,694,056
Total equity	<u>4,346,145</u>	<u>4,071,908</u>
Total capital	<u>14,391,060</u>	<u>16,765,964</u>
Debt-to-equity ratio	<u>70%</u>	<u>76%</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	\$ 1,964,299	\$ 3,316,316
Financial assets measured at amortized cost cash and cash equivalents	\$ 854,720	\$ 1,430,542
Financial assets measured at amortized cost	1,251,869	894,585
Notes Receivables	20,841	167
Accounts receivable (Including related parties)	920,949	1,369,762
Other account receivable (Including related parties)	48,893	41,443
Refundable Deposit	37,815	76,558
	<u>\$ 3,135,087</u>	<u>\$ 3,813,057</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities designated at fair value through profit or loss	\$ 25,000	\$ -
Financial liabilities mandatorily measured at fair value through profit or loss	-	19,204
	<u>\$ 25,000</u>	<u>\$ 19,204</u>
Financial liabilities at amortized cost		
Short Term Loans	\$ 4,831,971	\$ 6,200,355
Notes Payable	-	43,544
Accounts Payable	417,983	541,758
Other accounts payable (Including related parties)	969,734	1,236,829
Corporate bonds payable (Mature within one year)	2,094,092	3,609,156
Long-term borrowings (including current portion)	3,973,572	4,315,087
Guarantee Deposits Received	704	34,812
	<u>\$ 12,288,056</u>	<u>\$ 15,981,541</u>
Lease liabilities	<u>\$ 404,409</u>	<u>\$ 437,398</u>

2. Risk management policies

- (1) The Group'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 Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and performance.
- (2) Risk management is carried out by a central finance department (Group finance) under policies approved by the Board of Directors. Group finance identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as currency exchange risk, interest rate risk, credit risk, the use of derivatives and non-derivative financial instruments and investment of excess liquidity.

3. Significant financial risks and degrees of financial risks

(1) Market risk

A. Foreign exchange risk

The Group's operations involve certain non-functional currencies (the Company's and certain subsidiaries' functional currency is the New Taiwan dollar (NTD), and for other certain subsidiaries, the functional currency is the US Dollars, Japanese Yen and China's Renminbi (RMB)), so it is subject to the impact of exchange rate fluctuation. The details of assets and liabilities denominated in foreign currencies whose values that would be materially affected by exchange rate fluctuations are as follows:

(Foreign currency: functional currency)	December 31, 2025		
	Foreign currency (in thousand)	Exchange rate	Book value (NT\$ in thousands)
Financial assets			
Monetary items			
USD : NTD	USD	23,296	31.430 \$ 732,193
RMB : NTD	CNY	19,232	4.496 86,467
JPY : NTD	JPY	175,866	0.201 35,349
Financial liabilities			
Monetary items			
USD : NTD	USD	11,369	31.430 357,328
RMB : NTD	CNY	1,183	4.496 5,320
JPY : NTD	JPY	1,072,463	0.201 215,565
Euro : NTD	EUR	1,169	36.9 43,136

(Foreign currency: functional currency)	December 31, 2024		
	Foreign currency (in thousand)	Exchange rate	Book value (NT\$ in thousands)
Financial assets			
Monetary items			
USD : NTD	USD	38,770	32.785 \$ 1,270,949
RMB : NTD	CNY	46,309	4.478 207,372
JPY : NTD	JPY	512,938	0.2099 107,666
Financial liabilities			
Monetary items			
USD : NTD	USD	19,898	32.785 652,347
JPY : NTD	JPY	345,127	0.2099 72,442
Euro : NTD	EUR	1,787	32.14 61,008

B. Total exchange gain (loss), including realized and unrealized gains from significant foreign exchange variations on monetary items held by the Group amounted to a loss of (NT\$24,750) and a gain of NT\$47,259 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:

(Foreign currency: functional currency)	2025		
	Fluctuation	Sensitivity Analysis	
		Effect on profit or loss	Other comprehensive profit and loss affected
Financial assets			
Monetary items			
USD : NTD	1%	\$ 7,322	\$ -
RMB : NTD	1%	865	-
JPY : NTD	1%	353	-
Financial liabilities			
Monetary items			
USD : NTD	1%	(3,573)	-
RMB : NTD	1%	(53)	-
JPY : NTD	1%	(2,156)	-
Euro : NTD	1%	(431)	-

(Foreign currency: functional currency)	2024		
	Sensitivity Analysis		
	Fluctuation	Effect on profit or loss	Other comprehensive profit and loss affected
<u>Financial assets</u>			
Monetary items			
USD : NTD	1%	\$ 12,709	\$ -
RMB : NTD	1%	2,074	-
JPY : NTD	1%	1,077	-
<u>Financial liabilities</u>			
Monetary items			
USD : NTD	1%	(6,523)	-
JPY : NTD	1%	(724)	-
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 and financial assets at fair value through other comprehensive income.
- B. The Group invests primarily in equity instruments and open-end funds issued by domestic and foreign companies. 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\$19,643 and NT\$26,531, respectively; as for the other comprehensive income classified as equity instruments at fair value through other comprehensive income, it is NT\$0 for both 2025 and 2024.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risk mainly comes from long-term borrowings issued at floating rates, which exposes the Group to cash flow interest rate risk. For 2025 and 2024, the Group's borrowings issued at floating rates were mainly denominated in New Taiwan dollars and US dollars.
- B. The Group's borrowings are measured at amortized cost, and the annual interest rate is re-priced according to the contract, which exposes the Group 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\$22,014 and NT\$21,030, 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 Group 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 at fair value through profit or loss.

- B. The management of credit risk is established with a Group 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 Group's credit policy, each local entity in the Group 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 Group considers a contract payment overdue in accordance with the agreed payment terms a breach of contract.
- D. The Group 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 Group 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 Group 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 Group may write off the amount of financial assets that cannot be reasonably expected to be recovered after recourse. However, the Group will continue the recourse to protect the rights of the claims.
- H. The Group incorporates forward-looking considerations to adjust the loss rates established based on historical and current information for specific periods in order to estimate the loss allowance for notes and accounts receivable. The provision matrix as of December 31, 2025 and 2024 is as follows:

	Not past due	Up to 30 days	31-90 days	91-180 days	More than 181 days past due	Total
<u>December 31, 2025</u>						
Expected loss rate	0.01%	0.01~24.76%	7.06~56.63%	23.11~97.55%	69.84~100%	
Total book value	\$ 836,138	\$ 80,177	\$ 20,330	\$ 8,559	\$ 87,230	\$1,032,434
Loss allowance	-	-	(1,436)	(1,978)	(87,230)	(90,644)
<u>December 31, 2024</u>						
Expected loss rate	0.01%	0.01~8.26%	9.12~66.68%	37.32~100%	75.03~100%	
Total book value	\$1,041,548	\$ 142,862	\$ 116,488	\$ 43,381	\$ 136,412	\$1,480,691
Loss allowance	-	-	(8,669)	(7,468)	(94,625)	(110,762)

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

	2025	2024
January 1	\$ 110,762	\$ 29,423
Recognize impairment loss	8,556	81,338
Amounts written off as uncollectible	(28,427)	-
Impact from exchange rate	(247)	1
December 31	<u>\$ 90,644</u>	<u>\$ 110,762</u>

(3) Liquidity risk

- A. Cash flow forecasting is performed by the operating entities of the Corporate Group and aggregated by the Group's treasury department. The Group's Finance Department monitors the forecasts 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 Group will not exceed the relevant borrowing limits or violate the terms. These forecasts consider the Group'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 Group's finance department. The finance department of the Group 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 Group were NT\$2,074,402 and NT\$2,324,731, respectively, and were expected to generate immediate cash flow to manage liquidity risk.

C. The Group's unutilized borrowings are shown as follows:

	December 31, 2025	December 31, 2024
Floating rate		
Short-term credit limits	\$ 479,089	\$ 920,414
Medium to long-term credit limits	40,000	-
Fixed rate		
Medium to long-term credit limits	-	4,493
	\$ 519,089	\$ 924,907

D. The following table shows the Group'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:

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
December 31, 2025				
<u>Non-derivative financial liabilities:</u>				
Short Term Loans	\$4,912,505	\$ -	\$ -	\$ -
Notes Payable	-	-	-	-
Accounts Payable	417,983	-	-	-
Other Payables	969,734	-	-	-
Lease liabilities	43,780	35,770	78,062	296,326
Corporate bonds payable (Mature within one year)	136,160	736,010	1,357,240	-
Long-term borrowings (including current portion)	1,675,738	1,212,731	1,045,006	228,914
Guarantee Deposits Received	-	704	-	-
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
December 31, 2024				
<u>Non-derivative financial liabilities:</u>				
Short Term Loans	\$6,350,812	\$ -	\$ -	\$ -
Notes Payable	43,544	-	-	-
Accounts Payable	541,758	-	-	-
Other accounts payable (Including related parties)	1,236,829	-	-	-
Lease liabilities	41,751	34,076	77,196	337,258
Corporate bonds payable	38,260	38,260	3,715,520	-
Long-term borrowings (including current portion)	1,339,012	1,232,450	1,557,319	437,867
Guarantee Deposits Received	-	34,812	-	-

(III) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in 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: Unobservable inputs for the asset or liability The fair value of the Group's investment in stocks of non-publicly traded or non-OTC firms and private equity fund is included in Level 3.

2. Financial instruments not measured at fair value

Cash, 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>\$ 1,762,276</u>	<u>\$ 60,140</u>	<u>\$ 141,883</u>	<u>\$ 1,964,299</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Convertible bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 25,000</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>\$ 3,129,075</u>	<u>\$ 57,520</u>	<u>\$ 129,721</u>	<u>\$ 3,316,316</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 Group for assessing the fair value are as follows:

- (1) The Group 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:

	Shares of listed and OTC company	Open-end funds
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 consolidated balance sheet (for example, the Taipei Exchange refers to the yield curve, the Reuters adopts the average quotation of interest rate of commercial promissory notes).
- (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 Group. 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 Group'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 consolidated 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 Group incorporates credit risk valuation adjustments into the consideration of the fair value of financial instruments and non-financial instruments to reflect counterparty credit risk and the credit quality of the Group, 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:

	Financial instruments
January 1, 2025	\$ 110,517
Acquisition cost of the period	17,500
Return of capital by investee company	(2,500)
Sold in this period	(2,925)
Corporate bonds payable redeemed during the period	15,234
Recognized in profit or loss of the period	3,970
Impact from exchange rate	87
December 31, 2025	\$ 141,883

	<u>Financial instruments</u>
January 1, 2024	\$ 104,312
Acquisition cost of the period	22,500
Return of capital by investee company	(7,198)
Recognized in profit or loss of the period	(9,821)
Impact from exchange rate	<u>724</u>
December 31, 2024	<u>\$ 110,517</u>

7. As Image Match Design Inc. was officially listed on the Emerging Stock Board on March 10, 2025, and trading volume in the market increased steadily, sufficient observable market information became available. Accordingly, the Group transferred the fair value measurement from Level 3 to Level 2 at the end of the month in which the event occurred.

8. 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

	<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 instruments:					
Shares of non-listed and non-OTC company	\$ 141,883	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value
Hybrid instruments:					
Convertible bonds	(\$ 25,000)	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value

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 instruments:					
Shares of non-listed and non-OTC company	\$ 129,721	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value
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

9. The Corporate Group 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			
				Recognized in profit or loss		Recognized in other comprehensive income	
		Inputs	Changes	Favorable changes	Adverse changes	Favorable changes	Adverse changes
Financial assets							
Equity instruments	Net asset value		± 1%	\$ 1,419	(\$ 1,419)	\$ -	\$ -
Debt	Stock price volatility		± 1%	-	-	-	-
				\$ 1,419	(\$ 1,419)	\$ -	\$ -
				December 31, 2024			
				Recognized in profit or loss		Recognized in other comprehensive income	
		Inputs	Changes	Favorable changes	Adverse changes	Favorable changes	Adverse changes
Financial assets							
Equity instruments	Net asset value		± 1%	\$ 1,297	(\$ 1,297)	\$ -	\$ -
Debt	Stock price volatility		± 1%	50	(50)	-	-
				\$ 1,347	(\$ 1,347)	\$ -	\$ -

(IV) Sound operational improvement plan

As of December 31, 2025, the Group's debt ratio and current ratio were 75% and 63%, 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 Group 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 Group expects that the implementation of the above measures will help improve its financial structure and strengthen its long-term operational development. The Group expects that, upon full implementation of the above measures, it will be able to ensure the Group's ability to continue as a going concern and maintain long-term financial soundness.

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

1. Basic information: Please refer to Table 6.
2. Significant transactions, either directly or indirectly through a third jurisdiction, with investee companies in China: Please refer to Table 4.

XIV. Segments Information

(I) General information

Management has determined the reportable operating segments based on reports reviewed by the president and used to make strategic decisions.

The Group's corporate structure, the basis for division of segments, and the basis for measurement of segment information have not changed significantly during the current period.

(II) Measurement of segment information

The Group evaluates the performance of the operating segments and allocates resources based on the adjusted net profit of each segment.

(III) Segments Information

Information on the reporting segments provided to the chief operating decision maker is shown as follows:

2025:

	Photomask and semiconductor segment	Medical segment	Total
Revenue from external clients	\$ 5,660,244	\$ 377,825	\$ 6,038,069
Segment revenue	(\$ 172,904)	(\$ 22,248)	(\$ 195,152)
Segment margin	(\$ 1,387,062)	(\$ 116,970)	(\$ 1,504,032)
Segment margin include:			
Depreciation	(\$ 1,395,156)	(\$ 73,953)	(\$ 1,469,109)
Amortization expense	(\$ 62,612)	(\$ 16,048)	(\$ 78,660)
Financial Costs	(\$ 286,304)	(\$ 20,010)	(\$ 306,314)
Interest income	\$ 10,700	\$ 436	\$ 11,136
Investments income recognized by using equity method	(\$ 65,462)	\$ -	(\$ 65,462)
Segment assets	\$ 16,511,106	\$ 1,043,348	\$ 17,480,097

2024:

	Photomask and semiconductor segment	Medical segment	Total
Revenue from external clients	\$ 7,263,675	\$ 298,074	\$ 7,561,749
Segment revenue	(\$ 266,081)	(\$ 19,326)	(\$ 285,407)
Segment margin	(\$ 445,257)	(\$ 220,792)	(\$ 666,049)
Segment margin include:			
Depreciation	(\$ 1,216,161)	(\$ 70,504)	(\$ 1,286,665)
Amortization expense	(\$ 74,696)	(\$ 14,222)	(\$ 88,918)
Financial Costs	(\$ 321,496)	(\$ 24,094)	(\$ 345,590)
Interest income	\$ 27,448	\$ 289	\$ 27,737
Investments income recognized by using equity method	(\$ 53,984)	\$ -	(\$ 53,984)
Segment assets	\$ 19,709,396	\$ 1,105,749	\$ 20,815,145

(IV) Reconciliation for segment income

Sales between segments are conducted according to the principle of transactions at fair value. The operating revenue from external customers reported to the operating decision maker is measured in a manner consistent with that in the income statement.

The consolidated income, assets and liabilities of related segments are consistent with the consolidated income, consolidated assets and consolidated liabilities, so there is no reconciliation information.

(V) Information on products and services

The revenue from external customers comes from the sales of photomasks and semiconductors and product and labor revenue of medical equipment, as shown in Note 6 (23).

(VI) Geographical information

Information by region for the Group in 2025 and 2024:

	2025		2024	
	Revenue	Non-Current Assets	Revenue	Non-Current Assets
Taiwan	\$ 2,781,295	\$ 11,062,758	\$ 2,737,426	\$ 12,053,025
Asia	3,020,535	1,856	4,674,529	3,081
Others	<u>236,239</u>	<u>-</u>	<u>149,794</u>	<u>-</u>
Total	<u>\$ 6,038,069</u>	<u>\$ 11,064,614</u>	<u>\$ 7,561,749</u>	<u>\$ 12,056,106</u>

(VII) Major customer information

Information by major customer for the Group in 2025 and 2024:

	2025		2024	
	Revenue	Department	Revenue	Department
Company B	<u>\$ 1,039,833</u>	Photomask and semiconductor segment	<u>\$ 888,632</u>	Photomask and semiconductor segment

Taiwan Mask Corporation and Subsidiaries

Loans to Others

January 1 to December 31, 2025

Table 1

Unit: NIS Thousand
(Unless otherwise specified)

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	-	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	-	-	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	-	-	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	-	-	Short-term financing	-	Working Capital Turnover	-	None	-	410,038	410,038	Note 4	
1	Goke Holdings Co., Ltd.	Xsense Technology Corporation (B.V.) 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.	Xsense Technology Corporation (B.V.) 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.

Code (Note 1)	Endorser/guarantor	Name of Company	Relationship (Note 2)	Limits on Endorsement/Guarantee			Ending Balance of 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										
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.I.) 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.I.) 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.I.) 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 Avision 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	22,891,000	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 TOPFUN 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

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

Table 4

Unit: NTS Thousand
(Unless otherwise specified)

				Status of transaction			
Code (Note 1)	Name of the counterparty	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction term	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	0.63%
0	Taiwan Mask Corporation	Goke Holdings Co., Ltd.	1	Endorsement and guarantee	180,000	Same with other customers	1.03%
0	Taiwan Mask Corporation	Miracle Technology CO., LTD.	1	Endorsement and guarantee	125,720	Same with other customers	0.72%
0	Taiwan Mask Corporation	Plot Energy Co., Ltd.	1	Endorsement and guarantee	73,000	Same with other customers	0.42%
0	Taiwan Mask Corporation	Imnova Vision INC.	1	Endorsement and guarantee	314,000	Same with other customers	1.80%
0	Taiwan Mask Corporation	Xeome 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	134,750	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	0.12%
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	Xeome Technology Corporation (B.V.) Taiwan Branch	1	Other Receivables	72,665	Receipt and payment at an agreed time	0.42%
0	Taiwan Mask Corporation	Xeome Technology Corporation (B.V.) Taiwan Branch	1	Rental income	36,452	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	1,098	Receipt and payment at an agreed time	0.02%
0	Taiwan Mask Corporation	Xeome Technology Corporation (B.V.) Taiwan Branch	1	Interest income	3,000	Receipt and payment at an agreed time	0.01%
0	Taiwan Mask Corporation	Xeome 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	3,823	Receipt and payment at an agreed time	0.06%
1	Miracle Technology CO., LTD.	Xeome Technology Corporation (B.V.) Taiwan Branch	3	Sales	1,526	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.	Xeome 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.	Xeome 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.	Xeome 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.	Xeome Technology Corporation (B.V.) Taiwan Branch	3	Endorsement and guarantee	57,000	Same with other customers	0.33%
3	Miko-China Enterprise (Shanghai) Co., Ltd.	Miracle Technology CO., LTD.	3	Endorsement and guarantee	53,952	Same with other customers	0.31%
3	Miko-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	Miko-China Enterprise (Shanghai) Co., Ltd.	Taiwan Mask Corporation	2	Endorsement and guarantee	175,344	Same with other customers	1.00%
4	Plot Energy Co., Ltd.	Xeome Technology Corporation (B.V.) Taiwan Branch	3	Other receivables (loans of funds)	40,000	Receipt and payment at an agreed time	0.23%
4	Plot Energy Co., Ltd.	Xeome Technology Corporation (B.V.) Taiwan Branch	3	Interest income	1,079	Receipt and payment at an agreed time	0.02%
5	Imnova Vision INC.	iPho Vision Inc.	3	Accounts Receivables	10,238	Net 60	0.06%
5	Imnova Vision INC.	iPho Vision Inc.	3	Sales	17,714	Same with other customers	0.29%
6	iPho Vision Inc.	Imnova Vision INC.	3	Sales	21,650	Same with other customers	0.36%
7	Digital-Can Tech. Co., Ltd.	Taiwan Mask Corporation	2	Sales	3,338	Same with other customers	0.06%
7	Digital-Can Tech. Co., Ltd.	Taiwan Mask Corporation	2	Accounts Receivables	2,392	Net 60	0.01%
8	Xeome Technology Corporation (B.V.) Taiwan Branch	Miracle Technology CO., LTD.	3	Sales	4,954	Same with other customers	0.08%
8	Xeome 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 counterparty 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 current period	Investment profit (loss) recognized for the current period	Note
				Balance at the end of period	End of the previous year	Number of shares	Ownership	Book value			
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 Sunrise Limited	Samoa	Re-investment	-	-	-	100%	-	-	-	
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.	ibPro Vision Inc.	Japan	Sales of contact lens	84,204	84,204	6,400	52.03%	(632)	924	481	
Innova Vision (B.V.I) Inc.	ibPro 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)	Amount remitted from Taiwan to China/Amount remitted back to Taiwan for the period		Accumulated amount of remittance from Taiwan to China at the beginning of 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

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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.