

Stock code: 8277

Unifosa Corp.  
Parent Company Only Financial Statements and Independent  
Auditor's Report  
2025 and 2024

Address: 3 F., No. 5, Aly. 22, Ln. 513, Ruiguang Rd., Neihu Dist., Taipei City

Tel: (02) 8797-1108

Unifosa Corp.  
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## Independent Auditor's Report

To the Shareholders of Unifosa Corp.:

### **Audit Opinions**

The parent company only balance sheets of Unifosa Corp. as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, statements of changes in equity, statements of cash flows for the years from January 1 to December 31, 2025 and 2024, and notes to the parent company only financial statements (including a summary of significant accounting policies) have been audited by us.

In our opinion, the aforementioned parent company only financial statements have been prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and present fairly the parent company only financial position of Unifosa Corp. as of December 31, 2025 and 2024, and the parent company only financial performance and parent company only cash flows for the years from January 1 to December 31, 2025 and 2024.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the section of the auditor's responsibilities for the audit of the parent company only financial statements. The personnel of the firm to which we belong who are subject to independence requirements have remained independent of Unifosa Corp. in accordance with the Code of Professional Ethics for Certified Public Accountants and have fulfilled other responsibilities under those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the parent company only financial statements of Unifosa Corp. for the year 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and in forming our audit opinion thereon, and we do not express a separate opinion on these matters.

The key audit matters in the audit of the parent company only financial statements of Unifosa Corp. for the year 2025 are described as follows:

#### Recognition of Sales Revenue

Auditing Standards of Taiwan presume that there is a risk of fraud in revenue recognition. Management may be under pressure to achieve expected financial targets, giving rise to a higher inherent risk of fraud in revenue recognition. Sales revenue from the top ten customers of Unifosa Corp. for the year 2025 accounted for 52.05% of the net operating revenue for the year, which has a significant impact on the parent company only financial statements and is therefore identified as a key audit matter.

The main audit procedures performed by us are as follows:

1. Obtained an understanding of the internal control system related to sales transactions and assessed the effectiveness of its design and implementation.

2. Obtained an understanding of the background of customers and acquired basic information to assess whether the transaction amounts and credit limits are reasonable in relation to the scale of their companies.
3. Performed test checks of customer orders and delivery notes, and cross-checked and verified them against relevant documents such as external shipping documents, records of receipt and offsetting, and receipts, to assess whether the criteria for revenue recognition are met.

#### Assessment of Allowance for Inventory Write-down and Obsolescence Losses

The inventory business operations of Unifosa Corp. are divided into the memory business group and the storage business group. Due to fluctuations in market demand and rapid technological changes, these factors may affect management's estimates of net realizable value and judgments regarding inventory obsolescence, and are therefore identified as a key audit matter. For the assessment of allowance for inventory write-down and obsolescence losses, please refer to Notes 4, 5, and 6(5) to the parent company only financial statements.

The main audit procedures performed by us are as follows:

1. Assessed whether the policies adopted by management for recognizing allowance for inventory write-down and obsolescence losses are reasonable and appropriate.
2. Obtained the inventory write-down details prepared by management, performed sampling to verify whether they are measured at the lower of cost and net realizable value, and assessed the reasonableness of the basis used for net realizable value.
3. Obtained the inventory aging schedule, performed sample selection and testing of relevant supporting documents, and evaluated inventory conditions through participation in and observation of the year-end inventory count to assess the adequacy of the allowance for inventory obsolescence losses.

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

Management is responsible for the preparation of the parent company only financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for maintaining necessary internal control relevant to the preparation of the parent company only financial statements to ensure that they are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is also responsible for assessing Unifosa Corp.'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 Unifosa Corp. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of Unifosa Corp. (including the Audit Committee) are responsible for overseeing the financial reporting process.

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

The objective of our audit is to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but an audit conducted in accordance with auditing standards does not guarantee that a material misstatement in the parent company only financial statements will always be detected. Misstatements may arise from fraud or error. Misstatements are considered material

if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent company only financial statements.

In performing an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We also perform the following procedures:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error; design and perform appropriate responses to those risks; and obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error.
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 Unifosa Corp.'s internal control.
3. Evaluate the appropriateness of accounting policies used by management and the reasonableness of accounting estimates and related disclosures made by management.
4. Based on the audit evidence obtained, conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on Unifosa Corp.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause Unifosa Corp. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the parent company only financial statements (including the related notes), and whether the parent company only financial statements present the underlying transactions and events fairly.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the components within Unifosa Corp. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and review of the work performed by members of the audit team and for forming the audit opinion on Unifosa Corp.

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

We also provide those charged with governance with a statement that the personnel of the firm to which we belong who are subject to independence requirements have complied with the independence requirements of the Code of Professional Ethics for Certified Public Accountants, and communicate with those charged with governance all relationships and other matters that may reasonably be thought to bear on our independence, including related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of Unifosa Corp. for the year 2025 and therefore constitute the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure of the matter or, in extremely rare circumstances, we determine that a matter should

not be communicated in our audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Crowe (TW) CPAs

CPA: Chang Ya-Chuan

CPA: Lin Chin-Feng

FSC approval number:  
Financial Management Certificate Examination  
No.1050001113

March 10, 2026



Unifosa Corp.  
Parent Company Only Statement of Comprehensive Income  
January 1 to December 31, 2025 and 2024

Unit: NT\$ Thousands  
(Except for earnings per share, which are expressed in NT\$)

Code	Item	Notes	2025		2024	
			Amount	%	Amount	%
4000	Net Operating Revenue	6(13) and 7	\$ 173,381	100	\$ 209,565	100
5000	Operating Costs	6(5 and 14)	(124,980)	(72)	(161,475)	(77)
5900	Gross Profit		48,401	28	48,090	23
5910	Unrealized Loss on Sales		-	-	22	-
5920	Realized (Loss) Gain on Sales		(22)	-	9	-
5950	Gross Profit		48,379	28	48,121	23
	Operating Expenses	6(14) and 7				
6100	Selling Expenses		(17,723)	(10)	(18,368)	(9)
6200	Administrative and General Expenses		(48,223)	(28)	(38,442)	(18)
6300	R&D Expenses		(14,261)	(8)	(15,783)	(8)
6000	Total Operating Expenses		(80,207)	(46)	(72,593)	(35)
6900	Operating Losses		(31,828)	(18)	(24,472)	(12)
	Non-operating Income and Expenditures					
7100	Interest Income		838	-	948	-
7020	Other Gains and Losses	6(15 and 18) and 7	33,407	19	4,013	2
7050	Financial Costs		(127)	-	(171)	-
	Share of Profit or Loss of Subsidiaries, Affiliates, and Joint Ventures Accounted for Using the Equity Method	6(6)	(36,033)	(20)	(46,720)	(22)
7000	Total Non-operating Income and Expenditures		(1,915)	(1)	(41,930)	(20)
7900	Net Loss Before Tax		(33,743)	(19)	(66,402)	(32)
7950	Income Tax (Expense) Benefit	6(16)	5	-	(16)	-
8200	Net Loss for the Period		(33,738)	(19)	(66,418)	(32)
	Other Comprehensive Income					
8310	Items Not Reclassified to Profit or Loss					
8311	Remeasurements of Defined Benefit Plans	6(11)	-	-	2,061	1
8316	Equity Instruments at Fair Value through Other Comprehensive Income	6(12)	1,726	1	(645)	-
	Unrealized Valuation Gain or Loss on Investments					
8349	Income Tax Related to Items Not Reclassified	6(16)	-	-	2,728	1
			1,726	1	4,144	2
	Items That May Be Reclassified Subsequently to Profit or Loss					
8360	Share of Other Comprehensive Income of Subsidiaries, Affiliates, and Joint Ventures Accounted for Using the Equity Method	6(12)	-	-	74	-
8380	Share of Profit and Loss					
8399	Income Tax Related to Items That May Be Reclassified Subsequently to Profit or Loss	6(16)	-	-	-	-
			-	-	74	-
8300	Other Comprehensive Income for the Period (Net of Tax)		1,726	1	4,218	2
8500	Total Comprehensive Income for the Period		\$ (32,012)	(18)	\$ (62,200)	(30)
	EPS	6(17)				
9750	Basic EPS		\$ (0.37)		\$ (0.72)	
9850	Diluted EPS		\$ (0.37)		\$ (0.72)	

Unifosa Corp.  
Parent Company Only Statement of Changes in Equity  
January 1 to December 31, 2025 and 2024

Unit: NT\$ Thousands

Code		Retained Earnings				Other Equity Items		Total Equity
		Share Capital	Capital Reserve	Legal Reserve	Accumulated Deficits to be Covered	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Loss on Financial Assets at Fair Value through Other Comprehensive Income	
A1	Balance as of January 1, 2024	\$ 916,288	\$ 60,849	\$ 7,306	\$ (427,800)	\$ (44)	\$ (10,650)	\$ 545,949
D1	Net Loss for the Period from January 1 to December 31, 2024	-	-	-	(66,418)	-	-	(66,418)
D3	Other Comprehensive Income for the Period from January 1 to December 31, 2024	-	-	-	4,789	74	(645)	4,218
D5	Total Comprehensive Income for the Period from January 1 to December 31, 2024	-	-	-	(61,629)	74	(645)	(62,200)
M5	Difference between the Consideration Received or Paid and the Carrying Amount of Subsidiaries' Equity Interests	-	(195)	-	-	-	-	(195)
Z1	Balance as of December 31, 2024	916,288	60,654	7,306	(489,429)	30	(11,295)	483,554
D1	Net Loss for the Period from January 1 to December 31, 2025	-	-	-	(33,738)	-	-	(33,738)
D3	Other Comprehensive Income for the Period from January 1 to December 31, 2025	-	-	-	-	-	1,726	1,726
D5	Total Comprehensive Income for the Period from January 1 to December 31, 2025	-	-	-	(33,738)	-	1,726	(32,012)
Z1	Balance as of December 31, 2025	\$ 916,288	\$ 60,654	\$ 7,306	\$ (523,167)	\$ 30	\$ (9,569)	\$ 451,542

Unifosa Corp.  
Parent Company Only Statement of Cash Flows  
January 1 to December 31, 2025 and 2024

Code		2025	2024
AAAA	Cash Flows from Operating Activities		
A10000	Net Loss Before Tax for the Period	\$ (33,743)	\$ (66,402)
A20000	Adjustment Items		
A20100	Depreciation Expenses	4,361	4,624
A20900	Interest Expenses	127	171
A21200	Interest Income	(838)	(948)
	Share of Loss of Subsidiaries, Affiliates, and Joint Ventures		
A22400	Accounted for Using the Equity Method	36,033	46,720
A23100	Net Gain on Disposal of Investments	(17,998)	-
A23700	Impairment Loss on Non-financial Assets	-	6,398
A23900	Unrealized Loss on Sales	-	(22)
A24000	Realized (Gain) Loss on Sales	22	(9)
A29900	Loss (Gain) on Lease Modification	(52)	-
A31000	Net Changes in Assets Related to Operating Activities		
	(Increase) Decrease in Net Notes Receivable - Non-related		
A31130	Parties	(2,515)	389
	(Increase) Decrease in Net Accounts Receivable - Non-related		
A31150	Parties	22,516	(3,489)
	(Increase) Decrease in Net Accounts Receivable - Related		
A31160	Parties	49	(49)
A31180	(Increase) Decrease in Other Receivables	(490)	23
A31200	Decrease in Net Inventories	5,871	1,447
A31230	Decrease in Prepayments	93	563
A31240	(Increase) Decrease in Other Current Assets	(7)	11
A31990	Decrease in Other Operating Assets	-	14,349
A32000	Net Changes in Liabilities Related to Operating Activities		
A32125	Decrease in Contract Liabilities	(3)	(2,413)
A32150	Decrease in Accounts Payable - Non-related Parties	(8,764)	(1,073)
A32180	Increase (Decrease) in Other Payables	(1,900)	1,772
A32230	Increase in Other Current Liabilities	239	213
A33000	Cash Inflow from Operations	3,001	2,275
A33100	Interest Received	838	948
A33300	Interest Paid	(127)	(171)
A33500	Income Taxes Refunded (Paid)	19	(20)
AAAA	Net Cash Inflow from Operating Activities	3,731	3,032

(continued from previous page)

Code		2025	2024
BBBB	Cash Flows from Investing Activities		
B00030	Capital Reduction Refund on Financial Assets at Fair Value through Other Comprehensive Income	1,402	-
B00040	Acquisition of Financial Assets Measured at Amortized Cost	(70,000)	-
B01800	Acquisition of Investments Accounted for Using the Equity Method	-	(19,800)
B01900	Disposal of Investments Accounted for Using the Equity Method	41,496	-
B02700	Acquisition of Property, Plant, and Equipment	(350)	-
B06800	Decrease in Other Non-current Assets	1,648	1,089
BBBB	Net Cash Outflow from Investing Activities	(25,804)	(18,711)
CCCC	Cash Flows from Financing Activities		
C03000	Increase in Guarantee Deposits Received	8	-
C04020	Repayment of Lease Principal	(1,713)	(1,846)
CCCC	Cash Outflow from Financing Activities	(1,705)	(1,846)
EEEE	Decrease in Cash and Cash Equivalents for the Period	(23,778)	(17,525)
E00100	Cash and Cash Equivalents at the Beginning of the Period	89,559	107,084
E00200	Cash and Cash Equivalents at the End of the Period	\$ 65,781	\$ 89,559

Unifosa Corp.  
Notes to the Parent Company Only Financial Statements  
January 1 to December 31, 2025 and 2024  
(Unless otherwise stated, all amounts are in NT\$ thousands)

I. Company History

Unifosa Corp. (hereinafter referred to as the Company) was established on May 16, 1994 in accordance with the Company Act and relevant regulations. The Company is primarily engaged in the manufacturing of office machines, data storage and processing equipment, and electronic components, as well as the wholesale, retail, and international trading of office machine equipment. The Company's shares have been listed for trading on the Taipei Exchange since December 27, 2004.

The Company merged with Proware Technology Co., Ltd. (hereinafter referred to as Proware Technology) with January 1, 2013 as the merger base date, with the Company as the surviving company after the merger.

II. Date and Procedures for Approval of the Financial Statements

These parent company only financial statements were approved and authorized for issuance by the Board of Directors on March 10, 2026.

III. Application of Newly Issued and Revised Standards and Interpretations

- (I) The Company has adopted the IFRS, IAS, Interpretations, and Interpretation Bulletins (collectively referred to as "IFRSs") as endorsed and issued into effect by the FSC.

The following table summarizes the new, amended, and revised standards and interpretations of the IFRS as endorsed by the FSC and applicable in 2025:

<u>Newly Issued, Amended and Revised Standards and Interpretations</u>	<u>Effective date issued by the IASB</u>
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The application of IFRSs as endorsed and issued into effect by the FSC does not result in a material change in the Company's accounting policies.

- (II) Impact of IFRSs endorsed by the FSC but not yet adopted:

The following table summarizes the new, amended, and revised standards and interpretations of the IFRS as endorsed by the FSC and applicable in 2026:

<u>Newly Issued, Amended and Revised Standards and Interpretations</u>	<u>Effective date issued by the IASB</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-Dependent Electricity"	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Annual Improvements to IFRS Accounting Standards - Vol. 11	January 1, 2026

1. Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

- (1) Clarify and add further guidance for assessing whether financial assets meet the solely payments of principal and interest (SPPI) criterion, including contract terms that change cash flows based on contingent events (such as interest rates linked to ESG targets), instruments with non-recourse features, and contractually linked instruments.
- (2) Add disclosures for certain instruments with contractual terms that can change cash flows (such as certain instruments with features linked to the achievement of environmental, social, and governance (ESG) targets), including qualitative

descriptions of the nature of contingent events, quantitative information on the range of changes in contractual cash flows that may result from such terms, and, under those contractual terms, the gross carrying amount of financial assets and the amortized cost of financial liabilities.

- (3) Clarify the recognition and derecognition dates of certain financial assets and liabilities, and add that when an entity uses an electronic payment system to settle a financial liability (or part of a financial liability) in cash, the entity is permitted to treat the financial liability as extinguished before the settlement date if and only if the entity initiates a payment instruction and results in the following:
  - A. The entity does not have the ability to withdraw, stop, or cancel the payment instruction;
  - B. The entity does not have the practical ability to access the cash to be used for settlement as a result of the payment instruction;
  - C. The settlement risk associated with the electronic payment system is not significant.
- (4) Update that equity instruments designated at fair value through other comprehensive income (FVTOCI) through an irrevocable election shall disclose their fair value by each class, and are no longer required to disclose fair value information by each individual instrument. In addition, disclose the amount of fair value gains or losses recognized in other comprehensive income during the reporting period, separately presenting the amounts related to investments derecognized during the reporting period and those related to investments still held at the end of the reporting period, as well as the cumulative gains or losses transferred to equity during the reporting period upon derecognition of investments.

As of the date these parent company only financial statements were approved for issuance, the Company has assessed that the above standards and interpretations have no material impact on the Company's financial position and financial performance.

(III) Impact of IFRSs issued by the IASB but not yet endorsed by the FSC:

The following table summarizes IFRSs issued by the IASB but not yet endorsed by the FSC:

Newly Issued, Amended and Revised Standards and Interpretations	Effective date issued by the IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Amendments to IAS 21 "Translation into a Hyperinflationary Currency"	January 1, 2027

Note: In a press release dated September 25, 2025, the FSC announced that public companies will apply IFRS 18 starting from the year 2028; in addition, if an entity has a need to early adopt IFRS 18, it may choose to do so after IFRS 18 is endorsed by the FSC.

1. IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1, updates the structure of the statement of comprehensive income, introduces disclosures on management performance measures, and strengthens the principles of aggregation and disaggregation applied in the primary financial statements and notes.

As of the date of issuance of these parent company only financial statements, the Company is still assessing the impact of the above standards and interpretations on its

financial position and financial performance, and the related impact will be disclosed upon completion of the assessment.

#### IV. Summary of Significant Accounting Policies

A summary of the Company's significant accounting policies is as follows:

##### (I) Statement of Compliance

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

##### (II) Basis of Preparation

Except for financial instruments measured at fair value and the net defined benefit liability recognized at the present value of the defined benefit obligation less the fair value of plan assets, these parent company only financial statements have been prepared on a historical cost basis.

In preparing the parent company only financial statements, the Company accounts for investments in subsidiaries and affiliates using the equity method. The profit or loss for the period, other comprehensive income, and equity in these parent company only financial statements are the same as those attributable to owners of the Company in the consolidated financial statements, and there is no difference in accounting treatment between the parent company only basis and the consolidated basis.

##### (III) Foreign Currency

In preparing the parent company only financial statements of the Company, transactions in currencies other than the Company's functional currency are translated into the functional currency using the exchange rates at the transaction date. At each balance sheet date, monetary items denominated in foreign currencies are translated at the closing exchange rates.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the exchange rates at the date when the fair value is determined, and the resulting exchange differences are recognized in profit or loss for the period; however, for those whose changes in fair value are recognized in other comprehensive income, the resulting exchange differences are recognized in other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the transaction date and are not retranslated.

In preparing the parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into the presentation currency, New Taiwan dollars, using the exchange rates at each balance sheet date; income and expenses are translated using the average exchange rates for the period, and the resulting exchange differences are recognized in other comprehensive income and appropriately attributed to the owners of the Company and non-controlling interests.

Upon disposal of a foreign operation that results in a loss of control, joint control, or significant influence over that foreign operation, all equity attributable to the owners of the Company related to that foreign operation is reclassified to profit or loss.

When a partial disposal of a subsidiary that is included in a foreign operation does not result in a loss of control over that subsidiary, the cumulative exchange differences recognized in other comprehensive income are reattributed proportionately to the non-controlling interests of that subsidiary and are not

recognized in profit or loss. In any other partial disposal of a foreign operation, where the Company's ownership interest in an associate or jointly controlled entity is reduced but significant influence or joint control is not lost, the cumulative exchange differences recognized in other comprehensive income are reclassified to profit or loss in proportion to the percentage of disposal.

(IV) Classification of Assets and Liabilities as Current and Non-current

Current assets include cash and cash equivalents, assets held primarily for trading purposes, and assets expected to be realized within 12 months after the balance sheet date, but exclude those to be exchanged or used to settle liabilities, or otherwise restricted, for more than 12 months after the balance sheet date. Current liabilities include liabilities held primarily for trading purposes, liabilities due to be settled within 12 months after the balance sheet date, and liabilities for which the Company does not have a substantive right at the balance sheet date to defer settlement for at least 12 months after the balance sheet date.

Assets and liabilities that do not meet the above criteria for current classification are classified as non-current assets or non-current liabilities.

(V) Cash Equivalents

Cash and cash equivalents include cash on hand, bank deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value, including time deposits with original maturities of three months or less.

(VI) Financial Instruments

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

Upon initial recognition of financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs that are directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial Assets

(1) Measurement categories

The categories of financial assets held by the Company are as follows:

A. Equity Instrument Investments at Fair Value through Other Comprehensive Income

Upon initial recognition, the Company may make an irrevocable election to designate equity instrument investments that are neither held for trading nor contingent consideration recognized in a business combination as measured at fair value through other comprehensive income.

Equity instrument investments measured at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value presented in other comprehensive income and accumulated in other equity. Upon disposal of the investment, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

Dividends from equity instrument investments measured at fair value through other comprehensive income are recognized in profit or loss when the Company's right to receive payment is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

## B. Financial Assets Measured at Amortized Cost

The Company classifies financial assets as measured at amortized cost if both of the following conditions are met:

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

Financial assets measured at amortized cost (including cash and cash equivalents and accounts receivable measured at amortized cost) are measured, after initial recognition, at amortized cost determined using the effective interest method, which is the gross carrying amount less any impairment loss, and any foreign exchange gains or losses are recognized in profit or loss.

### (2) Impairment of financial assets and contract assets

At each balance sheet date, the Company assesses impairment losses on financial assets measured at amortized cost (including accounts receivable), debt instrument investments measured at fair value through other comprehensive income, lease receivables, and contract assets based on expected credit losses.

Loss allowances for accounts receivable, contract assets, and lease receivables are recognized based on lifetime expected credit losses. For other financial assets, the Company first assesses whether credit risk has increased significantly since initial recognition. If it has not increased significantly, a loss allowance is recognized based on 12-month expected credit losses; if it has increased significantly, a loss allowance is recognized based on lifetime expected credit losses.

Expected credit losses are a probability-weighted estimate of credit losses, with the risk of default used as the weighting factor. 12-month expected credit losses represent the expected credit losses that result from default events on a financial instrument that are possible within 12 months after the reporting date, while lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of the financial instrument.

Impairment losses on all financial assets are recognized through an allowance account to reduce their carrying amounts; however, the loss allowance for debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce their carrying amounts.

### (3) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when the financial asset is transferred and substantially all the risks and rewards of ownership of the asset have been transferred to another entity.

Upon derecognition of a financial asset measured at amortized cost in its entirety, the difference between its carrying amount and the consideration received is recognized in profit or loss. Upon derecognition of an equity instrument investment measured at fair value through other comprehensive income in its entirety, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

## 2. Equity Instruments

Debt and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Reacquired the Company's own equity instruments are recognized and deducted within equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance, or cancellation of the Company's own equity instruments.

## 3. Financial Liabilities

### (1) Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest method or at fair value through profit or loss.

Financial liabilities measured at fair value through profit or loss include those held for trading and those designated as measured at fair value through profit or loss.

Financial liabilities measured at fair value through profit or loss are measured at fair value, and any gains or losses arising from remeasurement are recognized in profit or loss.

Financial liabilities that are neither held for trading nor designated at fair value through profit or loss are measured at amortized cost using the effective interest method.

### (2) Derecognition of financial liabilities

The Company derecognizes a financial liability only when the obligation is discharged, cancelled, or expires. Upon derecognition of a financial liability, the difference between its carrying amount and the consideration paid is recognized in profit or loss.

## (VII) Inventory

The Company's inventories include raw materials, work in progress, semi-finished goods, finished goods, and merchandise, and are recorded at actual acquisition cost, with cost determined using the weighted-average method.

Inventories are measured at the lower of cost and net realizable value, with the comparison of cost and net realizable value made on an individual item basis. 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.

## (VIII) Investments Accounted for Using the Equity Method

The Company accounts for investments in subsidiaries and affiliates using the equity method.

### Investment in Subsidiaries

Subsidiaries are entities over which the Company has control.

Under the equity method, investments in subsidiaries are initially recognized at cost, and the carrying amount is subsequently adjusted for the Company's share of the subsidiaries' profit or loss, other comprehensive income, and distributions. In addition, the Company also recognizes changes in other equity of subsidiaries in proportion to its ownership interest.

When the Company's share of losses of a subsidiary equals or exceeds its interest in that subsidiary, including the carrying amount of the subsidiary under the equity method and other long-term interests that, in substance, form part of the Company's net investment in the subsidiary, the Company continues to recognize losses in proportion to its ownership interest.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company loses control of a subsidiary, it measures its remaining investment in the former subsidiary at fair value on the date control is lost, and the difference between the fair value of the remaining investment, any consideration received, and the carrying amount of the investment on the date control is lost is recognized in profit or loss for the year. In addition, all amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

The remaining investment in the former subsidiary is recognized at its fair value on the date control is lost as the initial cost of the investment in the affiliate.

Unrealized gains or losses on upstream transactions between the Company and its subsidiaries are eliminated in the parent company only financial statements. Gains or losses arising from upstream and lateral transactions between the Company and its subsidiaries are recognized in the parent company only financial statements only to the extent that they are unrelated to the Company's interests in the subsidiaries.

#### Investments in Affiliates

An affiliate is an entity over which the Company has significant influence but which is neither a subsidiary nor a joint arrangement.

The Company accounts for investments in affiliates using the equity method. Under the equity method, investments in affiliates are initially recognized at cost, and the carrying amount is subsequently adjusted for the Company's share of the affiliates' profit or loss, other comprehensive income, and distributions. In addition, changes in the equity of affiliates are recognized in proportion to the Company's ownership interest.

When the Company's share of losses of an affiliate equals or exceeds its interest in that affiliate, including the carrying amount of the investment in the affiliate under the equity method and other long-term interests that, in substance, form part of the Company's net investment in the affiliate, the Company discontinues recognizing further losses. The Company recognizes additional losses and liabilities only to the extent that it has incurred legal or constructive obligations or has made payments on behalf of the affiliate.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an affiliate at the acquisition date is recognized as goodwill, which is included in the carrying amount of the investment and is not amortized; any excess of the Company's share of the net fair value of the identifiable assets and liabilities of an affiliate at the acquisition date over the cost of acquisition is recognized in profit or loss for the period.

When an affiliate issues new shares and the Company does not subscribe in proportion to its ownership interest, resulting in a change in its ownership percentage and a corresponding change in the net equity of the investment, the increase or decrease is adjusted to capital reserve and the investment accounted for using the

equity method. However, if the Company does not subscribe or acquire shares in proportion to its ownership interest, resulting in a decrease in its ownership interest in an affiliate, the amounts previously recognized in other comprehensive income in relation to that affiliate are reclassified in proportion to the decrease, and the accounting treatment is consistent with that required if the affiliate had directly disposed of the related assets or liabilities; if the above adjustment should be debited to capital reserve and the balance of capital reserve arising from investments accounted for using the equity method is insufficient, the difference is debited to retained earnings.

In assessing impairment, the Company treats the entire carrying amount of the investment (including goodwill) as a single asset, compares the recoverable amount with the carrying amount, and performs an impairment test, with any recognized impairment loss forming part of the carrying amount of the investment. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date its investment ceases to be an affiliate, and measures any retained interest in the former affiliate at fair value, with the difference between that fair value, any consideration received, and the carrying amount of the investment on the date the equity method is discontinued recognized in profit or loss for the period. In addition, all amounts previously recognized in other comprehensive income in relation to that affiliate are accounted for on the same basis as would be required if the affiliate had directly disposed of the related assets or liabilities.

Gains or losses arising from upstream, downstream, and lateral transactions between the Company and its affiliates are recognized in the parent company only financial statements only to the extent that they are unrelated to the Company's interests in the affiliates.

(IX) Property, Plant, and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition or construction of the asset.

Property, plant and equipment under construction are recognized at cost less accumulated impairment losses. Such assets are reclassified to the appropriate category of property, plant and equipment and depreciation commences when they are completed and ready for their intended use.

Freehold land is not depreciated.

The Company uses the straight-line method to recognize depreciation, allocating the depreciable amount of an asset on a systematic basis over its estimated useful life, and reviews the estimated useful lives, residual values, and depreciation methods at least at each year-end, with the effect of any changes in accounting estimates applied prospectively.

Upon derecognition of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss for the period.

(X) Leases

The Company assesses whether a contract is, or contains, a lease at inception.

For contracts that contain lease and non-lease components, the Company allocates the consideration in the contract on a relative standalone price basis and accounts for each component separately.

## 1. The Company as a lessee

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

Right-of-use assets are initially measured at cost, which includes the initial measurement of the lease liability, lease payments made at or before the commencement date less any lease incentives received, initial direct costs, and an estimate of costs to restore the underlying asset, and are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, with adjustments for any remeasurement of the lease liability.

Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life or the end of the lease term. If ownership of the underlying asset is expected to transfer at the end of the lease term, or if the cost of the right-of-use asset reflects the exercise of a purchase option, depreciation is recognized from the commencement date to the end of the useful life of the underlying asset.

Lease liabilities are initially measured at the present value of the lease payments. If the interest rate implicit in the lease is readily determinable, the lease payments are discounted using that rate. If that rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. If changes in the lease term or other factors result in changes in future lease payments, the Company remeasures the lease liability and makes a corresponding adjustment to the right-of-use asset; however, if the carrying amount of the right-of-use asset has been reduced to zero, any remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented separately in the parent company only balance sheet.

## 2. The Company as a lessor

When the terms of a lease transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee, it is classified as a finance lease. All other leases are classified as operating leases.

Under operating leases, lease payments are recognized as income on a straight-line basis over the relevant lease term.

## (XI) Intangible Assets

### 1. Acquired separately

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

### 2. Internally generated - research and development expenditures

Expenditures incurred during the research phase are recognized as expenses when incurred, and intangible assets arising from the development phase of an internal project are recognized only when the specified criteria are met:

The cost of an internally generated intangible asset is recognized as the total of expenditures incurred from the date on which the specified criteria are met, and is subsequently measured at cost less accumulated amortization and accumulated impairment losses.

3. Derecognition

Upon derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss for the period.

(XII) Impairment of Non-financial Assets

At each balance sheet date, the Company estimates the recoverable amount of assets for which there are indications of impairment, and when the recoverable amount is lower than the carrying amount, an impairment loss is recognized. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the conditions that led to the recognition of an impairment loss in prior years no longer exist, the impairment loss is reversed to the extent of the amount previously recognized.

(XIII) Provisions for Liabilities

Provisions for liabilities are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Provisions for liabilities are measured at the present value of the best estimate of the expenditures required to settle the obligation at the balance sheet date, with the discount rate being a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, and the unwinding of the discount is recognized as interest expense. Provisions for liabilities shall not be recognized for future operating losses.

(XIV) Employee Benefits

1. Short-term employee benefits

Liabilities for short-term employee benefits are measured at the undiscounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

Contributions to defined contribution retirement plans are recognized as expenses during the period in which employees render services.

The defined benefit cost of defined benefit retirement plans, including service cost, net interest, and remeasurements, is determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense when incurred.

Remeasurements are recognized in other comprehensive income when they occur and are included in retained earnings, and are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) represents the deficit (surplus) of the defined benefit retirement plan. The net defined benefit asset shall not exceed the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions.

Pension cost for interim periods is calculated based on the actuarially determined pension cost rate at the end of the previous year, applied from the beginning of the year to the end of the current period, with adjustments made for significant market fluctuations during the current period and for significant plan amendments, settlements, or other significant one-off events.

### 3. Other long-term employee benefits

Other long-term employee benefits are accounted for in the same manner as defined benefit retirement plans, except that the related remeasurements are recognized in profit or loss.

### 4. Termination benefits

The Company recognizes a liability for termination benefits at the earlier of when it can no longer withdraw the offer of those benefits or when it recognizes the related restructuring costs.

## (XV) Revenue recognition

The Company identifies performance obligations in contracts with customers, allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is satisfied.

For contracts in which the period between the transfer of goods or services and the receipt of consideration is within one year, the Company does not adjust the transaction price for the effects of a significant financing component.

### 1. Revenue from sale of goods

The Company outsources manufacturing and sells goods, and recognizes revenue when the promised goods are delivered to the customer and the customer obtains control of the goods, that is, when the customer has the ability to direct the use of and obtain substantially all of the remaining benefits from the goods. The principal products are memory modules, flash memory cards, random access memory, and RAID products, and revenue is recognized based on the prices specified in the contracts.

For processing arrangements with materials supplied, control of the ownership of the processed products is not transferred, and therefore revenue is not recognized when the materials are supplied.

The warranties provided by the Company are assurances that the goods supplied will function as expected by customers and are accounted for in accordance with IAS 37.

The credit period for the Company's sales of goods transactions is 30 to 90 days. For most contracts, accounts receivable are recognized when control of the goods is transferred and the Company has an unconditional right to consideration; such receivables are generally short-term and do not contain a significant financing component. However, for some contracts, the Company receives part of the consideration from customers before transferring the goods, and therefore recognizes a contract liability for the obligation to transfer goods in the future.

### 2. Labor service revenues

Revenue from services provided by the Company is primarily recognized based on the progress toward completion of the contract.

The consideration under the Company's contracts is collected in accordance with the payment terms specified in the contracts. When services have been transferred to customers but the Company does not yet have an unconditional right to consideration, a contract asset is recognized, and such contract asset is measured for impairment based on lifetime expected credit losses in accordance with IFRS 9. However, for some contracts, the Company receives part of the consideration from customers at contract inception, and therefore recognizes a contract liability for the obligation to provide services in the future.

The period over which the aforementioned contract liabilities of the Company are recognized as revenue is usually not more than one year and does not give rise to a significant financing component.

(XVI) Share-based Payment

Equity-settled share-based payment arrangements are measured at the fair value of the equity instruments granted at the grant date, and the employee services received are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments shall reflect the effects of market vesting conditions and non-vesting conditions. The recognized remuneration cost is adjusted based on the number of awards expected to satisfy the service conditions and non-market vesting conditions, so that the final amount recognized is based on the number of awards that ultimately vest at the vesting date.

Cash-settled share-based payment arrangements are measured at the fair value of the liability incurred and are recognized as remuneration cost and a liability over the vesting period, and are remeasured at the fair value of the equity instruments granted at each balance sheet date and at the settlement date, with any changes recognized in profit or loss for the period.

(XVII) Income Tax

Income tax expense comprises current income tax and deferred income tax.

1. Current income tax

Current income tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date in the countries in which the Company operates and generates taxable income.

The additional tax on undistributed earnings calculated in accordance with the Income Tax Act is recognized as income tax expense in the year of the shareholders' resolution.

Adjustments to income tax payable for prior years are recognized in current income.

2. Deferred income tax

Deferred income tax is recognized on temporary differences arising between the carrying amounts of assets and liabilities and their tax bases used in the computation of taxable income. Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized when it is probable that future taxable income will be available against which deductible temporary differences, loss carryforwards, or tax credits arising from research and development expenditures can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries and affiliates, except where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax assets arising from deductible temporary differences related to such investments and equity interests are recognized only to the extent that it is probable that sufficient taxable income will be available to realize the benefits of the temporary differences and that they are expected to reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that

sufficient taxable income will be available to allow all or part of the asset to be recovered. Deferred income tax assets that were not previously recognized are also reassessed at each balance sheet date and recognized to the extent that it has become probable that future taxable income will be available to recover all or part of the asset.

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

### 3. Current and deferred income tax

Current and deferred income tax are recognized in profit or loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case the current and deferred income tax are recognized in other comprehensive income or directly in equity, respectively.

## V. Major Sources of Uncertainty in Significant Accounting Judgments, Estimates, and Assumptions

In applying the Company's accounting policies, where relevant information is not readily available from other sources, management is required to make judgments, estimates, and assumptions based on historical experience and other relevant factors, and actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. If the estimated revision affects only the current period, it shall be recognized in the period of the change in accounting estimate. If the revision of an accounting estimate affects both the current period and future periods, it shall be recognized in the period of the change in accounting estimate and in future periods.

The Company's major sources of uncertainty in significant accounting judgments, estimates, and assumptions are as follows:

### 1. Impairment assessment of property, plant and equipment and intangible assets (excluding goodwill)

In the process of assessing asset impairment, the Company relies on subjective judgment and, based on asset utilization patterns and industry characteristics, determines the independent cash flows of specific asset groups, the useful lives of assets, and the future revenues and expenses that may be generated. Any changes in estimates resulting from changes in economic conditions or the Company's strategies may result in significant impairment losses or reversal of previously recognized impairment losses in the future.

### 2. Valuation of inventories

Since inventories are measured at the lower of cost and net realizable value, the Company must use judgment and estimates to determine the net realizable value of inventories as of the balance sheet date.

Due to rapid technological changes, the Company assesses, as of the balance sheet date, the amounts of inventories that are subject to normal loss, obsolescence, or lack of marketability, and writes down the cost of inventories to net realizable value. This inventory valuation is primarily based on estimated product demand over a specific future period and may therefore result in significant changes.

3. Impairment assessment of investments accounted for using the equity method  
(including goodwill and other intangible assets)

The Company's management evaluates impairment based on the forecast of future cash flows of the investee, including the operating cash flows that the investee's internal management estimates may be generated in the future, and determines an appropriate discount rate to be used in calculating the present value. The Company also considers relevant market and industry conditions in determining the reasonableness of the related assumptions.

VI. Descriptions of Significant Accounting Items

(I) Cash and Cash Equivalents

	<u>2025.12.31</u>	<u>2024.12.31</u>
Cash on hand and petty cash	\$ —	\$ 100
Bank checks and demand deposits	55,781	49,459
Time deposits	10,000	40,000
	<u>\$ 65,781</u>	<u>\$ 89,559</u>

As of December 31, 2025 and 2024, the above bank deposits were not pledged as collateral or otherwise restricted.

(II) Financial Assets at Fair Value through Other Comprehensive Income

	<u>2025.12.31</u>	<u>2024.12.31</u>
<u>Non-current Items</u>		
Equity instrument investments		
Domestic unlisted stocks	<u>\$ 4,029</u>	<u>\$ 3,705</u>

- The Company invests in the common shares of the above companies for mid-term and long-term strategic purposes and expects to generate profits through long-term investments. The Company's management considers that recognizing short-term fair value fluctuations of these investments in profit or loss is inconsistent with the aforementioned long-term investment strategy, and therefore elects to designate these investments as measured at fair value through other comprehensive income.
- The Company's investee, Innorich Venture Capital Corp., resolved at the annual shareholders' meeting in May 2025 to carry out a cash capital reduction, and the Company received the returned capital in November of the same year.
- As of December 31, 2025 and 2024, the above financial assets measured at fair value through other comprehensive income were not pledged as collateral or otherwise restricted.

(III) Financial Assets Measured at Amortized Cost - Current

	<u>2025.12.31</u>	<u>2024.12.31</u>
Time deposits with original maturities of more than 3 months	<u>\$ 70,000</u>	<u>\$ —</u>
Interest rate range	<u>1.445%~1.555%</u>	<u>—</u>

As of December 31, 2025 and 2024, the above financial assets measured at amortized cost were not pledged as collateral or otherwise restricted.

(IV) Notes, Accounts and Other Receivables

	2025.12.31	2024.12.31
<u>Notes receivable</u>		
Notes receivable - arising from operations	\$ 2,606	\$ 91
Notes receivable - not arising from operations	—	—
Less: Allowance for doubtful accounts	—	—
	<u>\$ 2,606</u>	<u>\$ 91</u>
<u>Accounts receivable</u>		
Accounts receivable	\$ 14,388	\$ 36,953
Less: Allowance for doubtful accounts	—	—
	<u>\$ 14,388</u>	<u>\$ 36,953</u>
<u>Other Receivables</u>		
Refundable deposits and labor service revenue	\$ 599	\$ 109
Less: Allowance for doubtful accounts	—	—
	<u>\$ 599</u>	<u>\$ 109</u>

1. The Company applies the simplified approach under IFRS 9 to recognize allowance for expected credit losses on accounts receivable based on lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix, which considers customers' historical default records, current financial conditions, and industry economic conditions. Based on the Company's historical experience of credit losses, there is no significant difference in loss patterns among different customer groups; therefore, the provision matrix does not further distinguish customer groups and only sets expected credit loss rates based on the number of days past due for accounts receivable.
2. The Company measures the allowance for losses on accounts receivable and other receivables based on the provision matrix

	2025.12.31					Total
	Not overdue	Overdue 1-90 days	Overdue 91-180 days	Overdue 181-270 days	Overdue over 270 days	
Gross carrying amount	\$ 14,987	\$ —	\$ —	\$ —	\$ —	\$ 14,987
Expected credit loss rate	0%	0%	0%	0%	100%	
Allowance for losses (lifetime expected credit losses)	—	—	—	—	—	—
Amortized cost	<u>\$ 14,987</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 14,987</u>
	2024.12.31					
	Not overdue	Overdue 1-90 days	Overdue 91-180 days	Overdue 181-270 days	Overdue over 270 days	Total
Gross carrying amount	36,736	\$ 326	\$ —	\$ —	\$ —	\$ 37,062
Expected credit loss rate	0%	0%	0%	0%	100%	
Allowance for losses (lifetime expected credit losses)	—	—	—	—	—	—
Amortized cost	<u>\$ 36,736</u>	<u>\$ 326</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 37,062</u>

3. As of December 31, 2025 and 2024, the above notes and accounts receivable were not pledged as collateral or otherwise restricted.

(V) Inventories

	2025.12.31	2024.12.31
Product	\$ 4,425	\$ 10,934
Finished Goods	5,465	1,517
Semi-finished Goods	4,586	7,019
Work in Process	951	641
Raw Materials	2,076	3,263
	<u>\$ 17,503</u>	<u>\$ 23,374</u>

1. Inventory-related gains and losses recognized as cost of goods sold in the current period are as follows:

	2025	2024
Cost of inventories sold	\$ 150,701	\$ 155,445
Reversal of Inventory Write-down and Obsolescence Loss	(30,296)	(714)
Scrap Income	(5,245)	—
	<u>\$ 115,160</u>	<u>\$ 154,731</u>

2. As of December 31, 2025 and 2024, the above net inventories were not pledged as collateral or otherwise restricted.

(VI) Investments Accounted for Using the Equity Method

	2025.12.31	2024.12.31
Subsidiary	\$ —	\$ 53,482
Affiliate	42,328	48,399
	<u>\$ 42,328</u>	<u>\$ 101,881</u>

1. Subsidiary

(1) Subsidiaries of the Company are as follows:

Investee company	2025.12.31		2024.12.31	
	Amount	Shareholding Ratio	Amount	Shareholding Ratio
Morelink Technology Corporation (hereinafter referred to as Morelink Technology)	\$ —	—	\$ 20,986	47.61%
Phoenix Innovative Materials Inc. (hereinafter referred as Phoenix Innovative Materials)	—	—	32,496	98.89%
	<u>\$ —</u>		<u>\$ 53,482</u>	

(2) In December 2025, the Company's Board of Directors resolved to dispose of all shares held in Morelink Technology and Phoenix Innovative Materials to related parties, and the transaction was completed on December 29 of the same year, resulting in the loss of control over them. The disposal proceeds amounted to NT\$9,556 thousand and NT\$31,968 thousand, respectively, and gains on disposal of investments of NT\$7,199 thousand and NT\$10,799 thousand were recognized. For disclosures regarding the Company's disposal of shares in the above subsidiaries, please refer to Note 6(19) of the 2025 consolidated financial statements. For disclosures regarding related party transactions, please refer to Note 7.

(3) The Company recognized goodwill of NT\$19,800 thousand arising from the acquisition of Morelink Technology. For the impairment testing of goodwill, it is allocated to the cash-generating unit related to Morelink Technology, and value in use is used as the basis for calculating the recoverable amount. The calculation of value in use is based on the cash flow projections derived from

management-approved financial forecasts for the next five years, and is calculated using a discount rate of 11.44% as of December 31, 2024 to reflect the specific risks of the relevant cash-generating unit.

Based on the aforementioned assessment results, the Company recognized a goodwill impairment loss of NT\$6,398 thousand for 2024.

- (4) For information related to the Company's subsidiaries, please refer to the 2025 consolidated financial statements.

## 2. Affiliate

- (1) Affiliates of the Company are as follows:

<u>Investee company</u>	<u>2025.12.31</u>		<u>2024.12.31</u>	
	<u>Amount</u>	<u>Shareholding Ratio</u>	<u>Amount</u>	<u>Shareholding Ratio</u>
Individually immaterial affiliates:				
Foresight Energy Technologies Co., Ltd.	\$ 42,328	9.04%	\$ 48,399	9.04%

The Company holds a 9.04% ownership interest in Foresight Energy Technologies Co., Ltd. Although the Company's ownership interest is less than 20%, it has significant influence and therefore applies the equity method for valuation.

- (2) For information on the nature of operations, principal place of business, and country of incorporation of the above affiliates, please refer to Table 2 of Note 13, "Information on Investees, Locations, and Other Related Information."
- (3) The summarized financial information of the Company's individually immaterial affiliates is as follows:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Total assets	\$ 821,967	\$ 685,863
Total liabilities	\$ 353,735	\$ 150,475
	<u>2025</u>	<u>2024</u>
Operating revenue of the year	\$ 188,451	\$ 111,597
Net loss of the year	\$ (67,154)	\$ (137,054)
Other comprehensive income of the year	\$ (2)	\$ 812

- (4) The share of profit or loss and other comprehensive income of affiliates recognized under the equity method for 2025 and 2024 is based on the financial statements of each affiliate for the same periods audited by CPAs.

3. As of December 31, 2025 and 2024, the above investments accounted for using the equity method were not pledged as collateral or otherwise restricted.

## (VII) Property, Plant, and Equipment

	<u>2025.12.31</u>	<u>2024.12.31</u>
Self-use	\$ 197,421	\$ 199,382
Operating lease - lessor	59,944	60,273
	<u>\$ 257,365</u>	<u>\$ 259,655</u>

## 1. Self-use

	Land	Building	Office equipment	Other equipment	Total
<u>Cost and revaluation increment</u>					
Balance as of January 1, 2025	\$ 166,085	\$ 77,801	\$ 1,426	\$ 117	\$ 245,429
Additions	—	—	350	—	350
Disposal	—	—	(706)	—	(706)
Balance as of December 31, 2025	<u>\$ 166,085</u>	<u>\$ 77,801</u>	<u>\$ 1,070</u>	<u>\$ 117</u>	<u>\$ 245,073</u>
Balance as of January 1, 2024	\$ 166,085	\$ 77,801	\$ 2,720	\$ 117	\$ 246,723
Additions	—	—	—	—	—
Disposal	—	—	(1,294)	—	(1,294)
Balance as of December 31, 2024	<u>\$ 166,085</u>	<u>\$ 77,801</u>	<u>\$ 1,426</u>	<u>\$ 117</u>	<u>\$ 245,429</u>
<u>Accumulated depreciation/impairment</u>					
Balance as of January 1, 2025	\$ —	\$ 44,749	\$ 1,247	\$ 51	\$ 46,047
Depreciation Expenses	—	2,111	161	39	2,311
Disposal	—	—	(706)	—	(706)
Balance as of December 31, 2025	<u>\$ —</u>	<u>\$ 46,860</u>	<u>\$ 702</u>	<u>\$ 90</u>	<u>\$ 47,652</u>
Balance as of January 1, 2024	\$ —	\$ 42,638	\$ 2,289	\$ 12	\$ 44,939
Depreciation Expenses	—	2,111	252	39	2,402
Disposal	—	—	(1,294)	—	(1,294)
Balance as of December 31, 2024	<u>\$ —</u>	<u>\$ 44,749</u>	<u>\$ 1,247</u>	<u>\$ 51</u>	<u>\$ 46,047</u>

## 2. Operating lease - lessor

	Land	Building	Total
<u>Cost and revaluation increment</u>			
Balance as of January 1, 2025	\$ 47,457	\$ 15,918	\$ 63,375
Additions	—	—	—
Disposal	—	—	—
Balance as of December 31, 2025	<u>\$ 47,457</u>	<u>\$ 15,918</u>	<u>\$ 63,375</u>
Balance as of January 1, 2024	\$ 47,457	\$ 15,918	\$ 63,375
Additions	—	—	—
Disposal	—	—	—
Balance as of December 31, 2024	<u>\$ 47,457</u>	<u>\$ 15,918</u>	<u>\$ 63,375</u>
<u>Accumulated depreciation/impairment</u>			
Balance as of January 1, 2025	\$ —	\$ 3,102	\$ 3,102
Depreciation Expenses	—	329	329
Disposal	—	—	—
Balance as of December 31, 2025	<u>\$ —</u>	<u>\$ 3,431</u>	<u>\$ 3,431</u>
Balance as of January 1, 2024	\$ —	\$ 2,773	\$ 2,773
Depreciation Expenses	—	329	329
Disposal	—	—	—
Balance as of December 31, 2024	<u>\$ —</u>	<u>\$ 3,102</u>	<u>\$ 3,102</u>

The Company leases out land and buildings under operating leases for a lease term of 1 to 3 years. At the end of the lease term, the lessees do not have a bargain purchase option for these assets.

The total future lease payments to be received from operating leases of the Company's owned property, plant and equipment are as follows:

	2025.12.31	2024.12.31
1st year	\$ 2,895	\$ 3,653
2nd year	651	1,689
	<u>\$ 3,546</u>	<u>\$ 5,342</u>

3. The Company's property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

Building	35-50 years
Office equipment	5 years
Other equipment	2 years

4. As of December 31, 2025 and 2024, for the Company's provision of land and buildings as collateral for borrowings, please refer to Notes 6(9) and 8.

(VIII) Right-of-use Assets

1. Right-of-use Assets

	2025.12.31	2024.12.31
<u>Carrying amount of right-of-use assets</u>		
Transportation equipment	<u>\$ 1,821</u>	<u>\$ 5,510</u>
		<u>Transportation equipment</u>
<u>Cost and revaluation increment</u>		
Balance as of January 1, 2025		\$ 9,094
Additions		—
Disposal		(5,284)
Balance as of December 31, 2025		<u>\$ 3,810</u>
Balance as of January 1, 2024		\$ 9,094
Additions		—
Disposal		—
Balance as of December 31, 2024		<u>\$ 9,094</u>
<u>Accumulated depreciation/impairment</u>		
Balance as of January 1, 2025		\$ 3,584
Depreciation Expenses		1,721
Disposal		(3,316)
Balance as of December 31, 2025		<u>\$ 1,989</u>
Balance as of January 1, 2024		\$ 1,691
Depreciation Expenses		1,893
Disposal		—
Balance as of December 31, 2024		<u>\$ 3,584</u>

## 2. Lease Liabilities

	<u>2025.12.31</u>	<u>2024.12.31</u>
<u>Carrying amount of lease liabilities</u>		
Current	\$ 776	\$ 1,872
Non-current	1,119	3,756
	<u>\$ 1,895</u>	<u>\$ 5,628</u>

The range of discount rates for lease liabilities is as follows:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Transportation equipment	3.12%	1.62%~3.12%

## 3. Significant leasing activities and terms

The Company leases certain transportation equipment for operating use, with a lease term of 5 years. At the end of the lease term, the Company does not have a bargain purchase option for the leased transportation equipment.

## 4. Other lease information

	<u>2025</u>	<u>2024</u>
Expenses relating to leases of low-value assets	\$ 274	\$ 272
Total cash (outflow) for leases	<u>\$ (2,039)</u>	<u>\$ (2,118)</u>

The Company elects to apply the recognition exemption for leases that qualify as short-term leases and leases of low-value assets, and therefore does not recognize the related right-of-use assets and lease liabilities for such leases.

## (IX) Short-term Borrowings

1. As of December 31, 2025 and 2024, for the Company's provision of assets as collateral for borrowings, please refer to Notes 6(7) and 8.
2. As of December 31, 2025 and 2024, the unused borrowing facilities granted to the Company by financial institutions amounted to NT\$120,000 thousand and NT\$130,000 thousand, respectively.

## (X) Other Payables

	<u>2025.12.31</u>	<u>2024.12.31</u>
Salaries and Bonuses Payable	\$ 10,764	\$ 11,330
Labor Service Fees Payable	2,943	4,111
Others	3,026	3,192
	<u>\$ 16,733</u>	<u>\$ 18,633</u>

## (XI) Post-employment Benefit Plans

### 1. Defined Contribution Plan

The pension plan applicable to the Company under the "Labor Pension Act" is a government-managed defined contribution plan, under which the Company contributes 6% of each employee's monthly salary to the individual pension accounts with the Bureau of Labor Insurance.

The amounts required to be contributed by the Company under the defined contribution plan at the specified rate for 2025 and 2024 have been recognized as total expenses in the parent company only statement of comprehensive income, amounting to NT\$2,549 thousand and NT\$2,482 thousand, respectively. As of December 31, 2025 and 2024, the amounts of contributions due but not yet paid to the plan were NT\$612 thousand and NT\$610 thousand, respectively. These amounts were all paid after the balance sheet date.

## 2. Defined Benefit Plan

Certain employees of the Company are subject to the pension plan under the "Labor Standards Act" of the Taiwan, which is a defined benefit plan. Employee pension payments are calculated based on years of service and the average salary for the six months preceding the approved retirement date. The Company contributes 4% of the total monthly salaries of employees to the employee pension fund, which is deposited in a dedicated account with the Bank of Taiwan in the name of the Supervisory Committee of Business Entities' Labor Pension Reserve. Before the end of each year, if the estimated balance in the account is insufficient to cover the pension payments expected for employees who will meet retirement conditions in the following year, the Company will make a one-time contribution to cover the shortfall before the end of March of the following year. The account is managed by an agency designated by the central competent authority; therefore, the Company has no right to participate in the management of the pension fund.

In 2024, the Company reached agreements with certain employees to settle their seniority under the old system and settled the related pension in accordance with relevant regulations. The resulting settlement gain was recognized in the statement of comprehensive income.

The movements in the present value of defined benefit obligations are as follows:

	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit asset
Balance as of January 1, 2024	\$ 11,058	\$ (23,346)	\$ (12,288)
Service costs			
Current service costs	—	—	—
Interest expense (income)	38	(122)	(84)
Recognized in profit or loss	38	(122)	(84)
Remeasurements			
Return on plan assets	—	(2,023)	(2,023)
Actuarial losses (gains)			
Changes in demographic assumptions	—	—	—
Changes in financial assumptions	—	—	—
Experience adjustments	(38)	—	(38)
Recognized in other comprehensive income	(38)	(2,023)	(2,061)
Contributions from plan participants	—	—	—
Benefits paid	(11,058)	—	(11,058)
Settlement of the pension fund account	—	25,491	25,491
Balance as of December 31, 2024	\$ —	\$ —	\$ —

The pension expenses recognized in profit or loss for the above defined benefit plan are presented in the following line items:

	2024
Operating Costs	\$ (14)
Selling Expenses	(13)
Administrative Expenses	(34)
R&D Expenses	(23)
Total	\$ (84)

The Company is exposed to the following risks under the pension plan of the "Labor Standards Act":

- (1) Investment risk: The agency designated by the central competent authority invests the labor pension fund in equity securities, debt securities, bank deposits, and other instruments through self-management and entrusted management. However, in accordance with the "Labor Standards Act," the overall return on assets shall not be lower than the interest rate on two-year time deposits with local banks.
- (2) Interest rate risk: A decrease in interest rates on government bonds will increase the present value of defined benefit obligations; however, returns on debt investments of plan assets will also increase accordingly, partially offsetting the impact on the net defined benefit liability.
- (3) Salary risk: The calculation of the present value of defined benefit obligations is based on the future salaries of plan participants. Accordingly, an increase in the salaries of plan participants will increase the present value of defined benefit obligations.

(XII) Equity

1. Common share capital

	<u>2025.12.31</u>	<u>2024.12.31</u>
Authorized shares (thousand shares)	200,000	200,000
Authorized share capital	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Issued and fully paid shares (thousand shares)	91,628.8	91,628.8
Issued share capital	<u>\$ 916,288</u>	<u>\$ 916,288</u>

Each issued common share has a par value of NT\$10 and carries one voting right and the right to receive dividends.

2. Capital Reserve

	<u>2025.12.31</u>	<u>2024.12.31</u>
<u>May only be used to offset losses</u>		
Amount recognized for changes in ownership interests in subsidiaries	\$ 69	\$ 69
Amount recognized for changes in the equity of affiliates and joint ventures accounted for using the equity method	60,585	60,585
	<u>\$ 60,654</u>	<u>\$ 60,654</u>

This category of capital reserve represents the effects of equity transactions recognized due to changes in the equity of subsidiaries and affiliates when the Company has not actually acquired or disposed of their ownership interests, or adjustments to capital reserve recognized by the Company under the equity method for subsidiaries and affiliates.

### 3. Retained earnings and dividend policy

According to the Company's Articles of Incorporation regarding the policy for distribution of earnings, if there are profits in the annual settlement, after payment of taxes in accordance with laws and offsetting prior years' losses, 10% shall first be appropriated as legal reserve, unless the legal reserve has reached the Company's paid-in capital. When necessary, special reserve shall be appropriated or reversed in accordance with laws. If there is any remaining balance, together with the accumulated undistributed earnings from prior periods, except for the portion of earnings that may be retained for distribution in subsequent years upon further resolution, the Board of Directors shall propose an earnings distribution plan in accordance with the Company's dividend policy. If the distribution is to be made by issuing new shares, it shall be resolved by the shareholders' meeting before distribution.

The Company's distribution of dividends and bonuses or all or part of legal reserve and capital reserve in cash shall be authorized by the Board of Directors upon attendance of at least two-thirds of the directors and approval by a majority of the directors present, and shall be reported to the shareholders' meeting.

Taking into consideration the environment in which it operates and its stage of growth, and in response to future funding needs and long-term financial planning, as well as to meet shareholders' demand for cash inflows, the Company shall distribute more than 50% of distributable earnings as dividends to shareholders, of which cash dividends shall not be less than 20% of the total dividends.

The Company has had no supervisors since June 13, 2007, and the duties of supervisors are performed by the Audit Committee.

According to the Company Act, the legal reserve shall be appropriated until its balance reaches the total paid-in capital. The legal reserve may be used to offset losses. When the Company has no losses, the portion of the legal reserve exceeding 25% of the total paid-in capital may be capitalized or distributed in cash.

When distributing earnings, the Company shall appropriate a special reserve in accordance with laws and regulations for the net reduction of other equity items, such as cumulative balances of exchange differences arising from the translation of financial statements of foreign operations, unrealized gains or losses on financial assets measured at fair value through other comprehensive income, and gains and losses on hedging instruments in effective cash flow hedges. Subsequently, if the amount of reductions in other equity items decreases, the corresponding amount may be reversed from special reserve to retained earnings.

The Company was in an accumulated loss position for both 2025 and 2024. Therefore, disclosure of earnings per share information is not required.

Information on earnings distribution approved by the Company's Board of Directors and resolved by the shareholders' meeting can be obtained from MOPS and other websites.

#### 4. Other equity items

##### (1) Exchange Differences on Translation of Financial Statements of Foreign Operations

	<u>2025</u>	<u>2024</u>
Beginning Balance	\$ 30	\$ (44)
Share of Other Comprehensive Income of Subsidiaries, Affiliates and Joint Ventures Accounted for Using the Equity Method	<u>—</u>	<u>74</u>
Ending Balance	<u>\$ 30</u>	<u>\$ 30</u>

Exchange differences arising from the translation of the net assets of foreign operations from their functional currency into the Company's presentation currency are recognized directly in other comprehensive income under exchange differences on translation of financial statements of foreign operations. Exchange differences previously accumulated under translation of financial statements of foreign operations are reclassified to profit or loss upon disposal of the foreign operation.

##### (2) Unrealized Profit or Loss on Financial Assets at Fair Value through Other Comprehensive Income

	<u>2025</u>	<u>2024</u>
Beginning Balance	\$ (11,295)	\$ (10,650)
Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	<u>1,726</u>	<u>(645)</u>
Ending Balance	<u>\$ (9,569)</u>	<u>\$ (11,295)</u>

Equity instrument investments measured at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value presented in other comprehensive income and accumulated in other equity. Upon disposal of the investment, the cumulative gains or losses are transferred directly to retained earnings and are not reclassified to profit or loss.

#### (XIII) Operating Revenue

	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers		
Revenue from sale of goods	\$ 169,650	\$ 204,080
Revenue from provision of labor services	<u>3,731</u>	<u>5,485</u>
	<u>\$ 173,381</u>	<u>\$ 209,565</u>

Information related to revenue from contracts with customers for 2025 and 2024 is as follows:

1. Disaggregation of revenue:

The Company's revenue can be disaggregated by major product categories and geographical regions. Please refer to Note 14 for related information. In addition, the breakdown by timing of revenue recognition is as follows:

	<u>2025</u>	<u>2024</u>
Timing of revenue recognition		
At a point in time	\$ 169,650	\$ 204,080
Satisfied over time	<u>3,731</u>	<u>5,485</u>
	<u>\$ 173,381</u>	<u>\$ 209,565</u>

2. Contract balances:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Accounts receivable (Note 6(4))	\$ <u>14,388</u>	\$ <u>36,953</u>
Contract liabilities - current		
Sale of products	<u>\$ 114</u>	<u>\$ 117</u>

The changes in contract liabilities mainly arise from the difference between the timing of satisfaction of performance obligations and the timing of customer payments.

The amounts recognized as revenue in 2025 and 2024 from contract liabilities at the beginning of the year were NT\$6 thousand and NT\$2,421 thousand, respectively.

3. Transaction price allocated to remaining performance obligations:

As of December 31, 2025 and 2024, the Company's contracts with customers for the sale of products and provision of services are all less than one year, and therefore information on remaining performance obligations is not required to be disclosed.

4. Assets recognized from the costs of obtaining or fulfilling contracts with customers: None.

(XIV) Additional information on the nature of expenses

By Nature	2025			2024		
	Attributed to Operating Costs	Attributed to Operating Expenses	Total	Attributed to Operating Costs	Attributed to Operating Expenses	Total
Employee benefit expenses						
Salary Expenses	\$ 7,655	\$ 49,294	\$ 56,949	\$ 7,627	\$ 41,881	\$ 49,508
Labor and Health Insurance Expenses	905	3,792	4,697	917	3,684	4,601
Post-employment Benefits						
Defined Contribution Plan	412	2,137	2,549	426	2,056	2,482
Defined Benefit Plan	—	—	—	(14)	(70)	(84)
Directors' Remuneration	—	675	675	—	775	775
Other Personnel Expenses	640	2,184	2,824	552	1,818	2,370
	<u>\$ 9,612</u>	<u>\$ 58,082</u>	<u>\$ 67,694</u>	<u>\$ 9,508</u>	<u>\$ 50,144</u>	<u>\$ 59,652</u>
Depreciation Expenses	<u>\$ 782</u>	<u>\$ 3,579</u>	<u>\$ 4,361</u>	<u>\$ 781</u>	<u>\$ 3,843</u>	<u>\$ 4,624</u>

According to the Company Act and the Company's Articles of Incorporation, if there are profits in a given year, 5% to 15% shall be appropriated as employee remuneration and no more than 2% as directors' remuneration, and of the employee remuneration appropriated in the preceding paragraph, no less than 10% shall be distributed to entry-level employees.

The Company was in a loss position for both 2025 and 2024, with losses yet to be offset, and therefore no employee compensation or directors' remuneration was accrued.

If there is a significant change in the amount approved by the Board of Directors before the issuance date of the annual separate financial statements, such change shall be adjusted to the expenses of the year originally accrued. If the amount is further changed after the issuance date of the annual parent company only financial statements, it shall be treated as a change in accounting estimate and adjusted in the following year.

Information on employee compensation and directors' remuneration approved by the Company's Board of Directors and resolved by the shareholders' meeting can be obtained from MOPS and other websites.

(XV) Other Gains and Losses

	<u>2025</u>	<u>2024</u>
Other gains		
Lease income	\$ 4,530	\$ 4,489
Gain on disposal of investments	17,998	—
Net exchange gain	—	334
Other income	11,477	5,588
Other loss		
Net exchange loss	(598)	—
Impairment loss	—	(6,398)
	<u>\$ 33,407</u>	<u>\$ 4,013</u>

(XVI) Income Tax

1. The major components of income tax expense (benefit) are as follows:

(1) Income tax recognized in profit or loss:

	<u>2025</u>	<u>2024</u>
Current Income Tax		
Current tax generated	\$ —	\$ —
Deferred income tax		
Origination and reversal of temporary differences	(5)	16
Income tax expense (benefit) recognized in profit or loss	<u>\$ (5)</u>	<u>\$ 16</u>

(2) Income tax recognized in other comprehensive income:

	<u>2025</u>	<u>2024</u>
Deferred income tax		
Remeasurements of Defined Benefit Plans	\$ —	\$ (2,728)

2. Reconciliation between loss before tax and income tax expense (benefit) recognized in profit or loss is as follows:

	<u>2025</u>	<u>2024</u>
Income tax expense calculated based on loss before tax	\$ (6,748)	\$ (13,280)
Income tax effect of permanent differences	(4,431)	2,899
Loss carryforwards to subsequent years	39,149	(77)
Realized investment losses	(29,126)	—
Investment losses recognized under the equity method	7,206	9,344
Reversal of Inventory Write-down and Obsolescence Loss	(6,059)	(143)
Unrealized impairment losses	—	1,279
Intercompany realized sales (gains) losses	4	(2)
Unrealized intercompany sales losses	—	(4)
Income tax expense (benefit) recognized in profit or loss	<u>\$ (5)</u>	<u>\$ 16</u>

3. Current income tax assets and liabilities:

	2025.12.31	2024.12.31
Current Income Tax Assets		
Income tax refund receivable	\$ 66	\$ 85

4. Deferred income tax:

The Company offsets certain deferred tax assets and liabilities that meet the criteria for offsetting. The analysis of deferred tax assets and liabilities in the parent company only balance sheet is as follows:

January to December 2025	Beginning Balance	Recognized in profit or loss	Recognized in other comprehensive (loss) income	Ending Balance
Deferred Income Tax Liabilities				
Unrealized exchange gains	\$ 5	\$ (5)	\$ —	\$ —
January to December 2024	Beginning Balance	Recognized in profit or loss	Recognized in other comprehensive (loss) income	Ending Balance
Deferred income tax assets				
Unrealized exchange losses	\$ 11	\$ (11)	\$ —	\$ —
Deferred Income Tax Liabilities				
Actuarial gains and losses on defined benefit plans	\$ 2,728	\$ —	\$ (2,728)	\$ —
Unrealized exchange gains	—	5	—	5
	\$ 2,728	\$ 5	\$ (2,728)	\$ 5

5. Items not recognized as deferred income tax:

Items	2025.12.31	2024.12.31
Loss carryforwards	\$ 722,988	\$ 500,394
Deductible temporary differences	\$ 263,885	\$ 509,104

6. Information on unused loss carryforwards:

As of December 31, 2025, the Company had loss carryforwards available for use amounting to NT\$722,988 thousand, with the final carryforward year being 2035.

7. Status of income tax assessments

As of December 31, 2025, the Company's corporate income tax returns have been assessed by the tax authorities through 2023.

(XVII) EPS

	2025	2024
Basic EPS	\$ (0.37)	\$ (0.72)
Diluted EPS	\$ (0.37)	\$ (0.72)

The earnings and weighted average number of common shares used in the calculation of basic and diluted earnings per share are as follows:

	2025	2024
Net loss attributable to owners of the parent	\$ (33,738)	\$ (66,418)
Weighted average number of common shares for basic earnings per share (thousand shares)	91,629	91,629

(XVIII) Cash Flow Information

1. Reconciliation of liabilities arising from financing activities:

<u>January to December, 2025</u>	<u>Beginning Balance</u>	<u>Cash Flow</u>	<u>Non-cash changes</u>		<u>Ending Balance</u>
			<u>Others</u>		
Lease Liabilities (current and non-current)	\$ 5,628	\$ (1,713)	\$ (2,020)		\$ 1,895
Guarantee Deposits Received	738	8	—		746
Total liabilities from financing activities	<u>\$ 6,366</u>	<u>\$ (1,705)</u>	<u>\$ (2,020)</u>		<u>\$ 2,641</u>

<u>January to December, 2024</u>	<u>Beginning Balance</u>	<u>Cash Flow</u>	<u>Non-cash changes</u>		<u>Ending Balance</u>
			<u>Others</u>		
Lease Liabilities (current and non-current)	\$ 7,474	\$ (1,846)	\$ —		\$ 5,628
Guarantee Deposits Received	738	—	—		738
Total liabilities from financing activities	<u>\$ 8,212</u>	<u>\$ (1,846)</u>	<u>\$ —</u>		<u>\$ 6,366</u>

VII. Related Party Transactions

Details of transactions between the Company and related parties are disclosed as follows:

(I) Names of related parties and their relationships

<u>Name of related party</u>	<u>Relationship with the Company</u>
Morelink Technology Corporation (hereinafter referred to as Morelink Technology)	Subsidiary (the Company disposed of all its shareholding on December 29, 2025 and lost control over it)
Phoenix Innovative Materials Inc. (hereinafter referred as Phoenix Innovative Materials)	Subsidiary (the Company disposed of all its shareholding on December 29, 2025 and lost control over it)
Trump Gain Investments Ltd. (hereinafter referred as Trump Gain Investments)	Director of the Company (dismissed on May 29, 2025)
Tai Xin Corp. (hereinafter referred to as Tai Xin)	Director of the Company (appointed on May 29, 2025)
Foresight Energy Technologies Co., Ltd. (hereinafter referred to as Foresight Energy)	Affiliate
All directors, supervisors, the General Manager, and deputy general managers	Key management personnel

(II) Net Operating Revenue

	<u>2025</u>	<u>2024</u>
Subsidiary		
Morelink Technology	<u>\$ 250</u>	<u>\$ 1,099</u>

(III) Others

	Items	2025	2024
Subsidiary			
Phoenix Innovative Materials	Lease income	\$ 37	\$ 34
Morelink Technology	Lease income	\$ 2,932	\$ 2,932
Phoenix Innovative Materials	Other income	\$ 4,359	\$ 4,086
Morelink Technology	Other income	\$ 1,250	\$ 1,262
Phoenix Innovative Materials	Operating Expenses	\$ 1	\$ —

(IV) Accounts receivable and payable

	2025.12.31	2024.12.31
Accounts Receivable:		
Subsidiary		
Morelink Technology	\$ —	\$ 49
Other Receivables:		
Subsidiary		
Morelink Technology	\$ 105	\$ 105
Phoenix Innovative Materials	\$ 1	\$ —

(V) Increase in equity

In 2024, the Company participated in the cash capital increase of related parties and increased its investments as follows:

Name of related party	Increase in investment		Shareholding Ratio	
	Shares (thousand shares)	Amount	Before capital increase	After capital increase
Phoenix Innovative Materials	1,980	\$ 19,800	98.75%	98.89%

(VI) Disposal of financial assets

In December 2025, the Company's Board of Directors resolved to dispose of all shares held in Morelink Technology and Phoenix Innovative Materials to a related party, Tai Xin, for consideration of NT\$9,556 thousand (NT\$1 per share) and NT\$31,968 thousand (NT\$1.8 per share), respectively. The aforementioned transaction prices were determined with reference to the equity fair values calculated by an independent appraisal firm using September 30, 2025 as the valuation date, amounting to NT\$7,127 thousand and NT\$28,874 thousand, respectively. The aforementioned equity transactions were completed on December 29 of the same year, and the full consideration was received.

(VII) Remuneration of key management personnel

The total remuneration of directors and other key management personnel is as follows:

	2025	2024
Short-term benefits	\$ 11,621	\$ 8,031
Post-employment benefits	3,518	11,263
	<u>\$ 15,139</u>	<u>\$ 19,294</u>

Detailed information on the remuneration of directors and management can be found in the annual report to shareholders.

VIII. Pledged Assets

As of December 31, 2025 and 2024, the Company provided assets as collateral to financial institutions for borrowings, and the details of their carrying amounts are as follows:

Items	2025.12.31	2024.12.31
Land	\$ 62,862	\$ 62,862
Houses and Buildings	12,466	13,368
	<u>\$ 75,328</u>	<u>\$ 76,230</u>

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments: None.

X. Significant Losses from Disasters: None.

XI. Significant Events after the Reporting Period: None.

XII. Others:

(I) Capital risk management

The Company manages its capital to ensure that each entity within the group can continue as a going concern, while optimizing the balance between debt and equity to maximize returns to shareholders.

The Company's key management personnel review the Group's capital structure on a quarterly basis, including consideration of the cost and associated risks of each type of capital. Based on the recommendations of key management personnel, the Company balances its overall capital structure through means such as paying dividends, issuing new shares, repurchasing shares, and issuing new debt or repaying existing debt.

(II) Financial instruments

1. Types of financial instrument

	2025.12.31	2024.12.31
<u>Financial Assets</u>		
Financial Assets at Fair Value through Other Comprehensive Income		
Equity instrument investments	\$ 4,029	\$ 3,705
Financial Assets Measured at Amortized Cost (Note 1)	158,686	133,672
Total	<u>\$ 162,715</u>	<u>\$ 137,377</u>
<u>Financial Liabilities</u>		
Measured at amortized cost (Note 2)	<u>\$ 28,079</u>	<u>\$ 38,735</u>

Note 1: Includes cash and cash equivalents, financial assets measured at amortized cost, net notes and accounts receivable, other receivables, and refundable deposits.

Note 2: Includes notes payable, accounts payable, other payables, long-term borrowings, and deposits received, which are financial liabilities measured at amortized cost.

## 2. Fair value information

### (1) Definition of the three levels of fair value:

- a. Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- b. Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- c. Level 3 inputs: unobservable inputs for the asset or liability.

### (2) Financial instruments not measured at fair value

The Company's management considers that the carrying amounts of financial assets and financial liabilities not measured at fair value in the parent company only financial statements approximate their fair values.

### (3) Financial instruments measured at fair value

The table below provides an analysis of financial instruments measured at fair value after initial recognition:

	2025.12.31			Total
	Level 1	Level 2	Level 3	
<u>Financial Assets at Fair Value through Other Comprehensive Income</u>				
Unlisted company shares	\$ —	\$ —	\$ 4,029	\$ 4,029
2024.12.31				
	Level 1	Level 2	Level 3	Total
<u>Financial Assets at Fair Value through Other Comprehensive Income</u>				
Unlisted company shares	\$ —	\$ —	\$ 3,705	\$ 3,705

The Company had no transfers between Level 1 and Level 2 fair value measurements in 2025 and 2024.

### (4) Valuation techniques and assumptions used in measuring fair value

The fair values of the Company's financial assets and financial liabilities are determined using the following methods and assumptions:

For financial assets and financial liabilities with standard terms and conditions that are traded in active markets, their fair values are determined with reference to market quotations, including listed corporate bonds, government agency bonds, shares of listed companies, and government bonds.

For unlisted company shares without an active market, fair value is estimated using the market approach and the asset-based approach. The determination is based on reference to recent financing activities, valuations of comparable companies, the Company's technological development status, market conditions, and other economic indicators.

(5) Reconciliation of recurring Level 3 fair value measurements

The movements in assets and liabilities measured at recurring fair value that fall within Level 3 of the fair value hierarchy are presented as follows:

	2025	2024
<b>Equity Instrument Investments at Fair Value through Other Comprehensive Income:</b>		
Beginning Balance	\$ 3,705	\$ 4,350
Disposals/Settlements	(1,402)	—
Recognized in other comprehensive income (unrealized gains or losses on financial assets measured at fair value through other comprehensive income)	1,726	(645)
Ending Balance	<u>\$ 4,029</u>	<u>\$ 3,705</u>

(6) Information on significant unobservable inputs for Level 3 of the fair value hierarchy

The significant unobservable inputs used in the fair value measurements of the Company's assets measured at recurring fair value within Level 3 of the fair value hierarchy are presented as follows:

December 31, 2025:

Financial Assets:

Financial Assets at Fair Value through Other Comprehensive Income

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity analysis of the relationship between inputs and fair value
Shares	Asset-based approach	Lack of market liquidity and price-to-book ratios of comparable companies	1.71-35.07	The higher the degree of lack of liquidity, the lower the estimated fair value.	If the price-to-book ratio of illiquid shares increases (decreases) by 10%, the Company's equity will increase/decrease by NT\$403 thousand

December 31, 2024:

Financial Assets:

Financial Assets at Fair Value through Other Comprehensive Income

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity analysis of the relationship between inputs and fair value
Shares	Asset-based approach	Lack of market liquidity and price-to-book ratios of comparable companies	2.36-30.21	The higher the degree of lack of liquidity, the lower the estimated fair value.	If the price-to-book ratio of illiquid shares increases (decreases) by 10%, the Company's equity will increase/decrease by NT\$371 thousand

(7) Valuation process for Level 3 fair value measurements

The Company's finance department is responsible for performing fair value verification by using data from independent sources to ensure that valuation results reflect market conditions, confirm that the data sources are independent and reliable and consistent with other sources, and represent executable prices. The department also analyzes changes in the values of assets and liabilities that require remeasurement or reassessment in accordance with the Group's accounting policies at each balance sheet date to ensure that the valuation results are reasonable.

### 3. Objectives and policies of financial risk management

The Company is committed to ensuring that it has sufficient and cost-effective working capital when necessary. The Company actively manages foreign exchange risk, interest rate risk, equity instrument price risk, credit risk, and liquidity risk related to its operating activities in order to reduce the potential adverse impact of market uncertainties on its financial performance.

The Company's significant financial plans are reviewed by the Audit Committee and the Board of Directors in accordance with relevant regulations and the internal control system. The Company's finance department, when executing financial plans, strictly adheres to the relevant financial operating procedures regarding overall financial risk management and the allocation of authority and responsibilities.

### 4. Market risk

The Company's market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk mainly includes foreign exchange risk and interest rate risk.

#### (1) Foreign currency exchange rate risk

The Company's operating activities and net investments in foreign operations are primarily conducted in foreign currencies, thereby giving rise to foreign exchange risk. A portion of the Company's foreign currency receivables and payables are denominated in the same currencies, which provides a natural hedging effect for certain positions. In addition, net investments in foreign operations are strategic investments, and therefore the Company does not hedge them.

Information on the Company's foreign currency financial assets and liabilities with significant exposure is as follows:

	Unit: In thousands in each foreign currency					
	2025.12.31		2024.12.31			
	Foreign Currency	Exchange rate	Foreign Currency	Exchange rate		
<b>(Foreign currency: Functional currency)</b>						
<u>Financial Assets</u>						
<u>Monetary Items</u>						
USD:NTD	\$	55	31.43	\$	164	32.785
<u>Financial Liabilities</u>						
<u>Monetary Items</u>						
USD:NTD	\$	51	31.43	\$	67	32.785

Note: The exchange rate represents the amount of NT\$ per unit of foreign currency.

The sensitivity analysis of foreign exchange risk is primarily based on the foreign currency risk-managed assets and liabilities as of the balance sheet date. If the New Taiwan Dollar appreciates/depreciates against foreign currencies by 1%, the Company's net loss for 2025 and 2024 will increase/decrease by NT\$1 thousand and NT\$32 thousand, respectively.

#### (2) Interest rate risk

The Company's short-term borrowings are variable-rate debts, and changes in market interest rates will affect their effective interest rates, thereby causing fluctuations in future cash flows. As of December 31, 2025 and 2024, the Company had no short-term borrowings recognized on its books.

## 5. Credit risk

Credit risk refers to the risk that a counterparty will breach its contractual obligations and cause a financial loss to the Company. The Company's credit risk primarily arises from receivables generated from operating activities, as well as bank deposits, fixed-income investments, and other financial instruments arising from investing activities. Operating-related credit risk and financial credit risk are managed separately.

### (1) Operating-related credit risk

To maintain the quality of accounts receivable, the Company has established procedures for managing operating-related credit risk.

The risk assessment of individual customers considers various factors that may affect their ability to make payments, including their financial condition, ratings by credit rating agencies, the Company's internal credit ratings, historical transaction records, and current economic conditions. The Company also uses certain credit enhancement instruments, such as advance payments and credit insurance, when appropriate to mitigate the credit risk of specific customers.

The Company has a large and diversified customer base with no interrelationships, and therefore the concentration of credit risk is limited. As of December 31, 2025 and 2024, the total amount due from the top ten customers accounted for 58% and 70% of the Company's total accounts receivable, respectively.

### (2) Financial credit risk

Credit risk related to bank deposits, fixed-income investments, and other financial instruments is measured and monitored by the Company's finance department. Since the Company's counterparties and other parties to the contracts are banks and financial institutions with good credit standing and investment-grade ratings or above, there is no significant concern regarding performance risk, and therefore no significant credit risk.

## 6. Liquidity risk

The Company's objective in managing liquidity risk is to maintain cash and cash equivalents, highly liquid marketable securities, and sufficient bank financing facilities required for operations, so as to ensure that the Company has adequate financial flexibility.

The table below summarizes the Company's financial liabilities based on contractual repayment periods, presented by maturity dates and undiscounted amounts payable:

	2025.12.31				Total
	Less than 1 year	2-3 years	4 to 5 years	Over 5 years	
<u>Non-derivative financial liabilities</u>					
Accounts Payable	\$ 10,600	\$ —	\$ —	\$ —	\$ 10,600
Other Payables	16,733	—	—	—	16,733
Lease Liabilities	776	1,119	—	—	1,895
	<u>\$ 28,109</u>	<u>\$ 1,119</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 29,228</u>

	2024.12.31				Total
	Less than 1 year	2-3 years	4 to 5 years	Over 5 years	
<u>Non-derivative financial liabilities</u>					
Accounts Payable	\$ 19,364	\$ —	\$ —	\$ —	\$ 19,364
Other Payables	18,633	—	—	—	18,633
Lease Liabilities	1,872	3,437	319	—	5,628
	<u>\$ 39,869</u>	<u>\$ 3,437</u>	<u>\$ 319</u>	<u>\$ —</u>	<u>\$ 43,625</u>

(III) Reclassification:

Certain items in the Company's financial statements as of December 31, 2024 have been reclassified to conform with the financial statements as of December 31, 2025, and such reclassifications have no material impact on the presentation of the financial statements.

XIII. Notes Disclosure Items

(I) Information on significant transactions:

1. Loans to others: None.
2. Endorsements and guarantees for others: None.
3. Significant marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates, and joint ventures): See Table 1.
4. Purchases from or sales to related parties amounting to NT\$100 million or more, or 20% or more of paid-in capital: None.
5. Amounts receivable from related parties amounting to NT\$100 million or more, or 20% or more of paid-in capital: None.

(II) Information on investee companies: See Table 2.

(III) Information on investments in China: None.

XIV. Segment Information:

The Company has disclosed the relevant operating segment information in the consolidated financial statements in accordance with regulations.

Unifosa Corp.  
 Significant marketable securities held at the end of the period  
 December 31, 2025

Table 1

Unit: Thousand shares/NT\$ thousands

Type of marketable securities	Name of marketable securities	Relationship between the issuer of marketable securities and the Company	Account Title	Ending			
				Shares	Carrying Amount	Ratio (%)	Fair Value
Unlisted equity investments	Innorich Venture Capital Corp.	—	Financial Assets at Fair Value through Other Comprehensive Income	939	4,029	2.80%	4,029

Unifosa Corp.  
Information on investee companies  
December 31, 2025

Table 2

Unit: NT\$ Thousands

Name of the investing company	Name of the investee company	Location	Principal business activities	Original investment amount		Held at the end of the period			Current period profit (loss) of the investee company	Investment income (loss) recognized in the current period
				End of the current period	End of the previous period	Shares (thousand shares)	Ratio	Carrying Amount		
Unifosa Corp.	Foresight Energy Technologies Co., Ltd.	Taiwan	Electronic components manufacturing, battery manufacturing, electrical appliance wholesale, and wholesale and retail of electronic materials	56,586	56,586	4,699	9.04%	42,328	(67,154)	(6,071)
Unifosa Corp.	Phoenix Innovative Materials Inc.	Taiwan	Manufacture of plastic films and other high-tech chemical materials	(Note 1) -	177,600	—	—	—	(11,524)	(11,327)
Unifosa Corp.	Morelink Technology Corporation	Taiwan	Manufacture of wireless communication equipment, electronic components manufacturing, wholesale and retail of telecommunications equipment, wholesale and retail of electronic materials, import of regulated radio frequency equipment, and international trade	(Note 2) -	105,643	—	—	—	(37,184)	(18,635)

Note 1: The Company disposed of all its shareholdings in Phoenix Innovative Materials Inc. in December 2025.

Note 2: The Company disposed of all its shareholdings in Morelink Technology Corporation. in December 2025.