Stock code: 8277

Unifosa Corp. and its subsidiaries
Consolidated Financial Statements and Independent Auditor's Report
2025 and 2024

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Unifosa Corp. and its subsidiaries
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Unifosa Corp.

Declaration Statement

For 2025 (from January 1, 2025 to December 31, 2025), the companies that should be included in the preparation of the consolidated financial statements of related enterprises under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those that should be included in the preparation of consolidated financial statements of the parent and its subsidiaries under IFRS 10. The relevant information required to be disclosed in the consolidated financial statements of related enterprises has already been disclosed in the aforementioned consolidated financial statements of the parent and its subsidiaries. Therefore, no separate consolidated financial statements of related enterprises have been prepared.

Hereby Declare

Company Name: Unifosa Corp.

Chairman/President: Tai Xin Corp.
Lin Chin-Tsai

March 10, 2026

Independent Auditor's Report

To the Shareholders of Unifosa Corp.:

Audit Opinions

The consolidated balance sheets of Unifosa Corp. and its subsidiaries as of December 31, 2025 and 2024, and the consolidated 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 consolidated financial statements (including a summary of significant accounting policies) have been audited by us.

In our opinion, the above consolidated financial statements present fairly, in all material respects, the consolidated financial position of Unifosa Corp. and its subsidiaries as of December 31, 2025 and 2024, and their consolidated financial performance and consolidated cash flows for the years from January 1 to December 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, Interpretations, and Interpretations Bulletins endorsed and issued into effect by the FSC.

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 consolidated financial statements. The personnel of the firm to which we belong who are subject to independence requirements have remained independent of Unifosa Corp. and its subsidiaries 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 consolidated financial statements of Unifosa Corp. for the year 2025. These matters were addressed in the context of our audit of the consolidated 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 consolidated financial statements of Unifosa Corp. and its subsidiaries for the year 2025 are described as follows:

<u>Recognition of Sales Revenue</u>

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. and its subsidiaries for the year 2025 accounted for 44.74% of the net operating revenue for the year, which has a significant impact on the consolidated 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

Unifosa Corp. and its subsidiaries operate in the memory business segment and the storage business segment. Their inventories mainly consist of integrated circuits, memory modules, and disk arrays. Due to fluctuations in market demand and rapid technological changes, management's estimates of net realizable value and judgments regarding inventory obsolescence may be affected. Therefore, this has been 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 consolidated 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.

Other Audit Matters

Unifosa Corp. has prepared the consolidated financial statements for 2025 and 2024, and we have issued an unmodified audit opinion thereon for reference.

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

Management is responsible for preparing consolidated financial statements that present fairly, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretation Bulletins as endorsed and issued into effect by the Financial Supervisory Commission, and for maintaining the necessary internal controls relevant to the preparation of the consolidated financial statements to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

The objective of our audit is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated 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 consolidated 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 consolidated 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 internal control of Unifosa Corp. and its subsidiaries.
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 the ability of Unifosa Corp. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated 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. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including the related notes), and whether the consolidated 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. and its subsidiaries to express an opinion on the consolidated 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 the Group.

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 consolidated financial statements of Unifosa Corp. and its subsidiaries 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. and its subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

Unit: NT$ Thousands

Code	Assets	Notes	2025.12.31 Amount	%	2024.12.31 Amount	%
	Current Assets					
1100	Cash and Cash Equivalents	6(1)	$ 65,781	14	$ 157,716	24
1136	Financial Assets Measured at Amortized Cost	6(3)	70,000	15	-	-
1140	Contract Assets	6(14)	-	-	5,019	1
1150	Net Notes Receivable - Non-related Parties	6(4)	2,606	-	361	-
1170	Net Accounts Receivable - Non-related Parties	6(4)	14,388	3	41,904	7
1200	Other Receivables	6(4)	599	-	1,308	-
1220	Current Income Tax Assets	6(17)	66	-	137	-
1310	Net Inventories	6(5)	17,503	4	79,480	12
1410	Prepayments		658	-	6,550	1
1470	Other Current Assets		7	-	-	-
11xx	Total Current Assets		171,608	36	292,475	45
	Non-current Assets					
1517	Financial Assets at Fair Value through Other Comprehensive Income	6(2)	4,029	1	3,705	-
1550	Investments Accounted for Using the Equity Method	6(6)	42,328	9	48,399	8
1600	Property, Plant, and Equipment	6(7) and 8	257,365	53	267,639	41
1755	Right-of-use Assets	6(8)	1,821	-	9,308	1
1805	Goodwill	6(9)	-	-	13,402	2
1821	Other Intangible Assets	6(9)	-	-	4,809	1
1900	Other Non-current Assets		5,312	1	12,979	2
15xx	Total Non-current Assets		310,855	64	360,241	55
1xxx	Total Assets		$ 482,463	100	$ 652,716	100
Code	Liabilities and Equity					
	Current Liabilities					
2130	Contract Liabilities	6(14)	$ 114	-	$ 1,835	-
2170	Accounts Payable - Non-related Parties		10,600	2	25,842	4
2200	Other Payables	6(11)	16,733	4	33,499	5
2280	Lease Liabilities	6(8)	776	-	4,940	1
2300	Other Current Liabilities		833	-	860	-
21xx	Total Current Liabilities		29,056	6	66,976	10
	Non-current Liabilities					
2570	Deferred Income Tax Liabilities	6(17)	-	-	13	-
2580	Lease Liabilities	6(8)	1,119	-	4,573	1
2645	Guarantee Deposits Received		746	-	238	-
2655	Shareholders' Interactions	7	-	-	94,000	14
25xx	Total Non-current Liabilities		1,865	-	98,824	15
2xxx	Total Liabilities		30,921	6	165,800	25
	Equity Attributable to Owners of the Parent					
3110	Share Capital	6(13)	916,288	190	916,288	141
3200	Capital Reserve	6(13)	60,654	12	60,654	9
	Retained Earnings	6(13)				
3310	Legal Reserve		7,306	2	7,306	1
3350	Accumulated Deficits to be Covered		(523,167)	(108)	(489,429)	(74)
3300	Total Retained Earnings		(515,861)	(106)	(482,123)	(73)
3400	Other Equity Items	6(13)	(9,539)	(2)	(11,265)	(2)
31xx	Total Equity Attributable to Owners of the Parent		451,542	94	483,554	75
36xx	Non-controlling Interests	6(13)	-	-	3,362	-
3xxx	Total Equity		451,542	94	486,916	75
	Total Liabilities and Equity		$ 482,463	100	$ 652,716	100

Unifosa Corp. and its subsidiaries
Consolidated 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 Amount	2025 %	2024 Amount	2024 %
4000	Net Operating Revenue	6(14)	$ 243,802	100	$ 293,682	100
5000	Operating Costs	6(5 and 15)	(165,835)	(68)	(221,722)	(75)
5900	Gross Profit		77,967	32	71,960	25
	Operating Expenses	6(15) and 7				
6100	Selling Expenses		(29,677)	(12)	(30,778)	(11)
6200	Administrative and General Expenses		(72,392)	(29)	(62,691)	(21)
6300	R&D Expenses		(46,262)	(19)	(43,327)	(15)
6000	Total Operating Expenses		(148,331)	(60)	(136,796)	(47)
6900	Operating Losses		(70,364)	(28)	(64,836)	(22)
	Non-operating Income and Expenditures					
7100	Interest Income		1,116	-	1,262	-
7020	Other Gains and Losses	6(16 and 19)	25,260	10	(3,775)	(1)
7050	Financial Costs	7	(3,282)	(1)	(3,163)	(1)
7060	Share of Loss of Affiliates and Joint Ventures Accounted for Using the Equity Method	6(6)	(6,071)	(2)	(12,390)	(4)
7000	Total Non-operating Income and Expenditures		17,023	7	(18,066)	(6)
7900	Net Loss Before Tax		(53,341)	(21)	(82,902)	(28)
7950	Income Tax (Expense) Benefit	6(17)	16	-	(48)	-
8200	Net Loss for the Period		(53,325)	(21)	(82,950)	(28)
	Other Comprehensive Income					
8310	Items Not Reclassified to Profit or Loss					
8311	Remeasurements of Defined Benefit Plans	6(12)	-	-	2,061	-
8316	Equity Instruments at Fair Value through Other Comprehensive Income Unrealized Valuation Gain or Loss on Investments	6(13)	1,726	-	(645)	-
8349	Income Tax Related to Items Not Reclassified	6(17)	-	-	2,728	1
			1,726	-	4,144	1
8360	Items That May Be Reclassified Subsequently to Profit or Loss					
8370	Share of Other Comprehensive Income of Affiliates and Joint Ventures Accounted for Using the Equity Method	6(13)	-	-	74	-
8399	Income Tax Related to Items That May Be Reclassified Subsequently to Profit or Loss	6(17)	-	-	-	-
			-	-	74	-
8300	Other Comprehensive Income for the Period (Net of Tax)		1,726	-	4,218	1
8500	Total Comprehensive Income for the Period		$ (51,599)	(21)	$ (78,732)	(27)
	Net Loss Attributable to:					
8610	Net Loss Attributable to Owners of the Parent		$ (33,738)	(13)	$ (66,418)	(22)
8620	Net Loss Attributable to Non-controlling Interests		(19,587)	(8)	(16,532)	(6)
			$ (53,325)	(21)	$ (82,950)	(28)
	Total Comprehensive Loss Attributable to:					
8710	Total Comprehensive Income Attributable to Owners of the Parent		$ (32,012)	(13)	$ (62,200)	(21)
8720	Total Comprehensive Income Attributable to Non-controlling Interests		(19,587)	(8)	(16,532)	(6)
			$ (51,599)	(21)	$ (78,732)	(27)
	EPS	6(18)				
9750	Basic EPS		$ (0.37)		$ (0.72)	
9850	Diluted EPS		$ (0.37)		$ (0.72)	

Unifosa Corp. and its subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2025 and 2024

Unit: NT$ Thousands

Code		Equity Attributable to Owners of the Parent							Non-controlling Interests	Total Equity
				Retained Earnings		Other Equity Items				
		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	Total Equity Attributable to Owners of the Parent		
A1	Balance as of January 1, 2024	$ 916,288	$ 60,849	$ 7,306	$ (427,800)	$ (44)	$ (10,650)	$ 545,949	$ 19,699	$ 565,648
D1	Net Loss for the Period from January 1 to December 31, 2024	-	-	-	(66,418)	-	-	(66,418)	(16,532)	(82,950)
D3	Other Comprehensive Income for the Period from January 1 to December 31, 2024	-	-	-	4,789	74	(645)	4,218	-	4,218
D5	Total Comprehensive Income for the Period from January 1 to December 31, 2024	-	-	-	(61,629)	74	(645)	(62,200)	(16,532)	(78,732)
M5	Difference between the Consideration Received or Paid and the Carrying Amount of Subsidiaries’ Equity Interests	-	(195)	-	-	-	-	(195)	195	-
Z1	Balance as of December 31, 2024	916,288	60,654	7,306	(489,429)	30	(11,295)	483,554	3,362	486,916
D1	Net Loss for the Period from January 1 to December 31, 2025	-	-	-	(33,738)	-	-	(33,738)	(19,587)	(53,325)
D3	Other Comprehensive Income for the Period from January 1 to December 31, 2025	-	-	-	-	-	1,726	1,726	-	1,726
D5	Total Comprehensive Income for the Period from January 1 to December 31, 2025	-	-	-	(33,738)	-	1,726	(32,012)	(19,587)	(51,599)
M3	Disposal of Subsidiaries	-	-	-	-	-	-	-	16,225	16,225
Z1	Balance as of December 31, 2025	$ 916,288	$ 60,654	$ 7,306	$ (523,167)	$ 30	$ (9,569)	$ 451,542	$ -	$ 451,542

Unifosa Corp. and its subsidiaries

Consolidated Statement of Cash Flows

January 1 to December 31, 2025 and 2024

Unit: NT$ Thousands

Code		2025	2024
AAAA	Cash Flows from Operating Activities		
A10000	Net Loss Before Tax for the Period	$ (53,341)	$ (82,902)
A20000	Adjustment Items		
A20100	Depreciation Expenses	11,173	12,192
A20200	Amortization Expenses	965	964
A20900	Interest Expenses	3,282	3,163
A21200	Interest Income	(1,116)	(1,262)
A22300	Share of Loss of Affiliates and Joint Ventures Accounted for Using the Equity Method	6,071	12,390
A23700	Impairment Loss on Non-financial Assets	-	6,398
A29900	Gain on Disposal of Subsidiaries	(17,998)	-
A29900	Gain on Lease Modification	(44)	-
A31000	Net Changes in Assets Related to Operating Activities		
A31125	Decrease in Contract Assets	5,019	7,994
A31130	(Increase) Decrease in Net Notes Receivable - Non-related Parties	(2,245)	119
A31150	(Increase) Decrease in Net Accounts Receivable - Non-related Parties	23,753	(61)
A31180	(Increase) Decrease in Other Receivables	709	(1,152)
A31200	Decrease in Net Inventories	8,496	4,310
A31230	Increase in Prepayments	(2,669)	(370)
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	Increase (Decrease) in Contract Liabilities	49,782	(1,596)
A32150	Decrease in Accounts Payable - Non-related Parties	(13,023)	(1,633)
A32180	Increase (Decrease) in Other Payables	(730)	6,292
A32230	Increase in Other Current Liabilities	232	248
A33000	Cash Inflow (Outflow) from Operations	18,309	(20,546)
A33100	Interest Received	1,116	1,332
A33300	Interest Paid	(3,286)	(2,707)
A33500	Income Taxes Paid	(3)	(49)
AAAA	Net Cash Inflow (Outflow) from Operating Activities	16,136	(21,970)

(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)	-
B00050	Disposal of Financial Assets Measured at Amortized Cost	-	12,000
B02300	Net Cash Outflow from Disposal of Subsidiaries	(26,996)	-
B02700	Acquisition of Property, Plant, and Equipment	(4,190)	(104)
B04500	Acquisition of Intangible Assets	(139)	-
B06700	Increase in Other Non-current Assets	(3,729)	-
B06800	Decrease in Other Non-current Assets	-	2,331
BBBB	Net Cash Inflow (Outflow) from Investing Activities	(103,652)	14,227
CCCC	Cash Flows from Financing Activities		
C03000	Increase in Guarantee Deposits Received	508	-
C04020	Repayment of Lease Principal	(4,927)	(4,823)
C09900	Other Financing Activities	-	22,000
CCCC	Cash Inflow (Outflow) from Financing Activities	(4,419)	17,177
EEEE	Increase (Decrease) in Cash and Cash Equivalents for the Period	(91,935)	9,434
E00100	Cash and Cash Equivalents at the Beginning of the Period	157,716	148,282
E00200	Cash and Cash Equivalents at the End of the Period	$ 65,781	$ 157,716

Unifosa Corp. and its subsidiaries
Notes to Consolidated 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 consolidated 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:

Newly Issued, Amended and Revised Standards and Interpretations	Effective date issued by the IASB
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 consolidated 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:

Newly Issued, Amended and Revised Standards and Interpretations	Effective date issued by the IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-Dependent Electricity"	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
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 consolidated financial statements were approved for issuance, the consolidated 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 Associate 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 consolidated financial statements, the consolidated 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 consolidated company's significant accounting policies is as follows:

(I) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs as endorsed and issued into effect by the FSC.

(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 consolidated financial statements have been prepared on a historical cost basis.

(III) Basis of consolidation

1. Principles of preparation of consolidated financial statements

These consolidated financial statements include the financial statements of the Company and entities controlled by the Company (i.e., subsidiaries, including structured entities). The consolidated statements of comprehensive income include the operating profit or loss of acquired or disposed subsidiaries from the acquisition date or up to the disposal date in the current year. The financial statements of subsidiaries have been adjusted to ensure that their accounting policies are consistent with those of the consolidated company.

In preparing the consolidated financial statements, all significant intercompany transactions, account balances, income, and expenses have been fully eliminated. The total comprehensive income of subsidiaries is attributed to the owners of the Company and non-controlling interests, even if the non-controlling interests thereby result in a deficit balance.

Changes in the consolidated company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the consolidated company and non-controlling interests have been adjusted to reflect changes in their relative interests in subsidiaries. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the consolidated company loses control of a subsidiary, the gain or loss on disposal is the difference between (1) the aggregate of the fair value of the consideration received and the fair value of any retained investment in the former subsidiary at the date control is lost, and (2) the aggregate of the carrying amounts of the former subsidiary's assets (including goodwill), liabilities, and non-controlling interests at the date control is lost. For all amounts recognized in other comprehensive income relating to the subsidiary, the consolidated company applies the same accounting treatment as would be required if it 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.

2. The entities included in the preparation of these consolidated financial statements are as follows:

Name of the investing company	Name of Subsidiary	Business Nature	Percentage of ownership 2025.12.31	Percentage of ownership 2024.12.31
Unifosa	Phoenix Innovative Materials Inc. (Note 1) (hereinafter referred to as the Subsidiary - Phoenix Innovative Materials)	Manufacture of plastic films and other high-tech chemical materials	—	98.89%
Unifosa	Morelink Technology Corporation (Note 1) (hereinafter referred to as the Subsidiary - Morelink Technology)	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	—	47.61%

Note 1: 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. For disclosures regarding the Company's disposal of shares in the above subsidiaries, please refer to Note 6(19).

3. Subsidiaries not included in the consolidated financial statements: None.
4. Adjustments and treatment for differences in accounting periods of subsidiaries: None.
5. Details of subsidiaries holding securities issued by the parent company: None.
6. Significant restrictions: None.
7. Information on subsidiaries with material non-controlling equity:

Subsidiaries with non-controlling interests that are material to the consolidated company are as follows:

Name of Subsidiary	Principal place of business	Ownership interest and voting rights of non-controlling interests 2025.12.31	Ownership interest and voting rights of non-controlling interests 2024.12.31
Morelink Technology	Taiwan	- (Note)	52.39%

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

The relevant information on non-controlling interests of subsidiaries for 2024 is as follows:

Name of Subsidiary	Profit or loss attributable to non-controlling interests	Non-controlling Interests
Morelink Technology	$ (16,304)	$ 2,997
Others	(228)	365
	$ (16,532)	$ 3,362

The summarized financial information of subsidiaries is prepared based on amounts before elimination of intercompany transactions:

Balance Sheet

	2024.12.31
Current Assets	$ 114,532
Non-current Assets	11,365
Current Liabilities	(24,524)
Non-current Liabilities	(95,653)
Equity	$ 5,720

	2024.12.31
Equity attributable to:	
The Company	$ 2,723
Non-controlling Interests	2,997
	$ 5,720

Statement of Comprehensive Income

	2024
Operating Revenue	$ 79,580
Net Loss for the Period	$ (31,121)
Other Comprehensive Income	—
Total Comprehensive Income for the Period	$ (31,121)
Net Loss Attributable to:	
The Company	$ (14,817)
Non-controlling Interests	(16,304)
	$ (31,121)
Total Comprehensive Loss Attributable to:	
The Company	$ (14,817)
Non-controlling Interests	(16,304)
	$ (31,121)
Dividends paid to non-controlling interests	$ —

Statement of Cash Flows

	2024
Net Cash Outflow from Operating Activities	$ (7,766)
Net Cash Inflow from Investing Activities	13,138
Net Cash Inflow from Financing Activities	19,227
Increase in Cash and Cash Equivalents	$ 24,599

(IV) Business Merger

Business mergers are accounted for using the acquisition method. Acquisition-related costs are recognized as expenses in the period in which the costs are incurred and the services are received.

Goodwill is measured as the excess of the aggregate of the fair value of the consideration transferred, the amount of non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree at the acquisition date over the net of the identifiable assets acquired and liabilities assumed at the acquisition date.

Business mergers achieved in stages are remeasured at the fair value of the consolidated company’s previously held equity interest in the acquiree at the acquisition date, and any resulting gain or loss is recognized in profit or loss. Amounts previously recognized in other comprehensive income before the acquisition date arising from the consolidated company's previously held equity interest in the acquiree are recognized on the same basis as would be required if the consolidated company had directly disposed of its previously held interest.

(V) Foreign Currency

The financial statements of each entity in the consolidated company are prepared and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The functional currency of the consolidated company and the presentation currency of the consolidated financial statements is NT$.

When each entity prepares its financial statements, transactions in currencies other than the entity's functional currency are translated into the functional currency using the exchange rates at the transaction dates. 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 consolidated financial statements, the assets and liabilities of the consolidated 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.

(VI) 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.

(VII) 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.

(VIII) Financial Instruments

Financial assets and financial liabilities are recognized when the consolidated 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 consolidated company are as follows:

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

Upon initial recognition, the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated company after deducting all of its liabilities. An equity instrument is any contract that evidences a residual interest in the assets of the consolidated company after deducting all of its liabilities.

Reacquired the consolidated 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 consolidated 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.

(IX) Inventory

The consolidated 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.

(X) Investments in Affiliates

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

The consolidated 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 consolidated 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 consolidated 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 consolidated company's net investment in the affiliate, the consolidated company discontinues recognizing further losses. The consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated company and its affiliates are recognized in the consolidated financial statements only to the extent that they are unrelated to the consolidated company's interests in the affiliates.

(XI) 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 consolidated 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.

(XII) Leases

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

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

1. The consolidated 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 consolidated 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 consolidated balance sheet.

2. The consolidated 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.

(XIII) Goodwill

Goodwill acquired in a business combination is measured at the amount recognized at the acquisition date as its cost and is subsequently measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each cash-generating unit or group of cash-generating units (collectively referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

Cash-generating units to which goodwill has been allocated are tested for impairment annually (and whenever there is an indication that the unit may be impaired) by comparing the carrying amount of the unit, including goodwill, with its recoverable amount. If the goodwill allocated to a cash-generating unit is acquired in a business combination during the year, the unit shall be tested for impairment before the end of that year. If the recoverable amount of a cash-generating unit to which goodwill has been allocated is less than its carrying amount, the impairment loss is first allocated to reduce the carrying amount of the goodwill allocated to the unit, and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss for the period. Impairment losses on goodwill shall not be reversed in subsequent periods.

(XIV) 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 consolidated 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. Acquired through business mergers

Intangible assets acquired in a business combination are recognized at their fair value at the acquisition date and are recognized separately from goodwill, and are subsequently measured in the same manner as intangible assets acquired separately.

4. 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.

(XV) Impairment of Non-financial Assets

At each balance sheet date, the consolidated 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.

(XVI) 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.

(XVII) 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 consolidated 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.

(XVIII) Revenue recognition

The consolidated 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 consolidated 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, RAID, and wireless communication 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated company is primarily recognized based on the progress toward completion of the contract.

The consideration under the consolidated company's contracts is collected in accordance with the payment terms specified in the contracts. When services have been transferred to customers but the consolidated 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 consolidated 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 consolidated company are recognized as revenue is usually not more than one year and does not give rise to a significant financing component.

(XIX) 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 consolidated 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 tax.

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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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. Goodwill impairment assessment

In determining whether goodwill is impaired, it is necessary to estimate the value in use of the cash-generating unit to which the goodwill has been allocated. To calculate value in use, management should estimate the future cash flows expected to be generated from the cash-generating unit and determine an appropriate discount rate to calculate the present value. If actual cash flows are lower than expected, significant impairment losses may arise.

VI. Descriptions of Significant Accounting Items

(I) Cash and Cash Equivalents

	2025.12.31	2024.12.31
Cash on hand and petty cash	$ —	$ 160
Bank checks and demand deposits	55,781	117,556
Time deposits	10,000	40,000
	$ 65,781	$ 157,716

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

	2025.12.31	2024.12.31
Non-current Items		
Equity instrument investments		
Domestic unlisted stocks	$ 4,029	$ 3,705

1. The consolidated 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 consolidated 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.
2. 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.
3. 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

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

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
Notes receivable		
Notes receivable - arising from operations	$ 2,606	$ 361
Notes receivable - not arising from operations	—	—
Less: Allowance for doubtful accounts	—	—
	$ 2,606	$ 361
Accounts receivable		
Accounts receivable	$ 14,388	$ 41,904
Less: Allowance for doubtful accounts	—	—
	$ 14,388	$ 41,904
Other Receivables		
Refundable deposits and labor service revenue	$ 599	$ 1,308
Less: Allowance for doubtful accounts	—	—
	$ 599	$ 1,308

1. The consolidated 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 consolidated 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 consolidated company measures the allowance for losses on accounts receivable and other receivables based on the provision matrix

2025.12.31	Not overdue	Overdue 1-90 days	Overdue 91-180 days	Overdue 181-270 days	Overdue over 270 days	Total
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	$ 14,987	$ —	$ —	$ —	$ —	$ 14,987

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	$ 42,866	$ 346	$ —	$ —	$ —	$ 43,212
Expected credit loss rate	0%	0%	0%	0%	100%	
Allowance for losses (lifetime expected credit losses)	—	—	—	—	—	—
Amortized cost	$ 42,866	$ 346	$ —	$ —	$ —	$ 43,212

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

(V) Inventory

	2025.12.31	2024.12.31
Product	$ 4,425	$ 10,934
Finished Goods	5,465	4,797
Semi-finished Goods	4,586	15,821
Work in Process	951	2,335
Raw Materials	2,076	45,593
	$ 17,503	$ 79,480

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	$ 182,792	$ 209,022
Inventory Write-Down and Obsolescence Loss (Reversal Gain)	(23,524)	5,957
Scrap Income	(5,248)	(1)
	$ 154,020	$ 214,978

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
Investments in Affiliates	$ 42,328	$ 48,399

Affiliates of the consolidated company are as follows:

	2025.12.31		2024.12.31	
Name of the investee company	Carrying Amount	Shareholding Ratio	Carrying Amount	Shareholding Ratio
Individually immaterial affiliates:				
Foresight Energy Technologies Co., Ltd.	$ 42,328	9.04%	$ 48,399	9.04%

1. The consolidated company holds a 9.04% ownership interest in Foresight Energy Technologies. Although the consolidated company's ownership interest is less than 20%, it has significant influence over the investee and therefore applies the equity method.
2. For information on the nature of operations, principal place of business, and country of incorporation of the above affiliates, please refer to Table 3 of Note 13, "Information on Investees, Locations, and Other Related Information."
3. The summarized financial information of the consolidated company's individually immaterial affiliates is as follows:

	2025.12.31	2024.12.31
Total assets	$ 821,967	$ 685,863
Total liabilities	$ 353,593	$ 150,475
	2025	**2024**
Operating revenue of the year	$ 197,785	$ 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.
5. 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

	2025.12.31	2024.12.31
Self-use	$ 239,554	$ 249,709
Operating lease - lessor	17,811	17,930
	$ 257,365	$ 267,639

1. Self-use

	Land	Buildings	Machinery and equipment	Leasehold improvement costs	Office equipment	Other equipment	Total
Cost and revaluation increment							
Balance as of January 1, 2025	$ 198,697	$ 88,537	$ 23,390	$ 2,199	$ 1,426	$ 12,105	$ 326,354
Additions	–	–	–	–	350	3,840	4,190
Disposal	–	–	(5,651)	–	(706)	(308)	(6,665)
Disposal of Subsidiaries	–	–	(17,739)	(2,199)	–	(15,520)	(35,458)
Balance as of December 31, 2025	$ 198,697	$ 88,537	$ –	$ –	$ 1,070	$ 117	$ 288,421
Balance as of January 1, 2024	$ 198,697	$ 88,537	$ 23,390	$ 14,275	$ 2,720	$ 14,341	$ 341,960
Additions	–	–	–	–	–	104	104
Disposal	–	–	–	(12,076)	(1,294)	(2,340)	(15,710)
Balance as of December 31, 2024	$ 198,697	$ 88,537	$ 23,390	$ 2,199	$ 1,426	$ 12,105	$ 326,354
Accumulated depreciation/impairment							
Balance as of January 1, 2025	$ –	$ 45,754	$ 16,993	$ 1,489	$ 1,247	$ 11,162	$ 76,645
Depreciation Expenses	–	2,321	1,806	376	161	1,515	6,179
Disposal	–	–	(5,651)	–	(706)	(308)	(6,665)
Disposal of Subsidiaries	–	–	(13,148)	(1,865)	–	(12,279)	(27,292)
Balance as of December 31, 2025	$ –	$ 48,075	$ –	$ –	$ 702	$ 90	$ 48,867
Balance as of January 1, 2024	$ –	$ 43,432	$ 14,497	$ 13,189	$ 2,289	$ 11,769	$ 85,176
Depreciation Expenses	–	2,322	2,496	376	252	1,733	7,179
Disposal	–	–	–	(12,076)	(1,294)	(2,340)	(15,710)
Balance as of December 31, 2024	$ –	$ 45,754	$ 16,993	$ 1,489	$ 1,247	$ 11,162	$ 76,645

2. Operating lease - lessor

	Land	Buildings	Total
Cost and revaluation increment			
Balance as of January 1, 2025	$ 14,845	$ 5,182	$ 20,027
Additions	–	–	–
Disposal	–	–	–
Balance as of December 31, 2025	$ 14,845	$ 5,182	$ 20,027
Balance as of January 1, 2024	$ 14,845	$ 5,182	$ 20,027
Additions	–	–	–
Disposal	–	–	–
Balance as of December 31, 2024	$ 14,845	$ 5,182	$ 20,027
Accumulated depreciation/impairment			
Balance as of January 1, 2025	$ –	$ 2,097	$ 2,097
Depreciation Expenses	–	119	119
Disposal	–	–	–
Balance as of December 31, 2025	$ –	$ 2,216	$ 2,216
Balance as of January 1, 2024	$ –	$ 1,979	$ 1,979
Depreciation Expenses	–	118	118
Disposal	–	–	–
Balance as of December 31, 2024	$ –	$ 2,097	$ 2,097

The consolidated 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	$ 763
2nd year	651	23
	$ 3,546	$ 786

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

Building	35-50 years
Machinery and equipment	10 years
Leasehold improvement costs	5 years
Office equipment	5 years
Other equipment	2-5 years

4. As of December 31, 2025 and 2024, for the consolidated company's provision of land and buildings as collateral for borrowings, please refer to Notes 6(10) and 8.

(VIII) Right-of-use Assets

1. Right-of-use Assets

	2025.12.31	2024.12.31
Carrying amount of right-of-use assets		
Building	$ —	$ 3,581
Transportation equipment	1,821	5,727
	$ 1,821	$ 9,308

	Building	Transportation equipment	Total
Cost and revaluation increment			
Balance as of January 1, 2025	$ 8,596	$ 9,503	$ 18,099
Additions	—	2,347	2,347
Disposal	—	(5,692)	(5,692)
Disposal of Subsidiaries	(8,596)	(2,348)	(10,944)
Balance as of December 31, 2025	$ —	$ 3,810	$ 3,810
Balance as of January 1, 2024	$ 8,596	$ 9,503	$ 18,099
Additions	—	—	—
Disposal	—	—	—
Balance as of December 31, 2024	$ 8,596	$ 9,503	$ 18,099
Accumulated depreciation/impairment			
Balance as of January 1, 2025	$ 5,015	$ 3,776	$ 8,791
Depreciation Expenses	2,866	2,009	4,875
Disposal	—	(3,622)	(3,622)
Disposal of Subsidiaries	(7,881)	(174)	(8,055)
Balance as of December 31, 2025	$ —	$ 1,989	$ 1,989
Balance as of January 1, 2024	$ 2,149	$ 1,747	$ 3,896
Depreciation Expenses	2,866	2,029	4,895
Disposal	—	—	—
Balance as of December 31, 2024	$ 5,015	$ 3,776	$ 8,791

2. Lease Liabilities

	2025.12.31	2024.12.31
Carrying amount of lease liabilities		
Current	$ 776	$ 4,940
Non-current	1,119	4,573
	$ 1,895	$ 9,513

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

	2025.12.31	2024.12.31
Building	2.99%	2.99%
Transportation equipment	1.62%～3.244%	1.62%～3.12%

3. Significant leasing activities and terms

The consolidated company leases certain buildings and transportation equipment for business use, with lease terms ranging from 2 to 5 years. At the end of the lease term, the consolidated company does not have any bargain purchase option for the leased buildings and transportation equipment.

4. Other lease information

	2025	2024
Expenses relating to leases of low-value assets	$ 934	$ 1,022
Total cash (outflow) for leases	$ (5,861)	$ (5,845)

The consolidated 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) Intangible Assets

	Goodwill	Customer relationships	Patent rights	Total
Cost and revaluation increment				
Balance as of January 1, 2025	$ 19,800	$ 9,106	$ —	$ 28,906
Additions	—	—	139	139
Disposal	—	—	—	—
Disposal of Subsidiaries	(19,800)	(9,106)	(139)	(29,045)
Balance as of December 31, 2025	$ —	$ —	$ —	$ —
Balance as of January 1, 2024	$ 19,800	$ 9,106	$ —	$ 28,906
Additions	—	—	—	—
Disposal	—	—	—	—
Balance as of December 31, 2024	$ 19,800	$ 9,106	$ —	$ 28,906

	Goodwill	Customer relationships	Patent rights	Total
Accumulated depreciation/impairment				
Balance as of January 1, 2025	$ 6,398	$ 4,297	$ —	$ 10,695
Amortization Expenses	—	958	7	965
Disposal	—	—	—	—
Disposal of Subsidiaries	(6,398)	(5,255)	(7)	(11,660)
Balance as of December 31, 2025	$ —	$ —	$ —	$ —
Balance as of January 1, 2024	$ —	$ 3,333	$ —	$ 3,333
Amortization Expenses	—	964	—	964
Disposal	—	—	—	—
Recognition of impairment loss	6,398	—	—	6,398
Balance as of December 31, 2024	$ 6,398	$ 4,297	$ —	$ 10,695

1. The amortization periods for the consolidated company's intangible assets are as follows: customer relationships, 9.45 years; patents, 3.5 years.
2. The consolidated 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 consolidated company recognized a goodwill impairment loss of NT$6,398 thousand for 2024.

(IX) Short-term Borrowings

1. As of December 31, 2025 and 2024, for the consolidated 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 consolidated company by financial institutions amounted to NT$120,000 thousand and NT$130,000 thousand, respectively.

(XI) Other Payables

	2025.12.31	2024.12.31
Salaries and Bonuses Payable	$ 10,764	$ 19,792
Labor Service Fees Payable	2,943	5,440
Interest payable	—	1,096
Others	3,026	7,171
	$ 16,733	$ 33,499

(XII) Post-employment Benefit Plans

1. Defined Contribution Plan

   The Company and its subsidiaries, Morelink Technology and Phoenix Innovative Materials of the consolidated company, apply the pension system under the "Labor Pension Act," which is a government-managed defined contribution plan, under which 6% of employees' monthly salaries is contributed to individual accounts with the Bureau of Labor Insurance.

The amounts required to be contributed by the consolidated company under the defined contribution plan at the specified rate for 2025 and 2024 have been recognized as total expenses in the separate statement of comprehensive income, amounting to NT$4,302 thousand and NT$4,207 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$1,054 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.

(XIII) Equity

1. Common share capital

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

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

	2025.12.31	2024.12.31
May only be used to offset losses		
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
	$ 60,654	$ 60,654

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

	2025	2024
Beginning Balance	$ 30	$ (44)
Share of Other Comprehensive Income of Affiliates and Joint Ventures Accounted for Using the Equity Method	—	74
Ending Balance	$ 30	$ 30

Exchange differences arising from the translation of the net assets of foreign operations from their functional currency into the consolidated 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

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

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.

5. Non-controlling Interests

	2025	2024
Beginning Balance	$ 3,362	$ 19,699
Share Attributable to Non-controlling Interests:		
Net loss of the year	(19,587)	(16,532)
Increase in Non-controlling Interests	—	195
Disposal of Subsidiaries	16,225	—
Ending Balance	$ —	$ 3,362

(XIV) Operating Revenue

	2025	2024
Revenue from contracts with customers		
Revenue from sale of goods	$ 236,448	$ 285,558
Revenue from provision of labor services	7,354	8,124
	$ 243,802	$ 293,682

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

1. Disaggregation of revenue:

The consolidated 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:

	2025	2024
Timing of revenue recognition		
At a point in time	$ 236,448	$ 285,558
Satisfied over time	7,354	8,124
	$ 243,802	$ 293,682

2. Contract balances:

	2025.12.31	2024.12.31
Accounts receivable (Note 6(4))	$ 14,388	$ 41,904
Contract assets - current		
Sale of products	$ —	$ 5,019
Contract liabilities - current		
Sale of products	$ 114	$ 1,835

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$1,724 thousand and NT$3,303 thousand, respectively.

3. Transaction price allocated to remaining performance obligations:

As of December 31, 2025 and 2024, the consolidated 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.

(XV) Additional information on the nature of expenses

By Nature	2025 Attributed to Operating Costs	2025 Attributed to Operating Expenses	2025 Total	2024 Attributed to Operating Costs	2024 Attributed to Operating Expenses	2024 Total
Employee benefit expenses						
Salary Expenses	$ 10,419	$ 81,830	$ 92,249	$ 9,558	$ 75,802	$ 85,360
Labor and Health Insurance Expenses	1,170	6,891	8,061	1,137	6,743	7,880
Post-employment Benefits						
Defined Contribution Plan	535	3,767	4,302	529	3,678	4,207
Defined Benefit Plan	—	—	—	(14)	(70)	(84)
Directors' Remuneration	—	675	675	—	775	775
Other Personnel Expenses	825	3,835	4,660	653	3,112	3,765
	$ 12,949	$ 96,998	$ 109,947	$ 11,863	$ 90,040	$ 101,903
Depreciation Expenses	$ 1,236	$ 9,937	$ 11,173	$ 1,423	$ 10,769	$ 12,192
Amortization Expenses	$ —	$ 965	$ 965	$ —	$ 964	$ 964

According to the Company Act and the Articles of Incorporation, if the Company has 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 consolidated 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 consolidated 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.

(XVI) Other Gains and Losses

	2025	2024
Other gains		
Lease income	$ 1,561	$ 1,523
Gain on Disposal of Subsidiaries	17,998	—
Net exchange gain	—	616
Other income	5,919	484
Other loss		
Net exchange loss	(218)	—
Impairment loss	—	(6,398)
	$ 25,260	$ (3,775)

(XVII) Income Tax

1. Income tax recognized in profit or loss:

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

	2025	2024
Current Income Tax		
Current tax generated	$ —	$ —
Deferred income tax		
Origination and reversal of temporary differences	(16)	48
Income tax expense (benefit) recognized in profit or loss	$ (16)	$ 48

(2) Income tax recognized in other comprehensive income:

	2025	2024
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:

	2025	2024
Income tax expense calculated based on loss before tax	$ (16,469)	$ (23,253)
Income tax effect of permanent differences	(4,431)	2,899
Loss carryforwards to subsequent years	47,505	8,594
Realized investment losses	(29,126)	—
Investment losses recognized under the equity method	7,206	9,344
Inventory Write-Down and Obsolescence Loss (Reversal Gain)	(4,705)	1,191
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	$ (16)	$ 48

3. Current income tax assets and liabilities:

	2025.12.31	2024.12.31
Current Income Tax Assets		
Income tax refund receivable	$ 66	$ 137

4. Deferred income tax:

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

January to December, 2025	Beginning Balance	Recognized in profit or loss	Recognized in other comprehensive (loss) income	Disposal of Subsidiaries	Ending Balance
Deferred income tax assets					
Unrealized exchange losses	$ —	$ 5	$ —	$ (5)	$ —
Deferred Income Tax Liabilities					
Unrealized exchange gains	$ 13	$ (11)	$ —	$ (2))	$ —

January to December, 2024	Beginning Balance	Recognized in profit or loss	Recognized in other comprehensive (loss) income	Disposal of Subsidiaries	Ending Balance
Deferred income tax assets					
Unrealized exchange losses	$ 35	$ (35)	$ —	$ —	$ —
Deferred Income Tax Liabilities					
Unrealized exchange gains	$ —	$ 13	$ —	$ —	$ 13
Actuarial gains and losses on defined benefit plans	2,728	—	(2,728)	—	—
	$ 2,728	$ 13	$ (2,728)	$ —	$ 13

5. Items not recognized as deferred income tax:

Items	2025.12.31	2024.12.31
Loss carryforwards	$ 722,988	$ 812,833
Deductible temporary differences	$ 263,885	$ 324,617

6. Information on unused loss carryforwards:

As of December 31, 2025, information related to loss carryforwards is as follows:

	Unused balance of loss carryforwards	Final year for loss carryforward deduction
The Company	$ 722,988	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.

(XVIII) 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 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

(XIX) Disposal of Subsidiaries

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.

1. Consideration received

	Morelink Technology	Phoenix Innovative Materials
Cash and Cash Equivalents	$ 9,528	$ 31,968

2. Analysis of assets and liabilities upon loss of control

	Morelink Technology	Phoenix Innovative Materials
Current Assets		
Cash and Cash Equivalents	$ 60,460	$ 8,032
Net accounts receivable	462	3,301
Net Inventories	49,929	3,552
Other Current Assets	4,718	3,917
Non-current Assets		
Property, Plant, and Equipment	3,295	4,871
Right-of-use Assets	—	2,889
Other Intangible Assets	3,983	—
Goodwill	13,402	—
Other Non-current Assets	9,806	1,595
Current Liabilities		
Contract Liabilities	(51,503)	—
Payables	(14,528)	(3,723)
Other Current Liabilities	(157)	(2,062)
Non-current Liabilities		
Long-term borrowings	(52,000)	—
Shareholders' Interactions	(42,000)	—
Other Non-current Liabilities	(2)	(964)
Net assets disposed	$ (14,135)	$ 21,408

3. Gain on disposal of subsidiaries

	Morelink Technology	Phoenix Innovative Materials
Consideration received	$ 9,528	$ 31,968
Net assets disposed	14,135	(21,408)
Non-controlling Interests	(16,464)	239
Gain on disposals	$ 7,199	$ 10,799

4. Net cash inflow from disposal of subsidiaries

	Morelink Technology		Phoenix Innovative Materials	
Consideration received in cash and cash equivalents	$	9,528	$	31,968
Less: cash and cash equivalents disposed		(60,460)		(8,032)
	$	(50,932)	$	23,936

(XX) Cash Flow Information

Reconciliation of liabilities arising from financing activities:

January to December, 2025	Beginning Balance	Cash Flow	Non-cash changes: Lease reduction/ remeasurement	Others	Ending Balance
Lease Liabilities (current and non-current)	$ 9,513	$ (4,927)	$ (2,070)	$ (621)	$ 1,895
Guarantee Deposits Received	238	508	—	—	746
Shareholders' Interactions	94,000	—	—	(94,000)	—
Total liabilities from financing activities	$ 103,751	$ (4,419)	$ (2,070)	$ (94,621)	$ 2,641

January to December, 2024	Beginning Balance	Cash Flow	Non-cash changes: Lease reduction/ remeasurement	Others	Ending Balance
Lease Liabilities (current and non-current)	$ 14,336	$ (4,823)	$ —	$ —	$ 9,513
Guarantee Deposits Received	238	—	—	—	238
Shareholders' Interactions	72,000	22,000	—	—	94,000
Total liabilities from financing activities	$ 86,574	$ 17,177	$ —	$ —	$ 103,751

VII. Related Party Transactions

Balances and transaction amounts between the Company and its subsidiaries (which are related parties of the Company) have been eliminated in the preparation of the consolidated financial statements and are not disclosed in this note. Details of transactions between the consolidated company and other related parties are disclosed as follows.

(I) Names of related parties and their relationships

Name of related party	Relationship with the Company
Trump Gain Investments Ltd. (hereinafter referred to 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)
Rich System Corp. (hereinafter referred to as Rich System)	Non-controlling shareholders
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) Borrowings from related parties

Type of related party	2025.12.31	2024.12.31
Director of the Company	$ —	$ 52,000
Non-controlling shareholders	$ —	$ 42,000

Type of related party	Account Title	2025	2024
Director of the Company	Financial Costs	$ 695	$ 1,458
Non-controlling shareholders	Financial Costs	$ 565	$ 1,369

The interest rates on borrowings from related parties are comparable to market rates, and the borrowings are unsecured.

(III) 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.

(IV) Remuneration of key management personnel

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

	2025	2024
Short-term benefits	$ 13,447	$ 9,845
Post-employment benefits	3,518	11,263
	$ 16,965	$ 21,108

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 consolidated 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
	$ 75,328	$ 76,230

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 consolidated 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 consolidated 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 consolidated 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
Financial Assets		
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	214,269
Total	$ 162,715	$ 217,974
Financial Liabilities		
Measured at amortized cost (Note 2)	$ 28,079	$ 153,580

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, deposits received, and shareholders' interactions, 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 consolidated company's management considers that the carrying amounts of financial assets and financial liabilities not measured at fair value in the consolidated 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			
	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value through Other Comprehensive Income				
Unlisted company shares	$ －	$ －	$ 4,029	$ 4,029

	2024.12.31			
	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value through Other Comprehensive Income				
Unlisted company shares	$ —	$ —	$ 3,705	$ 3,705

The consolidated 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 consolidated 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
Equity Instrument Investments at Fair Value through Other Comprehensive Income:		
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	$ 4,029	$ 3,705

(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 consolidated 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 consolidated 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 consolidated company's equity will increase/decrease by NT$371 thousand

(7) Valuation process for Level 3 fair value measurements

The consolidated 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 consolidated company is committed to ensuring that it has sufficient and cost-effective working capital when necessary. The consolidated 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 consolidated 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 consolidated 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 consolidated 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, interest rate risk, and other price risks.

(1) Foreign currency exchange rate risk

The consolidated 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 consolidated 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 consolidated company does not hedge them.

Information on the consolidated 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
(Foreign currency: Functional currency)						
Financial Assets						
Monetary Items						
USD:NTD	$	55	31.43	$	360	32.785
Financial Liabilities						
Monetary Items						
USD:NTD	$	51	31.43	$	111	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 consolidated company's net loss for 2025 and 2024 will increase/decrease by NT$1 thousand and NT$82 thousand, respectively.

(2) Interest rate risk

The consolidated 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 consolidated 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 consolidated company. The consolidated 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 consolidated 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 consolidated company's internal credit ratings, historical transaction records, and current economic conditions. The consolidated 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 consolidated 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 consolidated 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 consolidated company's finance department. Since the consolidated 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 consolidated 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 consolidated company has adequate financial flexibility.

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

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

	2024.12.31				
	Less than 1 year	2-3 years	4 to 5 years	Over 5 years	Total
Non-derivative financial liabilities					
Accounts Payable	$ 25,842	$ －	$ －	$ －	$ 25,842
Other Payables	33,499	－	－	－	33,499
Lease Liabilities	4,940	4,254	319	－	9,513
Shareholders' Interactions	－	94,000	－	－	94,000
	$ 64,281	$ 98,254	$ 319	$ －	$ 162,854

(III) Reclassification:

Certain items in the consolidated 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.
6. Business relationships and significant intercompany transactions between the parent and subsidiaries and among subsidiaries: Refer to Table 2.

(II) Information on investee companies: See Table 3.

(III) Information on investments in China: None.

XIV. Segment Information:

The information provided by the consolidated company to the chief operating decision maker for resource allocation and performance evaluation focuses on the type of each product delivered or service provided.

The reportable segments of the consolidated company for 2025 are as follows:

Memory Business Group: Primarily engaged in the manufacturing and trading of memory modules, flash memory cards, and random access memory.

Storage Business Group: Primarily engaged in the research, development, manufacturing, and trading of RAID.

Wireless Communication Business Group: Primarily engaged in the manufacturing and trading of wireless communication machinery and electronic components.

Other Business Group: Primarily engaged in the research, development, manufacturing, and trading of plastic films and high-tech chemical materials.

(I) Segment revenue and operating results:

The segment revenue and operating results of the consolidated company are analyzed by reportable segments as follows:

	Memory Business Group	Storage Business Group	Wireless Communication Business Group	Other Business Groups	Adjustments and eliminations	Total
Revenue from external customers	$ 40,341	$ 133,040	$ 44,186	$ 26,486	$ (251)	$ 243,802
Interest Income	454	384	226	61	(9)	1,116
Depreciation and amortization	4,589	730	4,320	5,260	(2,761)	12,138
Share of Loss of Affiliates Accounted for Using the Equity Method	(6,071)	−	−	−	−	(6,071)
Pre-tax net loss (income) of reportable segments	(9,542)	10,873	(37,147)	(11,462)	8	(47,270)
Investments Accounted for Using the Equity Method	42,328	−	−	−	−	42,328
Reportable segment assets	163,144	276,925	−	−	−	440,069
Reportable segment liabilities	8,232	22,689	−	−	−	30,921

The above measurement information is provided for the purposes of monitoring segment performance and allocating resources to each segment, as described below:

1. Segment net loss represents the profit earned by each segment and does not include the share of profit or loss of affiliates accounted for using the equity method or income tax expense.
2. All assets and liabilities, except for investments accounted for using the equity method, current income tax assets, and deferred income tax assets, are allocated to the reportable segments.

(II) Information on revenue from major products and services:

The consolidated company’s revenue from major products and services for 2025 and 2024 is presented as follows:

Items	2025	2024
Sales revenue of the Memory Business Group	$ 40,341	$ 10,941
Sales revenue of the Storage Business Group	132,791	197,525
Sales revenue of the Wireless Communication Business Group	44,186	79,580
Sales revenue of the Other Business Groups	26,484	5,636
Net Operating Revenue	$ 243,802	$ 293,682

(III) Geographic financial information: The consolidated company's geographic financial information for 2025 and 2024 is presented as follows:

Region	2025 Revenue	2025 Non-current Assets	2024 Revenue	2024 Non-current Assets
China (including Hong Kong)	$ 28,509	$—	$ 11,754	$—
Taiwan	199,027	306,826	254,363	356,536
The Americas	7,895	—	11,267	—
Asia - Others	5,974	—	14,577	—
Europe	2,173	—	1,122	—
Others	224	—	599	—
	$ 243,802	$ 306,826	$ 293,682	$ 356,536

(IV) Major customer financial information: Details of customers whose sales amounts accounted for more than 10% of total sales revenue for the consolidated company in 2025 and 2024 are as follows:

Customer Name	2025 Amount	2025 Percentage of current-period operating revenue	2024 Amount	2024 Percentage of current-period operating revenue
C—47	$ 40,341	16.49	$ 10,941	3.73
C—73	4,854	1.99	30,973	10.54
C—121	—	—	16,730	5.69
	$ 45,195	18.48	$ 58,644	19.96

Unifosa Corp. and its subsidiaries
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. and its subsidiaries
Business relationships and significant intercompany transactions between the parent and subsidiaries and among subsidiaries
January 1, 2025 to December 31, 2025

Table 2

Unit: NT$ Thousands

Name of transacting party	Transaction counterparty	Relationship with transacting party	Transaction details			
			Subject	Amount	Transaction conditions	Percentage of consolidated total revenue or total assets
Unifosa Corp.	Phoenix Innovative Materials Inc.	1	Lease income	37	No significant differences	0.02%
Unifosa Corp.	Phoenix Innovative Materials Inc.	1	Other income	4,359	No significant differences	1.79%
Unifosa Corp.	Phoenix Innovative Materials Inc.	1	Operating Expenses	1	No significant differences	0.00%
Unifosa Corp.	Morelink Technology Corporation	1	Operating Revenue	250	No significant differences	0.10%
Unifosa Corp.	Morelink Technology Corporation	1	Lease income	2,932	No significant differences	1.20%
Unifosa Corp.	Morelink Technology Corporation	1	Other income	1,250	No significant differences	0.51%

Note 1: There are the following two types of relationships with the transacting party; only the type needs to be indicated:
1. Parent company to subsidiary
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 2: For the calculation of the ratio of transaction amounts to consolidated total revenue or total assets, if it relates to balance sheet accounts, it is calculated based on the ending balance as a percentage of consolidated total assets; if it relates to income statement accounts, it is calculated based on the cumulative amount for the period as a percentage of consolidated total revenue.

Unifosa Corp. and its subsidiaries
Information on investee companies
December 31, 2025

Table 3

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 (thounsand 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.