

Ji-Haw Industrial, Co., Ltd.
and subsidiaries

Consolidated Financial Statements
with Independent Auditors' Report
2025 and 2024

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Representation Letter

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

Stated hereby

Company name: Ji-Haw Industrial, Co., Ltd.

Responsible Person: Shih Hao-Ji

March 13, 2026

Independent Auditor's Report

To Ji-Haw Industrial, Co., Ltd:

Opinions

We have audited the accompanying consolidated financial statements of Ji-Haw Industrial, Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis of Audit Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Ji-Haw Industrial, Co., Ltd. and its subsidiaries in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Issues

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of Ji-Haw Industrial, Co., Ltd. and its subsidiaries of 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters of the 2025 consolidated financial statements of Ji-Haw Industrial, Co., Ltd. and its subsidiaries, to be communicated in our report.

Occurrence of Revenue Recognition from Sales

Ji-Haw Industrial Co., Ltd. and its subsidiaries are primarily engaged in the manufacturing, processing, and sales of precision electronic connectors and sockets, connectors, wires, cables, various electronic components, and other industrial and commercial services. In recent years, overall market demand has declined, and revenue has remained relatively unchanged. However, sales revenue from certain customers has increased against the trend, and the magnitude and proportion of this increase are considered significant. Therefore, we, as the auditors, have identified the occurrence of revenue recognition from these customers as a key audit matter for Ji-Haw Industrial Co., Ltd. and its subsidiaries. Refer to Note 4 and 24 to the consolidated financial statements for the accounting policies and disclosures related to operating revenue.

Our principal audit procedures conducted to address the aforementioned key audit matters included:

1. Understand and test the design and implementation effectiveness of main internal controls related to the recognition of sales revenue.
2. Select sufficient samples from the transaction details of customers from whom the sales revenue has increased significantly, check the transaction vouchers, and confirm the remittance beneficiary and the payment collection process to confirm the existence of the sales transaction.

Other Matters

Ji-Haw Industrial, Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended in December 31, 2025 and 2024, on which we have issued an unmodified opinion.

Responsibilities of the Management and Governance Body to the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial

Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process of Ji-Haw Industrial, Co., Ltd. and its subsidiaries.

Responsibilities of the Auditor When Auditing Consolidated Financial Statements

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

In conducting our audit in accordance with auditing standards, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Ji-Haw Industrial, Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Ji-Haw Industrial, Co., Ltd. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Ji-Haw Industrial, Co., Ltd. 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 disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Ji-Haw Industrial, Co., Ltd. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan

CPA Huang Yao-Lin

CPA Chou Shih-Chieh

FSC approval reference number

Jin-Guan-Zheng-Shen-Zi No. 1060004806

FSC approval reference number

Jin-Guan-Zheng-Shen-Zi No. 1110348898

March 16, 2026

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Consolidated Balance Sheets

December 31, 2025 and 2024

Unit: NT\$ thousand

Account	Assets	December 31, 2025		December 31, 2024 (After restatement)	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 239,714	9	\$ 332,194	11
1136	Financial assets at amortized cost – current (Note 4, 9 and 34)	23,643	1	32,595	1
1140	Contract assets - current (Notes 4, 24 and 33)	1,472	-	1,702	-
1170	Notes and accounts receivable (Notes 4, 10, 24 and 33)	221,830	9	408,704	14
130X	Inventories (Note 4 and 11)	162,570	6	197,709	7
1470	Other current assets (Notes 4, 19, 26, and 33)	33,843	1	42,561	1
11XX	Total current assets	<u>683,072</u>	<u>26</u>	<u>1,015,465</u>	<u>34</u>
	Non-current Assets				
1510	Non-current financial assets at fair value through profit or loss (notes 4 and 7)	31,379	1	-	-
1517	Financial assets at fair value through other comprehensive income – non-current (Notes 4, 8, 13, and 34)	234,772	9	236,513	8
1535	Financial assets at amortized cost – non-current (Notes 4, 9, and 34)	12,000	1	-	-
1550	Investments accounted for using equity method (notes 4 and 13)	1,726	-	1,760	-
1600	Property, plant and equipment (Notes 4, 14, and 34)	313,532	12	299,525	10
1755	Right-of-use assets (notes 4, 15 and 16)	82,034	3	109,777	4
1760	Investment property (Notes 4, 16, and 34)	1,119,053	43	1,104,288	38
1780	Intangible assets (Notes 4, 17, 18, and 33)	50,844	2	68,788	2
1805	Goodwill (Notes 4 and 17)	12,402	1	39,193	1
1840	Deferred income tax assets (Notes 4 and 26)	59,817	2	43,801	2
1920	Refundable deposits (note 4)	11,058	-	11,314	-
1975	Net defined benefit asset (Notes 4 and 22)	62	-	-	-
1990	Other non-current Assets (Notes 4, 19, and 33)	7,255	-	15,499	1
15XX	Total non-current assets	<u>1,935,934</u>	<u>74</u>	<u>1,930,458</u>	<u>66</u>
1XXX	Total assets	<u>\$ 2,619,006</u>	<u>100</u>	<u>\$ 2,945,923</u>	<u>100</u>
Account	LIABILITIES AND EQUITY				
	Current liabilities				
2100	Short-term loans (Notes 20 and 34)	\$ 66,031	2	\$ 695,000	24
2130	Contract liabilities – current (Notes 24 and 33)	2,783	-	4,506	-
2170	Notes and accounts payable (Note 33)	209,848	8	333,818	11
2200	Other payables (Notes 21 and 33)	47,061	2	54,951	2
2230	Current income tax liabilities (Notes 4 and 26)	523	-	17	-
2280	Current lease liabilities (note 4 and 15)	13,772	1	18,489	1
2320	Long-term loans due within one year (Notes 20 and 34)	56,425	2	4,928	-
2399	Other current liabilities	4,201	-	1,181	-
21XX	Total current liabilities	<u>400,644</u>	<u>15</u>	<u>1,112,890</u>	<u>38</u>
	Non-current liabilities				
2527	Contract liabilities – non-current (Note 24)	79	-	205	-
2540	Long-term loans (Notes 20 and 34)	712,929	27	66,824	2
2570	Deferred income tax liabilities (Notes 4 and 26)	71,494	3	77,893	3
2580	Non-current lease liabilities (note 4 and 15)	81,462	3	86,662	3
2640	Net defined benefit liabilities (Note 4 and 22)	-	-	192	-
2645	Guarantee deposits	2,507	-	3,951	-
2670	Other non-current liabilities	8,890	1	8,821	-
25XX	Total non-current liabilities	<u>877,361</u>	<u>34</u>	<u>244,548</u>	<u>8</u>
2XXX	Total liabilities	<u>1,278,005</u>	<u>49</u>	<u>1,357,438</u>	<u>46</u>
	Equity attributable to owners of the Company (Notes 4 and 23)				
3100	Common shares	1,251,468	48	1,127,192	38
3200	Capital surplus	26,483	1	2,937	-
	Retained earnings (accumulated losses)				
3320	Special reserve	50,060	2	298,757	10
3350	Losses to be offset	(294,748)	(12)	(248,370)	(8)
3300	Total retained earnings (accumulated losses)	(244,688)	(10)	50,387	2
3400	Other equity	290,394	11	336,631	12
31XX	Total equity of the Company's owners	<u>1,323,657</u>	<u>50</u>	<u>1,517,147</u>	<u>52</u>
36XX	Non-controlling interests (Notes 17, 23, and 30)	17,344	1	71,338	2
3XXX	Total equity	<u>1,341,001</u>	<u>51</u>	<u>1,588,485</u>	<u>54</u>
	Total liabilities and equities	<u>\$ 2,619,006</u>	<u>100</u>	<u>\$ 2,945,923</u>	<u>100</u>

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

Chair: Shih Hao-Ji

Manager: Lin Meng-Chieh

Accounting supervisor: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2025 and 2024

		Unit: NT\$ thousand, except for losses per share in NT\$			
Account		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 24 and 33)	\$ 754,644	100	\$ 1,152,170	100
5000	Operating costs (Notes 11, 18, 25, and 33)	<u>714,766</u>	<u>95</u>	<u>1,067,246</u>	<u>93</u>
5950	Gross profit	<u>39,878</u>	<u>5</u>	<u>84,924</u>	<u>7</u>
	Operating expenses (Notes 10, 18, 22, 25, and 33)				
6100	Selling expenses	92,798	12	92,923	8
6200	Administrative expenses	190,904	25	185,946	16
6300	Research and Development Expenses	86,023	12	80,526	7
6450	Reversal of Impairment loss of expected credit loss	(<u>1,770</u>)	<u>-</u>	(<u>2,241</u>)	<u>-</u>
6000	Total operating expenses	<u>367,955</u>	<u>49</u>	<u>357,154</u>	<u>31</u>
6900	Net operating loss	(<u>328,077</u>)	(<u>44</u>)	(<u>272,230</u>)	(<u>24</u>)
	Non-operating income and expenses				
7100	Interest revenue (Notes 4 and 25)	6,133	1	4,924	-
7010	Other revenue (Notes 4, 15, 16, 25, and 33)	27,268	4	34,663	3
7020	Other Gains and Losses (Notes 4, 13, 16, 17, and 25)	(5,667)	(1)	(27,429)	(2)
7050	Financial costs (Notes 4 and 25)	(20,896)	(3)	(12,250)	(1)
7060	Share of the profit of associates accounted for using equity method (note 4 and 13)	<u>-</u>	<u>-</u>	<u>695</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>6,838</u>	<u>1</u>	<u>603</u>	<u>-</u>
7900	Loss before tax	(\$ 321,239)	(43)	(\$ 271,627)	(24)
7950	Income tax benefit (Notes 4 and 26)	22,142	3	16,638	2
8200	Net loss for the year	(299,097)	(40)	(254,989)	(22)
	Other comprehensive income				
	Items Not Reclassified Into Profit or Loss				
8311	Gains (losses) on remeasurements of defined benefit plans (Notes 4 and 22)	61	-	514	-

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Account		2025		2024	
		Amount	%	Amount	%
8312	Revaluation increment of property (Notes 4, 16 and 23)	-	-	430,162	37
8316	Unrealized Gains/Losses on Valuation of Equity Instruments at Fair Value Through Other Comprehensive Income (Notes 4 and 23)	(48,994)	(6)	(48,299)	(4)
8320	Share of other comprehensive income of associates accounted for using the equity method (Notes 4, 13 and 23)	-	-	8,800	1
8349	Income tax related to components of items that will not be reclassified to profit or loss (note 4, 23 and 26)	(12)	-	(29,562)	(3)
8310	Items Likely to be Reclassified Into Profit or Loss	(48,945)	(6)	(361,615)	(31)
8361	Exchange differences on translation of foreign operations (Notes 4 and 23)	(11,844)	(2)	(45,845)	(4)
8300	Other comprehensive income (after tax)	(60,789)	(8)	(407,460)	(35)
8500	Total comprehensive income for the year	(\$ 359,886)	(48)	(\$ 152,471)	(13)
8610	Net loss attributable to: owners of the parent company	(\$ 292,931)	(39)	(\$ 248,781)	(22)
8620	Non-controlling interests	(6,166)	(1)	(6,208)	-
8600		(\$ 299,097)	(40)	(\$ 254,989)	(22)
	Comprehensive Income Attributable To:				
8710	owners of the parent company	(\$ 339,119)	(45)	(\$ 179,236)	(15)
8720	Non-controlling interests	(20,767)	(3)	(26,765)	(2)
8700		(\$ 359,886)	(48)	(\$ 152,471)	(13)
9710	Loss per share (Note 27) Basic	(\$ 2.55)		(\$ 2.21)	

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

Chair: Shih Hao-Ji

Manager: Lin Meng-Chieh

Accounting supervisor: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2025 and 2024

Unit: NT\$ thousand

		Equity attributable to owners of the Company						Other equity						
		Common shares	Capital surplus	Retained earnings (accumulated losses)			Total	Exchange differences on the translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation increment of property	Total	Total	Non-controlling interests	Total equity
Account				Appropriated as legal capital reserve	Special reserve	Losses to be offset								
A1	Balance on January 1, 2024	\$ 1,127,192	\$ 226,697	\$ 23,586	\$ 218,029	(\$ 168,797)	\$ 72,818	(\$ 76,975)	(\$ 14,000)	\$ -	(\$ 90,975)	\$ 1,335,732	\$ -	\$ 1,335,732
B3	Appropriation of special reserve in accordance with Jin-Guan-Zheng-Fa-Zi Order No. 10901500221	-	-	-	298,757	(298,757)	-	-	-	-	-	-	-	-
	Appropriation and distribution of earnings for 2023:													
B13	Legal reserve to offset deficits	-	-	(23,586)	-	23,586	-	-	-	-	-	-	-	-
B15	Special surplus reserve for offsetting deficits	-	-	-	(218,029)	218,029	-	-	-	-	-	-	-	-
C11	Capital reserve to offset deficit	-	(225,939)	-	-	225,939	225,939	-	-	-	-	-	-	-
D1	Loss for the year ended December 31, 2024	-	-	-	-	(248,781)	(248,781)	-	-	-	-	(248,781)	(6,208)	(254,989)
D3	Other comprehensive income for the year ended December 31, 2024	-	-	-	-	411	411	45,849	(18,946)	400,703	427,606	428,017	(20,557)	407,460
D5	Comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	(248,370)	(248,370)	45,849	(18,946)	400,703	427,606	179,236	(26,765)	152,471
M7	Change of Ownership Interest in Subsidiaries	-	2,179	-	-	-	-	-	-	-	-	2,179	-	2,179
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	98,103	98,103
Y1	Total increase (decrease) in equity for 2024	-	(223,760)	(23,586)	80,728	(79,573)	(22,431)	45,849	(18,946)	400,703	427,606	181,415	71,338	252,753
Z1	Balance after restatement as of December 31, 2024	1,127,192	2,937	-	298,757	(248,370)	50,387	(31,126)	(32,946)	400,703	336,631	1,517,147	71,338	1,588,485
	Appropriation and distribution of earnings for 2024:													
B15	Special surplus reserve for offsetting deficits	-	-	-	(248,697)	248,697	-	-	-	-	-	-	-	-
D1	Loss for the year ended December 31, 2025	-	-	-	-	(292,931)	(292,931)	-	-	-	-	(292,931)	(6,166)	(299,097)
D3	Other comprehensive income for the year ended December 31, 2025	-	-	-	-	49	49	(11,824)	(34,413)	-	(46,237)	(46,188)	(14,601)	(60,789)
D5	Comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	(292,882)	(292,882)	(11,824)	(34,413)	-	(46,237)	(339,119)	(20,767)	(359,886)
E1	Follow-on offering	124,276	25,725	-	-	-	-	-	-	-	-	150,001	-	150,001
M3	Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(14,794)	(14,794)
M7	Change of Ownership Interest in Subsidiaries	-	(2,179)	-	-	(2,193)	(2,193)	-	-	-	-	(4,372)	4,372	-
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(22,805)	(22,805)
Y1	Total increase (decrease) in equity for 2025	124,276	23,546	-	(248,697)	(46,378)	(295,075)	(11,824)	(34,413)	-	(46,237)	(193,490)	(53,994)	(247,484)
Z1	Balance as of December 31, 2025	\$ 1,251,468	\$ 26,483	\$ -	\$ 50,060	(\$ 294,748)	(\$ 244,688)	(\$ 42,950)	(\$ 67,359)	\$ 400,703	\$ 290,394	\$ 1,323,657	\$ 17,344	\$ 1,341,001

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

Chair: Shih Hao-Ji

Manager: Lin Meng-Chieh

Accounting supervisor: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2025 and 2024

Unit: NT\$ thousand

Account	2025	2024
Cash flows from operating activities		
A00010 Loss before tax	(\$ 321,239)	(\$ 271,627)
A20010 Adjustments:		
A20100 Depreciation expense	44,677	45,629
A20200 Amortization Expenses	18,993	6,906
A20300 Reversal of Impairment loss of expected credit loss	(1,770)	(2,241)
A20400 Loss (gain) on financial assets at FVTPL	1,471	(142)
A20900 Finance costs	20,896	12,250
A21100 Net gain on reclassification of financial assets	-	(3,617)
A21200 Interest income	(6,133)	(4,924)
A22300 Share of profit or loss of affiliated companies using the equity method	-	(695)
A22500 Loss on disposal of property, plant and equipment	77	96
A22900 Loss on lease modification	-	353
A23100 Gain on disposal of subsidiaries	(27,507)	-
A23700 Impairment loss on goodwill	26,365	39,176
A24100 Unrealized Gain on Currency Exchange	(2,092)	(3,141)
A24600 Gain on Fair Value Adjustment of Investment Property	(6,214)	(20,082)
A29900 Bargain purchase gain	-	(5,998)
Total Income, Expenses, and Losses	<u>68,763</u>	<u>63,570</u>
Changes in operating assets and liabilities		
A31125 Contract assets	230	2,511
A31150 Notes and Accounts Receivable	158,832	1,900
A31200 Inventories	35,064	54,682
A31240 Increase in other current assets	-	(13,163)
A31250 Decrease in other current assets	9,239	-
A32125 Contract Liabilities	182	4,576
A32150 Notes and Accounts Payable	(108,701)	14,965
A32180 Other payables	(8,714)	14,021
A32230 Other current liabilities	3,168	(10,105)
A32240 Net defined benefit liabilities	(193)	(180)
A32990 Other non-current liabilities	<u>69</u>	<u>1,872</u>
A30000 Total Net Change in Assets and Liabilities Related to Operating Activities	<u>89,176</u>	<u>71,079</u>
A33000 Cash generated from operations	(\$ 163,300)	(\$ 136,978)
A33300 Interest paid	(17,894)	(12,250)
A33500 Income tax received (paid)	221	(373)
AAAA Net cash flow used in operating activities	(180,973)	(149,601)

(Continued next page)

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Account		2025	2024
	Cash flows from investing activities		
B00010	Acquisition of Financial Assets at Fair Value Through Other Comprehensive Income	(42,996)	(32,340)
B00040	Acquisition of financial assets at amortized cost	(29,458)	(108,707)
B00050	Proceeds from the disposal of financial assets at amortized cost	25,890	104,157
B00100	Acquisition of financial assets at fair value through profit or loss	(32,850)	-
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	-	23,383
B01800	Acquisition of long-term equity investment under the equity method	-	(61,066)
B02200	Net cash outflow from acquisition of subsidiaries	-	(38,009)
B02300	Proceeds from the disposal of subsidiaries	39,835	-
B02400	Capital reduction refund from long-term equity investments accounted for using the equity method	-	19,000
B02700	Acquisition of property, plants, and equipment	(45,186)	(41,484)
B02800	Proceeds from disposal of property, plants, and equipment	-	29
B03700	Increase in Guarantee Deposits Paid	(727)	(3,751)
B04500	Purchase of intangible assets	(11,235)	(15,913)
B06100	Decrease in lease receivables	136	-
B06700	Increase in other non-current assets	2,979	(14,232)
B07500	Interest received	3,910	4,924
BBBB	Net Cash Outflow From Investing Activities	(89,702)	(164,009)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	60,245	294,500
C00200	Decrease in short-term borrowing	(690,000)	-
C01600	Borrowing of long-term loans	708,000	53,400
C01700	Repayment of long-term borrowings	(3,611)	(4,742)
C03000	Increase in Guarantee Deposits Received	-	1,742
C03100	Decrease in guarantee deposits	(1,444)	-
C04020	Repayment of principal of lease liabilities	(15,489)	(17,521)
C04600	Follow-on offering	\$ 150,001	\$ -
C05800	Change in Non-controlling Equity	(22,805)	5,834
CCCC	Net cash flows from financing activities	184,897	333,213
DDDD	Effect of exchange rate changes on cash and cash equivalents	(6,702)	36,320
EEEE	Net increase (decrease) in cash and cash equivalents	(92,480)	55,923
E00100	Cash and cash equivalents at beginning of period	332,194	276,271
E00200	Cash and cash equivalents at end of period	\$ 239,714	\$ 332,194

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

Chair: Shih Hao-Ji

Manager: Lin Meng-Chieh

Accounting supervisor: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(expressed in thousands of New Taiwan Dollars unless otherwise specified)

1. Organization and operations

Ji-Haw Industrial, Co., Ltd., (the “Company”) was incorporated on January 11, 1983. The major business activities of the Company are the sale and manufacturing of precision electric ports and sockets, connectors, electric wires and cables, electronics components, and other industrial and commercial services. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE) in July 2002.

The consolidated financial statements are presented in New Taiwan Dollar, which is the Company's functional currency.

2. Date and Procedures of Approval of the Financial Statement

These consolidated financial statements were approved by the Board of Directors on March 13, 2026.

3. New standards, amendments, and interpretations adopted

- (1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of the amended and promulgated IFRSs approved by the FSC (Financial Supervisory Commission) will not cause significant changes in the accounting policies of the consolidated company.

- (2) IFRSs approved by the Financial Supervisory Commission (FSC) applicable for the year 2026

New IFRSs	Effective Date Announced by the International Accounting Standards Board (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 for nature-dependent electricity"	January 1, 2026
"Annual Improvements to IFRS Accounting Standards — Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts" (including the	January 1, 2026

2020 and 2021 Amendments)

As of the date these consolidated financial statements were authorized for issuance, the Group has assessed that the above amendments will not have a material impact on its consolidated financial position and consolidated financial performance.

- (3) IFRSs issued by the IASB that have been published but have not yet been approved and made effective by the Financial Supervisory Commission (FSC)

New IFRSs	Effective Date Announced by IASB (Note 1)
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 2)
IFRS 19 Subsidiaries without Public Accountability: Disclosures (including the 2025 Amendments)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The Financial Supervisory Commission announced on September 25, 2025 that companies in Taiwan shall apply IFRS 18 from January 1, 2028, and may elect early adoption upon approval of IFRS 18 by the Financial Supervisory Commission.

IFRS 18 "Presentation and Disclosure in Financial Statements" and Related Amendments

IFRS 18 will replace IAS 1 "Presentation of Financial Statements." The main changes under this standard include:

- The Group shall assess whether it has specific main business activities involving investing in particular types of assets and providing financing to customers, and accordingly classify income and expense items in the statement of profit or loss into operating, investing, financing, income taxes, and discontinued operations categories.
- The statement of profit or loss shall present subtotals and totals for operating profit or loss, profit or loss before financing and income taxes, and total profit or loss.

- Providing guidance to enhance aggregation and disaggregation requirements: the Group shall identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on shared characteristics so that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics shall be disaggregated in the primary financial statements and the notes. The consolidated entity will label such items as “other” only when no more informative label can be identified.
- Enhanced disclosure of management-defined performance measures: When the consolidated entity engages in public communications outside of the financial statements, and conveys management’s perspective on an aspect of the consolidated entity’s overall financial performance to users of the financial statements, it shall disclose, in a single note to the financial statements, relevant information regarding the management-defined performance measure. This includes a description of the measure, how it is calculated, a reconciliation to the subtotals or totals specified by IFRS Standards, and the effects of income tax and non-controlling interests on the related reconciling items.

In addition, the following consequential amendments have been made to IAS 7 Statement of "Cash Flows":

- When the Group prepares cash flows from operating activities using the indirect method, it shall use operating profit or loss as the starting point for reconciliation.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If, upon assessment, the Group determines that it has specific main business activities, it shall consider the classification of dividend income, interest income, and interest expense presented in the statement of profit or loss in determining the classification of dividends received, interest received, and interest paid in the statement of cash flows. However, each of the aforementioned cash flows shall be classified into only one category of activities in the statement of cash flows.

In addition to the above effects, as of the date of approving the consolidated financial statements for release, the Group had continued to evaluate the effect of the amendments to the other standards and interpretations on its financial position and

financial performance, and the relevant effects will be disclosed when the evaluation is completed.

4. Summary of significant accounting policies

(1) Statement of compliance

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

(2) Basis of preparation

Except for financial instruments measured at fair value, investment property, and net defined benefit plans recognized at the present value of defined benefit obligations less the fair value of plan assets, these consolidated financial statements have been prepared on a historical cost basis.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- A. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- B. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- C. Level 3 inputs are unobservable inputs for the asset or liability.

(3) Classification of current and noncurrent assets and liabilities

Current assets include:

- A. Assets held primarily for the purpose of trading;
- B. Assets expected to be realized within twelve months after the reporting period; and
- C. Cash and cash equivalents unless the asset is restricted from being used for an exchange or used to settle a liability for more than twelve months after the reporting period.

Current liabilities include:

- A. Liabilities held primarily for the purpose of trading;
- B. Liabilities expected to be settled within twelve months after the reporting period even if an agreement to refinance, or to reschedule payments, on a

long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

- C. Liabilities for which, as of the balance sheet date, there is no substantive right to defer settlement for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as abovementioned are classified as noncurrent.

(4) Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the financial statements of the entities (subsidiaries) controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisitions up to the effective dates of disposals, as appropriate. The financial statements of the subsidiaries have been adjusted to align their accounting policies with those of the parent company. In the preparation of the consolidated financial statements, all inter-entity transactions, account balances, revenues, and expenses have been eliminated in full. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted 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 Group loses control of a subsidiary, the gain or loss on disposal is the difference between: (1) the fair value of the consideration received together with the fair value of any retained investment in the former subsidiary as measured at the date control is lost; and (2) the aggregate carrying amounts of the assets (including goodwill), liabilities, and non-controlling interests of the former subsidiary as of the date control is lost. The Group shall account for all amounts recognized in other comprehensive income that are attributable to the subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Any retained investment in the former subsidiary is measured at its fair value at the date control is lost and is used as the initial recognition amount for financial assets at fair value through other comprehensive income.

For details of subsidiaries, percentage of ownership, and business items, please refer to Note 12 and Tables 7 and 8.

(5) Business Combination

Business combinations are accounted for using the acquisition method. Acquisition-related costs are expensed in the year 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 and 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. If, after reassessment, the net amount of the identifiable assets acquired and liabilities assumed at the acquisition date still exceeds the aggregate of the consideration transferred and the fair value of the acquirer's previously held equity interest, the difference is recognized as a bargain purchase gain in profit or loss.

Non-controlling interests that represent present ownership interests in the acquiree and entitle their holders to a proportionate share of the acquiree's net assets upon liquidation are measured at their proportionate share of the recognized amounts of the acquiree's identifiable net assets. Other non-controlling interests are measured at fair value.

In a step acquisition, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value, and any resulting gain or loss is recognized in profit or loss. Any amounts previously recognized in other comprehensive income in relation to the acquirer's previously held equity interest in the acquiree are recognized on the same basis as if the acquirer had directly disposed of the previously held interest.

If the measurement of the identifiable assets acquired and liabilities assumed in a business combination is not complete by the balance sheet date, provisional amounts are recognized. During the measurement period, retrospective adjustments are made or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

(6) Foreign currencies

In preparing the financial statements of each individual consolidated entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year in which they arise.

Foreign currency non-monetary items measured at fair value are translated at the exchange rates prevailing on the date fair value was determined. The resulting exchange differences are recognized in profit or loss for the period, except for those recognized directly in other comprehensive income, in which case the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are recognized at the rates of exchange prevailing at the dates of the transactions and are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are translated into the presentation currency - New Taiwan dollars at the exchange rates at the reporting date. Income and expense items are translated using the average exchange rate for the year, and the resulting exchange differences are recognized in other comprehensive income and attributed to owners of the Company and non-controlling interests, respectively.

If the consolidated entity disposes of its entire interest in a foreign operation, or partially disposes of a subsidiary of a foreign operation resulting in loss of control, or retains an interest in an associate of a foreign operation that is subsequently accounted for as a financial asset in accordance with the accounting policies for financial instruments, the cumulative exchange differences attributable to the owners of the Company that relate to that foreign operation are reclassified to profit or loss.

(7) Inventories

Inventories consists of raw materials, work-in-process, and finished goods. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated

selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost.

(8) Investment in associates

An associate is an entity over which the Group and its subsidiaries have significant influence and that is not a subsidiary.

The Group uses the equity method to account for its investments in associates.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the proportionate share of equity of associates.

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

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Company and its subsidiaries' share of equity of associates. If the Group's ownership interest is reduced due to non-subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be a deduction to capital surplus, but the capital surplus recognized from investments accounted for using equity method is insufficient, the shortage is deducted from retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the

extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

When impairment loss is evaluated, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any assets, including goodwill, that compose the carrying amount. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

When the Group transacts with its associates (upstream, downstream, and side stream), profits and losses on these transactions are recognized in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

(9) Property, plants, and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Properties in the course of construction are carried at cost, less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use and depreciated accordingly.

Except for owned land, which is not depreciated, the remaining property, plant, and equipment are depreciated on a straight-line basis over their useful lives, with each significant component depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

(10) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment property also includes land held for currently undetermined future use.

Self-owned investment property is initially measured at cost (including transaction cost). Investment property acquired through leases is initially measured at cost, which includes the initial measurement amount of the lease liability, lease payments made before the commencement date, initial direct costs, and estimated costs to restore the underlying asset, less any lease incentives received. Subsequently, investment property is measured using the fair value model, and changes in fair value are recognized in profit or loss in the year they occur.

Investment property is reclassified to property, plant and equipment and right-of-use assets at its fair value on the date it begins to be owner-occupied.

When owner-occupied property classified under property, plant and equipment and right-of-use assets is reclassified to investment property upon cessation of owner-use, the difference between the original carrying amount and the fair value is recognized in other comprehensive income and accumulated in equity under revaluation surplus. Upon derecognition of the asset, the accumulated amount is transferred directly to retained earnings.

(11) Goodwill

Goodwill arising from a business combination is initially recognized at the amount recorded on the acquisition date and is subsequently measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units (CGUs) or groups of CGUs from which the consolidated entity expects to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the allocated goodwill, with its recoverable amount. If the goodwill allocated to a CGU was acquired in a business combination during the current year, that unit must be tested for impairment before the end of the year. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset. Any impairment loss is recognized immediately in profit or loss for the year. Impairment losses on goodwill are not reversed in subsequent periods.

When an operation within a CGU to which goodwill has been allocated is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal.

(12) Intangible assets

A. Acquired separately

Separately acquired intangible assets with finite useful lives 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. The consolidated entity reviews the estimated useful lives, residual values, and amortization methods at least at the end of each financial year, and applies the effects of any changes in accounting estimates prospectively.

B. Internally Generated – Research and Development Expenditures

Research expenditures are recognized as expenses when incurred.

The consolidated entity begins to recognize an intangible asset arising from the development phase of an internal project when all of the following conditions are met:

- (A) Technical feasibility of completing the intangible asset so that it will be available for use or sale has been established;
- (B) There is an intention to complete and use or sell the intangible asset;
- (C) The entity has the ability to use or sell the intangible asset;
- (D) The intangible asset is expected to generate probable future economic benefits;
- (E) Adequate technical, financial, and other resources are available to complete the development and to use or sell the intangible asset; and
- (F) The expenditures attributable to the development phase of the intangible asset can be reliably measured.

The cost of an internally generated intangible asset is the sum of expenditures incurred from the date on which the asset first meets all of the above recognition criteria. Subsequent measurement is the same as for separately acquired intangible assets.

C. Acquired in a Business Combination

Intangible assets acquired in a business combination are recognized at their fair value on the acquisition date and are recognized separately from

goodwill. Subsequent measurement is the same as for separately acquired intangible assets.

D. 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.

(13) Impairment of Property, Plant and Equipment, Right-of-Use Assets, and Intangible Assets (Excluding Goodwill)

At each balance sheet date, the consolidated entity assesses whether there is any indication that property, plant and equipment, right-of-use assets, and intangible assets (excluding goodwill) may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment loss is recognized in profit or loss.

When an impairment loss subsequently is reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined for the asset or cash-generating unit (net of amortization and depreciation) had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(14) Financial instruments

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

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities not at fair value through profit or loss are added to the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

(A) Measurement category

Financial assets held by the consolidated entity are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI.

a. Financial Assets at Fair Value Through Profit or Loss

Financial asset at FVTPL is measured at FVTPL. Financial assets mandatorily measured at fair value through profit or loss include equity instrument investments that are not designated to be measured at fair value through other comprehensive income, and debt instrument investments that do not meet the criteria for classification as measured at amortized cost or at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value. Dividends and interest income derived from such assets are recognized under other income and interest income, respectively, while gains or losses arising from remeasurement are recognized under other gains and losses.

b. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

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

Financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable at amortized cost, other receivables, and refundable deposits, are measured at amortized cost, which equals to gross carrying amount determined by the effective

interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying

amount of a financial asset except for the following situations:

- (a) The interest revenue of purchased or originated credit-impaired financial assets shall be calculated by applying the effective interest rate to the amortized cost of a financial asset.
- (b) For those financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. The interest revenue shall be calculated by applying the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets become credit-impaired when the following events occur: the significant financial difficulty of the issuer or the borrower; a breach of contract; it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, high liquidity, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

- (c) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to

profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends from equity instruments at fair value through other comprehensive income are recognized in profit or loss when the entitlement to receive is confirmed, unless the dividends clearly represent a partial recovery of the investment cost.

(B) Impairment of financial assets and contract assets

At each balance sheet date, the consolidated entity assesses impairment losses on financial assets measured at amortized cost (including accounts receivable) and contract assets based on expected credit losses.

Loss allowances for accounts receivable and contract assets are recognized based on lifetime expected credit losses. For other financial assets, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

For internal risk management purpose, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

- a. Internal or external information shows that the debtor is unlikely to pay its creditors.
- b. When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account,

(C) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI in its entirety, the cumulative gain or loss is transferred directly to retained earnings, without recycling through profit or loss.

B. Equity instruments

Debt and equity instruments issued by the Consolidated Entity are classified into financial liabilities or equity depending on the terms of the underlying contract and the definitions of financial liability and equity used.

Equity instruments issued by the Consolidated Entity are recognized at the amount of proceeds received net of direct issuing costs.

The repurchase of the consolidated entity's own equity instruments is recognized and deducted under equity. The carrying amount is calculated using the weighted average cost by class of shares. Purchases, sales, issuances, or cancellations of the Company's own equity instruments are not recognized in profit or loss.

C. Financial liabilities

(A) Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method.

(B) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(15) Revenue recognition

The Group identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

A. Revenue from sale of goods

Revenue comes from the sale of various electronic components. Sales revenue is recognized when the customer obtains the control of good, i.e. when the good is delivered to the buyer, the buyer has discretion in establishing the sales price and channel for the specified good and there is no unsatisfied performance obligation of the Group that may impact the recognition of revenue and accounts receivable at the customer's acceptance. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Project revenue

The Group's software development and AI implementation project contracts recognize revenue based on the stage of completion. As the development labor hours incurred are directly related to the fulfillment of performance obligations, the consolidated entity measures the stage of completion based on the ratio of actual costs incurred to the estimated total costs. If circumstances change, the estimates of revenue, costs, and stage of completion will be revised. Any resulting changes are reflected in profit or loss in the period in which the change is identified by management. During the development process, the consolidated entity progressively recognizes contract assets and project revenue, and reclassifies the amounts as accounts receivable when billing occurs. If the amount of consideration received exceeds the recognized revenue, the difference is recorded as a contract liability.

When the outcome of a performance obligation cannot be reliably measured, project revenue is recognized only to the extent of costs incurred that are expected to be recoverable.

C. Service and licensing revenue

The Group provides enterprise software information services and licensing services, and recognizes service revenue and licensing revenue during

the financial reporting period in which the services are rendered and the software licenses are granted. In accordance with the terms of the contracts, revenue from fixed-price contracts is recognized over time based on the proportion of the actual service period to the total service period, while revenue from non-fixed-price contracts is recognized based on actual usage.

D. Processing revenue

Processing revenue, derived from product processing services, is recognized when the services are rendered.

(16) Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

A. The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The sublease shall be classified by reference to the right-of-use asset rather than by reference to the underlying asset. If the head lease is a short-term lease that the entity has accounted for applying a recognition exemption, the sublease shall be classified as an operating lease.

Lease payments of a finance lease include fixed payments. The net investment in the lease is measured as the sum of the present value of lease payments receivable and the unguaranteed residual value, plus any initial direct costs, and is presented as finance lease receivables. Finance income is allocated into various accounting periods in a way that reflects a constant periodic rate of return on outstanding net investment that the Consolidated Entity is able to generate in the respective periods.

Under an operating lease, lease payment after the deduction of lease incentives is recognized as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks

and rewards incidental to ownership of each element have been transferred to the Group. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated

reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

B. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which includes the initial measurement amount of the lease liability. Subsequently, they are measured at cost less accumulated depreciation and accumulated impairment losses, and are adjusted for any remeasurement of the lease liability. Right-of-use assets are presented on a separate line in the consolidated balance sheets except for those meeting the definition of investment properties. Please refer to the accounting policies of investment properties for the recognition and measurement of right-of-use assets meeting the definition of investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments (including fixed payments). The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If changes in the lease term or lease payments result in a modification of future lease payments, the consolidated entity remeasures the lease liability and correspondingly adjusts the right-of-use asset. However, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. lease liabilities are presented on a separate line in the consolidated balance sheets.

(17) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets until substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

For specific borrowings, any investment income earned on the temporary investment of those borrowings before the qualifying capital expenditures are made is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized as expenses in the period in which they are incurred.

(18) Employee benefits

A. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

B. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest, and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the

period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

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

(19) Taxation

Income tax expenses represent the sum of the tax currently payable and deferred tax.

A. Current tax

The Group's income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

B. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences and tax loss carryforwards can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deductible temporary differences relating to these investments are recognized as deferred income tax assets only to the extent that sufficient taxable income

can be earned to realize the temporary differences, and that reversal is expected in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date and recognized to the extent that it has become probable that future taxable profit will allow all or part of the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. If investment property measured at fair value is a non-depreciable asset, the consolidated entity assumes recovery of the asset's carrying amount through sale.

C. Current and deferred tax

Current and deferred income taxes are recognized in profit or loss, except for those related to items recognized in other comprehensive income or directly in equity, which are recognized in other comprehensive income or directly in equity, respectively.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The accounting policies, estimates, and underlying assumptions adopted by the consolidated entity have been assessed by management, and no significant accounting judgments, estimates, or assumption uncertainties have been identified.

6. Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand	\$ 665	\$ 1,176
Checking accounts and demand deposits	238,606	256,413
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	<u>443</u>	<u>74,605</u>
	<u>\$ 239,714</u>	<u>\$ 332,194</u>

7. Financial instruments at fair value through profit or loss

	<u>December 31, 2025</u>
<u>Financial assets – non-current</u>	
Financial assets mandatorily classified as at FVTPL	
Non-derivative financial assets	
— Foreign convertible notes	<u>\$ 31,379</u>

8. Investments in equity instruments at FVTOCI

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Non-current</u>		
Domestic investments		
Listed (OTC) stocks		
Common shares of TEKCORE CO., LTD.	\$ 146,356	\$ 188,836

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	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unlisted (OTC) stocks		
Common shares of Ennovision INC.	\$ 37,980	\$ -
Common shares of CERMAX CO., LTD.	23,779	15,063
Common shares of SKYMIZER TAIWAN INC.	21,855	32,614
Common shares of Silicon Test Tech. Corp.	4,802	-
	<u>\$ 234,772</u>	<u>\$ 236,513</u>

The Group invested in the common shares of TEKCORE CO., LTD., Skymizer Taiwan, Inc., Cermax Co., Ltd., Ennovision INC., Soyo Link Energy Co., Ltd., Li Wang Technology Co., Ltd. and S SQUARE SYSTEM LTD. in accordance with its medium-to long-term strategic objectives, and expects to generate profits through long-term investments. The management elected to designate these investments as FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

The Group is unable to recover the investment costs as Soyo Link Energy Co., Ltd., and Li Wang Technology Co., Ltd., have discontinued their operation and S SQUARE SYSTEM LTD., has been incurring losses for several years. Their fair value was assessed to be zero.

For information on the pledging of equity instrument investments measured at fair value through other comprehensive income, please refer to Note 34.

9. Financial assets at amortized cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Pledged certificates of deposit	\$ 22,698	\$ -
Time deposits with original maturities of more than 3 months	945	32,595
	<u>\$ 23,643</u>	<u>\$ 32,595</u>
<u>Non-current</u>		
Pledged certificates of deposit	\$ 12,000	\$ -

As of December 31, 2025 and 2024, the market interest rate ranges for time deposits with original maturities of more than three months were 0.40%–1.20% and 0.80%–1.70% per annum, respectively.

For information on the pledging of financial assets measured at amortized cost, please refer to Note 34.

10. Notes and Accounts Receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes receivable</u>		
Measured at amortized cost	\$ 854	\$ 653
<u>Accounts receivable</u>		
Measured at amortized cost		
Gross carrying amount	235,147	424,054
Less: allowance	(14,171)	(16,003)
	<u>220,976</u>	<u>408,051</u>
Notes and Accounts Receivable	<u>\$ 221,830</u>	<u>\$ 408,704</u>

The Group's average credit period for sales is 7 to 150 days, and the accounts receivable do not accrue interest. The rating of major customers is given by using public financial information that is readily available and historical transaction records. The Group's credit exposures and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the management annually.

In order to reduce the credit risk, the Group assigns a team responsible for the determination and approval of credit limits and takes other monitoring measures to ensure that proper actions have been taken to recover the overdue accounts receivable. Additionally, the Group reviews the recoverable amount of receivables one by one on the balance sheet date to ensure that proper allowances are recognized for unrecoverable receivables. Accordingly, the management of the Company believes that the Group's credit risk has been significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provisions for all trade receivables. The expected credit losses on trade receivables are estimated considering the past default experience of the debtor and the debtor's current financial position. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance

based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activities to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables:

December 31, 2025

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.24%	6.65%	22.24%	34.14%	100%	
Gross carrying amount	\$ 205,414	\$ 12,615	\$ 3,179	\$ 2,742	\$ 11,197	\$ 235,147
Loss allowance (lifetime ECL)	(<u>492</u>)	(<u>839</u>)	(<u>707</u>)	(<u>936</u>)	(<u>11,197</u>)	(<u>14,171</u>)
Amortized cost	<u>\$ 204,922</u>	<u>\$ 11,776</u>	<u>\$ 2,472</u>	<u>\$ 1,806</u>	<u>\$ -</u>	<u>\$ 220,976</u>

December 31, 2024

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.33%	6.54%	28.94%	59.03%	100.00%	
Gross carrying amount	\$ 386,227	\$ 20,500	\$ 4,904	\$ 1,118	\$ 11,305	\$ 424,054
Loss allowance (lifetime ECL)	(<u>1,279</u>)	(<u>1,340</u>)	(<u>1,419</u>)	(<u>660</u>)	(<u>11,305</u>)	(<u>16,003</u>)
Amortized cost	<u>\$ 384,948</u>	<u>\$ 19,160</u>	<u>\$ 3,485</u>	<u>\$ 458</u>	<u>\$ -</u>	<u>\$ 408,051</u>

The movements of the loss allowance of trade receivables were as follows:

	2025	2024
Balance, beginning of year	\$ 16,003	\$ 22,313
Less: Written off	-	(5,441)
Less: Reversal	(1,770)	(2,241)
Effect of foreign currency exchange difference	(<u>62</u>)	<u>1,372</u>
Balance, end of year	<u>\$ 14,171</u>	<u>\$ 16,003</u>

11. Inventories

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Finished goods	\$ 81,972	\$ 128,494
Work in process	22,161	14,211
Raw materials	58,437	54,932
Contract fulfillment costs	-	72
	<u>\$ 162,570</u>	<u>\$ 197,709</u>

The operating cost related to inventories of the consolidated company includes the inventory loss recognized by offsetting the inventory cost to the net realizable value and the inventory reversal profit recognized by the increase in net realizable value during the financial reporting period. The amounts are listed as follows:

	<u>2025</u>	<u>2024</u>
Write-down (reversal) of inventories	<u>\$ 5,535</u>	<u>(\$ 8,645)</u>

12. Subsidiaries

Subsidiaries included in the consolidated financial statements

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

Investor	Name of subsidiary	Nature of business activities	Proportion of Ownership (%)		Remarks
			December 31, 2025	December 31, 2024	
Ji-Haw Industrial, Co., Ltd.	Ji-Haw Industrial Co., Ltd. (hereinafter referred to as J.H.K.)	Manufacturing and trading of computer cables or plugs	100.00	100.00	
	J.B.T INDUSTRIAL CO.,LTD. (hereinafter referred to as J.B.T.)	Manufacturing and trading of computer cables or plugs	100.00	100.00	Note 9
	Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	40.48	40.48	Note 1
	JI-HAW INVESTMENT CO., LTD. (hereinafter referred to as J.H.I.)	Investing in overseas financial products and stocks	100.00	100.00	-
	JI-HAW TECHNOLOGY VN CO., LTD (hereinafter referred to as J.H.V.)	Manufacturing and trading of computer cables or plugs	100.00	100.00	-
	CHINTEK Inc. (hereinafter referred to as CHINTEK)	Software development and design	100.00	100.00	Note 10
	Emergence A.I Co., Ltd. (hereinafter referred to as Emergence A.I)	Management consulting and technology R&D services	80.00	66.67	Note 2
	Heph A.I Studio Technology Co., Ltd. (hereinafter referred to as Heph A.I Studio Technology)	Software R&D and management consulting services	100.00	100.00	Note 3
	Silicon Test Tech Corp. (hereinafter referred to as Silicon Test Tech)	IC packaging OEM	-	68.93	Note 4

Investor	Name of subsidiary	Nature of business activities	Proportion of Ownership (%)		Remarks
			December 31, 2025	December 31, 2024	
	Jin-Zuan Semiconductor Investment Co., Ltd. (hereinafter referred to as Jin-Zuan Semiconductor)	General investment	84.16	53.22	Note 7
Silicon Test Tech	Jern Yao Co., Ltd. (hereinafter referred to as Jern Yao)	IC packaging OEM	-	100.00	Note 5
CHINTEK	CyPhy-Twin Corp. (hereinafter referred to as C.P.T)	Integrated sales of software and equipment	75.00	75.00	Note 6
Jin-Zuan Semiconductor Investment	SHAN YI Investment Co., Ltd. (hereinafter referred to as SHAN YI Investment)	General investment	100.00	100.00	Note 8
J.B.T	J.H.P	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	59.52	59.52	Note 1

Note 1: 40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.

Note 2: Emergence A.I completed its establishment registration on February 23, 2024, in response to market demand. An additional investment of NT\$10,000 thousand was made on February 27, 2025, increasing the equity interest to 80%. Please refer to Note 30.

Note 3: Heph A.I studios Technology completed its establishment registration on March 4, 2024, in response to market demand, and made an additional investment of NT\$15,000 thousand on September 1, 2025.

Note 4: In response to market demand, the Company acquired a 51.03% equity interest in Silicon Test Tech for cash of NT\$39,000 thousand on March 25, 2024. Please refer to Note 28. An additional investment of NT\$15,000 thousand was made on October 8, 2024, increasing the equity interest to 68.93%. Please refer to Note 30. On May 14, 2025, the Company disposed of 64.11% of its equity, resulting in the loss of control over the company. The remaining 4.82% interest was reclassified as an equity instrument investment measured at fair value through other comprehensive income. Please refer to Note 29.

Note 5: Jern Yao is a wholly owned subsidiary of Silicon Test Tech and was consolidated into the Group as a result of the acquisition of Silicon Test Tech. On May 14, 2025, the Company also lost control over Jern Yao as a result of the disposal of Silicon Test Tech.

Note 6: .P.T completed its registration for establishment on May 27, 2024, in response to market demand, and is a 75%-owned subsidiary of CHINTEK.

Note 7: For changes in the Company's shareholding resulting from the acquisition of Jin-Zuan Semiconductor Investment, please refer to Notes 13 and 28. In addition, the Company made additional cash investments of NT\$6,000 thousand and NT\$30,000 thousand on July 1 and December 9, 2025, respectively, and acquired equity in the company for NT\$22,805 thousand on November 14, 2025, increasing its shareholding to 84.16%. Please refer to Note 30.

Note 8: SHAN YI Investment is a wholly owned subsidiary of Jin-Zuan Semiconductor and was consolidated into the Group as a result of the acquisition of Jin-Zuan Semiconductor Investment.

Note 9: The Company made an additional cash investment of NT\$15,494 thousand on November 14, 2025.

Note 10: The Company made additional cash investments of NT\$15,000 thousand and NT\$30,000 thousand on November 14, 2025 and December 16, 2025, respectively.

13. Investments accounted for using equity method

Investment in associates

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Individual non-significant associates</u>		
Chuzhou Dingwang Investment Development Co., Ltd. (Chuzhou Ding Wang)	<u>\$ 1,726</u>	<u>\$ 1,760</u>

The Group established Jin-Zuan Semiconductor Investment on March 8, 2024 with a cash contribution of NT\$40,000 thousand. The company subsequently carried out a cash capital increase of NT\$125,000 thousand on March 28, 2024, in which the Group did not participate, resulting in a loss of control. Accordingly, it is accounted for as an individually immaterial associate. On May 15, 2024, the Company received a capital reduction of NTD 78,375 thousand, and the consolidated company recovered NTD 19,000 thousand of shares. The consolidated entity acquired 13.39% and 15.59% equity interests in the company for NT\$21,066 thousand and NT\$21,762 thousand in cash on August 28, 2024 and November 15, 2024, respectively, resulting in a total equity interest of 53.22% and thereby making the company a subsidiary of the Company. This acquisition resulted in a total bargain purchase gain of NT\$5,998 thousand. Please refer to Note 12.

CERMAX conducted a cash capital increase on October 6, 2024, in which the consolidated entity did not participate, resulting in a loss of significant influence. The remaining 18.81% equity interest held by the consolidated entity was remeasured at its fair value of NT\$19,700 thousand on that date and reclassified as a financial asset measured at fair value through other comprehensive income. As a result, the consolidated entity recognized a net gain from the reclassification of financial assets in the amount of NT\$3,617 thousand.

Financial information about associates was as follows:

	<u>2024</u>
The Group's share of	
Current Net Income	\$ 695
Other comprehensive income	<u>8,800</u>
	<u>\$ 9,495</u>

14. Property, plants, and equipment

	Land	Buildings	Machinery and equipment	Transportation Equipment	Other equipment	Leasehold improvements	Construction in progress	Total
<u>Cost</u>								
Balance as of January 1, 2025	\$ 114,717	\$ 252,461	\$ 357,778	\$ 17,903	\$ 67,756	\$ 10,418	\$ 29,407	\$ 850,440
Additions	-	69	2,042	-	1,201	-	41,874	45,186
Disposals	-	-	(21,167)	(690)	(5,246)	-	-	(27,103)
Disposal of subsidiaries	-	-	(67,062)	(777)	(935)	-	-	(68,774)
Reclassified	-	11,489	586	-	1,119	7,763	(12,373)	8,584
Effects of foreign currency exchange differences	-	(2,476)	4,935	(68)	(383)	-	302	2,310
Balance as of December 31, 2025	<u>\$ 114,717</u>	<u>\$ 261,543</u>	<u>\$ 277,112</u>	<u>\$ 16,368</u>	<u>\$ 63,512</u>	<u>\$ 18,181</u>	<u>\$ 59,210</u>	<u>\$ 810,643</u>
<u>Accumulated Depreciation</u>								
Balance as of January 1, 2025	\$ -	\$ 182,837	\$ 293,408	\$ 14,793	\$ 57,003	\$ 2,874	\$ -	\$ 550,915
Depreciation expense	-	8,350	11,672	775	2,744	6,102	-	29,643
Disposals	-	-	(21,159)	(690)	(5,177)	-	-	(27,026)
Disposal of subsidiaries	-	-	(58,353)	(706)	(783)	-	-	(59,842)
Effects of foreign currency exchange differences	-	(1,304)	5,113	(68)	(320)	-	-	3,421
Balance as of December 31, 2025	<u>\$ -</u>	<u>\$ 189,883</u>	<u>\$ 230,681</u>	<u>\$ 14,104</u>	<u>\$ 53,467</u>	<u>\$ 8,976</u>	<u>\$ -</u>	<u>\$ 497,111</u>
Carrying amount at December 31, 2025	<u>\$ 114,717</u>	<u>\$ 71,660</u>	<u>\$ 46,431</u>	<u>\$ 2,264</u>	<u>\$ 10,045</u>	<u>\$ 9,205</u>	<u>\$ 59,210</u>	<u>\$ 313,532</u>
<u>Cost</u>								
Balance on January 1, 2024	\$ 188,066	\$ 282,912	\$ 277,492	\$ 16,438	\$ 62,657	\$ -	\$ -	\$ 827,565
Additions	77	3,375	13,720	39	4,393	10,418	9,462	41,484
Disposals	-	-	(19,886)	-	(3,416)	-	-	(23,302)
Acquisition of subsidiaries	-	-	71,692	777	935	-	-	73,404
Reclassified	-	36,079	-	-	-	-	19,945	56,024
Reclassified as investment property	(73,485)	(94,166)	-	-	-	-	-	(167,651)
Transferred from investment property	-	10,036	-	-	-	-	-	10,036
Effects of foreign currency exchange differences	59	14,225	14,760	649	3,187	-	-	32,880
Balance on December 31, 2024	<u>\$ 114,717</u>	<u>\$ 252,461</u>	<u>\$ 357,778</u>	<u>\$ 17,903</u>	<u>\$ 67,756</u>	<u>\$ 10,418</u>	<u>\$ 29,407</u>	<u>\$ 850,440</u>
<u>Accumulated Depreciation</u>								
Balance on January 1, 2024	\$ -	\$ 233,752	\$ 229,193	\$ 12,511	\$ 54,663	\$ -	\$ -	\$ 530,119
Depreciation expense	-	10,231	13,186	1,171	2,170	2,874	-	29,632
Disposals	-	-	(19,857)	-	(3,320)	-	-	(23,177)
Acquisition of subsidiaries	-	-	59,298	621	712	-	-	60,631
Reclassified as investment property	-	(79,869)	-	-	-	-	-	(79,869)
Transferred from investment property	-	7,363	-	-	-	-	-	7,363

	Land	Buildings	Machinery and equipment	Transportation Equipment	Other equipment	Leasehold improvements	Construction in progress	Total
Effects of foreign currency exchange differences	-	11,360	11,588	490	2,778	-	-	26,216
Balance on December 31, 2024	\$ -	\$ 182,837	\$ 293,408	\$ 14,793	\$ 57,003	\$ 2,874	\$ -	\$ 550,915
Carrying amount at December 31, 2024	\$ 114,717	\$ 69,624	\$ 64,370	\$ 3,110	\$ 10,753	\$ 7,544	\$ 29,407	\$ 299,525

The above items of property, plants, and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	10-24 years
Machinery and equipment	2-20 years
Transportation Equipment	3-5 years
Other equipment	2-20 years
Leasehold improvements	2-3 years

Depreciation is calculated over the estimated useful life of 10 to 24 years for each material component of buildings which includes the main building, electrical and mechanical construction, and improvements.

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 34.

15. Lease agreement

(1) Right-of-use assets

	December 31, 2025	December 31, 2024
Carrying amounts		
Land	\$ 69,520	\$ 52,843
Buildings	7,050	48,237
Transportation Equipment	5,464	8,697
	<u>\$ 82,034</u>	<u>\$ 109,777</u>
	2025	2024
Additions to right-of-use assets	<u>\$ 21,262</u>	<u>\$ 48,342</u>
Depreciation charge for right-of-use assets		
Land	\$ 1,408	\$ 1,244
Buildings	10,433	11,970
Transportation Equipment	3,193	2,783
	<u>\$ 15,034</u>	<u>\$ 15,997</u>
Revenue from sublease of right-of-use assets (recognized as other income)	<u>\$ -</u>	<u>(\$ 71)</u>

The land leased by the Consolidated Company in China and Thailand is subleased under operating leases. Related right-of-use assets are reported as

investment properties and set out in Note 16. Right-of-use assets disclosed above do not include those meeting the definition of investment properties.

(2) Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount		
Current	<u>\$ 13,772</u>	<u>\$ 18,489</u>
Non-current	<u>\$ 81,462</u>	<u>\$ 86,662</u>

Range of discount rates for lease liabilities was as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land	4.46%	4.46%
Buildings	2.00%~3.60%	1.84%~3.07%
Transportation Equipment	2.10%~5.22%	2.10%~5.22%

(3) Other lease information

	<u>2025</u>	<u>2024</u>
Total Cash Outflow From Leases	<u>\$ 18,355</u>	<u>\$ 20,628</u>

16. Investment properties

Investment property measured at fair value

	<u>Land and buildings</u>	<u>Right-of-use assets</u>	<u>Total</u>
Balance as of January 1, 2025	\$ 954,974	\$ 149,314	\$ 1,104,288
Remeasurement of right-of-use assets	-	9,222	9,222
Gain (loss) on fair value change	13,640	(7,426)	6,214
Effects of foreign currency exchange differences	(16,933)	16,262	(671)
Balance as of December 31, 2025	<u>\$ 951,681</u>	<u>\$ 167,372</u>	<u>\$ 1,119,053</u>
Balance on January 1, 2024	\$ 519,170	\$ 65,875	\$ 585,045
From property, plant and equipment/right-of-use assets	87,782	2,664	90,446
Transferred to property, plant and equipment/right-of-use assets	(2,673)	(25,195)	(27,868)
Gain (loss) on fair value change	21,468	(1,386)	20,082
Revaluation surplus of property	327,083	103,079	430,162
Effects of foreign currency	<u>2,144</u>	<u>4,277</u>	<u>6,421</u>

exchange differences			
Balance on December 31, 2024	<u>\$ 954,974</u>	<u>\$ 149,314</u>	<u>\$ 1,104,288</u>

Investment property is measured at fair value on a recurring basis. The valuation basis of its fair value is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Outsourced appraisal	<u>\$ 1,119,053</u>	<u>\$ 1,104,288</u>

The consolidated entity measures the following investment properties subsequently using the income approach based on the discounted cash flow analysis method. The key contractual terms and valuation information are as follows:

December 31, 2025

Target	New Taipei City Xindian District Office	Kunshan Industrial Real Estate, Suzhou City
Important contract terms	-	1. Rent (CNY): ¥226 thousand to ¥269 thousand per month 2. Remaining lease term: 126 months
Local rent prices	NTD 637 - NTD 849 NTD/ping/month	(CNY) ¥25-30/square meter/month
Rent prices of similar properties	Same as above	Same as above
Current status	Normal use	Normal use
Discount rate	3.770%	5.800%
Outsourced or self-assessed valuation	Outsourced appraisal	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Ming-Hang Tsai, Che-Hao Yang	Tsai Ming-Hang
Date of Valuation	December 31, 2025	December 31, 2025
Fair value of outsourced appraisal	NT\$532,717 thousand	NT\$197,251 thousand (CNY 44,112 thousand)

Target	Dorm in Shiracha District, Thailand	Laem Chabang Industrial Park, Sriracha District, Thailand
Important contract terms	-	1. Rent (THB): ฿588 thousand per month 2. Remaining lease term: 50 months
Local rent prices	(THB) ฿70-90/square meter/month	(THB) ฿140-150/square meter/month
Rent prices of similar properties	Same as above	Same as above
Current status	Normal use	Normal use
Discount rate	6.75~7.25%	10.20%
Outsourced or self-assessed valuation	Outsourced appraisal	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Tsai Ming-Hang	Tsai Ming-Hang
Date of Valuation	December 31, 2025	December 31, 2025
Fair value of outsourced appraisal	NT\$15,480 thousand (THB 15,450 thousand)	NT\$62,656 thousand (THB 62,537 thousand)

December 31, 2024

Target	New Taipei City Xindian District Office	Kunshan Industrial Real Estate, Suzhou City
Important contract terms	1. Rent: 184 thousand/month 2. Remaining lease term: 6 months	1. Rent (CNY): ¥226 thousand to ¥269 thousand per month 2. Remaining lease term: 138 months
Local rent prices	NTD 526 - NTD 841 NTD/ping/month	(CNY) ¥20-30/square meter/month
Rent prices of similar properties	Same as above	Same as above
Current status	Normal use	Normal use
Discount rate	3.770%	5.700%
Outsourced or self-assessed valuation	Outsourced appraisal	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Ming-Hang Tsai, Che-Hao Yang	Tsai Ming-Hang
Date of Valuation	December 31, 2024	December 31, 2024
Fair value of outsourced appraisal	NT\$534,029 thousand	NT\$199,863 thousand (CNY 43,822 thousand)

Target	Dorm in Shiracha District, Thailand	Laem Chabang Industrial Park, Sriracha District, Thailand
Important contract terms	-	1. Rent (THB): ฿450 thousand per month 2. Remaining lease term: 2 months
Local rent prices	(THB) ฿80-100/square meter/month	(THB) ฿135-150/square meter/month
Rent prices of similar properties	Same as above	Same as above
Current status	Normal use	Normal use
Discount rate	7.750%	9.500%
Outsourced or self-assessed valuation	Outsourced appraisal	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Tsai Ming-Hang	Tsai Ming-Hang
Date of Valuation	June 30, 2024 (Note)	June 30, 2024 (Note)
Fair value of outsourced appraisal	NT\$16,449 thousand (THB 17,093 thousand)	NT\$46,629 thousand (THB 48,456 thousand)

Note: A valuer's statement on the validity of the original valuation report as of December 31, 2024, has been obtained.

The valuation procedure of the income approach is to estimate the effective total revenue, estimate the total expenses, calculate the net income, determine the discount rate and calculate the income price. The above parameters are estimated based on the relevant information of the subject of evaluation and the comparison target with the same or similar characteristics in the last three years, and adjusted after judging their continuity, stability and growth, in order to confirm the availability and reasonableness of the information. Changes in revenues (cash inflows) and expenses (cash outflows) for future periods are based on the historical revenues and expenses (cash flows) of the subject of the survey, the revenues and expenses (cash flows) of comparable industry or alternative comparables, the rate of idleness or loss, and the current or probable future planned revenues and expenses. The objective net income after deducting the total expenses from the total revenue is based on the objective net income that can make the most effective use of the subject matter survey, and is extrapolated by referring to the income of the neighboring similar property under the most effective use.

Except for undeveloped land, the fair value of investment property is assessed using the income approach. The key assumptions are as follows. When the estimated

capitalization rate or discount rate decreases (increases), the fair value will increase (decrease).

	2025	2024
Discount rate	3.77%~10.20%	3.77%~9.50%
Income capitalization	1.80%~6.22%	1.73%~6.15%

The discounted cash flow (DCF) analysis of the income approach is adopted for the evaluation. The contract rent provided by the consolidated company during the lease term is evaluated at the market rent after the lease term expires. Discounted cash flow analysis under income approach: It refers to the method in which the net income and ending value of each period during the future discounted cash flow analysis period of the subject of survey are discounted at an appropriate discount rate and then summed up to estimate the price of the subject of survey. Applicable to real estate investment evaluation for investment purpose.

The consolidated entity measures the following investment properties subsequently using the land development analysis method. The key contractual terms and valuation information are as follows:

December 31, 2025

Target	Land in Baoxing Section, Xindian District, New Taipei City
Estimated Total Sales Amount	\$774,316 thousand
Current status	Normal use
Profit Margin	18.000%
Comprehensive Capital Interest Rate	2.74%
Outsourced or self-assessed valuation	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Ming-Hang Tsai, Che-Hao Yang
Date of Valuation	September 30, 2025 (Note)
Fair value of outsourced appraisal	\$310,949 thousand

Note: A valuer's statement on the validity of the original valuation report as of December 31, 2025, has been obtained.

December 31, 2024

Target	Land in Baoxing Section, Xindian District, New Taipei City
Estimated Total Sales Amount	NT\$749,848 thousand
Current status	Normal use
Profit Margin	18.000%
Comprehensive Capital Interest Rate	2.770%
Outsourced or self-assessed valuation	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Tsai Ming-Hang
Date of Valuation	September 30, 2024 (Note)
Fair value of outsourced appraisal	NT\$307,318 thousand

Note: A valuer's statement on the validity of the original valuation report as of December 31, 2024, has been obtained.

The consolidated entity's land located in Baoxing Section, Xindian District, New Taipei City, is currently used as a temporary parking lot. As the land is undeveloped and there is no existing lease agreement, and due to the limited number of comparable lease transactions for industrial land in the area, its fair value is assessed using the land development analysis method. When the estimated total sales amount increases (decreases), the profit margin decreases (increases), or the comprehensive capital interest rate decreases (increases), the fair value will increase (decrease).

Based on the legally designated use and development intensity of the land, changes in land value resulting from development and improvement are assessed. The estimated total sales amount after development or construction is calculated, from which direct costs, indirect costs, capital interest, and profit during the development period are deducted. The resulting amount represents the land development analysis value prior to development or construction, which is referred to as the land development analysis price. The procedures for land development analysis valuation are as follows:

- (A) Determine the land development plan and expected development timeline.
- (B) Investigate various costs and related expenses, and collect market data.
- (C) Conduct an on-site inspection and assess the level of environmental development.

- (D) Estimate the area of land or buildings to be sold after development or construction.
- (E) Estimate the total sales amount after development or construction.
- (F) Estimate various costs and related expenses.
- (G) Select an appropriate profit margin and comprehensive capital interest rate.
- (H) Calculate the land development analysis value.

The forecast for the overall economic situation is as follows:

- (A) Taiwan's export products have been influenced by the rise of artificial intelligence opportunities, with information and communication technology (ICT) and audiovisual products maintaining strong performance. Traditional manufacturing sectors have benefited from restocking demand and an increase in orders.
- (B) On the production side, the momentum of information and electronics manufacturing remains robust. The growing demand for high-performance computing, AI applications, and cloud data services has driven wafer foundry production. However, due to the sluggish recovery of the global economy, end-user demand in traditional industries has yet to show a significant rebound.

The investment properties are currently leased out in the form of operating leases, and the rental incomes generated are as follows:

	<u>2025</u>	<u>2024</u>
lease income (recognized under other income)	<u>\$ 19,086</u>	<u>\$ 12,404</u>

Lease payments receivable under operating leases of investment properties in the future was as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Year 1	\$ 18,379	\$ 14,168
Year 2	18,734	12,242
Year 3	19,090	12,608
Year 4	19,090	12,976
More than 5 Years	<u>89,628</u>	<u>104,464</u>
	<u>\$ 164,921</u>	<u>\$ 156,458</u>

For the amount of investment property pledged as collateral for loans, please refer to Note 34.

17. Goodwill (After restatement)

	<u>2025</u>	<u>2024</u>
<u>Cost</u>		
Balance, beginning of year	\$ 78,369	\$ 62,664
Business combinations acquired in the current year (Note 28)	-	15,705
Disposal of subsidiaries (Note 29)	(<u>15,705</u>)	<u>-</u>
Balance, end of year	<u>\$ 62,664</u>	<u>\$ 78,369</u>
<u>Accumulated impairment loss</u>		
Balance, beginning of year	\$ 39,176	\$ -
Impairment loss recognized in the current year	26,365	39,176
Disposal of subsidiaries (Note 29)	(<u>15,279</u>)	<u>-</u>
Balance, end of year	<u>\$ 50,262</u>	<u>\$ 39,176</u>
Net amount, end of year	<u>\$ 12,402</u>	<u>\$ 39,193</u>

The recoverable amount of goodwill was determined based on value in use. The value in use was estimated using projected cash flows based on financial budgets approved by the management of the consolidated entity.

The Group acquired Silicon Test Tech and CHINTEK in 2024 and 2023, respectively, to expand its scale of operations, resulting in goodwill of NT\$15,705 thousand and NT\$62,664 thousand, respectively.

On October 31, 2025, the Group performed an impairment test on the goodwill of its subsidiary, CHINTEK. The recoverable amount was determined based on value in use, using a discount rate of 22.10%. The recoverable amount as of October 31, 2025 was NT\$21,783 thousand, which was lower than the carrying amount. Accordingly, the Group recognized an impairment loss of NT\$26,365 thousand on the goodwill arising from CHINTEK in 2025 (presented under other gains and losses).

In 2024, the Group performed impairment tests on the goodwill of its subsidiaries, Test Tech and CHINTEK. Due to weaker-than-expected market conditions, future cash inflows were expected to decrease. The Group determined the recoverable amounts based on value in use, using discount rates of 13.90% and 20.20%, respectively. The recoverable amounts for 2024 were NT\$42,247 thousand and NT\$68,359 thousand, respectively, both lower than their carrying amounts. Accordingly, the Group recognized impairment losses on goodwill arising from Test Tech and CHINTEK of NT\$15,279 thousand and NT\$23,897 thousand, respectively, in 2024 (presented under other gains and losses).

In 2025, the consolidated entity obtained a valuation report indicating that the fair value of the intangible assets of Silicon Test Tech Corp. at the acquisition date was NT\$15,858 thousand. The consolidated entity has adjusted the original accounting treatment and provisional amounts as of the acquisition date and has restated the comparative information accordingly.

The retrospective adjustment impact on balance sheet items is as follows:

	<u>Date of acquisition</u>
Adjustment to goodwill	(\$ 8,092)
Intangible assets	<u>\$ 15,858</u>
Non-controlling interests	<u>\$ 7,766</u>

In 2024, the consolidated entity obtained a valuation report indicating that the fair value of intangible assets of CHINTEK INC. at the acquisition date was NT\$34,524 thousand. The consolidated entity has adjusted the original accounting treatment and provisional amounts as of the acquisition date and restated the comparative information accordingly.

The retrospective adjustment impact on balance sheet items is as follows:

	<u>Date of acquisition</u>
Adjustment to goodwill	(\$ 34,524)
Intangible assets	<u>\$ 34,524</u>

18. Intangible assets (After restatement)

	Software licensing	Technology licensing	Computer Software	Trademark rights	Franchise rights	Core technology	Customer value	Total
<u>Cost</u>								
Balance as of January 1, 2025	\$ 20,492	\$ 939	\$ 3,423	\$ 981	\$ -	\$ 34,524	\$ 15,858	\$ 76,217
Acquired separately	1,329	-	2,777	315	6,814	-	-	11,235
Disposal of subsidiaries	-	-	-	-	-	-	(15,858)	(15,858)
Reclassified	1,310	-	-	620	-	-	-	1,930
Balance as of December 31, 2025	<u>\$ 23,131</u>	<u>\$ 939</u>	<u>\$ 6,200</u>	<u>\$ 1,916</u>	<u>\$ 6,814</u>	<u>\$ 34,524</u>	<u>\$ -</u>	<u>\$ 73,524</u>
<u>Accumulated</u>								
<u>Amortization</u>								
Balance as of January 1, 2025	\$ 1,467	\$ 94	\$ 922	\$ 14	\$ -	\$ 4,932	\$ -	\$ 7,429
Amortization Expenses	8,705	94	1600	170	455	4,227	3,742	18,993
Disposal of subsidiaries	-	-	-	-	-	-	(3,742)	(3,742)
Balance as of December 31, 2025	<u>\$ 10,172</u>	<u>\$ 188</u>	<u>\$ 2,522</u>	<u>\$ 184</u>	<u>\$ 455</u>	<u>\$ 9,159</u>	<u>\$ -</u>	<u>\$ 22,680</u>
Carrying amount at December 31, 2025	<u>\$ 12,959</u>	<u>\$ 751</u>	<u>\$ 3,678</u>	<u>\$ 1,732</u>	<u>\$ 6,359</u>	<u>\$ 25,365</u>	<u>\$ -</u>	<u>\$ 50,844</u>
<u>Cost</u>								
Balance on January 1, 2024	\$ 8,513	\$ 939	\$ 470	\$ -	\$ -	\$ 34,524	\$ -	\$ 44,446
Acquired separately	11,979	-	2,953	981	-	-	-	15,913
Acquisition of subsidiaries	-	-	-	-	-	-	15,858	15,858
Balance on December 31, 2024	<u>\$ 20,492</u>	<u>\$ 939</u>	<u>\$ 3,423</u>	<u>\$ 981</u>	<u>\$ -</u>	<u>\$ 34,524</u>	<u>\$ 15,858</u>	<u>\$ 76,217</u>
<u>Accumulated</u>								
<u>Amortization</u>								
Balance on January 1, 2024	\$ 71	\$ -	\$ 452	\$ -	\$ -	\$ -	\$ -	\$ 523

	Software licensing	Technology licensing	Computer Software	Trademark rights	Franchise rights	Core technology	Customer value	Total
Amortization Expenses	<u>1,396</u>	<u>94</u>	<u>470</u>	<u>14</u>	<u>-</u>	<u>4,932</u>	<u>-</u>	<u>6,906</u>
Balance on December 31, 2024	<u>\$ 1,467</u>	<u>\$ 94</u>	<u>\$ 922</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 4,932</u>	<u>\$ -</u>	<u>\$ 7,429</u>
Carrying amount at December 31, 2024	<u>\$ 19,025</u>	<u>\$ 845</u>	<u>\$ 2,501</u>	<u>\$ 967</u>	<u>\$ -</u>	<u>\$ 29,592</u>	<u>\$ 15,858</u>	<u>\$ 68,788</u>

Amortization expenses are provided on a straight-line basis over useful years shown as follows:

Software licensing	2-10 years
Technology licensing	10 years
Computer Software	3 years
Trademark rights	10 years
Franchise rights	5 years
Core technology	8 years
Customer value	5 years

Summary of amortization expenses by function:

	2025	2024
Operating costs	\$ 1,841	\$ 1,240
Operating expenses	<u>17,152</u>	<u>5,666</u>
	<u>\$ 18,993</u>	<u>\$ 6,906</u>

19. Other assets

	December 31, 2025	December 31, 2024
Prepayments	\$ 17,740	\$ 29,287
Excess VAT paid	11,231	8,152
Finance lease receivables	5,657	-
Other receivables	4,400	2,519
Prepayments for equipment	583	3,105
Prepayments – related parties (Note 33)	545	2,122
Receivable income tax refund (Note 26)	464	642
Prepaid trademark rights	456	990
Supplies Inventory Count	22	1,854
Prepayments for construction projects	<u>-</u>	<u>9,389</u>
	<u>\$ 41,098</u>	<u>\$ 58,060</u>
Current	\$ 33,843	\$ 42,561
Non-current	<u>7,255</u>	<u>15,499</u>
	<u>\$ 41,098</u>	<u>\$ 58,060</u>

20. Loans

(1) Short-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured loans</u> (Note 34)		
Bank borrowing	\$ 66,031	\$ 670,000
<u>Unsecured borrowings</u>		
Credit limit borrowings	<u>-</u>	<u>25,000</u>
	<u>\$ 66,031</u>	<u>\$ 695,000</u>

The interest rates for bank loans were 2.93%-3.45% and 2.63%-2.88% per annum as of December 31, 2025 and 2024, respectively.

(2) Long-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured loans</u> (Note 34)		
Bank borrowing	\$ 761,400	\$ 53,400
<u>Unsecured borrowings</u>		
Bank borrowing	<u>7,954</u>	<u>18,352</u>
Subtotal	769,354	71,752
Less: portion due within 1 year	(<u>56,425</u>)	(<u>4,928</u>)
Long-term borrowings	<u>\$ 712,929</u>	<u>\$ 66,824</u>

The Group obtained newly drawn bank borrowings of NT\$53,400 thousand in 2024 secured by its own land, and also assumed bank borrowings of NT\$9,046 thousand through the acquisition of the subsidiary.

The Group obtained newly drawn bank borrowings of NT\$708,000 thousand in 2025 secured by its own land and buildings, and bank borrowings decreased by NT\$6,787 thousand as a result of the disposal of a subsidiary.

As of December 31, 2025 and 2024, the effective interest rates ranged from 2.22% to 3.38%.

21. Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Salaries and bonuses payable	\$ 26,351	\$ 30,072
Payables for expenses	19,180	23,228
Payables for taxes	1,530	1,630
Other payables – related parties (Note 33)	<u>-</u>	<u>21</u>
	<u>\$ 47,061</u>	<u>\$ 54,951</u>

22. Post-retirement benefit plan

(1) Defined contribution plan

The Company of the Group adopted a pension plan under the Labor Pension Act (the “LPA”), a state-managed defined contribution plan. Under the LPA, the entity

makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

J.B.T, J.H.K, J.H.P, CHINTEK, Emergence A.I, Heph A.I studios Technology, Silicon Test Tech, Jern Yao, Jin-Zuan Semiconductor Investment and SHAN YI Investment, entities within the Group, are subject to defined contribution retirement plans. Retirement contributions are made based on employees' salaries at a specified rate and are deposited into designated retirement fund accounts, which are managed by local statutory insurance institutions. Upon retirement, employees will receive funds and relative yield from the special account.

There was no employee retirement plan for J.H.I, J.H.V and C.P.T of the Group.

(2) Defined benefit plans

The defined benefit plan adopted by the Company of the Group in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 5.8% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor. The Company has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect to the Group's defined benefit plans were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligation	\$ 1,754	\$ 1,694
Fair value of plan assets	(<u>1,816</u>)	(<u>1,502</u>)
Net defined benefit (asset) liability	(<u>\$ 62</u>)	<u>\$ 192</u>

The movements in the net defined benefit (asset) liability are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset) liability
Balance on January 1, 2024	<u>\$ 1,935</u>	<u>(\$ 1,049)</u>	<u>\$ 886</u>
Net interest expense	23	-	23
Expected return on plan assets	<u>-</u>	<u>(14)</u>	<u>(14)</u>
Recognized in profit or loss	<u>23</u>	<u>(14)</u>	<u>9</u>
Remeasurement			
Actuarial profit or loss			
- changes in assumptions	<u>(3)</u>	<u>(250)</u>	<u>(253)</u>
Actuarial profit or loss			
- changes in experience	<u>(261)</u>	<u>-</u>	<u>(261)</u>
Recognized in other comprehensive income or loss	<u>(264)</u>	<u>(250)</u>	<u>(514)</u>
Contributions from the employer	<u>-</u>	<u>(189)</u>	<u>(189)</u>
Balance on December 31, 2024	<u>\$ 1,694</u>	<u>(\$ 1,502)</u>	<u>\$ 192</u>
Balance as of January 1, 2025	<u>\$ 1,694</u>	<u>(\$ 1,502)</u>	<u>\$ 192</u>
Net interest expense	21	-	21
Expected return on plan assets	<u>-</u>	<u>(20)</u>	<u>(20)</u>
Recognized in profit or loss	<u>21</u>	<u>(20)</u>	<u>1</u>
Remeasurement			
Actuarial profit or loss			
- changes in assumptions	<u>2</u>	<u>(100)</u>	<u>(98)</u>
Actuarial profit or loss			
- changes in experience	<u>37</u>	<u>-</u>	<u>37</u>
Recognized in other comprehensive income or loss	<u>39</u>	<u>(100)</u>	<u>(61)</u>
Contributions from the employer	<u>-</u>	<u>(194)</u>	<u>(194)</u>
Balance as of December 31, 2025	<u>\$ 1,754</u>	<u>(\$ 1,816)</u>	<u>(\$ 62)</u>

An analysis by function of the amounts recognized in profit or loss in respect to the defined benefit plans is as follows:

	<u>2025</u>	<u>2024</u>
Operating expenses	\$ <u>1</u>	\$ <u>9</u>

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- A. Investment risk: The plan assets are invested in domestic and foreign equity securities, debt securities, and bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- B. Interest risk: A decrease in the corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- C. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.2740%	1.2407%
Expected return on plan assets	1.2740%	1.2407%
Expected rate of salary increase	0.5000%	0.5000%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
0.25% increase	(\$ <u>40</u>)	(\$ <u>43</u>)
0.25% decrease	<u>\$ 41</u>	<u>\$ 44</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 41</u>	<u>\$ 44</u>
0.25% decrease	(<u>\$ 40</u>)	(<u>\$ 42</u>)
Expected return on plan assets		
0.25% increase	<u>\$ -</u>	<u>\$ -</u>
0.25% decrease	<u>\$ -</u>	<u>\$ -</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The expected contributions to the plan for the next year	<u>\$ 195</u>	<u>\$ 191</u>
The average duration of the defined benefit obligation	9.48 years	10.47 years

23. Equity (After restatement)

(1) Share capital – Ordinary shares

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Number of shares authorized (in thousands)	<u>180,000</u>	<u>180,000</u>
Amount of shares authorized	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>
Number of shares issued and fully paid (in thousands)	<u>125,147</u>	<u>112,719</u>
Amount of shares issued	<u>\$ 1,251,468</u>	<u>\$ 1,127,192</u>

Fully paid ordinary shares, with a par value of NT\$10, each of which carries one vote per share and carry a right to receive dividends. The portion of authorized capital reserved for the issuance of employee stock options is 27,000,000 shares.

The Company, at its general shareholders' meeting on June 30, 2025, resolved to conduct a private placement for a cash capital increase through the issuance of up to 20,000 thousand common shares, to be carried out in two tranches within one year from the date of the shareholders' resolution. On October 15, 2025, the Board of

Directors further resolved to proceed with the first tranche of the private placement for the cash capital increase, issuing 12,428 thousand common shares at a private placement price of NT\$12.07 per share, with a par value of NT\$10 per share, totaling NT\$150,001 thousand. October 29, 2025 was set as the capital increase record date, and the share proceeds have been fully received and the statutory registration procedures have been duly completed.

(2) Capital surplus

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>		
(1)		
Additional paid-in capital	\$ 25,725	\$ -
Donated assets received	758	758
<u>May be used to offset a deficit only</u>		
Change of Ownership Interest in Subsidiaries (2)	<u>-</u>	<u>2,179</u>
	<u>\$ 26,483</u>	<u>\$ 2,937</u>

A. The capital surplus could be used to offset a deficit and distribute as cash dividends or transfer to capital when the Company has no deficit (limited to a certain percentage of the Company's paid-in capital and once a year).

B. This type of capital surplus represents the effect of equity transactions recognized due to changes in the equity of subsidiaries and associates accounted for using the equity method, arising when the Company did not actually acquire or dispose of the equity of such subsidiaries or associates.

(3) Retained earnings and dividend policy

According to the company's articles of association and profit distribution policy, if there is a surplus in the annual financial statements, it shall be used to pay taxes and make up for accumulated losses. Subsequently, 10% is set aside as a statutory surplus reserve until it reaches the paid-in capital. Any remaining surplus may be allocated or reversed according to the company's operational needs or legal requirements as special surplus reserves. If there is still a balance, it will be added to the accumulated undistributed profits, and the board of directors will propose a profit distribution resolution to the shareholders' meeting for approval, ranging from 10% to 100%. Please refer to Note 25 (7) regarding the policy for employee compensation and directors' compensation stipulated in the Company's Articles of Incorporation.

The cash dividend shall not be less than 30% of the total dividend. However, if the cash dividend per share is less than NT\$0.1, it may be changed to a stock dividend. The ratio of profit distribution may be adjusted based on factors such as the actual profit for the year, capital budgeting, and financial conditions.

Appropriation of earnings to the legal reserve could be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. When the company has no losses, the portion of the statutory surplus reserve exceeding 25% of the total paid-in capital may be used for capitalization, and the remainder may be distributed in cash.

The Company held its general shareholders' meetings on June 30, 2025 and June 28, 2024, at which the proposals for the offset of losses for 2024 and 2023, respectively, were approved.

	<u>2024</u>	<u>2023</u>
Legal reserve to offset deficits	\$ <u>-</u>	(\$ <u>23,586</u>)
Special surplus reserve for offsetting deficits	(\$ <u>248,697</u>)	(\$ <u>218,029</u>)
Capital reserve to offset deficit	\$ <u>-</u>	(\$ <u>225,939</u>)

(4) Special reserve

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Initial Amount Recognized upon First Adoption of the Fair Value Model for Investment Property	\$ <u>50,060</u>	\$ <u>298,757</u>

When investment property is initially measured at fair value, the net increase in fair value is transferred to retained earnings. However, if the retained earnings are insufficient, a special reserve is appropriated only to the extent of the recorded retained earnings. Subsequent net increases in fair value are appropriated to a special reserve. If the cumulative net increase in fair value decreases or the investment property is disposed of in the future, the previously appropriated special reserve may be reversed accordingly. If the investment property is reclassified as property, plant and equipment, the related special reserve is reversed as the asset is subsequently depreciated.

(5) Other Equity Items

- A. Unrealized Gain or Loss on Financial Assets Measured at Fair Value Through Other Comprehensive Income

	<u>2025</u>	<u>2024</u>
Balance, beginning of year In respect of the current year	(\$ 32,946)	(\$ 14,000)
Unrealized gain or loss on equity instruments	(34,413)	(27,746)
Share of other comprehensive income of affiliated companies under equity method	<u>-</u>	<u>8,800</u>
Balance, end of year	(<u>\$ 67,359</u>)	(<u>\$ 32,946</u>)

B. Revaluation increment of property

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 400,703	\$ -
Revaluation increment of property	-	430,162
Income tax recognized in other comprehensive income	<u>-</u>	(<u>29,459</u>)
Balance, end of year	<u>\$ 400,703</u>	<u>\$ 400,703</u>

(6) Non-controlling interests

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 71,338	\$ -
Non-controlling interests increased by the establishment of Emergence A.I	-	5,000
Non-controlling interests increased by the establishment of C.P.T	-	507
Increased non-controlling interests from acquisition of Silicon Test Tech (Note 28)	-	20,175
Decrease in non-controlling interests from the disposal of Silicon Test Tech (Note 29)	(14,794)	-
Increase in non-controlling interests from the acquisition of Emergence A.I (Note 30)	1,315	-
Increase in non-controlling interests from the acquisition of Jin-Zuan Semiconductor Investment (Note 30)	-	72,421
Decrease in non-controlling interests from the acquisition of Jin-Zuan Semiconductor	(19,748)	-

Investment (Note 30)		
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(14,581)	(20,553)
Exchange differences on the translation of foreign operations	(20)	(4)
Net loss for the year	(<u>6,166</u>)	(<u>6,208</u>)
Balance, end of year	<u>\$ 17,344</u>	<u>\$ 71,338</u>

24. Revenue

	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers		
Revenue from sale of goods	\$ 707,989	\$ 1,064,723
Processing revenue	38,793	74,233
Project, licensing, and labor service income	7,836	13,214
Commission income	<u>26</u>	<u>-</u>
	<u>\$ 754,644</u>	<u>\$ 1,152,170</u>

(1) Contract balances

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Notes and accounts receivable (Note 10)	<u>\$ 236,001</u>	<u>\$ 424,707</u>	<u>\$ 406,561</u>
Contract assets - current			
Project, licensing, and labor service income	<u>\$ 1,472</u>	<u>\$ 1,702</u>	<u>\$ 4,213</u>
Contract Liabilities			
Revenue from sale of goods	\$ 36	\$ 3,484	\$ -
Project, licensing, and labor service income	<u>2,747</u>	<u>1,022</u>	<u>135</u>
Contract liabilities - current	<u>2,783</u>	<u>4,506</u>	<u>135</u>
Project, licensing, and labor service income	<u>79</u>	<u>205</u>	<u>-</u>
Contract liabilities - non-current	<u>79</u>	<u>205</u>	<u>-</u>
	<u>\$ 2,862</u>	<u>\$ 4,711</u>	<u>\$ 135</u>

The change in contract liabilities mainly arises from the difference between the point at which performance obligations are satisfied and the point at which customers pay.

The consolidated company recognizes loss allowance for contract assets based on lifetime expected credit losses. The contract assets will be reclassified as accounts receivable when the bill is issued, and the credit risk characteristics are the same as the accounts receivable generated from similar contracts. Therefore, the consolidated company believes that the expected credit loss rate of accounts receivable can also be applied to contracts assets.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expected credit loss rate	-	-
Gross carrying amount	\$ 1,472	\$ 1,702
Loss allowance (lifetime ECL)	<u>-</u>	<u>-</u>
	<u>\$ 1,472</u>	<u>\$ 1,702</u>

(2) Explanation on contracts with customers

Please refer to Note 38 for a detailed breakdown of customer contract revenue.

25. Net loss

(1) Interest income

	<u>2025</u>	<u>2024</u>
Bank deposits	\$ 3,808	\$ 4,832
Financial assets at fair value through profit or loss	2,198	-
Others	<u>127</u>	<u>92</u>
	<u>\$ 6,133</u>	<u>\$ 4,924</u>

(2) Other income

	<u>2025</u>	<u>2024</u>
Rental income	\$ 19,115	\$ 12,487
Bargain purchase gain	-	5,998
Government grants	3,707	597
Others	<u>4,446</u>	<u>15,581</u>
	<u>\$ 27,268</u>	<u>\$ 34,663</u>

(3) Other gains and losses

	2025	2024
Total foreign exchange gain	\$ 3,561	\$ 3,224
Impairment loss on goodwill	(26,365)	(39,176)
Gains (losses) on financial assets		
Financial assets mandatorily classified as FVTPL	(1,471)	142
Net gain on reclassification of financial assets	-	3,617
Loss on lease modification	-	(353)
Gain on Fair Value Adjustment of Investment Property	6,214	20,082
Loss on disposal of property, plant and equipment	(77)	(96)
Gain on disposal of a subsidiaries (Note 29)	27,507	-
Others	(15,036)	(14,869)
	<u>(\$ 5,667)</u>	<u>(\$ 27,429)</u>

(4) Finance costs

	2025	2024
Interest expense from bank borrowing	\$ 17,957	\$ 9,143
Interest expense from lease liabilities	2,866	3,107
Others	73	-
	<u>\$ 20,896</u>	<u>\$ 12,250</u>

Information on interest capitalization is as follows:

	2025	2024
Amount of capitalized interest	\$ 4,008	\$ 3,747
Interest rate of capitalized interest	2.63%~3.29%	2.07%~3.29%

(5) Depreciation and amortization

	2025	2024
Property, plants, and equipment	\$ 29,643	\$ 29,632
Right-of-use assets	15,034	15,997
Intangible assets	<u>18,993</u>	<u>6,906</u>
	<u>\$ 63,670</u>	<u>\$ 52,535</u>
Analysis of depreciation by function		
Operating costs	\$ 12,700	\$ 21,252
Operating expenses	17,382	14,661
Other gains and losses	<u>14,595</u>	<u>9,716</u>
	<u>\$ 44,677</u>	<u>\$ 45,629</u>
Amortization expenses by function		
Operating costs	\$ 1,841	\$ 1,240
Operating expenses	<u>17,152</u>	<u>5,666</u>
	<u>\$ 18,993</u>	<u>\$ 6,906</u>

(6) Employee benefits

	2025	2024
Retirement benefits		
Defined contribution plan	\$ 10,292	\$ 13,147
Defined benefit plans	<u>1</u>	<u>9</u>
	10,293	13,156
Others	<u>287,382</u>	<u>316,558</u>
Total	<u>\$ 297,675</u>	<u>\$ 329,714</u>
Analysis of employee benefits by function		
Operating costs	\$ 93,501	\$ 135,920
Operating expenses	<u>204,174</u>	<u>193,794</u>
	<u>\$ 297,675</u>	<u>\$ 329,714</u>

(7) Compensation of employees and remuneration of directors and supervisors

Pursuant to the Company's Articles of Incorporation, employee compensation and directors' remuneration are appropriated based on the profit before tax for the year, prior to the deduction of such compensation, at rates of 3%–15% and 1%–5%, respectively. In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company amended its Articles of Incorporation as approved at the 2025 shareholders' meeting, stipulating that no less than 25% of the employee compensation appropriated for the year shall be allocated to rank-and-file employees. For both 2025 and 2024, the Company incurred a net loss before tax; accordingly, no

employee compensation (including rank-and-file employee compensation) or directors' remuneration was estimated and recognized.

If the amounts in the annual consolidated financial statements change after the date of issuance, they will be adjusted in the following year's financial statements in accordance with accounting estimates.

The Company held Board of Directors meetings on March 12, 2025, and March 13, 2024, and resolved not to distribute employee compensation and director remuneration for 2024 and 2023, respectively. These resolutions are consistent with the amounts recognized in the consolidated financial statements for 2024 and 2023.

Information on employee compensation and directors' compensation resolved by the Company's Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(8) Gains/losses on foreign currency exchange

	2025	2024
Total foreign exchange gain	\$ 32,156	\$ 34,446
Total foreign exchange loss	(28,595)	(31,222)
Net profit or loss	<u>\$ 3,561</u>	<u>\$ 3,224</u>

26. Taxation

(1) Income tax recognized in profit or loss

The main components of income tax benefits are as follows:

	2025	2024
Current tax		
In respect of the current year	\$ -	\$ 17
Additional Tax on Unappropriated Earnings	523	-
Adjustments for prior years	<u>18</u>	<u>31</u>
	541	48
Deferred tax		
In respect of the current year	(22,683)	(16,686)
Income tax gains recognized in profit or loss	<u>(\$ 22,142)</u>	<u>(\$ 16,638)</u>

The reconciliation of accounting profit and income tax benefit was as follows:

	<u>2025</u>	<u>2024</u>
Income tax benefit calculated based on statutory tax rate on pre-tax net loss	(\$ 100,828)	(\$ 81,908)
Non-deductible expenses in determining taxable income	13,135	11,979
Effect of tax rate differences in foreign jurisdictions	3,605	5,190
Land increment value taxes	7,699	9,783
Unrecognized loss carryforwards	53,239	43,655

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	<u>2025</u>	<u>2024</u>
Items Not Recognized as		
Deferred Income Tax Assets	\$ 1,489	\$ 307
Tax incentives	(1,022)	(5,675)
Adjustments for prior years	18	31
Additional Tax on		
Unappropriated Earnings	<u>523</u>	<u>-</u>
Income tax gains recognized in profit or loss	(<u>\$ 22,142</u>)	(<u>\$ 16,638</u>)

The prevailing tax rate for subsidiaries in China is 25%. As J.H.P was granted the certificate of high-tech enterprise in 2023, the applicable tax rate was 15%. Tax in other jurisdictions is calculated based on its respective applicable tax rate.

(2) Income tax recognized in other comprehensive income

	<u>2025</u>	<u>2024</u>
<u>Deferred tax</u>		
In respect of the current year		
Re-measurement of defined benefit plans	(\$ 12)	(\$ 103)
— Revaluation increment of property	<u>-</u>	(<u>29,459</u>)
	(<u>\$ 12</u>)	(<u>\$ 29,562</u>)

(3) Current tax assets and liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current tax assets</u>		
(Classified under other current assets)		
Receivable income tax refund	<u>\$ 464</u>	<u>\$ 642</u>
<u>Current Income Tax Liabilities</u>		
Income tax payable	<u>\$ 523</u>	<u>\$ 17</u>

(4) Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

2025

	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income or loss	Effects of Foreign Currency Exchange Differences	Balance, end of year
Deferred tax assets					
Allowance for write-down of inventories	\$ 19,135	\$ 110	\$ -	(\$ 289)	\$ 18,956
Defined benefit obligation	2,820	(95)	(12)	58	2,771

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	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income or loss	Effects of Foreign Currency Exchange Differences	Balance, end of year
Allowance in excess of the deductible limit	\$ 3,371	(\$ 356)	\$ -	(\$ 32)	\$ 2,983
Net unrealized foreign exchange loss	372	(293)	-	-	79
Unrealized impairment loss of financial assets	2,800	-	-	-	2,800
Unrealized valuation loss on financial assets	-	294	-	-	294
Unrealized operating costs	122	19	-	-	141
Net loss from foreign investments accounted for using the equity method	3,223	5,053	-	(60)	8,216
Loss carryforwards	<u>11,958</u>	<u>11,619</u>	<u>-</u>	<u>-</u>	<u>23,577</u>
	<u>\$ 43,801</u>	<u>\$ 16,351</u>	<u>(\$ 12)</u>	<u>(\$ 323)</u>	<u>\$ 59,817</u>
<u>Deferred tax liabilities</u>					
Net unrealized foreign exchange gain	\$ -	\$ 159	\$ -	\$ -	\$ 159
Net gain from foreign investments accounted for using the equity method	14,064	(14,064)	-	-	-
Investment properties	41,837	(126)	-	(67)	41,644
Provision for Land Increment Value Taxes	<u>21,992</u>	<u>7,699</u>	<u>-</u>	<u>-</u>	<u>29,691</u>
	<u>\$ 77,893</u>	<u>(\$ 6,332)</u>	<u>\$ -</u>	<u>(\$ 67)</u>	<u>\$ 71,494</u>

2024

	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income or loss	Effects of Foreign Currency Exchange Differences	Balance, end of year
<u>Deferred tax assets</u>					
Allowance for write-down of inventories	\$ 20,451	(\$ 2,269)	\$ -	\$ 953	\$ 19,135
Defined benefit obligation	2,866	(36)	(103)	93	2,820
Allowance in excess of the deductible limit	3,634	(395)	-	132	3,371
Net unrealized foreign exchange loss	-	372	-	-	372
Unrealized impairment loss of financial assets	2,800	-	-	-	2,800
Unrealized operating costs	-	122	-	-	122
Net loss from foreign investments accounted for using the equity method	3,048	16	-	159	3,223
Loss carryforwards	<u>-</u>	<u>11,958</u>	<u>-</u>	<u>-</u>	<u>11,958</u>
	<u>\$ 32,799</u>	<u>\$ 9,768</u>	<u>(\$ 103)</u>	<u>\$ 1,337</u>	<u>\$ 43,801</u>
<u>Deferred tax liabilities</u>					
Net unrealized foreign exchange gain	\$ 268	(\$ 268)	\$ -	\$ -	\$ -
Net gain from foreign investments accounted for using the equity method	29,715	(15,651)	-	-	14,064
Investment properties	12,209	(782)	29,459	951	41,837
Provision for Land Increment Value Taxes	<u>12,209</u>	<u>9,783</u>	<u>-</u>	<u>-</u>	<u>21,992</u>
	<u>\$ 54,401</u>	<u>(\$ 6,918)</u>	<u>\$ 29,459</u>	<u>\$ 951</u>	<u>\$ 77,893</u>

- (5) Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Loss carryforwards</u>		
Expiry in 2025	\$ -	\$ 55,162
Expiry in 2026	53,454	53,454
Expiry in 2027	70,987	70,987
Expiry in 2028	18,656	18,842
Expiry in 2029	91,666	94,182
Expiry in 2030	131,681	93,344
Expiry in 2031	79,620	79,357
Expiry in 2033	144,320	159,431
Expiry in 2034	212,676	239,665
Expiry in 2035	247,771	-
	<u>\$ 1,050,831</u>	<u>\$ 864,424</u>

(6) Income tax assessments

The corporate income tax returns of the Company and CHINTEK Technology have been assessed and approved by the tax authorities for all fiscal years up to and including 2023.

The income tax return of J.H.K, J.H.P, J.B.T and J.H.V. has been filed within the time limit regulated by local tax authorities.

Emergence A.I, Heph A.I studios Technology, Jin-Zuan Semiconductor Investment and SHAN YI Investment were established in 2024; their 2024 filings have not yet been assessed and approved by the tax authorities.

Since JHI was established in Samoa, there is no relevant income tax burden.

27. Loss per share

The net loss per share and the weighted average number of common shares issued for the calculation of the net loss per share are as follows:

Net loss for the year

	<u>2025</u>	<u>2024</u>
Net loss for the year	<u>(\$ 292,931)</u>	<u>(\$ 248,781)</u>

Unit: Thousand shares

	<u>2025</u>	<u>2024</u>
Weighted average number of ordinary shares used to calculate basic losses per share	<u>114,898</u>	<u>112,719</u>

28. Business Combination (After restatement)

(1) Acquisition of subsidiaries

	Major operating activities	Date of acquisition	Voting Ownership Interest / Acquisition Percentage (%)	Transfer consideration
Jin-Zuan Semiconductor Investment	General investment	November 25, 2024	53.22	<u>\$ 21,762</u>
Silicon Test Tech	IC packaging OEM	March 25, 2024	51.03	<u>\$ 39,000</u>

In 2024, the Group acquired Jin-Zuan Semiconductor Investment and Silicon Test Tech to expand its investment portfolio and electronic industry business.

(2) Assets acquired and liabilities assumed on the date of acquisition

	Jin-Zuan Semiconductor Investment	Silicon Test Tech
Current assets		
Cash and cash equivalents	\$ 2,105	\$ 20,648
Current financial assets at fair value through profit or loss	-	3,225
Notes and Accounts Receivable	-	21,025
Other current assets	7	2,577
Non-current Assets		
Non-current financial assets at fair value through other comprehensive income	232,773	-
Property, plants, and equipment	-	12,773
Right-of-use assets	-	408
Intangible assets	-	15,858
Other non-current assets	-	886
Current liabilities		
Short-term borrowings	(80,000)	(10,000)
Notes and Accounts Payable	-	(10,677)
Other payables	(73)	(1,470)
Lease liabilities - current	-	(418)
Other current liabilities	-	(140)
Non-current liabilities		
Long-term borrowings	-	(9,046)
	<u>\$ 154,812</u>	<u>\$ 45,649</u>

In the business combination, the fair values of receivables acquired from Jin-Zuan Semiconductor Investment and Silicon Test Tech were NT\$0 thousand and NT\$21,025 thousand, respectively, with corresponding gross contractual amounts of NT\$0 thousand and NT\$21,025 thousand. No contractual cash flows were expected to be uncollectible as of the acquisition date.

(3) Non-controlling interests

The non-controlling interests of Jin-Zuan Semiconductor Investment and Silicon Test Tech are measured at their proportionate share of the recognized amounts of the acquirees' identifiable net assets.

(4) Goodwill (Bargain Purchase Gain) Arising from the Acquisition

	Jin-Zuan Semiconductor Investment	Silicon Test Tech
Transfer consideration	\$ 21,762	\$ 39,000
Add: Fair Value of Previously Held Equity Interests as of the Acquisition Date	58,256	-
Add: Non-controlling interests (46.78% ownership interest in Jin-Zuan Semiconductor Investment and 48.97% ownership interest in Silicon Test Tech)	72,421	22,354
Less: Fair Value of Identifiable Net Assets Acquired	(154,812)	(45,649)
Goodwill (Bargain Purchase Gain) Arising from the Acquisition	(\$ 2,373)	\$ 15,705

The goodwill arising from the acquisition of Silicon Test Tech primarily results from the control premium. In addition, the consideration transferred in the combination includes expected synergies from the combination, revenue growth, future market development, and the value of Silicon Test Tech' workforce. However, such benefits do not meet the recognition criteria of identifiable intangible assets, so they are not recognized separately.

Goodwill arising from the acquisition is not expected to be deductible for tax purposes.

(5) Net cash outflow from acquisition of subsidiaries

	Jin-Zuan Semiconductor Investment	Silicon Test Tech
Consideration for cash payment	\$ 21,762	\$ 39,000
Less: Balance of cash and cash equivalents acquired	(<u>2,105</u>)	(<u>20,648</u>)
	<u>\$ 19,657</u>	<u>\$ 18,352</u>

(6) Impact of business combination on operating results

From the acquisition date, the operating results contributed by the acquirees for 2024 are as follows:

	Jin-Zuan Semiconductor Investment	Silicon Test Tech
Operating income	\$ -	\$ 74,233
Net loss for the year	(<u>\$ 444</u>)	(<u>\$ 7,968</u>)

Had the acquisition of Jin-Zuan Semiconductor Investment in November 2024 occurred on January 1, 2024, the Group's pro forma revenue for the period from January 1 to December 31, 2024 would have been NT\$1,152,170 thousand, and the pro forma net loss would have been NT\$243,150 thousand.

Had the acquisition of Silicon Test Tech in March 2024 occurred on January 1, 2024, the Group's pro forma revenue for the period from January 1 to December 31, 2024 would have been NT\$1,175,442 thousand, and the pro forma net loss would have been NT\$255,125 thousand.

Such amounts do not reflect the actual revenue and operating results that the consolidated company would generate if the business combination were completed on the commencement date of the acquisition year, and should not be used as a forecast for future operating results.

In preparing the pro forma revenue and net loss assuming that the Group had acquired Jin-Zuan Semiconductor Investment and Silicon Test Tech at the beginning of the fiscal year to which the acquisition date belongs, management has taken the following factors into consideration:

- A. Depreciation is calculated based on the fair value of the plant and property at the time of the original accounting treatment of the merger, instead of the book value recognized in the pre-acquisition financial statements; and
- B. Estimate the borrowing cost based on the capital position, credit rating, and debt-to-equity ratio of the consolidated company after the merger.

29. Disposal of subsidiaries

On May 14, 2025, the Group entered into an agreement to dispose of Silicon Test Tech, which was responsible for the Group's processing revenue operations. The Group completed the disposal on May 14, 2025 and, as a result, lost control over the subsidiaries.

(1) Consideration received

	<u>Silicon Test Tech</u>
Total consideration received	<u>\$ 56,494</u>

(2) Analysis of assets and liabilities on the date control was lost

	<u>Silicon Test Tech</u>
Current assets	
Cash and cash equivalents	\$ 16,659
Notes and Accounts Receivable	24,018
Other current assets	2,888
Non-current Assets	
Property, plants, and equipment	8,932
Right-of-use assets	30,754
Goodwill	426
Intangible assets	12,116
Refundable deposits	983
Other non-current assets	2,040
Current liabilities	
Contract liabilities - current	(2,031)
Notes and Accounts Payable	(8,611)
Other payables	(2,178)
Lease liabilities - current	(5,039)
Long-term borrowings due within one year	(1,984)
Other current liabilities	(148)
Non-current liabilities	
Long-term borrowings	(4,803)
Lease liabilities - non-current	(25,984)
Net assets disposed of	<u>\$ 48,038</u>

(3) Gain on disposal of subsidiaries

	Silicon Test Tech
Consideration received	\$ 56,494
Net assets disposed of	(48,038)
Non-controlling interests	14,794
Reclassified to investments in equity instruments measured at fair value through other comprehensive income	<u>4,257</u>
Gain on disposal	<u>\$ 27,507</u>

(4) Proceeds from the disposal of subsidiaries

	Silicon Test Tech
Consideration received in cash and cash equivalents	\$ 56,494
Less: Balance of cash and cash equivalents disposed of	(<u>16,659</u>)
	<u>\$ 39,835</u>

30. Equity Transactions with Non-controlling Interests (After restatement)

On February 27, 2025, the consolidated company did not subscribe to the cash capital increase of Emergence A.I CO., LTD. in proportion to their shareholding, resulting in an increase in ownership from 66.67% to 80.00%.

On July 1 and December 9, 2025, the Group's ownership interest increased from 53.22% to 84.16% as a result of not subscribing to such company's cash capital increase in proportion to its shareholding, and subsequently acquiring equity interests in Jin-Zuan Semiconductor Investment on November 14, 2025.

As the above transaction did not result in a change in the consolidated entity's control over the subsidiaries, it was accounted for as an equity transaction.

	Emergence A.I	Jin-Zuan Semiconductor Investment	Total
Consideration paid	\$ -	(\$ 22,805)	(\$ 22,805)
The carrying amount of a subsidiary's net assets, calculated based on changes in relative equity, represents the amount to be transferred into (transferred out of) non-controlling interests.	(<u>1,315</u>)	<u>19,748</u>	<u>18,433</u>
Equity Transaction Difference	(<u>\$ 1,315</u>)	(<u>\$ 3,057</u>)	(<u>\$ 4,372</u>)

	Emergence A.I	Jin-Zuan Semiconductor Investment	Total
<u>Adjustment Account for Equity Transaction Difference</u>			
Capital surplus – Amount recognized for changes in ownership interests in subsidiaries	(\$ 1,315)	(\$ 864)	(\$ 2,179)
Unappropriated Earnings	<u>-</u>	<u>(2,193)</u>	<u>(2,193)</u>
	<u>(\$ 1,315)</u>	<u>(\$ 3,057)</u>	<u>(\$ 4,372)</u>

On October 8, 2024, the consolidated entity did not subscribe to the cash capital increase of SILICON TEST TECH in proportion to its original shareholding, resulting in an increase in its equity interest from 51.03% to 68.93%.

As the above transaction did not result in a change in the consolidated entity's control over the subsidiaries, it was accounted for as an equity transaction.

	<u>Silicon Test Tech</u>
Consideration paid	\$ -
Carrying Amount of Subsidiary's Net Assets to Be Transferred to Non-controlling Interests Based on Relative Change in Equity	<u>2,179</u>
Equity Transaction Difference	<u>\$ 2,179</u>

<u>Adjustment Account for Equity Transaction Difference</u>	
Capital surplus – Amount recognized for changes in ownership interests in subsidiaries	<u>\$ 2,179</u>

31. Capital management

In consideration of the industry characteristics and future developments, as well as external environmental factors, the Group plans its needs for future working capital, research and development expenses, and dividend payments, in order to ensure that entities in the Group will be able to continue as going concerns while maximizing shareholder value in the long run through maintaining optimal capital structure and the optimization of the debt and equity balance.

The Group's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated

with each class of capital. Based on the management's recommendations, the Group expects to balance its capital structure through the payment of dividends, borrowings from financial institutions or the payment of old debt.

The consolidated entity is not subject to any other external capital requirements.

32. Financial instruments

(1) Fair value of financial instruments that are not measured at fair value

The Group believes the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximated their fair values.

(2) Fair value of financial instruments that are measured at fair value on a recurring basis

A. Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial Assets at Fair Value</u> <u>Through Profit or Loss</u>				
Foreign convertible notes	\$ -	\$ -	\$ 31,379	\$ 31,379
<u>Financial Assets at Fair Value</u> <u>Through Other</u> <u>Comprehensive Income</u> <u>Investments in equity</u> <u>instruments</u>				
Listed shares on domestic markets	\$ 146,356	\$ -	\$ -	\$ 146,356
Unlisted shares on domestic markets	-	-	88,416	88,416
	<u>\$ 146,356</u>	<u>\$ -</u>	<u>\$ 88,416</u>	<u>\$ 234,772</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial Assets at Fair Value</u> <u>Through Other</u> <u>Comprehensive Income</u> <u>Investments in equity</u> <u>instruments</u>				
Listed shares on domestic markets	\$ 188,836	\$ -	\$ -	\$ 188,836
Unlisted shares on domestic markets	-	-	47,677	47,677
	<u>\$ 188,836</u>	<u>\$ -</u>	<u>\$ 47,677</u>	<u>\$ 236,513</u>

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2025.

B. Reconciliation of Level 3 fair value measurements of financial instruments 2025

		Measured at fair value through other comprehensive income
Financial assets	FVTPL Debt Instruments	Equity instruments
Beginning Retained Earnings	\$ -	\$ 47,677
Recognized in profit or loss (other gains and losses)	(1,471)	-
Recognized in other comprehensive income or loss	-	(6,514)
Reclassified	-	4,257
Purchase	<u>32,850</u>	<u>42,996</u>
Closing Balance	<u>\$ 31,379</u>	<u>\$ 88,416</u>

2024

		Measured at fair value through other comprehensive income
Financial assets	FVTPL Debt Instruments	Equity instruments
Beginning Retained Earnings	\$ -	\$ -
Recognized in other comprehensive income or loss	-	(4,363)
Reclassified	-	19,700
Purchase	<u>-</u>	<u>32,340</u>
Closing Balance	<u>\$ -</u>	<u>\$ 47,677</u>

C. Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

Equity investments in domestic non-TWSE/TPEX listed companies are primarily measured at fair value using the market approach. The fair value per share is determined based on the company's financial information and observable market price data, with a discount for lack of marketability applied. As of December 31, 2025 and 2024, the discount for lack of marketability ranged from 15.14% to 21.10% and from 14.60% to 20.36%, respectively. The higher the liquidity discount, the lower the fair value of such investments.

The fair value of overseas convertible notes is estimated using the least squares Monte Carlo method. The fair value per share is determined based on each contractual term of the convertible notes and observable market price data, taking into account a liquidity discount. As of December 31, 2025, the liquidity

discount was 18.97%. The higher the liquidity discount, the lower the fair value of such investments.

(3) Categories of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
FVTPL		
Financial assets mandatorily classified as at FVTPL	\$ 31,379	\$ -
Measured at fair value through other comprehensive income		
Investments in equity instruments	234,772	236,513
Measured at amortized cost (note 1)	511,566	787,326
<u>Financial liabilities</u>		
Measured at amortized cost (note 2)	1,066,920	1,127,739

Note 1: The balance includes cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables (classified under other current assets), and refundable deposits, all of which are financial assets measured at amortized cost.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, notes and accounts payable, other payables, long-term borrowings (including current portion), and guarantee deposits received.

(4) Financial risk management objectives and policies

The Group's operating activities require the use of multiple financial instruments, including equity investments, accounts receivable, accounts payable, and bank borrowings. However, due to the aforementioned financial instruments and operating activities, the Group is exposed to risks such as credit risks, liquidity risks, and market risks.

To avoid the possible adverse impacts from the aforementioned financial risks on the Group, the Group has been dedicated to analyzing, identifying, and evaluating relevant financial risks. The financial risk management framework of the Group is supervised by the Board of Directors. The accounting department establishes and follows financial risk management policies. Financial risk control procedures are

regularly and intermittently reviewed by the internal auditors and related results are reported to the Board of Directors on a regular basis. The Group is committed to developing a disciplined and constructive control environment to reduce the potential adverse impact of the aforementioned risks on the Group.

A. Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There were no changes in the exposures of financial instruments to market risk and the management and measurement of such exposures.

(A) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed by hedging which was not for the purpose of making profits. Foreign currency inflows and outflows resulted in natural hedging effects in the long run, and exchange rate changes had little impact on the Company's operations. Therefore, the Company only adjusted the cash reserves of foreign currency deposits and did not use accounts receivable/payable as derivative products for hedging. However, the hedging for exchange rate risk will be carried out through relevant commodities in a timely manner based on the exchange rate movement and the evaluation report of financial institutions.

For non-functional currency-denominated monetary assets and monetary liabilities on the balance sheet date in the consolidated financial statements (including non-functional currency-denominated monetary items offset in the consolidated financial statements), please refer to Note 36.

Sensitivity Analysis

The Group is primarily affected by fluctuations in the U.S. dollar exchange rate.

The following schedule details the sensitivity analysis of the Group when the New Taiwan Dollar (functional currency) strengthens or weakens by 1% against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to

key management personnel and represents management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar strengthening by 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, pre-tax profits would have decreased by the same amount.

	USD impact	
	2025	2024
Profit or loss	\$ 1,650	\$ 2,894

This was mainly due to the Group's bank deposits and receivables and payables denominated in U.S. dollars that were outstanding and not cash flow hedged at the balance sheet date.

(B) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	December 31, 2025	December 31, 2024
<u>Fair value interest rate risk</u>		
Financial assets	\$ 36,086	\$ 107,200
Financial liabilities	95,234	105,151

Risk of cash flow changes due to interest rate

Financial assets	238,255	255,873
Financial liabilities	835,385	766,752

Sensitivity Analysis

The sensitivity analyses below have been determined on the basis of the exposure to interest rates for non-derivative instruments on balance sheet dates. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the asset and liability outstanding on the balance sheet dates outstanding for the entire period. A 100 basis point increase or

decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates increase by 100 basis points, with all other variables held constant, the Group's net loss before tax for 2025 and 2024 would increase by NT\$5,971 thousand and NT\$5,109 thousand, respectively, primarily due to the Group's net exposure to variable-rate deposits and variable-rate borrowings.

(C) Other price risk

The Group was exposed to equity price risk through its investments in domestic and foreign listed equity securities. The Group does not actively trade these investments. Relevant personnel have been assigned to the supervision of price risk and assessment of the timing of increasing the hedging.

Sensitivity Analysis

If equity prices increase or decrease by 1%, other comprehensive loss before tax for 2025 and 2024 would decrease or increase by NT\$2,348 thousand and NT\$2,365 thousand, respectively.

B. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the balance sheet date, the Group's maximum exposure to credit risk resulting from the counterparty's default on its contractual obligations and the Group's provision of financial guarantee is the carrying amount of the financial assets on the consolidated balance sheets.

To mitigate the impact of credit risk, the Group considers the default risk by industries and countries of each customer, as well as the nature of the counterparty (capital scale, loan status, etc), based on which credit policies, payment terms, and trade terms were established by the accounting department. If necessary, a third-party risk assessment institution is engaged to assess its risk. Relevant terms are reviewed and audited by the audit office regularly.

Given that most of the major customers are well-known domestic listed (TWSE/TPEX) companies with normal transaction records, the default risks are quite low. The risk from new small customers is managed by only receiving

advance payments or cash. After the transaction basis becomes stable, the credit limit is updated by referring to external information. Hence, there is a limited impact of credit risk on the Group. Furthermore, the Group has established a provision policy, set an allowance account, and presented this in the statement to reflect the estimation of the potential loss resulting from the credit risk.

C. Liquidity risk

Liquidity risk refers to the risk that relevant obligations are not fulfilled due to the Group's failure to settle the financial liabilities in cash or other financial assets. The share capital and working capital of the Group is sufficient, therefore there is no liquidity risk from the inability to raise capital for fulfilling contractual obligations. Bank borrowing is an important source of liquidity for the Group. As of December 31, 2025 and 2024, the Group's unused short-term bank credit facilities amounted to NT\$40,244 thousand and NT\$45,000 thousand, respectively.

Liquidity and interest rate risk tables for non-derivative financial liabilities

The analysis for the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods has been drawn up based on the undiscounted cash flows (including both the principal and estimated interests) of financial liabilities from the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clauses were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

The undiscounted interest payment relating to borrowing with variable interest rates was extrapolated based on the yield curve as of the end of the reporting period.

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Non-interest bearing liabilities	\$ 125,665	\$ 79,819	\$ 22,358	\$ 3,693	\$ -
Lease liabilities	6,113	2,470	8,767	26,501	94,997
Variable interest rate liabilities	<u>12,285</u>	<u>65,531</u>	<u>67,202</u>	<u>753,881</u>	<u>-</u>
	<u>\$ 144,063</u>	<u>\$ 147,820</u>	<u>\$ 98,327</u>	<u>\$ 784,075</u>	<u>\$ 94,997</u>

Further information on the analysis for contractual maturities for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease liabilities	<u>\$ 17,350</u>	<u>\$ 26,501</u>	<u>\$ 26,388</u>	<u>\$ 26,388</u>	<u>\$ 26,388</u>	<u>\$ 15,833</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Non-interest bearing liabilities	\$ 81,386	\$ 57,315	\$ 216,794	\$ 3,951	\$ -
Lease liabilities	1,532	3,064	16,987	56,405	55,761
Variable interest rate liabilities	<u>2,099</u>	<u>5,857</u>	<u>704,766</u>	<u>67,470</u>	<u>-</u>
	<u>\$ 85,017</u>	<u>\$ 66,236</u>	<u>\$ 938,547</u>	<u>\$ 127,826</u>	<u>\$ 55,761</u>

Further information on the analysis for contractual maturities for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease liabilities	<u>\$ 21,583</u>	<u>\$ 56,405</u>	<u>\$ 17,385</u>	<u>\$ 12,792</u>	<u>\$ 15,990</u>	<u>\$ 9,594</u>

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates were to differ from those estimates of interest rates determined at the end of the reporting period.

33. Related-party transactions

Transactions, balances, revenues, and expenses between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on

consolidation and are not disclosed in this note. In addition to those disclosed in other notes, details of transactions between the Group and other related parties were disclosed below:

(1) Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Jin-Zuan Semiconductor Investment	Associate (Subsidiary after November 15, 2024)
SHAN YI Investment	Associate (Subsidiary after November 15, 2024)
Fable Technology Co. Ltd. (Fable)	Substantive related party

(2) Operating income

<u>Category/Name of related party</u>	<u>2025</u>	<u>2024</u>
Substantive related party	<u>\$ 1,081</u>	<u>\$ 63</u>

The consolidated entity's operating revenue from related parties is conducted under normal commercial terms and conditions, with payment terms consistent with those for general sales transactions.

(3) Purchase

<u>Category/Name of related party</u>	<u>2025</u>	<u>2024</u>
Substantive related party	<u>\$ 2,618</u>	<u>\$ 2,193</u>

The consolidated entity's purchase prices from related parties are based on normal commercial terms and conditions, with payment terms consistent with those for general suppliers.

(4) Contract assets

<u>Category/Name of related party</u>	<u>December 31, 2025</u>
Substantive related party	<u>\$ 286</u>

(5) Receivables from related parties

<u>Account Item</u>	<u>Related Party Category</u>	<u>December 31, 2025</u>
Accounts receivable – related parties	Substantive related party	<u>\$ 505</u>

Outstanding receivables from related parties are not secured by any guarantees.

(6) Contract Liabilities

<u>Category/Name of related party</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Substantive related party	<u>\$ 941</u>	<u>\$ 45</u>

(7) Payables to related parties

Account Item	Category/Name of related party	December 31, 2025	December 31, 2024
Accounts payable – related parties	Substantive party related	<u>\$ 183</u>	<u>\$ 907</u>
Other Payables – Related Parties	Substantive party related	<u>\$ -</u>	<u>\$ 21</u>

Outstanding payables to related parties are unsecured.

(8) Prepayments (presented under other assets)

Category/Name of related party	December 31, 2025	December 31, 2024
Substantive related party	<u>\$ 545</u>	<u>\$ 2,122</u>

(9) Intangible assets acquired

Category/Name of related party	2025	2024
Substantive related party	<u>\$ 1,000</u>	<u>\$ 2,205</u>

(10) Sublease agreement

Sublease of operating lease

The Group subleases the right-of-use of its Nangang office under an operating lease to Jin-Zuan Semiconductor Investment and SHAN YI Investment. The lease term is one year, and the rental is determined with reference to the rental rates of similar assets, with fixed lease payments collected monthly in accordance with the lease agreement.

The rental income is summarized as follows:

Category/Name of related party	2025	2024
Associate	<u>\$ -</u>	<u>\$ 71</u>

(11) Others

Account Item	Category/Name of related party	2025	2024
Professional Service Expenses	Substantive party related	<u>\$ 40</u>	<u>\$ 240</u>
System usage fees	Substantive party related	<u>\$ 400</u>	<u>\$ -</u>

(12) Compensation to key management of the Group

	2025	2024
Short-term employee benefits	<u>\$ 28,846</u>	<u>\$ 24,157</u>
Retirement benefits	<u>663</u>	<u>634</u>
	<u>\$ 29,509</u>	<u>\$ 24,791</u>

The remuneration to directors and key management was determined by the remuneration committee based on individual performance and markets.

34. Pledged assets

The following assets have been pledged as collateral for financing borrowings and guarantee deposits for government subsidies:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Financial assets at amortized cost – current	\$ 22,698	\$ -
Financial assets at amortized cost – non-current	12,000	-
Financial Assets at Fair Value Through Other Comprehensive Income	125,750	156,377
Property, plants, and equipment, net	116,078	116,740
Investment properties	<u>843,666</u>	<u>841,347</u>
	<u>\$ 1,120,192</u>	<u>\$ 1,114,464</u>

In addition to the aforementioned assets, the consolidated entity's financing borrowings are also secured through indirect guarantees provided by the Credit Guarantee Fund.

35. Subsequent Events

- A. The Group filed an application with the New Taipei City Government for an urban renewal project plan relating to land located in the Baoxing Section, Xindian District, New Taipei City, and received official approval from the New Taipei City Government, with the project becoming effective on January 26, 2026.
- B. The Company has obtained an approval letter from the Financial Supervisory Commission dated January 28, 2026, for the effective registration of the issuance of its second secured convertible corporate bonds with a total amount of up to NT\$450,000 thousand. As of the date of issuance of the consolidated financial statements, the bonds have not yet been formally issued.
- C. On February 4, 2016, the Company subscribed to shares in the cash capital increase of its subsidiary, Heph A.I studios Technology, in the amount of NT\$20,000,000, in accordance with the subscription ratio.

36. Significant Assets and Liabilities Denominated in Foreign Currencies

The following information is aggregated by foreign currencies other than the functional currencies of the Group. The exchange rates disclosed refer to the rates at which the foreign currencies were converted into functional currencies. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2025

	Foreign currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary Item</u>			
USD	\$ 5,775	31.430 (USD: NTD)	\$ 181,508
USD	2,396	7.0288 (USD: CNY)	75,306
USD	138	31.3704 (USD: THB)	4,337
USD	50	26,748.9362 (USD: VND)	1,572
<u>Financial Liabilities</u>			
<u>Monetary Item</u>			
USD	82	31.43 (USD: NTD)	2,577
USD	2,925	7.0288 (USD: CNY)	91,933
USD	103	31.3704 (USD: THB)	3,237

December 31, 2024

	Foreign currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary Item</u>			
USD	\$ 8,615	32.785 (USD: NTD)	\$ 282,443
USD	3,749	7.1884 (USD: CNY)	122,911
USD	138	34.0694 (USD: THB)	4,524
USD	50	25,916.9960 (USD: VND)	1,639

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<u>Financial Liabilities</u>	<u>Foreign currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Monetary Item</u>			
USD	\$ 366	32.785 (USD: NTD)	\$ 11,999
USD	3,196	7.1884 (USD: CNY)	104,781
USD	164	34.0694 (USD: THB)	5,377

The Group was mainly subject to the foreign exchange risk of USD. The following information is summarized based on the entity holding foreign currencies and expressed in functional currency. The exchange rates disclosed are used to translate the functional currencies into the expressing currency. Foreign exchange gains and losses with material influence (including realized and unrealized) are as follows:

	2025		2024	
Functional currency	Functional currency to currency presented	Net foreign exchange (loss) gain	Functional currency to currency presented	Net foreign exchange (loss) gain
THB	0.95 (THB: NTD)	\$ 299	0.92 (THB: NTD)	(\$ 865)
NTD	1 (NTD: NTD)	8,867	1 (NTD: NTD)	(5,275)
CNY	4.36 (CNY: NTD)	(5,654)	4.51 (CNY: NTD)	9,276
VND	0.001185 (VND:NTD)	49	0.001265 (VND:NTD)	88
		<u>\$ 3,561</u>		<u>\$ 3,224</u>

37. Other Disclosures

(1) Information on significant transactions

- A. Financing provided to others. (Table 1)
- B. Endorsements/guarantees provided. (Table 2)
- C. Significant marketable securities held at the end of the period (excluding investments in subsidiaries and associates). (Table 3)
- D. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
- E. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)

F. Other: The business relationship between the parent and the subsidiaries and significant transactions between them. (Table 6)

(2) Information on investee companies (Table 7)

(3) Information on investment in mainland China

A. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)

B. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)

(A) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

(B) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

(C) The amount of property transactions and the amount of the resultant gains or losses.

(D) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

(E) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

(F) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

38. Segment information

(1) Segment revenue and results

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

	Segment Revenue		Segment losses	
	2025	2024	2025	2024
Connection cables	\$ 689,463	\$ 1,037,769	(\$ 52,028)	(\$ 34,038)
Others	<u>65,181</u>	<u>114,401</u>	(<u>86,915</u>)	(<u>54,487</u>)
Operating Segment, net	<u>\$ 754,644</u>	<u>\$ 1,152,170</u>	(138,943)	(88,525)
Administrative expenses			(190,904)	(185,946)
Reversal of Impairment loss of expected credit loss			1,770	2,241
Interest income			6,133	4,924
Other income			27,268	34,663
Other gains and losses			(5,667)	(27,429)
Finance costs			(20,896)	(12,250)
Share of profit or loss of affiliates under the equity method			-	695
Loss before tax			(<u>\$ 321,239</u>)	(<u>\$ 271,627</u>)

The above reporting revenue were generated through transactions with external customers. There were no intersegment sales in 2025 and 2024.

Segment profit refers to the profit earned by each segment, excluding other revenue, other gains and losses to be apportioned, share of profit or loss of associates accounted for using the equity method, financial costs, administrative expenses, expected credit impairment reversal gain (loss), and Income tax benefits (expenses). This is the measure reported to the Group's chief operating decision maker to allocate resources to each segment and evaluate its performance.

(2) Segment assets

As the measurement amounts of total assets and liabilities are not provided to the operating decision-makers, the measurement amounts of total assets and liabilities are not disclosed.

(3) Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	2025	2024
Connection cables	\$ 689,463	\$ 1,037,769
Others	<u>65,181</u>	<u>114,401</u>
	<u>\$ 754,644</u>	<u>\$ 1,152,170</u>

(4) Geographical information

The Group primarily operates in three regions—Taiwan, China, and Thailand.

The information on revenue from external customers by operating region for the consolidated entity is presented as follows:

	Revenue from External Customers	
	2025	2024
Taiwan	\$ 492,742	\$ 690,699
China	173,321	371,067
Thailand	88,581	90,404
	<u>\$ 754,644</u>	<u>\$ 1,152,170</u>

(5) Information on major customers

Of the Group's consolidated revenue for 2025 and 2024, NT\$328,491 thousand and NT\$472,142 thousand, respectively, were derived from major customers.

Income from a single customer which exceeds ten percent of total income of the Group is as follows:

	2025	2024
Customer A	\$ 220,383	\$ 209,729
Customer B	108,108	262,413
	<u>\$ 328,491</u>	<u>\$ 472,142</u>

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Loans to other parties
2025

Table 1Unit: Unless otherwise stated, in NT\$ thousands.

No. (Note 1)	Lending company	Borrower	Items of transactions	Whether a related party	Highest balance for the current period (Note 1)	Ending balance (Note 1)	Actual amount drawn	Interest Rate Range	Nature of the loan (Note 2)	Transaction amount	Reasons for the necessity of short-term financing	Amount of allowance for bad debts	Collateral		Limit on loans to a single counterparty (Note 3)	Aggregate limit on loans (Note 3)
													Name	Value		
0	Ji-Haw Industrial	Jin-Zuan Semiconductor Investment	Other receivables	Yes	\$ 80,000	\$ 80,000	\$ -	3.244%	2	\$ -	Repayment of borrowings	\$ -	-	-	\$ 260,908	\$ 521,816
1	Heph A.I studios Technology	CHINTEK	Other receivables	Yes	6,000	-	-	3.244%	2	-	Working capital turnover	-	-	-	10,082	10,082
1	Heph A.I studios Technology	JBT	Other receivables	Yes	6,286 (USD 200 thousand) (Note 4)	-	-	3.119%	2	-	Working capital turnover	-	-	-	10,082	10,082

Note 1: Represents the lending limit approved by each company’s board of directors.
Note 2: The nature of the loans is explained as follows:
1. Fill in 1 for those with business transactions.
2. Fill in 2 for those with a need for short-term financing.
Note 3: In accordance with each company’s “Procedures for Lending Funds to Others,” the limits on loans to individual counterparties and the aggregate loan limits are as follows:
1. Ji-Haw Industrial: The limit for loans to a single counterparty shall not exceed 20% of Ji-Haw Industrial’s net worth; the aggregate limit shall not exceed 40% of Ji-Haw Industrial’s net worth.
2. Heph A.I studios Technology: The limit for loans to a single counterparty and the aggregate limit shall not exceed 40% of Heph A.I studios Technology’s net worth.
Note 4: Translated at the exchange rate as of the financial statement date of USD:NTD = 1:31.43.
Note 5: All transactions presented in the above table have been fully eliminated in the preparation of the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Endorsements/guarantees for others
2025

Table 2Unit: Unless otherwise stated, in NT\$ thousands.

No.	Name of Endorser/Guarantor	The Endorsed/Guaranteed		Endorsement/ Guarantee Limit per Company	Highest Balance of Endorsements/ Guarantees in the Current Year	Closing Balance of Endorsements/ Guarantees	Actual amount drawn	Amount of Endorsements/Guarant ees Secured by Property	Cumulative Amount of Endorsements/ Guarantees as a Percentage of Net Worth Stated in the Latest Financial Statements (%)	Endorsement/ Guarantee Limit	Parent Company's Guarantees/ Endorsements to Subsidiaries	Subsidiary's Guarantees/ Endorsements to Parent Company	Guarantees/ Endorsements to the Mainland Area	Remarks
		Investee	Relationship											
0	Ji-Haw Industrial	CHINTEK	Businesses in which the Company holds more than 50% direct or indirect voting interest.	\$ 260,908 (The guarantee limit for any single entity is capped at 20% of the net equity attributable to shareholders as presented in Ji-Haw's most recent financial statements.)	\$ 25,000	\$ -	\$ -	\$ -	-	\$ 521,816 (The maximum amount of endorsements and guarantees shall be limited to 40% of the Company's net share value as shown in the most recent financial statements)	Y	N	N	
0	Ji-Haw Industrial, Co., Ltd.	Jin-Zuan Semiconductor Investment	Businesses in which the Company holds more than 50% direct or indirect voting interest.	260,908 (The guarantee limit for any single entity is capped at 20% of the net equity attributable to shareholders as presented in Ji-Haw's most recent financial statements.)	50,000	50,000	50,000	-	3.83	521,816 (The maximum amount of endorsements and guarantees shall be limited to 40% of the Company's net share value as shown in the most recent financial statements)	Y	N	N	
1	SHAN YI Investment	Jin-Zuan Semiconductor Investment	Companies that directly and indirectly hold more than 50% of the voting shares of the Company	195,067 (The guarantee limit for any single entity is capped at 100% of the net equity attributable to shareholders as presented in SHAN YI Investment Co.'s most recent financial statements.)	130,000	50,000	50,000	50,000	25.63	390,134 (The maximum guarantee limit is capped at 200% of the net equity attributable to shareholders as presented in SHAN YI Investment Co.'s most recent financial statements.)	N	N	N	
2	J.H.K	JBT	Business in which the Company holds more than 90% direct or indirect voting rights.	72,126 (The maximum on guarantees for a single enterprise is capped at 100% of the net equity of J.H.K. based on its most recent financial statements.)	17,886	17,886	16,030	17,886	24.80	144,252 (The maximum guarantees limit is capped at 200% of the net equity of J.H.K. based on its most recent financial statements.)	N	N	N	

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Marketable Securities Held
December 31 2025

Table 3

Unit: Unless otherwise stated, in NT\$ thousands.

Holding Company Name	Marketable Securities Type and Name	Relationship with the issuer of securities	Financial Statement Account	End of the period				Remarks
				Shares/Units	Carrying Amount	Shareholding Percentage (%)	Fair value	
Ji-Haw Industrial	<u>shares</u> SKYMIZER TAIWAN INC.	—	Non-current financial assets at fair value through other comprehensive income	82,500	\$ 21,855	1.83%	\$ 21,855	Note 2
	CERMAX CO., LTD.	—	Non-current financial assets at fair value through other comprehensive income	1,250,000	23,779	8.09%	23,779	Note 2
	Silicon Test Tech Corp.	—	Non-current financial assets at fair value through other comprehensive income	116,000	4,802	4.82%	4,802	Note 2
	Ennovision INC.	—	Non-current financial assets at fair value through other comprehensive income	2,088,000	37,980	18.16%	37,980	Note 2
SHAN YI Investment	TEKCORE CO., LTD.	—	Non-current financial assets at fair value through other comprehensive income	5,819,318	146,356	9.19%	146,356	Note 3
Ji-Haw Industrial	<u>Convertible notes</u> OXMIQ Labs Inc.	—	Financial assets at fair value through profit or loss – non-current	-	31,379	-	31,379	Note 2

Note 1: Marketable securities stated in this table refer to stocks within the scope of IFRS 9 “Financial Instruments”.

Note 2: Not provided as collateral, pledged, or restricted in other ways.

Note 3: A portion of the said securities has been provided to the subsidiary (Jin-Juan Semiconductor Investment Co., Ltd.) as collateral for borrowings. For details on endorsements and guarantees, please refer to Table 1.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital
2025

Table 4Unit: Unless otherwise stated, in NT\$ thousands.

Buyer (Seller)	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	Percentage to Total Sales (Purchases) (%)	Collection/ Payment terms	Unit Price	Collection/ Payment terms	Ending Balance	Percentage to Total Notes/ Accounts Receivable (Payable) (%)	
Ji-Haw Industrial	J.H.P	Subsidiaries	Purchase	\$ 366,523	91	Note 1	—	Note 1	(\$ 420,657)	96	—
J.H.P	Ji-Haw Industrial, Co., Ltd.	Parent	Sales	(366,523)	65	Note 1	—	Note 1	420,657	85	—

Note 1: From January 1 to July 31, 2025, the credit term was 240 days from month-end settlement; effective August 1, 2025, it was changed to 360 days from month-end settlement.

Note 2: All transactions listed above have been eliminated in the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital
December 31 2025

Table 5Unit: Unless otherwise stated, in NT\$ thousands.

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
J.H.P	Ji-Haw Industrial	Parent	\$ 420,657	0.94	\$ -	—	\$ 38,939	\$ -

Note 1: All transactions listed above have been eliminated in the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Business relationships and significant transaction dealings and amounts between the parent and subsidiary companies and among subsidiary companies.

2025

Table 6

Unit: Unless otherwise stated, in NT\$ thousands.

No. (Note 1)	Investee Company	Counterparty	Relationship (Note2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	Percentage to Total Sales or Assets (%) (Note 3)
0	Ji-Haw Industrial	J.H.P	1	Purchase	\$ 366,523	By contract terms	48
		J.H.P	1	Accounts payable	420,657	From January 1 to July 31, the credit term was 240 days from month-end; from August 1 onward, it was changed to 360 days from month-end.	16

Note 1: “0” stands for the parent company. Subsidiaries are numbered from “1”.

Note 2: “1” means from the parent company to a subsidiary.

Note 3: Regarding calculation of the percentage of transaction amount to the total consolidated revenue or assets, for assets and liabilities, amounts are calculated as a percentage to consolidated total assets, while revenues, costs, and expenses are calculated as a percentage to consolidated total operating revenues.

Note 4: All transactions listed above have been eliminated in the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Information on investees

2025

Table 7

Unit: Unless otherwise stated, in NT\$ thousands.

Investor	Investee	Location	Main business or production items	Initial investment amount		Balance as of December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Remarks
				Balance as at December 31, 2025	Balance as at December 31, 2024	No. of shares	Percentage (%)	Carrying Amount			
Ji-Haw Industrial	J.B.T	227, M003, Laem Chabang Industrial Estate, Sukhumvit Road, Thungsukla, Sriracha, Chonburi 20230 Thailand	Manufacturing and trading of computer cables or plugs	\$ 222,409	\$ 207,215	20,200,000	100.00	\$ 531,621	(\$ 62,550)	(\$ 62,550)	Subsidiaries
	J.H.I	Sertus Chambers, P.O. Box 603, Apia, Samoa.	Investing in overseas financial products and stocks	9,649	9,649	300,000	100.00	4,620	(3)	(3)	Subsidiaries
	J.H.V	3rd Floor, No. 87 89 Khuat Duy Tien Street, Nhan Chinh Ward, Thanh Xuan District, Hanoi	Manufacturing and trading of computer cables or plugs	3,159	3,159	-	100.00	2,224	(217)	(217)	Subsidiaries
	CHINTEK	8F-1, No. 198, Jingmao 2nd Road, Nangang District. Taipei City	Development and sales of automotive electronics and other software products	178,000	133,000	9,600,000	100.00	64,195	(21,265)	(25,493)	Subsidiaries
	Emergence A.I	8F-1, No. 198, Jingmao 2nd Road, Nangang District. Taipei City	Management consulting and technology R&D services	20,000	10,000	2,000,000	80.00	4,091	(12,077)	(9,592)	Subsidiaries
	Heph A.I studios Technology	8F-1, No. 198, Jingmao 2nd Road, Nangang District. Taipei City	Software R&D and management consulting services	60,000	45,000	6,000,000	100.00	15,732	(32,340)	(32,340)	Subsidiaries
	Silicon Test Tech	2F., No. 2, Lane 214, Section. 1, Zhongxing Road., Sanchong Rd., Zhudong Township, Hsinchu County	IC packaging OEM	-	54,000	-	-	-	(1,326)	(3,162)	Note 2
	Jin-Zuan Semiconductor Investment	No. 53, Baoxing Road, Xindian District, New Taipei City	General investment	122,632	63,827	10,320,000	84.16	84,650	(3,370)	(1,971)	Subsidiaries
Silicon Test Tech	Jern Yao	5F-3, No. 262, Section 2, Huamei Street, North District, Taichung City	IC packaging OEM	-	1,000	-	-	-	(22)	(22)	Note 3
CHINTEK	C.P.T	5-402, 12, Higashi-Shinagawa 1-chome, Shinagawa-ku, Tokyo	Integrated sales of software and equipment	1,524	1,524	72	75.00	1,295	(104)	(78)	Subsidiaries
Jin-Zuan Semiconductor Investment	SHAN YI Investment	No. 53, Baoxing Road, Xindian District, New Taipei City	General investment	163,500	163,500	17,750,000	100.00	146,441	(343)	(343)	Subsidiaries

Note 1: For information on investee companies in Mainland China, please refer to Table 8.

Note 2: As a result of the Company's disposal of Silicon Test Tech, the remaining 4.82% equity interest was reclassified on the date control was lost as a financial asset measured at fair value through other comprehensive income. Please refer to Note 29 for details.

Note 3: On the date the Company disposed of Silicon Test Tech, it simultaneously lost control over Jern Yao.

Note 4: Investment income, investment accounting for using equity method, and the net asset value of the investee showed on the table above have been eliminated from consolidation.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Information on investment in mainland China
2025

Table 8Unit: Unless otherwise stated, in NT\$ thousands.

Investees in Mainland China Investee	Main business or production items	Paid-in capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net profit (loss) of the investee for the year ended December 31, 2025	Percentage of Ownership of Direct or Indirect Investment	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Remarks
					Outward	Inward							
J.H.K	Manufacturing and trading of computer cables or plugs	\$ 3,234 (US\$ 100,000)	Direct investment with 100% ownership	\$ 3,143 (US\$ 100,000)	\$ -	\$ -	\$ 3,143 (US\$ 100,000)	(\$ 5,549)	100%	(\$ 5,549)	\$ 73,426	\$ 277,250	—
J.H.P	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	414,018 (US\$12,600,000)	40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.	301,728 (US\$9,600,000)	-	-	301,728 (US\$9,600,000)	(64,885)	100%	(64,468)	626,455	-	Note 2
Chuzhou Ding Wang	Investment development	279,316 (CNY60,180,000)	Held directly by the 100% owned subsidiary, J.H.P.	-	-	-	-	-	39%	-	1,725	-	—

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 304,871 (US\$9,700,000)	\$ 399,161 (US\$12,700,000)	\$ 804,601 (Note 3)

Note 1: Except that the investee companies’ profit or loss for the current period and the investment income recognized for the current period are translated using the average exchange rate for 2025, all other items are translated using the spot exchange rate as of the end of December 2025.

Note 2: 1. Investment losses of NT\$64,468 thousand were recognized for the current year. Of this amount, NT\$27,193 thousand (including unrealized upstream and side stream transactions) was recognized by the Company based on its 40.48% shareholding, while the remaining NT\$37,275 thousand (including upstream transactions) was recognized through its wholly owned subsidiary, J.B.T, based on a 59.52% shareholding.

Note 3: Calculated pursuant to Article 3 of “Principle of investment or Technical Cooperation in Mainland China”, MOEA, which was the higher of the net worth of the entity or 60% of the consolidated net worth.

Note 4: The investment gains (losses) among the related investment companies, the investments accounted for using the equity method by investment companies, and the net equity of the investee companies, as shown in the above table, have been eliminated upon the preparation of the consolidated financial statements, except for Chuzhou Ding Wang Company.