

Securitag Assembly Group Co., Ltd.

**Parent Company Only Financial Statements for the
Years Ended December 31, 2025 and 2024 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Securitag Assembly Group Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Securitag Assembly Group Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company's parent company only financial statements for the year ended December 31, 2025 is stated as follows:

Revenue Recognition

The primary source of revenue for the Company is derived from the sales of radio-frequency identification (RFID) transponder. Sales to certain key customers increased significantly compared to the prior year, and the transaction amounts were material to the Company's total operating revenue. Accordingly, revenue from these transactions was identified as a key audit matter. For the accounting policies and related disclosures on revenue recognition, please refer to Notes 4 and 16 to the parent company only financial statements.

Our audit procedures performed in relation to this key audit matter for the current year included the following:

1. We obtained an understanding of the internal controls related to revenue recognition, evaluated their design and implementation, and tested the operating effectiveness of relevant controls during the year.
2. We obtained and selected samples from the detailed sales transactions with the aforementioned customers, inspected supporting documents for order placement and shipment, and verified subsequent collections to evaluate the authenticity of revenue recognition.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Standards on Auditing of the Republic of China 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 parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability 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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Jui-Lung Hsu and Li-Wei Liu.

Jui-Lung Hsu Liwei Liu

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 25, 2026

Notice to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

SECURITAG ASSEMBLY GROUP CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	December 31			
	2025		2024	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 535,962	19	\$ 541,235	19
Financial assets at amortized cost - current (Notes 4 and 7)	223,440	8	143,440	5
Notes receivable (Notes 4, 8 and 16)	148	-	508	-
Trade receivables (Notes 4, 8 and 16)	128,133	5	116,015	4
Trade receivables from related parties (Notes 4, 8, 16 and 23)	13,205	-	13,635	1
Other receivables (Notes 4 and 8)	155,885	5	101,992	4
Inventories (Notes 4 and 9)	344,624	12	396,524	14
Prepayments	8,406	-	11,332	-
Other current assets (Note 23)	542	-	494	-
Total current assets	<u>1,410,345</u>	<u>49</u>	<u>1,325,175</u>	<u>47</u>
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 7 and 24)	3,257	-	3,257	-
Investments accounted for using the equity method (Notes 4 and 10)	3,264	-	2,921	-
Property, plant and equipment (Notes 4, 11 and 24)	1,389,780	49	1,424,863	51
Intangible assets (Note 4)	6,431	-	4,679	-
Deferred tax assets (Notes 4 and 18)	18,137	1	13,993	1
Prepayments for equipment	9,043	-	20,839	1
Refundable deposits (Note 4)	11,184	1	11,079	-
Net defined benefit assets - non-current (Notes 4 and 14)	6,549	-	5,907	-
Other non-current assets	2,024	-	1,603	-
Total non-current assets	<u>1,449,669</u>	<u>51</u>	<u>1,489,141</u>	<u>53</u>
TOTAL	<u>\$ 2,860,014</u>	<u>100</u>	<u>\$ 2,814,316</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Notes 4 and 16)	\$ 16,084	1	\$ 20,639	1
Notes payable	210	-	196	-
Trade payables (Note 23)	209,740	7	221,988	8
Other payables (Notes 13 and 23)	181,655	7	154,951	5
Current tax liabilities (Notes 4 and 18)	28,449	1	21,007	1
Current portion of long-term borrowings (Notes 12, 20 and 24)	122,299	4	82,004	3
Other current liabilities	2,731	-	2,466	-
Total current liabilities	<u>561,168</u>	<u>20</u>	<u>503,251</u>	<u>18</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 12, 20 and 24)	562,578	20	684,877	24
Deferred tax liabilities (Notes 4 and 18)	835	-	857	-
Deferred revenue (Notes 4, 12 and 20)	13,887	-	15,048	1
Total non-current liabilities	<u>577,300</u>	<u>20</u>	<u>700,782</u>	<u>25</u>
Total liabilities	<u>1,138,468</u>	<u>40</u>	<u>1,204,033</u>	<u>43</u>
EQUITY				
Ordinary shares	422,740	15	422,740	15
Capital surplus	347,958	12	347,952	12
Retained earnings				
Legal reserve	127,563	4	109,021	4
Special reserve	1,564	-	1,442	-
Unappropriated earnings	823,365	29	730,692	26
Other equity	(1,644)	-	(1,564)	-
Total equity	<u>1,721,546</u>	<u>60</u>	<u>1,610,283</u>	<u>57</u>
TOTAL	<u>\$ 2,860,014</u>	<u>100</u>	<u>\$ 2,814,316</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

SECURITAG ASSEMBLY GROUP CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 16 and 23)	\$ 1,600,091	100	\$ 1,485,283	100
OPERATING COSTS (Notes 9, 17 and 23)	<u>1,102,617</u>	<u>69</u>	<u>1,056,370</u>	<u>71</u>
GROSS PROFIT	<u>497,474</u>	<u>31</u>	<u>428,913</u>	<u>29</u>
OPERATING EXPENSES (Notes 8, 17 and 23)				
Selling and marketing expenses	81,082	5	70,662	5
General and administrative expenses	71,306	4	67,604	4
Research and development expenses	86,648	6	83,467	6
Reversal of expected credit losses (Notes 4 and 8)	<u>-</u>	<u>-</u>	<u>(176)</u>	<u>-</u>
Total operating expenses	<u>239,036</u>	<u>15</u>	<u>221,557</u>	<u>15</u>
INCOME FROM OPERATIONS	<u>258,438</u>	<u>16</u>	<u>207,356</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit or loss of subsidiaries	443	-	37	-
Interest income (Note 4)	9,181	1	8,565	-
Other income	11,333	1	9,217	1
Gain on disposal of property, plant and equipment (Note 4)	-	-	329	-
Net foreign exchange gain (loss) (Notes 4 and 27)	(10,699)	(1)	16,139	1
Finance costs (Notes 4 and 17)	(12,675)	(1)	(13,464)	(1)
Other losses (Note 17)	<u>(1,815)</u>	<u>-</u>	<u>(727)</u>	<u>-</u>
Total non-operating income and expenses	<u>(4,232)</u>	<u>-</u>	<u>20,096</u>	<u>1</u>
INCOME BEFORE INCOME TAX	254,206	16	227,452	15
INCOME TAX EXPENSE (Notes 4 and 18)	<u>50,147</u>	<u>3</u>	<u>43,527</u>	<u>3</u>
NET INCOME	<u>204,059</u>	<u>13</u>	<u>183,925</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 14)	281	-	1,494	-

(Continued)

SECURITAG ASSEMBLY GROUP CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ (100)	-	\$ (152)	-
Income tax related to items that may be reclassified subsequently to profit or loss (Notes 4 and 18)	<u>20</u>	<u>-</u>	<u>30</u>	<u>-</u>
Other comprehensive income, net of income tax	<u>201</u>	<u>-</u>	<u>1,372</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 204,260</u>	<u>13</u>	<u>\$ 185,297</u>	<u>12</u>
EARNINGS PER SHARE (Note 19)				
Basic	<u>\$ 4.83</u>		<u>\$ 4.35</u>	
Diluted	<u>\$ 4.82</u>		<u>\$ 4.34</u>	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

SECURITAG ASSEMBLY GROUP CO., LTD.

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)**

	Ordinary Shares (Note 15)	Capital Surplus (Note 15)	Retained Earnings (Note 15)			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		
BALANCE AT JANUARY 1, 2024	\$ 422,740	\$ 347,952	\$ 92,004	\$ 1,287	\$ 646,993	\$ (1,442)	\$ 1,509,534
Appropriation of 2023 earnings							
Legal reserve	-	-	17,017	-	(17,017)	-	-
Special reserve	-	-	-	155	(155)	-	-
Cash dividends - NT\$2 per share	-	-	-	-	(84,548)	-	(84,548)
Net income for the year ended December 31, 2024	-	-	-	-	183,925	-	183,925
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	1,494	(122)	1,372
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	185,419	(122)	185,297
BALANCE AT DECEMBER 31, 2024	422,740	347,952	109,021	1,442	730,692	(1,564)	1,610,283
Appropriation of 2024 earnings							
Legal reserve	-	-	18,542	-	(18,542)	-	-
Special reserve	-	-	-	122	(122)	-	-
Cash dividends - NT\$2.2 per share	-	-	-	-	(93,003)	-	(93,003)
Changes in capital surplus	-	6	-	-	-	-	6
Net income for the year ended December 31, 2025	-	-	-	-	204,059	-	204,059
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	281	(80)	201
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	204,340	(80)	204,260
BALANCE AT DECEMBER 31, 2025	\$ 422,740	\$ 347,958	\$ 127,563	\$ 1,564	\$ 823,365	\$ (1,644)	\$ 1,721,546

The accompanying notes are an integral part of the parent company only financial statements.

SECURITAG ASSEMBLY GROUP CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	<u>For the Year Ended December 31</u>	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 254,206	\$ 227,452
Adjustments for:		
Depreciation expense	93,301	90,398
Amortization expense	1,820	1,723
Reversal of expected credit losses	-	(176)
Finance costs	12,675	13,464
Interest income	(9,181)	(8,565)
Share of profit or loss of subsidiaries	(443)	(37)
Gain on disposal of property, plant and equipment	-	(329)
Write-down and obsolescence losses of inventories	3,984	791
Unrealized net loss (gain) on foreign currency exchange	(1,177)	86
Others	(1,161)	(997)
Net changes in operating assets and liabilities		
Notes receivable	360	(306)
Trade receivables	(7,515)	(39,309)
Other receivables	(53,624)	(29,103)
Inventories	46,714	69,813
Prepayments	2,926	(5,537)
Other current assets	(33)	(82)
Net defined benefit assets	(361)	(324)
Contract liabilities	(4,555)	(7,481)
Notes payable	14	9
Trade payables	(15,246)	57,023
Other payables	25,510	11,166
Other current liabilities	265	98
Cash generated from operations	<u>348,479</u>	<u>379,777</u>
Interest received	8,912	8,569
Interest paid	(9,141)	(9,548)
Income tax paid	<u>(46,851)</u>	<u>(42,168)</u>
Net cash generated from operating activities	<u>301,399</u>	<u>336,630</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(120,000)	(19,960)
Proceeds from sale of financial assets at amortized cost	40,000	-
Payments for property, plant and equipment	(20,419)	(88,153)
Proceeds from disposal of property, plant and equipment	-	494
Decrease (increase) in refundable deposits	(120)	552
Payments for intangible assets	(2,200)	(1,055)
Increase in other non-current assets	(1,246)	-
Increase in prepayments for equipment	<u>(24,104)</u>	<u>(29,558)</u>
Net cash used in investing activities	<u>(128,089)</u>	<u>(137,680)</u>

(Continued)

SECURITAG ASSEMBLY GROUP CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	\$ -	\$ 80,000
Repayments of long-term borrowings	(85,586)	(78,455)
Dividends paid to owners of the company	(93,003)	(84,548)
Other financing activities	<u>6</u>	<u>-</u>
Net cash used in financing activities	<u>(178,583)</u>	<u>(83,003)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,273)	115,947
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>541,235</u>	<u>425,288</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 535,962</u>	<u>\$ 541,235</u>

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

SECURITAG ASSEMBLY GROUP CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars and Foreign Currencies, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Securitag Assembly Group Co., Ltd. (the “Company”) was incorporated in March 1999. The Company is mainly engaged in the design, research and development, and manufacture of radio frequency identification (RFID) transponders, as well as acting as an agent in connection with the aforementioned business activities, overseeing related investments, and conducting import and export operations.

The Company’s common shares were listed and have been trading on the Taipei Exchange since October 8, 2015.

The parent company only financial statements are presented in the Company’s functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors on February 25, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Company’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by International Accounting Standards Board (IASB)</u>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

1) The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

- a) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
 - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- b) To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- c) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

2) The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Company can choose to derecognize the financial liability before the settlement date if, and only if, the Company has initiated a payment instruction that resulted in:

- The Company having no practical ability to withdraw, stop or cancel the payment instruction;
- The Company having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company’s financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

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

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

- The Company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Company has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company's the parent company only financial position and the parent company only financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for net defined benefit assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

When preparing these parent company only financial statements, the Company used equity method to account for its investment in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owner of the Company in its accompanying consolidated financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and accompanying basis were made to investments accounted for using the equity method, share of profit or loss of subsidiaries, share of other comprehensive income of subsidiaries and related equity items, as appropriate, in the parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within twelve months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within twelve months after the reporting period, and
- 3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

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

At the end of each reporting year, 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 period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are 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 not retranslated.

For the purpose of presenting parent company only financial statements, the functional currencies of the Company and the entities in the Company (including subsidiaries, in other countries that use currency different from the currency of the Company) are translated into the presentation currency - New Taiwan dollars. Income and expense items are translated at the average exchange rates for the year. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, work-in-process, finished goods and merchandise and 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 moving weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries. A subsidiary is an entity that is controlled by the Company.

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

Profits or losses resulting from downstream transactions are eliminated in full in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost. Cost includes professional fees and borrowing costs eligible for capitalization. Samples produced when testing whether an item of property, plant and equipment is functioning properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling such samples are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates 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.

h. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

On 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.

i. Impairment of property, plant and equipment, and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently 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 had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from 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 FVTPL are recognized immediately in profit or loss.

1) 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 are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses on such financial assets are recognized in profit or loss. Fair value is determined in the manner described in Note 22.

ii. Financial assets at amortized cost

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

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) 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.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, trade receivables, other receivables and refundable deposits are measured at amortized cost, which equals the gross carrying amount determined using 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 such a financial asset:

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, 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.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime Expected Credit Loss (ECL) for trade receivables. For all other financial instruments, the Company 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 Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 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.

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

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

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Company 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.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All 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.

k. Revenue recognition

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

For contracts where the period between the date on which the Company transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

The Company recognizes revenue when customers obtain control of the promised goods, which occurs when the goods are delivered to the customers' specified locations or the goods are shipped, because it is at that time when the customer has full discretion over the manner of distribution and the pricing to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Sales revenue and trade receivables are recognized concurrently. Consideration that has been received from customers, the obligation to transfer goods or services to customers is recognized as a contract liability.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

l. Leasing

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

The Company as lessee

Short-term leases and low-value asset leases are accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

m. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

n. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and recognized in profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

o. Employee benefits

1) 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 services.

2) 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 rereasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. 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.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

p. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Act 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.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the parent company only financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in associates, except where the Company 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow 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 end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities 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.

Management reviews estimates and underlying assumptions on an ongoing basis as the Company develops material accounting estimates.

Based on the assessment of the Company's management, the accounting policies, estimates, and assumptions adopted by the Company have not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Cash on hand and petty cash	\$ 258	\$ 446
Checking accounts and demand deposits	293,642	356,701
Cash equivalents		
Time deposits with original maturities of 3 months or less	<u>242,062</u>	<u>184,088</u>
	<u>\$ 535,962</u>	<u>\$ 541,235</u>

The market rate at the end of the year were as follows:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Bank balance	0.000-0.765	0.00-0.95
Time deposits with original maturities of 3 months or less	1.47-3.83	1.37-4.55

7. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 223,440</u>	<u>\$ 143,440</u>
<u>Non-current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 3,257</u>	<u>\$ 3,257</u>

The market rate at the end of the year were as follows:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Time deposits with original maturities of more than 3 months	1.415-1.705	1.415-1.705

Refer to Note 24 for information relating to investments in financial assets at amortized cost pledged as security.

8. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ <u>148</u>	\$ <u>508</u>
<u>Trade receivables (including related parties)</u>		
At amortized cost		
Gross carrying amount	\$ 141,338	\$ 129,650
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 141,338</u>	<u>\$ 129,650</u>
<u>Other receivables</u>		
At FVTPL	\$ 145,337	\$ 92,295
At amortized cost	<u>10,548</u>	<u>9,697</u>
	<u>\$ 155,885</u>	<u>\$ 101,992</u>

a. Notes receivable

Aging analysis of notes receivable:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Not past due	\$ <u>148</u>	\$ <u>508</u>

b. Trade receivables

The average credit period on sales of goods is 30 to 90 days, and no interest is charged on trade receivables. The Company's policy is to assess its major customers by applying publicly available financial information and historical transaction records. The Company continues to monitor credit exposure and the credit ratings of its counterparties on an ongoing basis.

In order to minimize credit risk, the management of the Company has delegated to a dedicated team the responsibility for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of each year to ensure that adequate allowance has been made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly mitigated.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, relevant industry economic conditions, as well as GDP forecasts and industry outlook information. As the Company'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 Company's different customer base.

The Company writes off a trade receivable when there is evidence 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 Company continues to engage in enforcement activity 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:

	Not Past Due	1 to 91 Days Past Due	92 to 183 Days Past Due	184 to 274 Days Past Due	275 to 365 Days Past Due	Over 365 Days Past Due	Total
<u>December 31, 2025</u>							
Expected credit loss rate	0%	0%	0%	0%	0%	100%	
Gross carrying amount	\$ 99,951	\$ 40,199	\$ 1,188	\$ -	\$ -	\$ -	\$ 141,338
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 99,951</u>	<u>\$ 40,199</u>	<u>\$ 1,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,338</u>
<u>December 31, 2024</u>							
Expected credit loss rate	0%	0%	0%	0%	0%	100%	
Gross carrying amount	\$ 110,711	\$ 18,721	\$ 218	\$ -	\$ -	\$ -	\$ 129,650
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 110,711</u>	<u>\$ 18,721</u>	<u>\$ 218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,650</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Balance on January 1	\$ -	\$ 176
Impairment loss reversed	-	(176)
Balance on December 31	<u>\$ -</u>	<u>\$ -</u>

c. Other receivables

At FVTPL

Other receivables measured at FVTPL represent receivables that have been derecognized through factoring arrangements but have not yet been drawn down. The Company sells certain other receivables to banks on a non-recourse basis, and substantially all risks and rewards associated with the other receivables are transferred upon the sale. Accordingly, such receivables are derecognized from the consolidated balance sheet. The Company's business model for managing these other receivables is neither to collect the contractual cash flows nor to achieve both collecting contractual cash flows and selling financial assets; therefore, these other receivables are measured at FVTPL.

The information relating to the factoring of trade receivables that were not yet past due at the end of the year is as follows:

Counterparty	Factored Amount (Foreign Currency)	Amount Reclassified to Other Receivables
<u>December 31, 2025</u>		
CTBC Bank Co., Ltd.	USD 3,827	USD 3,827
KGI Bank Co., Ltd.	USD 804	USD 804
	EUR 1	EUR 1
<u>December 31, 2024</u>		
CTBC Bank Co., Ltd.	USD 1,776	USD 1,776
Shanghai Commercial & Savings Bank, Ltd.	USD 694	USD 694
KGI Bank Co., Ltd.	USD 321	USD 321
	EUR 28	EUR 28

The above credit limits may be used on a revolving basis.

In accordance with the terms of the factoring arrangements, losses arising from commercial disputes (such as sales returns or allowances) are borne by the Company. Losses arising from credit risk, however, are borne by the respective banks in proportion to the risks assumed, as specified in the contracts.

9. INVENTORIES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Raw materials	\$ 111,927	\$ 173,252
Work in progress	123,437	111,668
Finished goods	108,736	111,591
Merchandise	<u>524</u>	<u>13</u>
	<u>\$ 344,624</u>	<u>\$ 396,524</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2025 and 2024 amounted to \$1,102,617 thousand and \$1,056,370 thousand, respectively.

The cost of goods sold for the years ended December 31, 2025 and 2024 included inventory write-downs and obsolescence losses of \$3,984 thousand and \$791 thousand, respectively.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2025	2024
<u>Investments in subsidiaries</u>		
SAG Japan Co., Ltd. (SAG-Japan)	\$ 3,264	\$ 2,921
SAG USA Inc. (SAG-USA) (Note)	<u>-</u>	<u>-</u>
	<u>\$ 3,264</u>	<u>\$ 2,921</u>

As of December 31, 2025 and 2024, the Company's ownership interest and voting rights in SAG-Japan were both 100%. For related disclosures, please refer to Note 10 to the consolidated financial statements for the year ended December 31, 2025.

Note: As of December 31, 2025, SAG-USA had completed only its incorporation registration and had not yet commenced business operations. In January 2026, the Company remitted USD 300,000 as its investment capital to acquire 100% of the equity interest in SAG-USA.

11. PROPERTY, PLANT AND EQUIPMENT

	For the Year Ended December 31, 2025				
	Balance, Beginning of Year	Additions	Decrease	Reclassification	Balance, End of Year
<u>Cost</u>					
Land	\$ 323,342	\$ -	\$ -	\$ -	\$ 323,342
Buildings	842,768	879	-	-	843,647
Machinery and equipment	346,278	15,739	(18,168)	35,305	379,154
Office equipment	39,263	3,953	(1,728)	314	41,802
Leasehold improvements	230	-	(230)	-	-
Other equipment	70,356	545	(2,287)	1,483	70,097
	<u>1,622,237</u>	<u>\$ 21,116</u>	<u>\$ (22,413)</u>	<u>\$ 37,102</u>	<u>1,658,042</u>
<u>Accumulated depreciation</u>					
Buildings	44,783	\$ 31,248	\$ -	\$ -	76,031
Machinery and equipment	132,945	47,926	(18,168)	(5)	162,698
Office equipment	8,026	5,588	(1,728)	5	11,891
Leasehold improvements	227	3	(230)	-	-
Other equipment	11,393	8,536	(2,287)	-	17,642
	<u>197,374</u>	<u>\$ 93,301</u>	<u>\$ (22,413)</u>	<u>\$ -</u>	<u>268,262</u>
	<u>\$ 1,424,863</u>				<u>\$ 1,389,780</u>

For the Year Ended December 31, 2024

	Balance, Beginning of Year	Additions	Decrease	Reclassification	Balance, End of Year
<u>Cost</u>					
Land	\$ 323,342	\$ -	\$ -	\$ -	\$ 323,342
Buildings	823,558	15,658	-	3,552	842,768
Machinery and equipment	310,315	17,675	(59,977)	78,265	346,278
Office equipment	37,718	1,222	(1,958)	2,281	39,263
Transportation equipment	1,238	-	(1,238)	-	-
Leasehold improvements	230	-	-	-	230
Other equipment	69,867	2,302	(4,360)	2,547	70,356
Construction in progress	716	2,508	-	(3,224)	-
	<u>1,566,984</u>	<u>\$ 39,365</u>	<u>\$ (67,533)</u>	<u>\$ 83,421</u>	<u>1,622,237</u>
<u>Accumulated depreciation</u>					
Buildings	14,089	\$ 30,694	\$ -	\$ -	44,783
Machinery and equipment	146,921	46,001	(59,977)	-	132,945
Office equipment	5,049	4,935	(1,958)	-	8,026
Transportation equipment	959	114	(1,073)	-	-
Leasehold improvements	194	33	-	-	227
Other equipment	7,132	8,621	(4,360)	-	11,393
	<u>174,344</u>	<u>\$ 90,398</u>	<u>\$ (67,368)</u>	<u>\$ -</u>	<u>197,374</u>
	<u>\$ 1,392,640</u>				<u>\$ 1,424,863</u>

No impairment losses were recognized or reversed for the years ended 2025 and 2024.

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets:

Buildings	
Main buildings	50 years
Ancillary construction works	7-49 years
Machinery and equipment	2-20 years
Office equipment	2-20 years
Leasehold improvements	7 years
Other equipment	2-20 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 24.

12. LONG-TERM BORROWINGS

	<u>December 31</u>	
	2025	2024
Secured borrowings	\$ 435,063	\$ 520,649
Unsecured borrowings	254,532	254,532
Less: Discounts on government grants (Note 20)	<u>(4,718)</u>	<u>(8,300)</u>
	684,877	766,881
Less: Current portion	<u>(122,299)</u>	<u>(82,004)</u>
	<u>\$ 562,578</u>	<u>\$ 684,877</u>
Rates of interest per annum (%)	1.275	1.275

The borrowings as of December 31, 2025 and 2024 are due between August 2028 and January 2031.

Refer to Note 24 for information relating to the borrowings are secured by the Company's land and buildings.

13. OTHER PAYABLES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Payables for salaries and bonuses	\$ 85,825	\$ 76,728
Payables for outsourcing	33,965	28,125
Payables for purchases of equipment	4,107	2,863
Others	<u>57,758</u>	<u>47,235</u>
	<u>\$ 181,655</u>	<u>\$ 154,951</u>

14. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. 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 2% 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 "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plans were as follows:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Present value of defined benefit obligation	\$ 6,092	\$ 5,540
Fair value of plan assets	<u>(12,641)</u>	<u>(11,447)</u>
Net defined benefit assets	<u>\$ (6,549)</u>	<u>\$ (5,907)</u>

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance at January 1, 2025	\$ 5,540	\$ (11,447)	\$ (5,907)
Service cost			
Net interest expense (income)	91	(188)	(97)
Recognized in profit or loss	91	(188)	(97)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(782)	(782)
Actuarial loss - financial assumptions	86	-	86
Actuarial loss - experience adjustments	415	-	415
Recognized in other comprehensive loss (income)	501	(782)	(281)
Contributions from the employer	-	(264)	(264)
Benefits paid	(40)	40	-
	<u>(40)</u>	<u>(224)</u>	<u>(264)</u>
Balance at December 31, 2025	<u>\$ 6,092</u>	<u>\$ (12,641)</u>	<u>\$ (6,549)</u>
Balance at January 1, 2024	\$ 6,096	\$ (10,185)	\$ (4,089)
Service cost			
Net interest expense (income)	84	(142)	(58)
Recognized in profit or loss	84	(142)	(58)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(882)	(882)
Actuarial gain - financial assumptions	(170)	-	(170)
Actuarial gain - experience adjustments	(442)	-	(442)
Recognized in other comprehensive loss (income)	(612)	(882)	(1,494)
Contributions from the employer	-	(266)	(266)
Benefits paid	(28)	28	-
	<u>(28)</u>	<u>(238)</u>	<u>(266)</u>
Balance at December 31, 2024	<u>\$ 5,540</u>	<u>\$ (11,447)</u>	<u>\$ (5,907)</u>

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

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau of Pension Fund or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government and corporate bond interest rates 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.

- 3) 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 salaries 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</u>	
	2025	2024
Discount rate	1.500%	1.625%
Expected rate of salary increase	2.500%	2.500%

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

	<u>December 31</u>	
	2025	2024
Discount rate		
0.25% increase	<u>\$ (172)</u>	<u>\$ (163)</u>
0.25% decrease	<u>\$ 179</u>	<u>\$ 170</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 174</u>	<u>\$ 165</u>
0.25% decrease	<u>\$ (168)</u>	<u>\$ (159)</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</u>	
	2025	2024
The expected contributions to the plan for the next year	<u>\$ 264</u>	<u>\$ 258</u>
The average duration of the defined benefit obligation	11.5 years	12 years

15. EQUITY

a. Ordinary shares

	<u>December 31</u>	
	2025	2024
Number of shares authorized (in thousands)	<u>50,000</u>	<u>50,000</u>
Shares authorized	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Number of shares issued and fully paid (in thousands)	<u>42,274</u>	<u>42,274</u>
Issued capital and collected proceeds	<u>\$ 422,740</u>	<u>\$ 422,740</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>		
Issuance of ordinary shares	\$ 343,820	\$ 343,820
Employee share options	4,129	4,129
Others	3	3
 <u>May be used to offset a deficit only</u>		
Recourse rights	5	-
Others	<u>1</u>	<u>-</u>
	<u>\$ 347,958</u>	<u>\$ 347,952</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividend policy

In accordance with the earnings distribution policy set forth in the Company's Articles of Incorporation, if the annual final accounts show income after tax for the year, such income shall be distributed in the following order:

- 1) Offset accumulated deficits (including adjustments to unappropriated earnings).
- 2) Appropriate 10% of the amount added to unappropriated earnings, which includes items other than income after tax for the year, as legal reserve; however, this requirement does not apply once the legal reserve has reached the Company's total paid-in capital.
- 3) Appropriate or reverse special reserves in accordance with applicable laws and regulations.
- 4) The remaining balance, combined with unappropriated earnings from prior years (including adjustments to unappropriated earnings), shall be proposed by the Board of Directors as an earnings distribution plan and submitted to the shareholders' meeting for approval or retention.

The Company is currently in a growth stage. Its dividend distribution policy must take into consideration the Company's present and future investment environment, capital requirements, domestic and international competitive conditions, and capital budgeting needs, while balancing shareholders' interests, dividend stability, and the Company's long-term financial planning. If earnings are available for distribution for a given year, the total cash dividends distributed each year shall not be less than 10% of the total shareholder dividends for that year. The actual amount distributed is subject to the resolution of the annual shareholders' meeting.

For the Company's policies on the distribution of employee and director remuneration, please refer to Note 17.

Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's capital surplus, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2024 and 2023, which were approved in the shareholders' meetings on May 22, 2025 and May 27, 2024, respectively, were as follows:

	For the Year Ended December 31	
	2024	2023
Legal reserve	<u>\$ 18,542</u>	<u>\$ 17,017</u>
Special reserve	<u>\$ 122</u>	<u>\$ 155</u>
Cash dividends	<u>\$ 93,003</u>	<u>\$ 84,548</u>
Cash dividends per share (NT\$)	<u>\$ 2.2</u>	<u>\$ 2</u>

The appropriation of earnings for 2025, which were proposed by the Company's board of directors on February 25, 2026, were as follows:

	For the Year Ended
	December 31
	2025
Legal reserve	<u>\$ 20,434</u>
Special reserve	<u>\$ 80</u>
Cash dividends	<u>\$ 101,458</u>
Cash dividends per share (NT\$)	<u>\$ 2.4</u>

The appropriation of earnings for 2025 will be resolved by the shareholders in their meeting to be held on May 22, 2026.

16. REVENUE

	For the Year Ended December 31	
	2025	2024
Revenue from contracts with customers		
Revenue from the sale of goods	<u>\$ 1,600,091</u>	<u>\$ 1,485,283</u>

a. Contract balances

	December 31,	December 31,	January 1,
	2025	2024	2024
Notes receivable, trade receivables (Note 8)	<u>\$ 141,486</u>	<u>\$ 130,158</u>	<u>\$ 87,973</u>
Contract liabilities-current			
Sale of goods	<u>\$ 16,084</u>	<u>\$ 20,639</u>	<u>\$ 28,120</u>

b. Disaggregation of revenue

	For the Year Ended December 31	
	2025	2024
RFID TAG	\$ 1,065,172	\$ 1,032,471
RFID LABEL	516,303	434,984
Other sales revenue	<u>18,616</u>	<u>17,828</u>
	<u>\$ 1,600,091</u>	<u>\$ 1,485,283</u>

17. NET INCOME FROM CONTINUING OPERATIONS

a. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank loans	\$ 12,920	\$ 13,879
Less: Capitalized interest	<u>(245)</u>	<u>(415)</u>
	<u>\$ 12,675</u>	<u>\$ 13,464</u>

Information on capitalized interest is as follows:

	For the Year Ended December 31	
	2025	2024
Capitalized interest amount	\$ 245	\$ 415
Capitalization rate	1.275%	1.15%-1.275%

b. Employee benefits, depreciation and amortization

	For the Year Ended December 31, 2025			
	Operating Costs	Operating Expenses	Non-operating Expenses	Total
Short-term employee benefits				
Salary expenses	\$ 161,327	\$ 119,389	\$ -	\$ 280,716
Labor and health insurance	16,635	10,685	-	27,320
Remuneration to directors	-	9,284	-	9,284
Retirement benefits				
Defined contribution plans	5,805	4,737	-	10,542
Defined benefit plans (Note 14)	-	(97)	-	(97)
Other employee benefits expense	9,548	4,320	-	13,868
Depreciation expense	79,625	12,949	727	93,301
Amortization expense	463	1,357	-	1,820

	For the Year Ended December 31, 2024			
	Operating Costs	Operating Expenses	Non-operating Expenses	Total
Short-term employee benefits				
Salary expenses	\$ 155,490	\$ 112,290	\$ -	\$ 267,780
Labor and health insurance	16,021	10,448	-	26,469
Remuneration to directors	-	8,600	-	8,600
Retirement benefits				
Defined contribution plans	5,756	4,693	-	10,449
Defined benefit plans (Note 14)	-	(58)	-	(58)
Other employee benefits expense	10,008	4,284	-	14,292
Depreciation expense	76,221	13,450	727	90,398
Amortization expense	360	1,363	-	1,723

As of December 31, 2025 and 2024, the number of employees of the Company were 447 and 457, respectively. There were 8 non-employee directors in both years.

Average employee benefit expenses for the years ended December 31, 2025 and 2024 were \$757 thousand and \$710 thousand, respectively. Average salary expenses for the years ended December 31, 2025 and 2024 were \$639 thousand and \$596 thousand, respectively. The percentage of changes in the average salary expenses was a 7.21% increase.

The remuneration, compensation, and business execution expenses of the Company's directors are determined based on industry standards, directors' attendance, and the provisions of the Company's Articles of Incorporation. The salaries and remuneration of managerial officers and employees—including salaries, pension contributions, bonuses, and employee compensation—are established with reference to their contributions, seniority, operating performance, and responsibilities, as well as prevailing industry practices.

In accordance with the Company's Articles of Incorporation and the operations of the Board of Directors and the Remuneration Committee, the compensation for directors and senior managerial officers is determined by taking into consideration not only the Company's overall operating performance and future development trends, but also the level of their involvement in and contribution to the Company's operations. The related performance evaluations and the reasonableness of remuneration are reviewed periodically and submitted to both the Remuneration Committee and the Board of Directors for approval. This mechanism aims to minimize potential risks and their relevance while ensuring an appropriate balance between sustainable corporate development and effective risk management.

According to the Company's Articles of Incorporation, the Company accrues employee compensation and directors' remunerations at rates of 3% to 5% and no higher than 3%, respectively, of net income before income tax, compensation of employees, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company approved the amendments to the Company's Articles of Incorporation at their 2025 regular shareholders' meeting. The amendments explicitly stipulate that between 3% and 5% of income before tax before deducting employee and director remuneration shall be allocated as employee remuneration, of which not less than 2% shall be allocated to non-managerial employees. The estimated employee compensation (including non-managerial employees) and remuneration of directors for the years ended December 31, 2025 and 2024, which were approved by the Company's board of directors on February 25, 2026 and February 26, 2025, respectively, are as follows:

	<u>For the Year Ended December 31</u>	
	2025	2024
<u>Cash</u>		
Compensation of employees (3%)	\$ 8,028	\$ 7,183
Remuneration of directors (2%)	5,352	4,788

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2024 and 2023.

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

18. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current year	\$ 50,877	\$ 43,113
Income tax on unappropriated earnings	1,679	1,563
Adjustments for prior years	<u>1,737</u>	<u>(2,384)</u>
	<u>54,293</u>	<u>42,292</u>
Deferred tax		
In respect of the current year	(1,826)	1,235
Adjustments for prior years	<u>(2,320)</u>	<u>-</u>
	<u>(4,146)</u>	<u>1,235</u>
Income tax expense recognized in profit or loss	<u>\$ 50,147</u>	<u>\$ 43,527</u>

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2025	2024
Income tax expense calculated at the statutory rate	\$ 50,841	\$ 45,490
Nondeductible expenses in determining taxable income	1	-
Income tax on unappropriated earnings	1,679	1,563
Investment credits	(1,791)	(1,142)
Adjustments for prior years' tax	1,737	(2,384)
Adjustments for prior years' deferred tax	<u>(2,320)</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 50,147</u>	<u>\$ 43,527</u>

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2025	2024
Deferred tax		
In respect of the current year		
Exchange differences on translation of the financial statements of foreign operations	<u>\$ 20</u>	<u>\$ 30</u>

c. Deferred tax assets and liabilities

For the Year Ended December 31, 2025				
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Investments accounted for using the equity method	\$ 1,894	\$ (89)	\$ -	\$ 1,805
Allowance for impairment loss of write-down of inventories	9,611	797	-	10,408
Exchange differences on foreign operations	392	-	20	412
Timing difference in revenue recognition for customs	-	3,572	-	3,572
Others	<u>2,096</u>	<u>(156)</u>	<u>-</u>	<u>1,940</u>
	<u>\$ 13,993</u>	<u>\$ 4,124</u>	<u>\$ 20</u>	<u>\$ 18,137</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Others	<u>\$ 857</u>	<u>\$ (22)</u>	<u>\$ -</u>	<u>\$ 835</u>
For the Year Ended December 31, 2024				
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Investments accounted for using the equity method	\$ 1,901	\$ (7)	\$ -	\$ 1,894
Allowance for impairment loss of write-down of inventories	9,430	181	-	9,611
Exchange differences on foreign operations	362	-	30	392
Others	<u>3,474</u>	<u>(1,378)</u>	<u>-</u>	<u>2,096</u>
	<u>\$ 15,167</u>	<u>\$ (1,204)</u>	<u>\$ 30</u>	<u>\$ 13,993</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Others	<u>\$ 826</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 857</u>

d. Income tax assessments

Income tax returns of the Company through 2023 have been examined and cleared by the tax authorities.

19. EARNINGS PER SHARE

	Net Income (Numerator)	Number of Shares (Denominator In Thousands)	Earnings Per Share NT\$
<u>For the year ended December 31, 2025</u>			
Basic EPS			
Net income available to owners of the Company	\$ 204,059	42,274	<u>\$ 4.83</u>
Dilutive effects			
Compensation of employees	<u>-</u>	<u>86</u>	
Diluted EPS			
Net income available to owners of the Company	<u>\$ 204,059</u>	<u>42,360</u>	<u>\$ 4.82</u>
<u>For the year ended December 31, 2024</u>			
Basic EPS			
Net income available to owners of the Company	\$ 183,925	42,274	<u>\$ 4.35</u>
Dilutive effects			
Compensation of employees	<u>-</u>	<u>80</u>	
Diluted EPS			
Net income available to owners of the Company	<u>\$ 183,925</u>	<u>42,354</u>	<u>\$ 4.34</u>

The Company may settle compensation or bonuses to employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares, if dilutive, will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. Such dilutive effect of the potential shares should be included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

20. GOVERNMENT GRANTS

As of December 31, 2025, the Company had obtained government-subsidized loans totaling \$853,635 thousand under the “Action Plan for Accelerating Investment by Returning Taiwanese Businesses,” which were used for capital expenditures and working capital purposes. Based on the market interest rate at the date of borrowing, the fair value of the loans was estimated at \$837,165 thousand. The difference of \$16,470 thousand between the proceeds received and the fair value of the loans was recognized as a government grant for below-market interest loans and recorded as deferred income. The deferred income is recognized in profit or loss over the useful lives of the related assets.

If, during the loan period, the Company fails to comply with the program requirements, resulting in the National Development Fund ceasing to subsidize the entrusted handling fee, the Company shall instead bear interest at the originally agreed rate plus an annual surcharge.

21. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern to fund its working capital needs while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity (comprising ordinary shares, capital surplus, retained earnings and other equity).

Key management personnel of the Company review the capital structure annually. As part of this review, the Company considers the cost of capital and the risks associated with each class of capital. In order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued, and the amount of new debt issued or existing debt redeemed.

22. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values, or that their values cannot be reliably measured.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>December 31, 2025</u>				
Financial assets at FVTPL				
Other receivables	\$ -	\$ -	\$ 145,337	\$ 145,337
<u>December 31, 2024</u>				
Financial assets at FVTPL				
Other receivables	-	-	92,295	92,295

There were no transfers between Levels 1 and 2 for the years ended December 31, 2025 and 2024, respectively.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	<u>For the Year Ended December 31</u>	
	2025	2024
Balance on January 1	\$ 92,295	\$ 59,855
Purchases	145,337	92,295
Settlements	<u>(92,295)</u>	<u>(59,855)</u>
Balance on December 31	<u>\$ 145,337</u>	<u>\$ 92,295</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

For the Company's other receivables measured at FVTPL, the effect of discounting over the credit period is not significant; therefore, fair value is measured based on the original invoice amounts.

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 145,337	\$ 92,295
Financial assets at amortized cost (Note 1)	917,837	831,770
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	975,368	1,053,464

Note 1: Financial assets at amortized cost comprise cash and cash equivalents, notes receivable, trade receivables, part of other receivables and refundable deposits.

Note 2: Financial liabilities at amortized cost comprise notes payable, trade payables, other payables (excluded payables for salaries and bonuses), long-term borrowings (included current portion).

d. Financial risk management objectives and policies

The Company's major financial instruments include deposits, trade receivables, trade payables, borrowings and lease liabilities. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Company has foreign currency denominated sales and purchases, which expose the Company to foreign currency risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are set out in Note 27.

Sensitivity analysis

The Company is mainly exposed to the U.S. dollar.

The following table details the Company's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management

personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusted their translation at the end of the year for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax income associated with the U.S. dollar strengthening 1% against the New Taiwan dollar. For a 1% weakening of the U.S. dollar against the New Taiwan dollar, there would be an equal and opposite impact on pre-tax income, and the balances below would be negative.

	<u>For the Year Ended December 31</u>	
	2025	2024
<u>Foreign currency</u>		
U.S. dollar	\$ 2,427	\$ 1,577

The result was mainly attributable to the exposure on outstanding bank deposits, receivables and payables in U.S. dollars that were not hedged at the end of the year.

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign currency risk because the exposure at the end of the year did not reflect the exposure during the year.

b) Interest rate risk

The Company is exposed to interest rate risk because entities in the Company borrow funds at floating interest rates.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates were as follows:

	<u>December 31</u>	
	2025	2024
Cash flow interest rate risk		
Financial assets	\$ 439,539	\$ 502,598
Financial liabilities	684,877	766,881
Fair value interest rate risk		
Financial assets	322,863	184,888

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 25 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 had been 25 basis points higher/lower and all other variables were held constant, the Company's pre-tax income for the years ended December 31, 2025 and 2024 would have decreased/increased by \$613 thousand and \$661 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on its floating rate bank deposits and borrowings.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the year, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Company's policy is to conduct transactions only with counterparties that have sound credit standing.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2025 and 2024, the Company had available unutilized bank loan facilities of \$528,365 thousand in both years.

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

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been prepared based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause 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.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the year.

Non-derivative financial liabilities	Less than 3 Months	3 Months to 1 Year	More than 1 Year
<u>December 31, 2025</u>			
Non-interest bearing liabilities	\$ 239,218	\$ 152,387	\$ -
Long-term borrowings	<u>20,576</u>	<u>101,723</u>	<u>567,296</u>
	<u>\$ 259,794</u>	<u>\$ 254,110</u>	<u>\$ 567,296</u>
<u>December 31, 2024</u>			
Non-interest bearing liabilities	\$ 223,589	\$ 153,546	\$ -
Long-term borrowings	<u>20,466</u>	<u>61,538</u>	<u>693,177</u>
	<u>\$ 244,055</u>	<u>\$ 215,084</u>	<u>\$ 693,177</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	More than 5 Years
<u>December 31, 2025</u>			
Long-term borrowings	\$ <u>122,299</u>	\$ <u>555,446</u>	\$ <u>11,850</u>
<u>December 31, 2024</u>			
Long-term borrowings	\$ <u>82,004</u>	\$ <u>464,538</u>	\$ <u>228,639</u>

e. Transfers of financial assets

Refer to Note 8 for information on the Company's factoring of trade receivables as of December 31, 2025 and 2024.

23. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and related parties are disclosed below.

a. Related party name and category

<u>Related Party Name</u>	<u>Relationship with the Company</u>
Siward Crystal Technology Co., Ltd.	Investor with significant influence
SAG-Japan	Subsidiary
SAG-USA	Subsidiary

b. Operating transactions

	<u>For the Year Ended December 31</u>	
	2025	2024
1. Sales of goods		
Subsidiary	\$ 32,713	\$ 26,801
Investor with significant influence	<u>29</u>	<u>-</u>
	<u>\$ 32,742</u>	<u>\$ 26,801</u>

The price of sales to related parties and collection terms approximated those for third parties.

	<u>For the Year Ended December 31</u>	
	2025	2024
2. Purchases of goods		
Investor with significant influence	<u>\$ 574</u>	<u>\$ 64</u>

The price of purchases from related parties and payment terms approximated those for third parties.

	For the Year Ended December 31	
	2025	2024
3. Operating expenses		
Subsidiary	\$ 3,751	\$ 3,821
Investor with significant influence	<u> -</u>	<u> 32</u>
	<u>\$ 3,751</u>	<u>\$ 3,853</u>

The operating expenses mainly represented the fees paid to subsidiaries for assisting in product sales and related business activities.

	December 31	
	2025	2024
4. Trade receivables		
Subsidiary	\$ 13,175	\$ 13,635
Investor with significant influence	<u> 30</u>	<u> -</u>
	<u>\$ 13,205</u>	<u>\$ 13,635</u>

The outstanding trade receivables from related parties are unsecured and no impairment losses were recognized.

	December 31	
	2025	2024
5. Temporary payments (classified under other current assets)		
Subsidiary	<u>\$ 3</u>	<u>\$ -</u>
6. Trade payables		
Investor with significant influence	<u>\$ 620</u>	<u>\$ 33</u>

The outstanding trade payables to related parties are unsecured.

	December 31	
	2025	2024
7. Other payables		
Subsidiary	<u>\$ 906</u>	<u>\$ 933</u>

The outstanding other payables to related parties are unsecured.

c. Remuneration of key management personnel

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	\$ 19,532	\$ 18,468
Post-employment benefits	<u> 216</u>	<u> 216</u>
	<u>\$ 19,748</u>	<u>\$ 18,684</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

24. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following time deposits and property, plant and equipment were provided as collateral for bank borrowings, customs duties guarantees, and bidding performance bonds:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Property, plant and equipment	\$ 1,090,958	\$ 1,121,327
Financial assets at amortized cost - non-current	<u>3,257</u>	<u>3,257</u>
	<u>\$ 1,094,215</u>	<u>\$ 1,124,584</u>

25. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The significant commitments and contingencies of the Company are as follows:

The unrecognized commitments for the acquisition of property, plant and equipment totaled \$38,477 thousand.

26. OTHER ITEMS

The Company has obtained product liability insurance for products sold worldwide. The renewal period is from September 5, 2025 to September 5, 2026, and the maximum aggregate indemnity amount is US\$2,000 thousand.

27. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by foreign currencies other than functional currency of the Company, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant financial assets and liabilities denominated in foreign currencies were as follows:

	<u>December 31</u>					
	<u>2025</u>			<u>2024</u>		
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>New Taiwan Dollars</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>New Taiwan Dollars</u>
<u>Financial assets</u>						
Monetary items						
U.S. dollar	\$ 12,604	31.375	\$ 395,451	\$ 10,352	32.725	\$ 338,769
<u>Financial liabilities</u>						
Monetary items						
U.S. dollar	4,870	31.375	152,796	5,533	32.725	181,067

The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the years ended December 31, 2025 and 2024, realized and unrealized foreign exchange gains (losses) were \$(10,699) thousand and \$16,139 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions

28. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (None)

2) Endorsements/guarantees provided. (None)

3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures). (None)

4) Total purchases from or sales to related parties amounting to at least \$100 million or 20% of the paid-in capital. (None)

5) Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital. (None)

b. Information on investees (Table 1)

c. Information on investments in mainland China (None)

SECURITAG ASSEMBLY GROUP CO., LTD. AND SUBSIDIARIES

**INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2025	December 31, 2024	Shares	%	Carrying Amount			
The Company	SAG-Japan	Japan	Sales of radio-frequency identification (RFID) transponder.	\$ 28,153	\$ 28,153	2,000	100	\$ 3,264	\$ 443	\$ 443	Subsidiary
	SAG-USA	USA	Marketing activities and market intelligence gathering in the North American region.	-	-	-	-	-	-	-	Note

Note: As of December 31, 2025, SAG-USA had completed only its incorporation registration and had not yet commenced business operations. In January 2026, the Company remitted USD 300,000 as its investment capital to acquire 100% of the equity interest in SAG-USA.

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SECURITAG ASSEMBLY GROUP CO., LTD.**STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars and Foreign Currencies)**

Item	Foreign Currency	Exchange Rate	Amount
Cash in banks			
Demand deposits			\$ 149,074
Foreign currency deposits			
USD	2,690	31.375	84,396
EUR	43	36.94	1,577
JPY	286,171	0.2013	57,606
CHF	25	39.77	<u>989</u>
			293,642
Cash equivalent			
Time deposits with original maturities of 3 months or less			242,062
Cash on hand and petty cash			<u>258</u>
			<u>\$ 535,962</u>

SECURITAG ASSEMBLY GROUP CO., LTD.

STATEMENT OF TRADE RECEIVABLES

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Client Name	Amount
Company A	\$ 27,616
Company B	23,637
Company C	11,181
Company D	9,067
Company E	8,686
Others (Note)	<u>47,946</u>
	128,133
Less: Allowance for impairment loss	<u>-</u>
	<u>\$ 128,133</u>

Note: The amount of individual client included in others does not exceed 5% of the account balance.

SECURITAG ASSEMBLY GROUP CO., LTD.

STATEMENT OF INVENTORIES

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Market Price (Note)
Raw materials	\$ 111,927	\$ 112,131
Work in progress	123,437	149,858
Finished goods	108,736	168,238
Merchandise	<u>524</u>	<u>666</u>
	<u>\$ 344,624</u>	<u>\$ 430,893</u>

Note: Net realizable value is used in the valuation of inventories.

SECURITAG ASSEMBLY GROUP CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investees	Balance at January 1, 2025		Share of Profit of Subsidiaries Accounted for Using the Equity Method	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Balance at December 31, 2025			Net Assets Value	Collateral
	Shares	Amount			Shares	Ownership (%)	Amount		
SAG-Japan	2,000	\$ 2,921	\$ 443	\$ (100)	2,000	100	\$ 3,264	\$ 3,264	None
SAG-USA (Note)	-	-	-	-	-	-	-	-	None
		<u>\$ 2,921</u>	<u>\$ 443</u>	<u>\$ (100)</u>			<u>\$ 3,264</u>	<u>\$ 3,264</u>	

Note: As of December 31, 2025, SAG-USA had only completed its company registration and had not yet commenced operations. In January 2026, the Company remitted an investment amount of US\$300 thousand to acquire 100% of the equity interest in SAG-USA.

SECURITAG ASSEMBLY GROUP CO., LTD.

STATEMENT OF TRADE PAYABLES

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Company (1)	\$ 104,219
Company (2)	22,368
Company (3)	16,154
Company (4)	13,164
Others (Note)	<u>53,835</u>
	<u>\$ 209,740</u>

Note: The amount of individual vendor included in others does not exceed 5% of the account balance.

SECURITAG ASSEMBLY GROUP CO., LTD.

STATEMENT OF LONG-TERM BORROWINGS

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Type	Loan Term and Repayment Method	Interest Rate	Current Portion of Long-term Bank Borrowings	Long-term Bank Borrowings	Total	Collateral
Secured borrowings						
E.SUN Commercial Bank, Ltd.	Maturing in January 2031, repayable in equal monthly installments starting from February 2024.	1.275	\$ 83,998	\$ 348,775	\$ 432,773	Land and buildings
Unsecured borrowings						
E.SUN Commercial Bank, Ltd.	Maturing in August 2028, repayable in 24 equal monthly installments starting from September 2026.	1.275	18,543	95,048	113,591	-
	Maturing in May 2030, repayable in 48 equal monthly installments starting from June 2026.	1.275	<u>19,758</u>	<u>118,755</u>	<u>138,513</u>	-
			<u>\$ 122,299</u>	<u>\$ 562,578</u>	<u>\$ 684,877</u>	

SECURITAG ASSEMBLY GROUP CO., LTD.

**STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

Item	Quantities (In thousands of Units)	Amount
RFID TAG	Approximately 40,798	\$ 1,069,761
RFID LABEL	Approximately 117,312	517,611
Other operating revenue		<u>19,080</u>
		1,606,452
Less: Sales return		(5,914)
Sales discount		<u>(447)</u>
Operating revenue		<u>\$ 1,600,091</u>

SECURITAG ASSEMBLY GROUP CO., LTD.

STATEMENT OF OPERATING COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (In Thousands of New Taiwan Dollars)

Item	Amount
Raw material at beginning of year	\$ 199,456
Add: Raw material purchased	584,706
Raw materials inventory overage	353
Others	212
Less: Raw material at end of year	(139,253)
Sale of raw material	(3,356)
Transferred to manufacturing expenses	(26,505)
Inventory write-off loss	(921)
Others	<u>(3,020)</u>
Raw material used	611,672
Direct labor	100,970
Manufacturing expenses	<u>387,671</u>
Manufacturing cost	1,100,313
Add: Work in process at beginning of year	119,851
Others	669
Less: Work in process at end of year	(132,907)
Sale of work in process	(12,271)
Transferred to manufacturing expenses	(163)
Inventory write-off loss	(2,718)
Others	<u>(1,364)</u>
Cost of finished goods	1,071,410
Add: Finished goods at beginning of year	124,499
Others	2,139
Less: Finished goods at end of year	(123,680)
Inventory write-off loss	<u>(5,640)</u>
Cost of goods sold of finished goods	1,068,728
Merchandise at beginning of year	776
Add: Merchandise purchased	5,879
Others	168
Less: Merchandise at end of year	<u>(826)</u>
	<u>1,074,725</u>
Cost of raw materials sold	3,356
Cost of work-in-process sold	12,271
Net inventory overage	(353)
Inventory write-off loss	9,279
Write-down and obsolescence losses of inventories	3,984
Others	<u>(645)</u>
Operating costs	<u>\$ 1,102,617</u>

SECURITAG ASSEMBLY GROUP CO., LTD.**STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses
Payroll	\$ 28,010	\$ 50,006	\$ 50,657
Commission expense	15,091	-	-
Service expense	4,433	4,227	1,599
Insurance expense	2,761	3,444	5,119
Depreciation expense	1,902	4,336	6,711
Materials expense	-	-	8,975
Others	<u>28,885</u>	<u>9,293</u>	<u>13,587</u>
	<u>\$ 81,082</u>	<u>\$ 71,306</u>	<u>\$ 86,648</u>

SECURITAG ASSEMBLY GROUP CO., LTD.

STATEMENT OF OTHER INCOME
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Agency revenue	\$ 7,374
Grant income	1,314
Others	<u>2,645</u>
	<u>\$ 11,333</u>