

**Securitag Assembly Group Co., Ltd. and  
Subsidiaries**

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

## **DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES**

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SECURITAG ASSEMBLY GROUP CO., LTD.

By:

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Tseng, Yin-Tang  
Chairman

February 25, 2026

## INDEPENDENT AUDITORS' REPORT

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

### Opinion

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

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

### Basis 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2025 is stated as follows:

#### Revenue Recognition

The primary source of revenue for the Group 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 Group'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 17 to the 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.

#### **Other Matter**

We have also audited the parent company only financial statements of Securitag Assembly Group Co., Ltd. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated 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 consolidated financial statements shall prevail.*

## SECURITAG ASSEMBLY GROUP CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	December 31			
	2025		2024	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 544,739	19	\$ 547,634	20
Financial assets at amortized cost - current (Notes 4 and 7)	223,440	8	143,440	5
Notes receivable (Notes 4, 8 and 17)	1,606	-	3,336	-
Trade receivables (Notes 4, 8, 17 and 24)	134,389	5	123,350	4
Other receivables (Notes 4, 8 and 24)	155,885	5	102,003	4
Inventories (Notes 4 and 9)	344,624	12	396,524	14
Prepayments	8,422	-	11,348	-
Other current assets	869	-	831	-
Total current assets	<u>1,413,974</u>	<u>49</u>	<u>1,328,466</u>	<u>47</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at amortized cost - non-current (Notes 4, 7 and 25)	3,257	-	3,257	-
Property, plant and equipment (Notes 4, 11 and 25)	1,389,930	49	1,424,892	51
Right-of-use assets (Notes 4, 12 and 24)	1,908	-	1,025	-
Intangible assets (Note 4)	6,431	-	4,679	-
Deferred tax assets (Notes 4 and 19)	18,340	1	14,203	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 15)	6,549	-	5,907	-
Other non-current assets	2,024	-	1,603	-
Total non-current assets	<u>1,448,666</u>	<u>51</u>	<u>1,487,484</u>	<u>53</u>
<b>TOTAL</b>	<u>\$ 2,862,640</u>	<u>100</u>	<u>\$ 2,815,950</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Contract liabilities - current (Notes 4 and 17)	\$ 16,084	1	\$ 20,639	1
Notes payable	210	-	196	-
Trade payables (Note 24)	209,740	7	221,988	8
Other payables (Notes 14 and 24)	182,052	7	155,316	5
Current tax liabilities (Notes 4 and 19)	28,559	1	21,084	1
Lease liabilities - current (Notes 4, 12 and 24)	671	-	703	-
Current portion of long-term borrowings (Notes 13, 21 and 25)	122,299	4	82,004	3
Other current liabilities	2,925	-	2,641	-
Total current liabilities	<u>562,540</u>	<u>20</u>	<u>504,571</u>	<u>18</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Notes 13, 21 and 25)	562,578	20	684,877	24
Deferred tax liabilities (Notes 4 and 19)	835	-	857	-
Lease liabilities - non-current (Notes 4, 12 and 24)	1,254	-	314	-
Deferred revenue - non-current (Notes 4, 13 and 21)	13,887	-	15,048	1
Total non-current liabilities	<u>578,554</u>	<u>20</u>	<u>701,096</u>	<u>25</u>
Total liabilities	<u>1,141,094</u>	<u>40</u>	<u>1,205,667</u>	<u>43</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>				
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>
<b>TOTAL</b>	<u>\$ 2,862,640</u>	<u>100</u>	<u>\$ 2,815,950</u>	<u>100</u>

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

# SECURITAG ASSEMBLY GROUP CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED 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, 17 and 24)	\$ 1,607,566	100	\$ 1,490,872	100
OPERATING COSTS (Notes 9, 18 and 24)	<u>1,103,034</u>	<u>69</u>	<u>1,056,402</u>	<u>71</u>
GROSS PROFIT	<u>504,532</u>	<u>31</u>	<u>434,470</u>	<u>29</u>
OPERATING EXPENSES (Notes 8, 18 and 24)				
Selling and marketing expenses	87,765	6	76,395	5
General and administrative expenses	71,306	4	67,604	4
Research and development expenses	86,648	5	83,467	6
Reversal of expected credit losses (Notes 4 and 8)	<u>(103)</u>	<u>-</u>	<u>(94)</u>	<u>-</u>
Total operating expenses	<u>245,616</u>	<u>15</u>	<u>227,372</u>	<u>15</u>
INCOME FROM OPERATIONS	<u>258,916</u>	<u>16</u>	<u>207,098</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 4)	9,194	1	8,566	-
Other income (Note 24)	11,407	1	9,612	1
Gain on disposal of property, plant and equipment (Note 4)	-	-	329	-
Net foreign exchange gain (loss) (Notes 4 and 28)	(10,699)	(1)	16,139	1
Finance costs (Notes 4, 18 and 24)	(12,682)	(1)	(13,486)	(1)
Other losses (Note 18)	<u>(1,815)</u>	<u>-</u>	<u>(727)</u>	<u>-</u>
Total non-operating income and expenses	<u>(4,595)</u>	<u>-</u>	<u>20,433</u>	<u>1</u>
INCOME BEFORE INCOME TAX	254,321	16	227,531	15
INCOME TAX EXPENSE (Notes 4 and 19)	<u>50,262</u>	<u>3</u>	<u>43,606</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 15)	281	-	1,494	-

(Continued)

# SECURITAG ASSEMBLY GROUP CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED 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 19)	<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 20)				
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 consolidated financial statements.

(Concluded)

## SECURITAG ASSEMBLY GROUP CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company (Note 16)						Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	
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 consolidated financial statements.

# SECURITAG ASSEMBLY GROUP CO., LTD. AND SUBSIDIARIES

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 254,321	\$ 227,531
Adjustments for:		
Depreciation expense	94,066	91,182
Amortization expense	1,820	1,723
Reversal of expected credit losses	(103)	(94)
Finance costs	12,682	13,486
Interest income	(9,194)	(8,566)
Gain on disposal of property, plant and equipment	-	(329)
Write-down and obsolescence losses of inventories	3,984	791
Unrealized net gain on foreign currency exchange	(1,138)	(391)
Others	(1,161)	(997)
Net changes in operating assets and liabilities		
Notes receivable	1,730	(2,487)
Trade receivables	(6,800)	(36,199)
Other receivables	(53,613)	(29,086)
Inventories	46,714	69,813
Prepayments	2,973	(5,546)
Other current assets	(33)	(83)
Net defined benefit assets	(361)	(324)
Contract liabilities	(4,555)	(7,481)
Notes payable	14	9
Trade payables	(15,246)	57,023
Other payables	25,540	11,629
Other current liabilities	284	111
Cash generated from operations	<u>351,924</u>	<u>381,715</u>
Interest received	8,925	8,570
Interest paid	(9,148)	(9,570)
Income tax paid	<u>(46,930)</u>	<u>(42,173)</u>
Net cash generated from operating activities	<u>304,771</u>	<u>338,542</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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	(20,565)	(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>(128,235)</u>	<u>(137,680)</u>

(Continued)

## SECURITAG ASSEMBLY GROUP CO., LTD. AND SUBSIDIARIES

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	\$ -	\$ 80,000
Repayments of long-term borrowings	(85,586)	(78,455)
Repayment of the principal portion of lease liabilities	(766)	(763)
Dividends paid to owners of the company	(93,003)	(84,548)
Other financing activities	6	-
Net cash used in financing activities	(179,349)	(83,766)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	(82)	(83)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(2,895)	117,013
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	547,634	430,621
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	\$ 544,739	\$ 547,634

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

(Concluded)

# SECURITAG ASSEMBLY GROUP CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

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### 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 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated 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 Group’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 Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

- The Group having no practical ability to withdraw, stop or cancel the payment instruction;
- The Group 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 consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group’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 Group 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 Group 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 Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group 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 Group as a whole, the Group 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 Group 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 Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group 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 consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group's financial position and 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 consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

##### **b. Basis of preparation**

The consolidated 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.

##### **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 Group 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. Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 10 and Table 2 for the detailed information on subsidiaries (including the percentage of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity in the Group, 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 consolidated financial statements, the functional currencies of the Company and the entities in the Group (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.

f. 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.

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, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets 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 Group 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 Group 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 23.

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

The Group always recognizes lifetime Expected Credit Loss (ECL) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month 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 Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

- 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 Group has reasonable and corroborative information to support a more lagged default criterion.

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

### 2) Equity instruments

Debt and equity instruments issued by the Group 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 Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Group'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 Group'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 Group identifies contracts with the 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 Group 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 Group does not adjust the promised amount of consideration for the effects of a significant financing component.

The Group 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 Group 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 Group assesses whether the contract is, or contains, a lease.

The Group as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

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 Group 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 Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group 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 Group 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 remeasurement) 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 Group'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

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax 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 consolidated 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 subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. 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 Group 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 Group'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 Group develops material accounting estimates.

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

## 6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<b>2025</b>	<b>2024</b>
Cash on hand and petty cash	\$ 259	\$ 447
Checking accounts and demand deposits	302,418	363,099
Cash equivalents		
Time deposits with original maturities of 3 months or less	<u>242,062</u>	<u>184,088</u>
	<u>\$ 544,739</u>	<u>\$ 547,634</u>

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

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

Refer to Note 25 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>1,606</u>	\$ <u>3,336</u>
<u>Trade receivables (including related parties)</u>		
At amortized cost		
Gross carrying amount	\$ 134,389	\$ 123,453
Less: Allowance for impairment loss	<u>-</u>	<u>(103)</u>
	<u>\$ 134,389</u>	<u>\$ 123,350</u>
<u>Other receivables</u>		
At FVTPL	\$ 145,337	\$ 92,295
At amortized cost	<u>10,548</u>	<u>9,708</u>
	<u>\$ 155,885</u>	<u>\$ 102,003</u>

### a. Notes receivable

Aging analysis of notes receivable:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Not past due	\$ <u>1,606</u>	\$ <u>3,336</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 Group's policy is to assess its major customers by applying publicly available financial information and historical transaction records. The Group 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 Group 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 Group 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 Group's credit risk was significantly mitigated.

The Group 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 Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off 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 Group 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	\$ 92,703	\$ 40,498	\$ 1,188	\$ -	\$ -	\$ -	\$ 134,389
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 92,703</u>	<u>\$ 40,498</u>	<u>\$ 1,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,389</u>
<u>December 31, 2024</u>							
Expected credit loss rate	0% and 1%	0%	0%	0%	0%	100%	
Gross carrying amount	\$ 104,513	\$ 18,721	\$ 219	\$ -	\$ -	\$ -	\$ 123,453
Loss allowance (Lifetime ECLs)	(103)	-	-	-	-	-	(103)
Amortized cost	<u>\$ 104,410</u>	<u>\$ 18,721</u>	<u>\$ 219</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,350</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	\$ 103	\$ 200
Impairment loss reversed	(103)	(94)
Foreign exchange gains and losses	-	(3)
Balance on December 31	<u>\$ -</u>	<u>\$ 103</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 Group 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 Group'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 Group. 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 \$1,103,034 thousand and \$1,056,402 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. SUBSIDIARIES

Subsidiaries included in consolidated financial statements:

Investor	Investee	Main Businesses	% of Ownership	
			December 31, 2025	December 31, 2024
The Company	SAG Japan Co., Ltd. (SAG-Japan)	Sales of radio-frequency identification (RFID) transponders	100%	100%
	SAG USA Inc. (SAG-USA)	Marketing activities and market intelligence gathering in North America	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.

## 11. PROPERTY, PLANT AND EQUIPMENT

For the Year Ended December 31, 2025						
	Balance, Beginning of Year	Additions	Decrease	Reclassification	Effect of Foreign Currency Exchange Differences	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	39,291	4,040	(1,728)	314	(4)	41,913
Leasehold improvements	268	-	(230)	-	(1)	37
Other equipment	70,356	604	(2,287)	1,483	(2)	70,154
	<u>1,622,303</u>	<u>\$ 21,262</u>	<u>\$ (22,413)</u>	<u>\$ 37,102</u>	<u>\$ (7)</u>	<u>1,658,247</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	8,040	5,602	(1,728)	5	(1)	11,918
Leasehold improvements	250	6	(230)	-	(1)	25
Other equipment	11,393	8,539	(2,287)	-	-	17,645
	<u>197,411</u>	<u>\$ 93,321</u>	<u>\$ (22,413)</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>268,317</u>
	<u>\$ 1,424,892</u>					<u>\$ 1,389,930</u>

For the Year Ended December 31, 2024						
	Balance, Beginning of Year	Additions	Decrease	Reclassification	Effect of Foreign Currency Exchange Differences	Balance, End of Year
<u>Cost</u>						
Land	\$ 323,342	\$ -	\$ -	\$ -	\$ -	\$ 323,342
Buildings	823,558	15,658	-	3,552	-	842,768
Machinery and equipment	310,517	17,675	(60,179)	78,265	-	346,278
Office equipment	37,846	1,222	(2,053)	2,281	(5)	39,291
Transportation equipment	1,238	-	(1,238)	-	-	-
Leasehold improvements	362	-	(89)	-	(5)	268
Other equipment	69,931	2,302	(4,419)	2,547	(5)	70,356
Construction in progress	716	2,508	-	(3,224)	-	-
	<u>1,567,510</u>	<u>\$ 39,365</u>	<u>\$ (67,978)</u>	<u>\$ 83,421</u>	<u>\$ (15)</u>	<u>1,622,303</u>

(Continued)

**For the Year Ended December 31, 2024**

	<b>Balance, Beginning of Year</b>	<b>Additions</b>	<b>Decrease</b>	<b>Reclassification</b>	<b>Effect of Foreign Currency Exchange Differences</b>	<b>Balance, End of Year</b>
<u>Accumulated depreciation</u>						
Buildings	\$ 14,089	\$ 30,694	\$ -	\$ -	\$ -	\$ 44,783
Machinery and equipment	147,123	46,001	(60,179)	-	-	132,945
Office equipment	5,138	4,959	(2,053)	-	(4)	8,040
Transportation equipment	959	114	(1,073)	-	-	-
Leasehold improvements	307	36	(89)	-	(4)	250
Other equipment	7,196	8,621	(4,419)	-	(5)	11,393
	<u>174,812</u>	<u>\$ 90,425</u>	<u>\$ (67,813)</u>	<u>\$ -</u>	<u>\$ (13)</u>	<u>197,411</u>
	<u>\$ 1,392,698</u>					<u>\$ 1,424,892</u>

(Concluded)

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:

<b>Buildings</b>	
Main buildings	50 years
Ancillary construction works	7-49 years
Machinery and equipment	2-20 years
Office equipment	2-20 years
Leasehold improvements	6-15 years
Other equipment	2-20 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 25.

## 12. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Carrying amount</u>		
Buildings	\$ 1,175	\$ 608
Office equipment	<u>733</u>	<u>417</u>
	<u>\$ 1,908</u>	<u>\$ 1,025</u>
	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Additions to right-of-use assets	<u>\$ 1,914</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 610	\$ 622
Office equipment	<u>135</u>	<u>135</u>
	<u>\$ 745</u>	<u>\$ 757</u>

Except for the addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2025 and 2024.

b. Lease liabilities

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Carrying amount</u>		
Current	\$ <u>671</u>	\$ <u>703</u>
Non-current	\$ <u>1,254</u>	\$ <u>314</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Buildings	2.475%-2.875%	2.475%

c. Material lease-in activities and terms

The Group leases buildings for the use of office spaces with lease terms of 2 years. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms.

d. Other lease information

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Expenses relating to short-term leases	\$ <u>118</u>	\$ <u>147</u>
Expenses relating to low-value asset leases	\$ <u>451</u>	\$ <u>450</u>
Total cash outflow for leases	\$ <u>1,342</u>	\$ <u>1,383</u>

### 13. LONG-TERM BORROWINGS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Secured borrowings	\$ 435,063	\$ 520,649
Unsecured borrowings	254,532	254,532
Less: Discounts on government grants (Note 21)	<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 25 for information relating to the borrowings are secured by the Group's land and buildings.

#### 14. OTHER PAYABLES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Payables for salaries and bonuses	\$ 86,431	\$ 77,355
Payables for outsourcing	33,965	28,125
Payables for purchases of equipment	4,107	2,863
Others	<u>57,549</u>	<u>46,973</u>
	<u>\$ 182,052</u>	<u>\$ 155,316</u>

#### 15. 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.

SAG-Japan is required to make pension contributions in accordance with the applicable local laws and regulations in Japan.

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 consolidated 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:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Assets</b>
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	-
	(40)	(224)	(264)
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	-
	(28)	(238)	(266)
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>	
	<b>2025</b>	<b>2024</b>
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>	
	<b>2025</b>	<b>2024</b>
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>	
	<b>2025</b>	<b>2024</b>
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

## 16. EQUITY

### a. Ordinary shares

	<u>December 31</u>	
	<b>2025</b>	<b>2024</b>
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 18.

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 were approved in the shareholders' meetings on May 22, 2025 and May 27, 2024, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
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\$)	\$ 2.2	\$ 2

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

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

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

## 17. REVENUE

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Revenue from contracts with customers		
Revenue from the sale of goods	<u>\$ 1,607,566</u>	<u>\$ 1,490,872</u>

### a. Contract balances

	<b>December 31,</b>	<b>December 31,</b>	<b>January 1,</b>
	<b>2025</b>	<b>2024</b>	<b>2024</b>
Notes and trade receivables (Note 8)	<u>\$ 135,995</u>	<u>\$ 126,686</u>	<u>\$ 85,009</u>
Contract liabilities-current			
Sale of goods	<u>\$ 16,084</u>	<u>\$ 20,639</u>	<u>\$ 28,120</u>

### b. Disaggregation of revenue

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
RFID TAG	\$ 1,070,922	\$ 1,036,021
RFID LABEL	518,048	437,062
Other sales revenue	<u>18,596</u>	<u>17,789</u>
	<u>\$ 1,607,566</u>	<u>\$ 1,490,872</u>

## 18. NET INCOME FROM CONTINUING OPERATIONS

### a. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Interest on bank loans	\$ 12,920	\$ 13,878
Interest on lease liabilities	7	23
Less: Capitalized interest	<u>(245)</u>	<u>(415)</u>
	<u>\$ 12,682</u>	<u>\$ 13,486</u>

Information on capitalized interest is as follows:

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

### b. Employee benefits, depreciation and amortization

	<b>For the Year Ended December 31, 2025</b>			
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Non-operating Expenses</b>	<b>Total</b>
Short-term employee benefits	\$ 177,962	\$ 146,188	\$ -	\$ 324,150
Retirement benefits				
Defined contribution plans	5,805	4,914	-	10,719
Defined benefit plans (Note 15)	-	(97)	-	(97)
Other employee benefits expense	9,548	4,332	-	13,880
Depreciation expense	79,625	13,714	727	94,066
Amortization expense	463	1,357	-	1,820
	<b>For the Year Ended December 31, 2024</b>			
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Non-operating Expenses</b>	<b>Total</b>
Short-term employee benefits	\$ 171,511	\$ 137,586	\$ -	\$ 309,097
Retirement benefits				
Defined contribution plans	5,756	4,860	-	10,616
Defined benefit plans (Note 15)	-	(58)	-	(58)
Other employee benefits expense	10,008	4,290	-	14,298
Depreciation expense	76,221	14,234	727	91,182
Amortization expense	360	1,363	-	1,723

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:

**For the Year Ended December 31**  
**2025                      2024**

Cash

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 consolidated 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 consolidated 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.

**19. 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	\$ 50,985	\$ 43,182
Income tax on unappropriated earnings	1,679	1,563
Adjustments for prior years	<u>1,737</u>	<u>(2,384)</u>
	<u>54,401</u>	<u>42,361</u>
Deferred tax		
In respect of the current year	(1,819)	1,245
Adjustments for prior years	<u>(2,320)</u>	<u>-</u>
	<u>(4,139)</u>	<u>1,245</u>
Income tax expense recognized in profit or loss	<u>\$ 50,262</u>	<u>\$ 43,606</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	\$ 50,919	\$ 45,531
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	(2,320)	-
Others	<u>37</u>	<u>38</u>
Income tax expense recognized in profit or loss	<u>\$ 50,262</u>	<u>\$ 43,606</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

\$ 20                      \$ 30

c. Deferred tax assets and liabilities

**For the Year Ended December 31, 2025**

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Closing Balance</b>
<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>2,306</u>	<u>(163)</u>	<u>-</u>	<u>2,143</u>
	<u>\$ 14,203</u>	<u>\$ 4,117</u>	<u>\$ 20</u>	<u>\$ 18,340</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**

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Closing Balance</b>
<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>3,694</u>	<u>(1,388)</u>	<u>-</u>	<u>2,306</u>
	<u>\$ 15,387</u>	<u>\$ (1,214)</u>	<u>\$ 30</u>	<u>\$ 14,203</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.

**20. EARNINGS PER SHARE**

	<b>Net Income (Numerator)</b>	<b>Number of Shares (Denominator In Thousands)</b>	<b>Earnings Per Share NT\$</b>
<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>

	Net Income (Numerator)	Number of Shares (Denominator In Thousands)	Earnings Per Share NT\$
<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	_____ -	_____ 80	
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.

## 21. 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.

## 22. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group 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 Group 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 Group review the capital structure annually. As part of this review, the Group considers the cost of capital and the risks associated with each class of capital. In order to balance the overall capital structure, the Group 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.

## 23. 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 Group'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>	
	2025	2024
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 145,337	\$ 92,295
Financial assets at amortized cost (Note 1)	921,430	835,024
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	975,159	1,053,203

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 Group's major financial instruments include deposits, trade receivables, trade payables, borrowings and lease liabilities. The Group'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 Group 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 Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Group have foreign currency denominated sales and purchases, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year are set out in Note 28.

Sensitivity analysis

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

The following table details the Group'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.

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
<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 Group is exposed to interest rate risk because entities in the Group borrow funds at floating interest rates.

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Cash flow interest rate risk		
Financial assets	\$ 448,295	\$ 508,996
Financial liabilities	684,877	766,881
Fair value interest rate risk		
Financial assets	322,863	184,888
Financial liabilities	1,925	1,017

Sensitivity analysis

The sensitivity analysis below was determined based on the Group'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 Group's pre-tax income for the years ended December 31, 2025 and 2024 would have decreased/increased by \$591 thousand and \$645 thousand, respectively, which was mainly attributable to the Group'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 Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group 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 Group's policy is to conduct transactions only with counterparties that have sound credit standing.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group'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 Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2025 and 2024, the Group 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 Group'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 Group 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.

<b>Non-derivative financial liabilities</b>	<b>Less than 3 Months</b>	<b>3 Months to 1 Year</b>	<b>More than 1 Year</b>
<u>December 31, 2025</u>			
Non-interest bearing liabilities	\$ 239,354	\$ 152,648	\$ -
Lease liabilities	188	564	1,262
Long-term borrowings	<u>20,576</u>	<u>101,723</u>	<u>567,296</u>
	<u>\$ 260,118</u>	<u>\$ 254,935</u>	<u>\$ 568,558</u>
<u>December 31, 2024</u>			
Non-interest bearing liabilities	\$ 223,700	\$ 153,800	\$ -
Lease liabilities	192	575	314
Long-term borrowings	<u>20,466</u>	<u>61,538</u>	<u>693,177</u>
	<u>\$ 244,358</u>	<u>\$ 215,913</u>	<u>\$ 693,491</u>

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

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>More than 5 Years</b>
<u>December 31, 2025</u>			
Lease liabilities	\$ 752	\$ 1,262	\$ -
Long-term borrowings	<u>122,299</u>	<u>555,446</u>	<u>11,850</u>
	<u>\$ 123,051</u>	<u>\$ 556,708</u>	<u>\$ 11,850</u>
<u>December 31, 2024</u>			
Lease liabilities	\$ 767	\$ 314	\$ -
Long-term borrowings	<u>82,004</u>	<u>464,538</u>	<u>228,639</u>
	<u>\$ 82,771</u>	<u>\$ 464,852</u>	<u>\$ 228,639</u>

e. Transfers of financial assets

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

## 24. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its Subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and related parties are disclosed below.

### a. Related party name and category

<u>Related Party Name</u>	<u>Relationship with the Group</u>
Siward Crystal Technology Co., Ltd.	Investor with significant influence
Siward Technology Co., Ltd.	Subsidiary of an investor with significant influence
S.E. Japan Co., Ltd.	Subsidiary of an investor with significant influence

### b. Operating transactions

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
1. Sales of goods		
Subsidiary of an investor with significant influence	\$ 36	\$ 149
Investor with significant influence	<u>29</u>	<u>-</u>
	<u>\$ 65</u>	<u>\$ 149</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
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.

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
3. Operating expenses		
Investor with significant influence	<u>\$ -</u>	<u>\$ 32</u>
	<u>December 31</u>	<u>December 31</u>
	<u>2025</u>	<u>2024</u>
4. Trade receivables		
Investor with significant influence	<u>\$ 30</u>	<u>\$ -</u>

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

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
5. Other receivables		
Investor with significant influence	<u>\$ -</u>	<u>\$ 11</u>

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

	<u>December 31</u>	
	2025	2024
6. Trade payables		
Investor with significant influence	\$ <u>620</u>	\$ <u>33</u>

The outstanding trade payables to related parties are unsecured.

	<u>December 31</u>	
	2025	2024
7. Other payables		
Subsidiary of an investor with significant influence	\$ <u>14</u>	\$ <u>5</u>

The outstanding other payables to related parties are unsecured.

8. Lease arrangements

The rental relates to office premises. The rent was agreed upon by both parties with reference to market prices for nearby office spaces and the leased area, and is payable monthly.

	<u>For the Year Ended December 31</u>	
	2025	2024
<u>Acquisition of right-of-use assets</u>		
Subsidiary of an investor with significant influence	\$ <u>1,175</u>	\$ <u>-</u>

	<u>December 31</u>	
	2025	2024
<u>Lease liabilities</u>		
Subsidiary of an investor with significant influence	\$ <u>1,120</u>	\$ <u>558</u>

	<u>For the Year Ended December 31</u>	
	2025	2024
<u>Finance cost</u>		
Subsidiary of an investor with significant influence	\$ <u>7</u>	\$ <u>23</u>

	<u>For the Year Ended December 31</u>	
	2025	2024
9. Other income		
Subsidiary of an investor with significant influence	\$ <u>73</u>	\$ <u>127</u>

c. Remuneration of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Short-term employee benefits	\$ 19,748	\$ 18,658
Post-employment benefits	<u>216</u>	<u>216</u>
	<u>\$ 19,964</u>	<u>\$ 18,874</u>

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

**25. 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:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
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>

**26. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS**

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

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

**27. 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.

**28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES**

The following information was aggregated based on financial assets and liabilities denominated in foreign currencies other than functional currencies of the entities in the Group, 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:

	December 31					
	2025			2024		
	Foreign Currency	Exchange Rate	New Taiwan Dollars	Foreign Currency	Exchange Rate	New Taiwan Dollars
<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 Group is mainly exposed to the U.S. dollar. The above information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed.

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

## 29. 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)
  - 6) Other: Intercompany relationships and significant intercompany transactions (Table 1)
- b. Information on investees (Table 2)
- c. Information on investments in mainland China (None)

### 30. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the type of services delivered or provided. The Group has only one operating segment which is the main business.

a. Total segment assets and liabilities

The Group does not provide information on segment assets and liabilities to the chief operating decision maker; therefore, such amounts are not measured.

b. Geographical information

The Group operates primarily in three regions—Europe, the Americas, and Asia.

The Group's revenue from continuing operations from external customers by location of operation and information on its non-current assets by location of assets are detailed below.

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Americas	\$ 694,311	\$ 706,899
Europe	357,502	386,193
Asia	454,977	303,989
Others	<u>100,776</u>	<u>93,791</u>
	<u>\$ 1,607,566</u>	<u>\$ 1,490,872</u>

c. Information on major customers

Single customers that contributed 10% or more to the Group's revenue were as follows:

	<b>For the Year Ended December 31</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Customer A	\$ 214,895	13	\$ 176,597	12

**SECURITAG ASSEMBLY GROUP CO., LTD. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

No.	Investee Company	Counterparty (Note)	Relationship	Transactions Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets
0	The Company	SAG-Japan	Parent company to subsidiary	Trade receivables Operating revenue	\$ 13,175 32,713	120 days after end of month 120 days after end of month	- 2

Note: Transactions have been eliminated.

**SECURITAG ASSEMBLY GROUP CO., LTD. AND SUBSIDIARIES**

**INFORMATION ON INVESTEES  
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 2

Note 1: Transactions have been eliminated.

Note 2: 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.