

CyberTAN Technology Inc. and the subsidiaries
Consolidated Financial Report and Independent Auditors' Report
2025 and 2024
(Stock Code: 3062)

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CyberTAN Technology Inc. and the subsidiaries
2025 and 2024 Consolidated Financial Report and Independent Auditors' Report
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CyberTAN Technology Inc. and its subsidiaries
Declaration for Consolidated Financial Statements of Affiliated Companies

The companies to be included by the Company in the consolidated financial statements of affiliated companies in 2025 (January 1, 2025 - December 31, 2025) pursuant to the Criteria Governing Preparation of Affiliation Report, Consolidated Business Report and Consolidated Financial Statement of Affiliated Enterprises are the same as those to be included into the consolidated financial statements of the parent company and subsidiaries pursuant to the Statement of International Financial Reporting Standards (IFRS) No. 10. Further, the related information to be disclosed in the consolidated financial statements of affiliated companies has been disclosed in the said consolidated financial statements of parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial statements of affiliated companies separately.

Declared by:

Company name: CyberTAN Technology Inc.

Responsible person: Gwong-Yih Lee

March 5, 2026

Independent Auditors' Report

(115)Cai-Shen-Bao-Zi No.25004498

To CyberTAN Technology Inc.:

Audit opinion

We have audited the consolidated balance sheet of CyberTAN Technology Inc. and the subsidiaries (hereinafter referred to as the "CyberTAN Group") as of December 31, 2025 and 2024 and the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and the notes to the consolidated financial statements. (including the summary of the material accounting policies) for periods of January 1 to December 31, 2025 and 2024.

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

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the ROC Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of CyberTAN Group in accordance with the Code of Ethics for Professional Accountants of the Republic of China and with other responsibilities of the Code of Ethics performed. According to our audits and other independent auditors' report, we believe to have obtained sufficient and appropriate audit evidence in order to be used as the basis for the opinion.

Key audit matters

Key audit matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the consolidated financial statements of CyberTAN Group for the year ended December 31, 2025. These matters were addressed in the content 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 those matters.

The key audit matters of the 2025 consolidated financial statements of CyberTAN Group are described as follows:

Evaluation of allowance for inventory valuation loss

Item Description

Regarding the accounting policies for the inventory valuation, please refer to Note 4(14) to the consolidated financial report; for the uncertainty to accounting estimates and assumptions, please refer to Note 5(2) to the consolidated financial report; for description of inventory accounting titles, please refer to Note 6(5) to the consolidated financial report. As of December 31, 2025, the balance of inventories and allowance for inventory valuation losses amounted to NTD 1,279,170 thousand and NTD 110,685 thousand, respectively.

CyberTAN Group is involved in the manufacturing and sale of communication products. The risk caused by loss on inventory devaluation or the obsolescence of inventory may be higher due to the short life cycle and severe market competition. Inventory is evaluated by CyberTAN Group on the basis of the

cost and net realizable value, whichever is lower. The aforementioned allowance for inventory valuation losses mainly arises from inventories measured at the lower of cost and net realizable value, as well as the identification of obsolete or damaged inventory items. Given the significant amount and large number of inventory items of CyberTAN Group, and the fact that identifying obsolete or damaged inventory involves management's subjective judgments and requires significant audit judgment, we have identified the assessment of the allowance for inventory valuation losses of CyberTAN Group as one of the key audit matters.

Responsive Audit Procedures

The responsive procedures executed by us for specific aspects specified in the preceding key audit matters are as follows:

1. Obtained the policy for allowance for inventory valuation losses of CyberTAN Group, verified its consistent application across comparative reporting periods, and evaluated the reasonableness of the policy.
2. Acquired the net realizable value statement of inventory cost, randomly checked the related supporting documents, recalculated its accuracy, validated the appropriateness of the logic of the inventory aging report system used for evaluation, conducted spot checks for individual inventory numbers to confirm the degree of inventory closeout and information, and evaluated the basis of the net realizable value estimated by the management and its reasonableness.
3. Checked related information acquired during inventory taking process and inquired the management and personnel related to inventory to confirm conditions of obsolescent, remaining, older, out-of-fashion or damaged inventory neglected in the inventory details.

Other matters – Audit related to other CPAs

For certain investees accounted for using the equity method and included in the consolidated financial statements of CyberTAN Group, the financial statements were not audited by us but were audited by other independent auditors. Therefore, our opinions expressed on the amount listed in the said financial statements of the companies were based on the other independent auditor's report. The investments under the equity method for the said companies as of December 31, 2025, and 2024 amounted to NTD 27,865 thousand and NTD 31,705 thousand, respectively, accounting for 0.41% and 0.48% of the total consolidated assets. The comprehensive income recognized under the equity method for the said companies was NTD 3,482 thousand and NTD 19,506 thousand from January 1 to December 31, 2025 and 2024, respectively, accounting for (0.88%) and 22.64% of the consolidated comprehensive income.

Other matters – Parent company only financial statement

CyberTAN Technology Inc. has prepared the parent-only financial statements for 2025 and 2024, and an audit report with unqualified opinions and a section of other matters was issued by us for reference.

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

The responsibility of management is to ensure that the consolidated financial statements are presented fairly, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission. Additionally, management must maintain the necessary internal controls related to the consolidated financial statements to ensure that the consolidated financial statements are free of any material misstatement arising from fraud or error.

In preparing the consolidated financial statements, management is also responsible for assessing the ability of CyberTAN Group to continue as a going concern, disclosing, as applicable, matters related to ongoing concerns and using the going concern basis of accounting unless management either intends to liquidate the CyberTAN Group or to cease operations, or there is a lack of any option except for liquidation

or suspension.

The governance unit (including the audit committee) of CyberTAN Group is responsible for supervising the financial reporting process.

Independent 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. Reasonable assurance is a high level of assurance, but is not a guarantee that any audit conducted in accordance with the ROC auditing standards will always detect a material misstatement in the consolidated financial statements when it exists. Misstatement can arise from fraud or error. Misstatements, whether due to fraud or error, are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users made on the basis of the consolidated financial statements.

We exercise professional judgment and skepticism during the audit in accordance with the Auditing Standards of the Republic of China. We also:

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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. We acquire the necessary understanding of the internal control mechanism that is related to the audit to design an appropriate audit process for the situation at the time. The purpose of this knowledge is not to express opinions on the effectiveness of the internal control mechanism of the CyberTAN Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. Based on the acquired audit evidence, we decide whether the going concern accounting basis adopted by the management is suitable, whether events that might affect the going concern capacity of CyberTAN Group exist, and whether there is major uncertainty. A conclusion will be made afterwards. 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 inappropriate, to modify our opinion. Our conclusion is based on the audit evidence acquired as of the date of the audit report. However, future events or conditions may cause the CyberTAN Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), 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 on the financial information of individual companies within the Group in order to express an opinion on the consolidated financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group, and also for forming an opinion on the audit of the Group.

We communicate with the governance units 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 in charge of governance with a statement that we have complied with the Code

of Ethics for Professional Accountants of the Republic of China 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).

The independent auditor has used the communications with the governing unit as the basis to determine the key audit matters to be performed on the 2025 consolidated financial statements of CyberTAN Group. We clearly state all above matters in the audit report, unless the law prohibits us to publicly disclose certain matters, or under rare circumstances we decide not to include certain matters in the audit report since we can reasonably expect the resulting negative impact is greater than the public interest they bring.

PricewaterhouseCoopers Taiwan

PO-CHUAN LIN

CPA

CHIH-HUA HU

FSC

Approval Reference No.:

Jin-Guan-Zheng-Shen-Zi No. 1100350706

Jin-Guan-Zheng-Shen-Zi No. 1120348565

March 5, 2026

CyberTAN Technology Inc. and the subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: NTD thousand

	Assets	Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 897,033	13	\$ 1,204,915	18
1136	Financial assets measured at amortized cost – current	6(3)	360,557	5	277,037	4
1170	Accounts receivable, net	6(4)	919,045	14	696,194	11
1180	Accounts receivable – the related party, net	6(4) and 7	332,076	5	304,478	5
1200	Other receivables	7	3,596	-	125,749	2
1220	Income tax assets in the current period		7,511	-	7,299	-
130X	Inventory	6(5)	1,168,485	17	820,211	12
1470	Other current assets		27,678	1	11,775	-
11XX	Total current assets		<u>3,715,981</u>	<u>55</u>	<u>3,447,658</u>	<u>52</u>
Non-current assets						
1517	Financial assets measured at fair value through other comprehensive income – non-current	6(2)	254,221	4	51,871	1
1535	Financial assets measured at amortized cost – non-current	6(3) and 8	312,529	5	312,529	5
1550	Investment at equity method	6(6)	27,865	-	374,582	6
1600	Property, plant and equipment	6(7)	1,886,124	28	1,699,963	26
1755	Right-of-use assets	6(8)	317,696	5	368,279	5
1780	Intangible assets		3,198	-	7,915	-
1840	Deferred income tax assets	6(28)	3,003	-	106,816	2
1900	Other non-current assets	6(10) and 8	205,396	3	210,296	3
15XX	Total non-current assets		<u>3,010,032</u>	<u>45</u>	<u>3,132,251</u>	<u>48</u>
1XXX	Total assets		<u>\$ 6,726,013</u>	<u>100</u>	<u>\$ 6,579,909</u>	<u>100</u>

(To be continued)

CyberTAN Technology Inc. and the subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: NTD thousand

Liabilities and equity	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current liabilities						
2100	Short-term loans	6(11)	\$ 440,020	7	\$ 94,539	1
2120	Financial liabilities measured at fair value through profit or loss – current	6(12)	45,977	1	19,543	-
2130	Contract liabilities – current	6(21)	2,552	-	41,443	1
2170	Accounts payable		1,225,879	18	855,377	13
2180	Accounts payable – the related party	7	126,172	2	31,714	1
2200	Other payables	6(13)	332,297	5	355,988	5
2220	Other payables – the related party	7	7,115	-	18,828	-
2230	Income tax liabilities in the current period		518	-	701	-
2250	Liability reserve – current	6(16)	414	-	541	-
2280	Lease liabilities – current		21,923	-	58,775	1
2399	Other current liabilities – others		4,817	-	48,098	1
21XX	Total current liabilities		<u>2,207,684</u>	<u>33</u>	<u>1,525,547</u>	<u>23</u>
Non-current liabilities						
2550	Liability reserve – non-current	6(16)	10,823	-	10,424	-
2570	Deferred income tax liabilities	6(28)	15,168	-	13,094	-
2580	Lease liabilities – non-current		176,828	3	385,068	6
2600	Other non-current liabilities	7	7,698	-	6,911	-
25XX	Total non-current liabilities		<u>210,517</u>	<u>3</u>	<u>415,497</u>	<u>6</u>
2XXX	Total liabilities		<u>2,418,201</u>	<u>36</u>	<u>1,941,044</u>	<u>29</u>
Equity attributable to parent company shareholders						
Capital stock						
3110	Common stock	6(17)	3,301,360	49	3,303,254	50
Capital reserves						
3200	Capital reserves	6(18)	560,569	8	598,676	9
Retained earnings						
3310	Legal reserve	6(19)	825,257	12	825,257	13
3320	Special reserve		58,176	1	155,470	2
3350	Undistributed earnings		256,526	4	26,706	1
Other equity						
3400	Other equity	6(20)	(628,794)	(9)	(64,804)	(1)
Treasury stocks						
3500	Treasury stocks	6(17)	(65,282)	(1)	(205,694)	(3)
31XX	Total equity attributable to parent company shareholders		<u>4,307,812</u>	<u>64</u>	<u>4,638,865</u>	<u>71</u>
3XXX	Total equity		<u>4,307,812</u>	<u>64</u>	<u>4,638,865</u>	<u>71</u>
Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts						
3X2X	Total liabilities and equity	9	<u>\$ 6,726,013</u>	<u>100</u>	<u>\$ 6,579,909</u>	<u>100</u>

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee

Manager: Raoul Oyang

Finance & Accounting Officer: Chiu-Ju Chen

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: NTD thousand
(Except the unit of earnings per share is NTD)

	Item	Notes	2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	6(21) and 7	\$ 4,190,309	100	\$ 3,595,201	100
5000	Operating cost	6(5), (26) (27) and 7	(3,994,694)	(95)	(3,288,051)	(92)
5950	Net operating gross profit		<u>195,615</u>	<u>5</u>	<u>307,150</u>	<u>8</u>
	Operating expense	6(26) (27) and 7				
6100	Selling expenses		(152,368)	(4)	(78,943)	(2)
6200	Administrative expenses		(204,613)	(5)	(141,452)	(4)
6300	R&D expenses		(359,456)	(8)	(310,141)	(9)
6450	Expected credit impairment losses	12(2)	(3,003)	-	(4,500)	-
6000	Total operating expenses		<u>(719,440)</u>	<u>(17)</u>	<u>(535,036)</u>	<u>(15)</u>
6900	Operating losses		<u>(523,825)</u>	<u>(12)</u>	<u>(227,886)</u>	<u>(7)</u>
	Non-operating revenue and expenses					
7100	Interest revenue	6(22)	25,554	-	44,402	1
7010	Other revenue	6(23) and 7	85,229	2	145,964	4
7020	Other gains and losses	6(24)	781,790	19	226,282	7
7050	Finance costs	6(25)	(11,037)	-	(27,864)	(1)
7055	Expected credit impairment losses	12(2)	(43,211)	(1)	-	-
7060	The share of the profit or loss of affiliated companies, joint ventures recognized under the equity method	6(6)	<u>88</u>	<u>-</u>	<u>(142,179)</u>	<u>(4)</u>
7000	Total non-operating income and expense		<u>838,413</u>	<u>20</u>	<u>246,605</u>	<u>7</u>
7900	Profit before tax		<u>314,588</u>	<u>8</u>	<u>18,719</u>	<u>-</u>
7950	Income tax expenses	6(28)	(92,533)	(2)	(16,002)	-
8200	Current net profit		<u>\$ 222,055</u>	<u>6</u>	<u>\$ 2,717</u>	<u>-</u>

(To be continued)

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: NTD thousand
(Except the unit of earnings per share is NTD)

	Item	Notes	2025		2024	
			Amount	%	Amount	%
	Other comprehensive income					
	Items not reclassified to profit or loss					
8311	Remeasurement of defined benefit plan	6(14)	\$ 6,489	-	\$ 6,641	-
8316	Unrealized valuation gains and loss from equity instrument investments measured at fair value through other comprehensive income	6(2), (20)	(552,540)	(13)	(5,370)	-
8320	The share of other comprehensive income of affiliated companies, joint ventures recognized under the equity method – items not reclassified to profit or loss	6(6), (20)	3,394	-	18,759	-
8349	Income tax related to items not reclassified	6(28)	(1,298)	-	(1,328)	-
8310	Total of items not reclassified to profit or loss		(543,955)	(13)	18,702	-
	Items may be reclassified to profit or loss subsequently					
8361	Exchange difference in the financial statement translation of the foreign operation	6(20)	(57,820)	(2)	53,630	2
8370	The share of other comprehensive income of affiliated companies, joint ventures recognized under the equity method – items may be reclassified to profit or loss	6(6), (20)	-	-	11,768	-
8399	Income tax related to items may be reclassified	6(20) (28)	(14,755)	-	(681)	-
8360	Total of items may be reclassified to profit or loss subsequently		(72,575)	(2)	64,717	2
8300	Other comprehensive income (net amount)		<u>(\$ 616,530)</u>	<u>(15)</u>	<u>\$ 83,419</u>	<u>2</u>
8500	Total comprehensive income for the year		<u>(\$ 394,475)</u>	<u>(9)</u>	<u>\$ 86,136</u>	<u>2</u>
	Net profit attributable to:					
8610	Parent company shareholders		<u>\$ 222,055</u>	<u>6</u>	<u>\$ 2,717</u>	<u>-</u>
	The total comprehensive income attributable to:					
8710	Parent company shareholders		<u>(\$ 394,475)</u>	<u>(9)</u>	<u>\$ 86,136</u>	<u>2</u>
	Earnings per share 6(29)					
9750	Basic earnings per share		<u>\$ 0.68</u>		<u>\$ 0.01</u>	
9850	Diluted earnings per share		<u>\$ 0.68</u>		<u>\$ 0.01</u>	

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee

Manager: Raoul Oyang

Finance & Accounting Officer: Chiu-Ju Chen

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
January 1 to December 31, 2025 and 2024

Unit: NTD thousand

	Notes	Equity attributable to parent company shareholders									Total
		Retained earnings					Other equity				
		Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statement translation of the foreign operation	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	Employees' unearned remuneration	Treasury stocks	
<u>2024</u>											
Balance at January 1, 2024		\$ 3,302,554	\$ 622,678	\$ 825,257	\$ 162,392	\$ 28,086	(\$ 77,986)	(\$ 77,483)	(\$ 14,143)	(\$ 1,426)	\$ 4,769,929
Current net profit		-	-	-	-	2,717	-	-	-	-	2,717
Other comprehensive income for the year	6(20)	-	-	-	-	6,823	64,717	11,879	-	-	83,419
Total comprehensive income for the year		-	-	-	-	9,540	64,717	11,879	-	-	86,136
Appropriation and distribution of earnings for 2023	6(19)										
Reversal of special reserves		-	-	-	(6,922)	6,922	-	-	-	-	-
Issuance of new restricted employee shares	6(15), (18)	2,600	3,107	-	-	-	-	-	(5,707)	-	-
Revocation of restricted employee shares	6(15), (17), (18), (20)	(1,900)	(3,128)	-	-	-	-	-	5,028	-	-
Share-based payment expenses	6(15), (20)	-	-	-	-	-	-	-	8,194	-	8,194
Disposal of investments accounted for using the equity method	6(18), (20)	-	(23,981)	-	-	(17,993)	2,855	17,993	-	-	(21,126)
Disposal of equity instrument measured at fair value through other comprehensive income		-	-	-	-	151	-	(151)	-	-	-
Repurchase of treasury shares		-	-	-	-	-	-	-	-	(204,268)	(204,268)
Balance at December 31, 2024		\$ 3,303,254	\$ 598,676	\$ 825,257	\$ 155,470	\$ 26,706	(\$ 10,414)	(\$ 47,762)	(\$ 6,628)	(\$ 205,694)	\$ 4,638,865
<u>2025</u>											

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee

Manager: Raoul Oyang

Finance & Accounting Officer: Chiu-Ju Chen

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
January 1 to December 31, 2025 and 2024

Unit: NTD thousand

	Notes	Equity attributable to parent company shareholders									Total
		Retained earnings					Other equity				
		Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statement translation of the foreign operation	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	Employees' unearned remuneration	Treasury stocks	
Balance at January 1, 2025		\$ 3,303,254	\$ 598,676	\$ 825,257	\$ 155,470	\$ 26,706	(\$ 10,414)	(\$ 47,762)	(\$ 6,628)	(\$ 205,694)	\$ 4,638,865
Current net profit		-	-	-	-	222,055	-	-	-	-	222,055
Other comprehensive income for the year	6(20)	-	-	-	-	5,191	(72,575)	(549,146)	-	-	(616,530)
Total comprehensive income for the year		-	-	-	-	227,246	(72,575)	(549,146)	-	-	(394,475)
Appropriation and distribution of earnings for 2024	6(19)										
Reversal of special reserves		-	-	-	(97,294)	97,294	-	-	-	-	-
Revocation of restricted employee shares	6(15), (17), (18), (20)	(1,894)	(3,208)	-	-	-	-	-	5,102	-	-
Share-based payment expenses	6(15), (18), (20)	-	42,173	-	-	-	-	-	410	-	42,583
Disposal of investments accounted for using the equity method	6(18), (20)	-	(35,206)	-	-	(26,170)	1,618	26,170	-	-	(33,588)
Disposal of equity instrument measured at fair value through other comprehensive income	6(20)	-	-	-	-	(24,431)	-	24,431	-	-	-
Repurchase of treasury shares		-	-	-	-	-	-	-	-	(27,473)	(27,473)
Transfer of treasury shares	6(18)	-	(41,866)	-	-	(44,119)	-	-	-	167,885	81,900
Balance at December 31, 2025		\$ 3,301,360	\$ 560,569	\$ 825,257	\$ 58,176	\$ 256,526	(\$ 81,371)	(\$ 546,307)	(\$ 1,116)	(\$ 65,282)	\$ 4,307,812

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee

Manager: Raoul Oyang

Finance & Accounting Officer: Chiu-Ju Chen

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: NTD thousand

	Notes	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>Cash flow from operating activities</u>			
Net profit before tax in the current period		\$ 314,588	\$ 18,719
Adjustment items			
Income/expenses items			
Depreciation expenses	6(26)	145,932	131,374
Miscellaneous expenses – depreciation expenses	6(24)	15,014	18,622
Amortization expenses	6(26)	6,055	7,854
Expected credit impairment losses	12(2)	46,214	4,500
Net loss on financial liabilities measured at fair value through profit or loss.	6(12) (24)	24,044	60,919
Interest revenue	6(22)	(25,554)	(44,402)
Dividend revenue	6(23)	(800)	(4,869)
Interest expenses	6(25)	11,037	27,864
Miscellaneous expenses – Interest expenses	6(24)	1,418	1,781
Share of profit or loss from affiliated companies under the equity method	6(6)	(88)	142,179
Gains on disposal of investment accounted for using equity method	6(6), (24)	(707,714)	(361,157)
Gains on disposal of property, plant and equipment	6(24)	(6,822)	(203)
Share-based payment expenses	6(15) (27)	42,583	8,194
Profit on write-off of overdue payables	6(23)	(18,625)	(70,883)
Loss on impairment of non-financial assets	6(24)	-	17,056
Lease modification profit	6(8), (24)	(229,378)	-
Changes of assets/liabilities related to operating activities			
Net changes of assets/liabilities related to operating activities			
Financial assets and liabilities measured at fair value through profit or loss		2,391	(39,763)
Accounts receivable (including the related party)		(253,452)	(39,423)
Inventory		(348,274)	61,279
Other receivables		78,468	(81,690)
Other current assets		(12,024)	8,206
Other non-current assets		10,499	14,645
Net changes of liabilities related to operating activities			
Contract liabilities – current		(38,891)	9,788
Accounts payable (including the related party)		464,960	20,606
Other payables (including the related party)		35,842	55,189
Liability reserve		272	(1,974)
Other current liabilities		(24,656)	11,796
Cash outflow from operations		(466,961)	(23,793)
Income tax paid		(1,845)	(3,031)
Net cash outflow from operating activities		(468,806)	(26,824)

(To be continued)

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: NTD thousand

	<u>Notes</u>	<u>January 1 to December 31, 2025</u>	<u>January 1 to December 31, 2024</u>
<u>Cash flow from investing activities</u>			
Acquisition of financial assets measured at fair value through other comprehensive income		(\$ 25,000)	(\$ 43,864)
Acquisition of financial assets measured at amortized cost		-	623,794
Proceeds from disposal of financial assets measured at fair value through other comprehensive income		229,090	-
Disposal of financial assets measured at amortized cost		(83,520)	-
Proceeds from disposal of investment under equity method	6(6)	55,107	635,856
Acquisition of property, plant, and equipment	6(30)	(435,712)	(795,237)
Disposal of property, plant, and equipment proceeds		36,768	203
Increase (decrease) in refundable deposit		350	(1,610)
Acquisition of intangible asset		(3,031)	(7,103)
Interest received		26,028	45,039
Dividends received	6(2)(23)	800	4,869
Cash dividend distributed by affiliated companies recognized under the equity method	6(6)	7,322	1,478
Acquisition of right-of-use assets	6(30)	-	(6,840)
Net cash (outflow) inflow from investing activities		(191,798)	456,585
<u>Cash flow from financing activities</u>			
Increase (decrease) in short-term loans		349,388	(495,977)
Increase in guarantee deposits		787	79
Repayment of lease principal	6(31)	(28,120)	(23,638)
Interest paid		(12,455)	(29,645)
Repurchase of treasury shares		(27,473)	(204,268)
Transfer of treasury shares		81,900	-
Net cash inflow (outflow) from financing activities		364,027	(753,449)
Foreign exchange rate effect		(11,305)	26,020
Decrease in cash and cash equivalents in the current period		(307,882)	(297,668)
Balance of cash and cash equivalents, beginning		1,204,915	1,502,583
Balance of cash and cash equivalents, ending		<u>\$ 897,033</u>	<u>\$ 1,204,915</u>

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee

Manager: Raoul Oyang

Finance & Accounting Officer: Chiu-Ju Chen

CyberTAN Technology Inc. and the subsidiaries
Notes to Consolidated Financial Statements
2025 and 2024

Unit: NTD thousand
(Unless otherwise specified)

1. Company History and Business Scope

CyberTAN Technology Inc. (hereinafter referred to as the “the Company”) was established in the Republic of China. The Company and its subsidiaries (hereinafter referred to as “the Group”) have primarily engaged in the manufacturing of wired communication mechanical equipment and electronic components, as well as the research, development, and sales of broadband Internet routers, gateways, virtual private networks, firewalls, Layer 3 and Layer 4 switches, wired broadband network security routers, and wireless broadband network security routers. The Company’s stock has been listed and traded on the Taiwan Stock Exchange since July 28, 2003.

2. Approval Date and Procedures of the Financial Statements

The consolidated financial report was released after being approved by the board of directors on March 5, 2026.

3. New Standards, Amendments, and Interpretations Adopted

(1) Effect of adopting the new promulgated or amended IFRS endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the “FSC”)

The following table sets forth the standards and interpretations of new releases, amendments, and amendments of the IFRSs applicable in 2025 that were approved and promulgated by the FSC:

New, Amended, or Revised Standards and Interpretations	Effective Date per IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group evaluated that the above standards and interpretations have no significant impact on the financial status and business results of the Group.

(2) The impact of not yet adopting the new and revised IFRSs recognized by the FSC

The following table summarizes the newly issued, amended, and revised International Financial Reporting Standards (IFRS) and interpretations applicable for the year 2026, as endorsed by the FSC:

New, Amended, or Revised Standards and Interpretations	Effective Date per IASB
Partial amendments to IFRS 9 and IFRS 7 “Amendment to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023

New, Amended, or Revised Standards and Interpretations	Effective Date per IASB
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

The Group evaluated that the above standards and interpretations have no significant impact on the financial status and business results of the Group.

(3) Impacts of IFRSs issued by the IASB but not yet endorsed by the FSC

The following table summarizes the new, amended, and revised IFRS Accounting Standards and Interpretations issued by the IASB but not yet endorsed by the FSC:

New, Amended, or Revised Standards and Interpretations	Effective Date per IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be decided by IASB
IFRS 18 “Presentation and Disclosures of Financial Statements”	January 1, 2027 (Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency.”	January 1, 2027

Note: In a press release dated September 25, 2025, the FSC announced that International Financial Reporting Standards (hereinafter referred to as “IFRS 18”) will be applicable to publicly listed companies from 2028 onwards. In addition, companies may elect to apply IFRS 18 early upon FSC approval.

Except for the following, the Group has assessed that the standards and interpretations above have no significant impact on its financial position and performance:

IFRS 18 “Presentation and Disclosures of Financial Statements”

IFRS 18 “Presentation and Disclosures of Financial Statements” replaces IAS 1 and updates the structure of the statement of comprehensive income. It adds the disclosure of management-defined performance measures and enhances the guidance on the organization and grouping of information in the primary financial statements and the notes.

4. Summary of Significant Accounting Policies

The major accounting policies applied to prepare the consolidated financial statements are as follows. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(1) Compliance Statement

The consolidated financial report was prepared in accordance with the “Regulations Governing the Preparation of Financial Report by Securities Issuers,” and the IFRS, IAS, IFRIC and SIC (hereinafter referred to as the “IFRSs”) endorsed and issued into effect by FSC.

(2) Basis of preparation

A. Except the following important items, the consolidated financial report was prepared based on the historical cost:

(A) Financial assets and financial liabilities (including derivatives) measured at fair value through profit or loss

- (B) Financial assets measured at fair value through other comprehensive income based on fair value.
 - (C) Defined benefit assets stated based on the net after pension fund assets less the present value of defined benefit obligations.
- B. The preparation of the financial report that complies with IFRSs requires some important accounting estimates. The application of the Group's accounting policy also requires the management to use their judgment during the process. For items involving high judgment or complexity or items involving important estimates and assumptions of the consolidated financial report, please refer to the description in Note 5.
- (3) Basis of consolidation
- A. Principle for the preparation of consolidated financial statements
- (A) The Group included all of the subsidiaries in the consolidated financial statements. Subsidiaries are entities, including structured entities, that are controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiaries are included in the consolidated financial statements on the date when the Group acquires the controlling power, and the consolidation shall be suspended as of the date when the Group forfeits the controlling power.
 - (B) Intra-group transactions, balances and unrealized gains and losses have been eliminated in full. Accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (C) Elements of the income and other comprehensive income shall be vested in parent company shareholders and non-controlling equity. The total comprehensive income shall be vested in parent company shareholders and non-controlling equity, even if the non-controlling equity suffers a loss.
 - (D) Where the changes in shareholdings of subsidiaries don't result in forfeiture of controlling power (transactions with non-controlling equity), they shall be processed as equity transactions, which are identified as the transactions with parent company shareholders. The price difference between the adjustment value of non-controlling equity and fair value of paid or collected consideration was directly recognized as equity.
 - (E) When the Group forfeits control over its subsidiaries, its residual investment in the subsidiaries shall be remeasured based on fair value and identified as either the fair value of financial assets recognized initially or the cost of the investment in affiliated companies or joint ventures recognized initially. The price difference between fair value and book value is stated as current income. Where the accounting treatment for amounts previously recognized in other comprehensive income in relation to the subsidiary is the same as would be required if the related assets or liabilities were directly disposed of – i.e. if the gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss upon disposal of the related assets or liabilities – such amounts are reclassified from equity to profit or loss when the Group loses control of the subsidiary.

B. The subsidiaries covered within the consolidated financial report:

Name of investor	Name of subsidiary	Nature of business	Equity percentage		Description
			December 31, 2025	December 31, 2024	
The Company	CyberTAN Corp(U.S.A)	Sales company	100%	100%	
"	Ta Tang Investment Co., Ltd.	General investment business	100%	100%	
"	CyberTAN (B.V.I) Investment Corp.	"	100%	100%	
"	SonicFi Inc.	Sales company	100%	100%	
CyberTAN (B.V.I) Investment Corp.	FU HAI Technology Company Limited	Manufacturing company	100%	100%	
CyberTAN (B.V.I) Investment Corp.	HON YAO FU Technology Company Limited	Manufacturing company	100%	100%	
CyberTAN (B.V.I) Investment Corp.	CyberTAN Technology (HONG KONG) Limited	General investment business	100%	100%	
CyberTAN Technology (HONG KONG) Limited	Fuhongkang Technology (Shenzhen) Co., Ltd.	Manufacturing company	100%	100%	
CyberTAN Technology (HONG KONG) Limited	Guangzhou Fuguang Communication Technology Co., Ltd.	R&D company	100%	100%	(Note)
Fuhongkang Technology (Shenzhen) Co., Ltd.	Chongqing Hongdaofu Technology Co., Ltd.	Manufacturing company	100%	100%	

(Note) The Group directly invested in the establishment of Guangzhou Fuguang Communication Technology Co., Ltd. on April 16, 2024, acquiring 100% of its equity, which was included in the consolidated financial statements from the date of investment.

C. The subsidiaries that are not included in the consolidated financial statements: None.

D. Different adjustment and treatment by subsidiaries in the accounting period: None.

E. Significant restrictions: None.

F. Subsidiaries over which the Group holds important non-controlling equity: None.

(4) Translation of foreign currency

Each entity within the Group measures the items included in its financial statements using the currency of the primary economic environment in which the entity operates (i.e. its functional currency). The consolidated financial report was prepared in the Company's functional currency, "NTD."

A. Foreign currency transaction and balance

(A) Foreign currency transactions are translated into the functional currency using the spot exchange rates at the transaction or measurement date. Exchange differences arising from such transactions are recognized in profit or loss for the period.

(B) The monetary assets and balance of liabilities in foreign currency are adjusted based on the spot exchange rate evaluation on the balance sheet date and the conversion difference generated by adjustment is recognized as current profit or loss.

(C) For non-monetary assets and liabilities denominated in foreign currency, those measured at fair value through profit or loss are adjusted based on the spot exchange

rate evaluated on the balance sheet date, and the conversion difference generated by the adjustment is recognized as current profit or loss. Those measured at fair value through other comprehensive income are adjusted based on the spot exchange rate evaluation on the balance sheet date, and the conversion difference generated by the adjustment is recognized in other comprehensive income. Those not measured at fair value are measured at the historical exchange rate on the initial transaction date.

- (D) All exchange gain or loss is listed in “Other Profit and Loss” of profit and loss statement.

B. Translation of the foreign operation

- (A) For all the Group’s entities, affiliated companies and joint agreements with differences in functional currency and presentation currency, the business result and financial status is converted to presentation currency by the following method:

- (a) The assets and liabilities presented in each balance sheet were translated based on the exchange rates closed on every balance sheet date;
- (b) The profits and losses presented in each statement of comprehensive income were translated in accordance with the average exchange rates in the current period; and
- (c) All resulting exchange differences were recognized under other comprehensive income.

- (B) When the foreign operations partially disposed or sold are affiliated companies or under joint agreements, the exchange differences under other comprehensive income will be reclassified into the current profit or loss proportionately as part of the gains or losses on the sale. However, when the Group retains partial rights in former affiliated companies or joint agreements but loses significant influence over the affiliated companies included in the foreign operation, or loses joint control over the joint agreements included in the foreign operation, it is based on the disposal of all equity in the foreign operation institutions.

(5) Classification of assets and liabilities as current and non-current

- A. Assets that match any of the following conditions shall be classified as current assets:

- (A) Assets expected to be realized, intended to be sold or consumed over the normal operating cycles.
- (B) Primarily for trading purposes.
- (C) Assets expected to be realized within 12 months after the reporting period.
- (D) Assets in cash or cash equivalents, except for those used for an exchange, to settle a liability, or those that remain restricted for more than 12 months after the reporting period.

The Group classifies all assets that do not meet the above criteria as non-current assets.

- B. Liabilities that meet any of the following conditions shall be classified as current liabilities:

- (A) Liabilities expected to be settled in the normal business cycle.
- (B) Primarily for trading purposes.
- (C) Liabilities expected to be settled within 12 months after the reporting period.
- (D) Liabilities for which the entity does not have the right to defer settlement for at least twelve months after the end of the reporting period.

The Group classifies all liabilities that do not meet the above criteria as non-current liabilities.

(6) Cash equivalents

Cash equivalent includes short-term and highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of changes in value. The time deposits that fall into the above definition and are intended to satisfy the short-term cash commitment shall be classified as cash equivalents.

(7) Financial assets measured at fair value through profit or loss

- A. This refers to financial assets not measured at amortized cost or measured at fair value through other comprehensive income.
- B. The Group adopts the trade date accounting for financial assets in accordance with the general trade practice measured at fair value through profit or loss.
- C. It is initially recognized at fair value by the Group, while the transaction cost is recognized in profit or loss when incurred. Subsequent valuation is based on fair value measurement, and the resulting gain or loss is recognized as profit or loss.

(8) Financial assets measured at fair value through other comprehensive income

- A. This refers to the irrevocable choice made at initial recognition to recognize the subsequent fair value changes of the equity instrument investment held not for trading in other comprehensive income or loss; or, at the same time, the debt instrument investment meets the following conditions:
 - (A) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows or to sell.
 - (B) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- B. The Group adopts the trade date accounting for financial assets in accordance with the general trade practice measured at fair value through other comprehensive income.
- C. It is initially recognized at fair value plus the transaction cost by the Group and the subsequent valuation is measured at fair value:
 - (A) The changes in fair value belonging to equity instrument investment are recognized as other comprehensive income. During derecognition, accumulated profit or loss previously recognized in other comprehensive income shall not be subsequently reclassified as profit or loss but classified as retained earnings. When the Group is entitled to collect dividends, the economic effect related to the dividend may inflow and the amount of revenue can be measured reliably. Therefore, the related dividend revenue shall be recognized as profit or loss.
 - (B) For debt instruments measured at fair value through other comprehensive income, changes in fair value are recognized in other comprehensive income. Impairment losses, interest income, and foreign exchange gains or losses recognized prior to derecognition are recognized in profit or loss. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets measured at amortized cost

- A. This refers to those meeting the following conditions at the same time:
 - (A) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

- (B) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- B. The Group adopts the trade date accounting for financial assets in accordance with the general trade practice measured at amortized cost.
- C. The Group measures financial assets at fair value plus transaction costs at initial recognition. Subsequently, interest income is recognized using the effective interest method over the period, and impairment losses are recognized. Upon derecognition, any gain or loss is recognized in profit or loss.
- D. The time deposit not complying with cash equivalents held by the Group is measured at investment amount since the impact of discounting was insignificant.

(10) Accounts receivable

- A. This refers to accounts from the rights to receive consideration without any condition due to commodity transfer or labor service based on contract agreement.
- B. This represents short-term non-interest-bearing accounts receivable. As the effect of discounting is immaterial, the Group measures them at the original invoice amount.

(11) Impairment of financial assets

For debt instrument investments measured at fair value through other comprehensive income, financial assets measured at amortized cost, and accounts receivable that comprise material financial components, the Group assesses the loss allowance based on 12-month expected credit losses for those without a significant increase in credit risk after initial recognition, after considering reasonable and supporting materials (including forward-looking information) on each balance sheet date. For those with a significant increase in credit risk after initial recognition, the loss allowance is measured based on the amount of expected credit losses over the duration. For accounts receivable that exclude material financial components, the loss allowance is measured at the amount of expected credit losses over the duration.

(12) Derecognition of the financial assets

The Group will derecognize financial assets only in the event that the interests on a contract for financial assets-based cash flow cease to be effective.

(13) Lease transactions of lessor – operating lease

The lease income from operating a lease deducting any given incentives of the lessee is amortized and recognized as current profit or loss under straight-line method over the lease period.

(14) Inventory

Inventories are measured at the lower of cost or net realizable value while the cost is determined by weighted average method. The cost of finished product and goods in process includes material, direct manpower, other direct costs and manufacturing expenses related to production (amortized based on normal productivity) without loan cost. The item-by-item comparison method is adopted when comparing the cost or net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost of sales balance.

(15) Investments accounted for using the equity method – affiliated companies

- A. The affiliated companies refer to the entity in which the Group has a significant impact and often holds more than 20% of voting shares directly or indirectly. The investment of the

Group in the affiliated companies adopts the equity method for disposal and is recognized based on cost upon acquisition.

- B. The shares in profit or loss acquired from affiliated companies by the Group was recognized as current profit or loss and shares of other comprehensive income was recognized as other comprehensive income. In the event that the Group's shares of loss in the affiliated companies are equal to or exceed its equity in the affiliated companies (including other unsecured receivables), the Group does not recognize further losses, unless in the event of the occurrence of legal obligations, presumed obligations, or within the scope that the Group made payment on behalf of the affiliated companies.
- C. When changes to equity irrespective of profit and loss or comprehensive income occur to affiliated companies with no impact on the shareholding ratio of the Group, all of changes in equity will be recognized as "capital reserves" based on shareholding ratio by the Group.
- D. The unrealized profit or loss deriving from the transactions between the Group and the affiliated companies were written off based on the equity ratio of the affiliated companies; the unrealized loss was written off unless the evidence displayed the impairment of transferred assets in such transaction. Accounting policies of the affiliated companies have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. If the Group fails to subscribe or acquire new shares in proportion to the issuance of new shares by the affiliated enterprise, resulting in a change in the proportion of investment but still a material influence on the affiliate, the increase or decrease in the change in the net value of the equity will be the adjustment of the "capital reserves" and "investments under the equity method." If the investment ratio decreases as a result, in addition to the above-mentioned adjustment, the profit or loss recognized under other comprehensive income related to the decrease in ownership interest must be reclassified to profit or loss, in proportion to the decrease, if any.
- F. When the Group lost significant influence over an associate, its residual investment in the former associate was remeasured at fair value. The difference between the fair value and the book value has been recognized as part of the profit or loss for the current period.
- G. When the Group disposes of an associate and loses significant influence over it, amounts previously recognized in other comprehensive income in relation to that associate are accounted for on the same basis as would be required if the related assets or liabilities were directly disposed of, i.e. if such gains or losses would be reclassified to profit or loss upon disposal of the related assets or liabilities, they are reclassified from equity to profit or loss when the Group loses significant influence over the associate. Provided that where it still has material influence over the affiliated companies, the amount previously recognized in other comprehensive income is transferred according to the method stated above based on the proportion.
- H. When the Group disposes of an affiliate, the capital surplus of the affiliate is transferred to profit or loss if the Group loses significant influence over the affiliate. If there is still significant influence, profit or loss shall be transferred in proportion to the disposal.

(16) Property, plant and equipment

- A. Property, plant and equipment is accounted at acquisition cost at initiation and the relevant interest is capitalized during the purchase and construction period.
- B. The subsequent cost is included in the book value of assets or recognized as a single asset only when future economic benefits related to such item will have probable inflow to the

Group and the cost of such item can be measured reliably. The book value of the replaced part shall be derecognized. All other repair expenses are recognized as profit or loss upon occurring.

- C. Except for land, which is not depreciated, the subsequent measurement of property, plant, and equipment adopts the cost model, and the depreciation is calculated over the estimated useful lives in accordance with the straight-line method. Property, plant and equipment are depreciated for each and every major part individually.
- D. The Group reviews the residual value, useful life, and depreciation method of each asset at the end of each financial year. If expectations differ from previous estimates, or if there is a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, such changes are accounted for as changes in accounting estimates in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors,” and are applied prospectively from the date of change. The useful life of each asset is as follows:

House and buildings	3–41 years
(The useful life of interior construction is 3–10 years)	
Machinery and equipment	3–10 years
Transportation equipment	5 years
Office equipment	2–10 years
Other equipment	2–5 years

(17) Lease transactions of lessee – right-of-use assets/lease liabilities

- A. The right-of-use asset is recognized together with the lease liability on the date the underlying asset is available for use by the Group. When the lease contract is a short-term lease or a low-valued underlying asset lease, the lease payment is recognized as expenses on a straight-line method within the lease period.
- B. The unpaid lease payment is recognized as lease liability based on present value discounted at the Group’s incremental borrowing rate of interest on the start date of the lease. The lease payment consists of a fixed payment deducting any received lease incentives.
Subsequently, it is measured at the amortized cost under the interest method, and the interest expenses are recognized during the lease period. When changes in lease term or lease payment are not caused by contract modification, lease liabilities will be reevaluated, and the remeasurement will be used to adjust right-of-use assets.
- C. The right-of-use assets are recognized based on the cost on the starting date of the lease, the cost includes:
 - (A) The original measured amount of lease liability;
 - (B) Any lease payment paid before or on the starting date; and
 - (C) Initial direct costs incurred.
 Subsequently, the right-of-use assets are measured using the cost model, with depreciation recognized over the shorter of the asset’s useful life or the lease term. When the lease liabilities are reassessed, the right-of-use assets will adjust any remeasurement of the lease liabilities.
- D. For the lease modification regarding the decrease in scope of the lease, the lessee will decrease the book amount of right-of-use assets to reflect partial or overall termination of the lease and will recognize the difference between it and the remeasurement amount of

lease liabilities as profit or loss. For all other lease modifications, the remeasured amount of lease liabilities shall be adjusted to the right-of-use assets accordingly.

(18) Intangible assets

Computer software is recognized by acquisition cost and is amortized under the straight-line method based on 1–3 years of useful life.

(19) Impairment of non-financial assets

The Group will estimate the recoverable amount of the assets which show signs of impairment on the balance sheet date, and an impairment loss will be recognized if the recoverable amount falls below the asset's carrying amount. The recoverable amount is the fair value of an asset less the disposition cost or the use value, whichever is higher. Impairment loss recognized in previous years on assets may be reversed if the basis of impairment no longer exists or is reduced. Notwithstanding, the increase in book value of the asset resulting from the reversal must not exceed the face value of the asset less depreciation or amortization without impairment.

(20) Loans

This refers to short-term amounts borrowed from the bank. Financial liabilities are initially recognized at fair value less transaction costs. Subsequently, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the term of the instrument using the effective interest method.

(21) Accounts payable

- A. This means debt generated from the purchase of materials, commodities or labor services on credit, and accounts payable due to business and non-business reasons.
- B. This represents short-term non-interest-bearing accounts payable. As the effect of discounting is immaterial, the Group measures them at the original invoice amount.

(22) Financial liabilities measured at fair value through profit or loss

- A. Refers to financial liabilities held for trading with the main purpose of repurchasing them in the near future, and derivative financial instruments that are not designated as hedging instruments by hedge accounting. When a financial liability meets one of the following conditions, the Group designates it to be measured at fair value through profit or loss at the time of initial recognition:
 - (A) It is a hybrid (combined) contract; or
 - (B) The measurement or recognition inconsistency can be eliminated or significantly reduced; or
 - (C) It is a tool for managing and evaluating its performance on a fair value basis in accordance with documented risk management policies.
- B. It is initially recognized at fair value by the Group, while the transaction cost is recognized in profit or loss when incurred. Subsequent valuation is based on fair value measurement, and the resulting gain or loss is recognized as profit or loss.

(23) Derecognition of the financial liabilities

The Group derecognizes financial liabilities when the contractual obligations are extinguished, canceled, or expire.

(24) Offsetting of financial assets and liabilities

The financial assets and liabilities may be offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts of the financial assets and liabilities and there is an intention to settle on a net basis or realize the asset and

settle the liability simultaneously.

(25) Liability reserve

The reserve for warranty liabilities shall be recognized when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The reserve for liabilities is measured by the best estimated present value paid to settle the obligation on the balance sheet date. The discount rate adopts the pre-tax discount rate that reflects the specific risk assessment of the current market toward the time value of money and the liabilities. The discounted amortization is then recognized as interest expenses. The future operating loss shall not be recognized in the reserve for liabilities.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at non-discounted amount expected to be paid, and stated as expenses when the relevant services are provided.

B. Pension

(A) Defined contribution plan

Under the defined contribution plan, every contribution made to the pension fund is recognized as pension cost in the period occurred using the accrual basis. The prepaid contribution may be stated as assets, insofar as it may be refunded in cash or the future payment is reduced.

(B) Defined benefit plan

- (a) The net obligation under the defined benefit pension plan is converted to the present value based on the future benefit earned from the services provided by the employees under various benefit plans in the current period or in the past, and the present value of defined benefit obligations on the balance sheet date less the fair value of the planned assets. An actuary uses the Projected Unit Credit Method to estimate defined benefit obligations each year. The discount rate is based on the market yield rate of government bonds (on the balance sheet date) that have the same currency exposure and maturity date as the obligations on the balance sheet date.
- (b) The remeasurement generated from the defined benefit plan is stated as other comprehensive income in the period when it is incurred, and presented in the retained earnings.
- (c) Expenses related to the service cost in the previous period are immediately recognized in profit or loss.

C. Severance benefits

Severance benefits are provided to employees upon termination of employment prior to the normal retirement date or when an employee accepts the Company's offer of benefits in exchange for termination of employment. The Group recognizes severance benefits as expenses when the offer of benefits can no longer be withdrawn, or the related reorganization costs are recognized, whichever occurs earlier. Benefits that are not expected to be settled in full within 12 months of the balance sheet date should be discounted.

D. Remuneration to employees and directors

The remuneration to employees and directors/supervisors shall be recognized as expenses and liabilities only when legal or constructive obligations and the value thereof may be estimated reasonably. Subsequently, if the actual distributed amount resolved is different from the estimate, the difference shall be treated as a change in the accounting estimate. If employee remuneration is settled in shares, the basis for calculating the number of shares shall be the closing price on the day prior to the Board of Directors' resolution.

(27) Share-based payments to employees

New restricted employee shares:

- A. Remuneration costs are recognized over the vesting period on the basis of the fair value of the equity instrument given on the grant date.
- B. If the right to participate in the distribution of dividends is not restricted, and employees do not need to return the dividends they have received if they resign during the vested period, then, on the date of dividend declaration, the portion of dividends allocated to employees who are expected to resign during the vested period is recognized as a remuneration cost based on the fair value of the dividends.

(28) Income Tax

- A. The income tax expenses consist of current income tax and deferred income tax. The income tax is recognized in profit or loss, except for income taxes related to items recognized in other comprehensive income or directly attributed to equity, which are recognized in other comprehensive income or directly attributed to equity, respectively.
- B. The Group calculates the income tax related to the current period based on the statutory tax rate or tax rate substantially enacted in the countries where the Company is operating and generating taxable income on the balance sheet date. Management regularly assesses income tax filings in accordance with applicable income tax laws and, where appropriate, recognizes income tax liabilities based on the estimated amounts expected to be paid to the tax authorities. Income tax on undistributed earnings is imposed under the Income Tax Act. Such income tax is recognized in the year following the year in which the earnings are generated, and only after the shareholders' meeting approves the earnings distribution, based on the actual distribution of earnings.
- C. Deferred tax is stated based on the temporary differences between taxation basis for assets and liabilities and the face value thereof on the consolidated balance sheet using the balance sheet method. The deferred income tax liabilities resulting from the initial recognition of goodwill shall not be recognized. The deferred income tax resulting from the initial recognition of assets or liabilities in a transaction (exclusive of a business merger) shall not be recognized if, at the time of the transaction, it does not affect accounting profit or taxable income (taxable loss), and no equal taxable and deductible temporary differences are generated. If temporary differences arise from investments in subsidiaries and affiliates, and the Group can control the timing of the reversal of those temporary differences, and it is highly probable that they will not reverse in the foreseeable future, then no deferred tax liabilities are recognized. The deferred income tax assets and liabilities are measured at the tax rate for the current period in which the assets are expected to be realized or the liabilities are to be repaid. The tax rate shall be based on the tax laws that have already been legislated or substantially legislated at the end of the reporting period.

- D. Deferred income tax assets shall be recognized insofar as the temporary difference is very likely to be credited against future taxable income, and deferred income tax assets which are recognized and unrecognized shall be reevaluated on each balance sheet date.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. Unused tax credits arising from the purchase of equipment or technology, research and development expenditures, and equity investments are recognized as deferred tax assets, to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilized.

(29) Capital stock

- A. Common shares are classified as equity. The net amount directly attributable to new shares issuing or additional cost of stock options is recognized as deduction of proceeds in the equity after deducting income tax.
- B. When the Company repurchases outstanding shares, the consideration paid, including any directly attributable incremental cost, shall be recognized as a deduction of shareholder equity after tax. When the repurchased shares are subsequently reissued, the difference between the consideration received, net of any directly attributable incremental costs, and the effect of income tax and the carrying amount is recognized as an adjustment to shareholder equity.

(30) Allocation of dividends

The dividends allocated to the Company's shareholders are recognized in the financial report upon allocation of dividends resolved by the shareholders' meeting or resolved specially by the board of directors of the Company. The distributed cash dividend is recognized as a liability, and the distributed stock dividend is recognized as a stock dividend to be distributed and reclassified as common shares on the date of new share issuance.

(31) Recognition of revenue

- A. Sale of goods
 - (A) The Group researches and develops, manufactures and sells products related to wire communication and wireless broadband network. The sales revenue is recognized upon the transfer of product control to the customer, i.e. the timing when the product is delivered to the buyer, the buyer has the discretionary power regarding the selling channels and prices of product and the Group has no unfulfilled contract obligations that may affect the reception of such product by the buyer. When the product is delivered to the specified location, the risk of obsolescence and loss is transferred to the buyer and the buyer accepts the product based on the sales contract or there is objective evidence indicating all acceptance standards have been met, the commodity delivery is thus completed.
 - (B) The sales revenue of communication products is recognized by the net amount of contract price deducting estimated sales discount. Sales discounts granted to customers

are generally calculated based on cumulative sales volume over a 12-month period. The Group estimates sales discounts using the expected value method based on historical experience. Revenue is recognized only to the extent that it is highly probable that a significant reversal will not occur in the future. Estimates are updated at each balance sheet date. As of the balance sheet date, the estimated sales discount payable to the customer related to the sales is recognized as refund liabilities. The collection conditions of trading are agreed upon based on the general business trading model.

(C) The Group provides a standard warranty for products sold and has a responsibility to provide refunds for defective products, which is recognized in reserve for liabilities upon sales.

(D) The accounts receivable is recognized upon the delivery of product to the customer because the Group has unconditional rights to contract proceeds from that time and can collect consideration from the customer after that time.

B. Cost of acquiring customer contract

The Group expected to recover the additional cost generated from the acquisition of customer contract. However, the related contract term is less than one year so such cost shall be recognized in expenses when incurred.

(32) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the entity will comply with the conditions attached to the grant and that the grant will be received. If the government subsidies, in nature, are intended to compensate for expenses incurred by the Group, the government subsidies shall be stated as current income on a systematic basis when the related expenses are incurred.

(33) Business segment

The Group's business segment information adopts the same reporting method as the internal management report provided for the main operating decision-maker. The main operating decision-maker is responsible for distributing resources to the business segment and evaluating their performance. The main operating decision-maker of the Group is identified to be the board of directors.

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

When preparing the consolidated financial report of the Group, the management decided on the adopted accounting policy by their judgment and made accounting estimates and assumptions based on the reasonable expectation toward future events subject to current circumstances on the balance sheet date. The actual results might be different from the major accounting estimates and assumptions, so the historical experience and other factors will be considered for constant evaluation and adjustment. These estimates and assumptions involve a risk of material adjustments to the carrying amounts of assets and liabilities in the next financial year. The following are the description of uncertainty to significant accounting judgments, estimates and assumptions:

(1) Significant judgments on choice of accounting policy

None.

(2) Accounting estimates and assumptions

Valuation of inventory

Inventory shall be evaluated on the basis of the lower of the cost and net realizable value. As a result, the Group must make judgments and estimates to determine the net realizable value of

the inventory on the balance sheet date. Due to rapid technological changes, the Group assesses inventories for normal loss, obsolescence, or items with no marketability at the balance sheet date, and writes down the cost of inventories to net realizable value. The valuation of inventory is mainly estimated according to the product demand within a certain period in the future, therefore significant changes may occur.

As of December 31 2025, the book value of the Group's inventory was NTD 1,168,485.

6. Description of Significant Accounting Items

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and working fund	\$ 685	\$ 543
Current deposit	768,317	610,288
Time deposit	128,031	223,930
Cash equivalents – repurchase bonds	-	370,154
Total	<u>\$ 897,033</u>	<u>\$ 1,204,915</u>

1. The financial institutions trading with the Group are reputable banks and the Group trades with various financial institutions to spread the credit risk. Thus, the possibility of default is low.
2. The Group has reclassified time deposits with original maturities over three months and those with restricted use under “Financial assets measured at amortized cost.” Please refer to the description in Note 6(3).

(2) Financial assets measured at fair value through other comprehensive income

Item	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current items:		
Equity instruments		
TWSE/TPEX listed stocks	\$ 717,688	\$ 12,175
Unlisted, OTC (TPEX), and emerging stocks	102,670	75,730
Valuation adjustment	(566,137)	(36,034)
Total	<u>\$ 254,221</u>	<u>\$ 51,871</u>

1. The Group classified the equity instrument investment belonging to strategic investment as financial assets measured at fair value through other comprehensive income. The fair values of these investments as of December 31, 2025 and 2024 were NTD 254,221 and NTD 51,871, respectively.

2. The details of financial assets measured at FVOCI recognized in comprehensive income are as follows:

	<u>2025</u>	<u>2024</u>
<u>Equity instrument measured at fair value through other comprehensive income</u>		
Fair value changes recognized in other comprehensive income	<u>(\$ 552,540)</u>	<u>(\$ 5,370)</u>
Accumulated gains or losses reclassified to retained earnings upon derecognition	<u>(\$ 24,431)</u>	<u>\$ -</u>
Dividend income recognized in profit or loss	<u>\$ 800</u>	<u>\$ 4,869</u>

3. In January 2025, the Group recognized the financial assets measured at fair value through other comprehensive income due to the loss of significant influence over some of the investments accounted for using the equity method. Please refer to the descriptions in Note 6(6) for details.
4. For information related to financial assets measured at fair value through other comprehensive income, please refer to Note 12 (3).
- (3) Financial assets measured at amortized cost

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Time deposits with original maturity of more than three months	<u>\$ 360,557</u>	<u>\$ 277,037</u>
Non-current items:		
Ordinary corporate bonds	\$ 290,000	\$ 290,000
Pledged time deposit	<u>22,529</u>	<u>22,529</u>
Total	<u>\$ 312,529</u>	<u>\$ 312,529</u>

- Without taking into account the collaterals or credit enhancement held by the Group, for the financial assets measured at amortized cost that best represents the Group, the maximum amount of credit risk exposure as of December 31, 2025 and 2024 was the book balance.
- For pledged financial assets measured at amortized cost by the Group, please refer to Note 8.
- The Group's investments in time deposits and ordinary corporate bonds are with financial institutions of good credit quality with a very low likelihood of default expected.

(4) Accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable	\$ 923,615	\$ 708,183
Accounts receivable – the related party	341,621	304,478
Less: Allowance for expected credit losses	(14,115)	(11,989)
	<u>\$ 1,251,121</u>	<u>\$ 1,000,672</u>

1. For aging analysis of accounts receivable (including the related party), please refer to Note 12(2).
2. The balances of accounts receivable (including related parties) as of December 31, 2025 and 2024 arose from customer contracts. In addition, the balance of accounts receivable arising from customer contracts as of January 1, 2024 was NTD 965,749.
3. The accounts receivable (including the related party) of the Group does not include collaterals.
4. Without taking into account the collaterals or credit enhancement held by the Group, for the accounts receivable that best represents the Group, the maximum credit risk exposure amount as of December 31, 2025 and 2024 was the book balance.
5. Please refer to Note 12(2) for details on the credit risk of accounts receivable.

(5) Inventory

	<u>December 31, 2025</u>		
	<u>Costs</u>	<u>Allowance for valuation loss</u>	<u>Book amount</u>
Materials	\$ 813,862	(\$ 86,783)	\$ 727,079
Goods in process and semi-finished goods	103,081	(2,868)	100,213
Finished products	120,315	(21,034)	99,281
Inventory in transit	<u>241,912</u>	<u>-</u>	<u>241,912</u>
Total	<u>\$ 1,279,170</u>	<u>(\$ 110,685)</u>	<u>\$ 1,168,485</u>
	<u>December 31, 2024</u>		
	<u>Costs</u>	<u>Allowance for valuation loss</u>	<u>Book amount</u>
Materials	\$ 519,559	(\$ 88,329)	\$ 431,230
Goods in process and semi-finished goods	107,127	(5,879)	101,248
Finished products	143,857	(7,286)	136,571
Inventory in transit	<u>151,162</u>	<u>-</u>	<u>151,162</u>
Total	<u>\$ 921,705</u>	<u>(\$ 101,494)</u>	<u>\$ 820,211</u>

The inventory cost recognized in expenses in current period by the Group:

	<u>2025</u>	<u>2024</u>
Cost of sold inventory	\$ 3,792,281	\$ 3,117,505
Idle production capacity	165,984	163,019
Inventory loss	27,238	-
Valuation loss	<u>9,191</u>	<u>7,527</u>
	<u>\$ 3,994,694</u>	<u>\$ 3,288,051</u>

(6) Investment at equity method

	<u>2025 years</u>	<u>2024 years</u>
January 1	\$ 374,582	\$ 783,537
Disposal of investments accounted for using the equity method	(342,877)	(295,825)
Acquisition of cash dividend by affiliated companies under the equity method	(7,322)	(1,478)
Share in profit or loss of affiliated companies under equity method	88	(142,179)
Exchange difference in the financial statement translation of the foreign operation	-	11,768
Share of other comprehensive income from affiliated companies under the equity method	<u>3,394</u>	<u>18,759</u>
December 31	<u>\$ 27,865</u>	<u>\$ 374,582</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Affiliated companies:		
Microelectronics Technology, Inc. (Microelectronics Technology)	\$ -	\$ 342,877
Mega Power Ventures Inc.	<u>27,865</u>	<u>31,705</u>
	<u>\$ 27,865</u>	<u>\$ 374,582</u>

A. The basic information about affiliated companies important to the Group is stated as follows:

<u>Company name</u>	<u>Principal business place</u>	<u>Shareholding ratio</u> December 31, 2024	<u>Nature of relationship</u>	<u>Measurement method</u>
Microelectronics Technology	Taiwan	11.22%	Invested company under the equity method by the Company	Equity method

- B. The summarized financial information of affiliated companies important to the Group is stated as follows:

<u>Balance sheet</u>	Microelectronics Technology
	<u>December 31, 2024</u>
Current assets	\$ 2,183,643
Non-current assets	1,777,450
Current liabilities	(2,388,851)
Non-current liabilities	(758,733)
Total net assets	<u>\$ 813,509</u>
Shares of the affiliates' net assets	\$ 100,437
Goodwill	248,151
Others	(5,711)
Book value of affiliated companies	<u>\$ 342,877</u>

Comprehensive Income Statement

	Microelectronics Technology
	<u>2024</u>
Revenue	<u>\$ 1,669,989</u>
Net loss of continuing operations for the year	(\$ 1,146,172)
Other comprehensive income (after tax)	<u>77,662</u>
Total comprehensive income for the year	<u>(\$ 1,068,510)</u>

- C. As an affiliated company important to the Group, Microelectronics Technology has an open market quotation. Its fair value on December 31, 2024 was NTD 1,136,353.
- D. In 2024, the Group sold 19,256 thousand shares of affiliate Microelectronics Technology for a total sale price of NTD 635,856. This was recognized as an investment gain of NTD 361,157 accounted for under the equity method, decreasing its shareholding from 18.86% to 11.22% in the current period.
- E. From January 1 to January 9, 2025, the Group disposed of 1,473 thousand shares of its associate, Microelectronics Technology, Inc., for total consideration of NTD 55,107. A gain of NTD 38,991 on the disposal of an investment accounted for using the equity method was recognized, thereby decreasing its ownership interest from 11.22% to 10.63%.
- F. The Group was originally the largest single shareholder of Microelectronics Technology. However, due to the transfer of more than half of the shares held at the time of board appointment, the Group was legally and automatically disqualified from its board position. As a result, the Group lost significant influence over Microelectronics Technology on January 9, 2025. On that date, the Group derecognized the carrying amount of the investment previously accounted for using the equity method, reclassified it as a financial asset at fair value through other comprehensive income based on its fair value, and recognized a gain on the disposal of the investment in the amount of NTD 668,723 for the difference.

G. As of December 31, 2024, the Group holds 11.22% of Microelectronics's shares, which is the single largest shareholder of such company. However, the shareholding does not exceed half of total shares and does not exceed the majority vote of the shareholders present at the meeting. Also, the Group has no control over the financial affair, operation and personnel guidelines of Microelectronics Technology without any actual guidance of relevant activities. Therefore, it is determined that the Company has no control over such company but only significant impact thereof.

(7) Property, plant and equipment

	<u>House and buildings</u>	<u>Machinery and equipment</u>	<u>Others</u>	<u>Unfinished construction and equipment to be inspected</u>	<u>Total</u>
January 1, 2025					
Costs	\$ 884,948	\$ 425,179	\$ 252,184	\$ 909,026	\$ 2,471,337
Accumulated depreciation	(385,805)	(248,067)	(137,502)	-	(771,374)
	<u>\$ 499,143</u>	<u>\$ 177,112</u>	<u>\$ 114,682</u>	<u>\$ 909,026</u>	<u>\$ 1,699,963</u>
<u>2025 years</u>					
January 1	\$ 499,143	\$ 177,112	\$ 114,682	\$ 909,026	\$ 1,699,963
Increase	220,121	153,470	30,666	900	405,157
Disposal (cost)	-	(888)	(67,948)	-	(68,836)
Disposal (accumulated depreciation)	-	888	38,002	-	38,890
Depreciation expenses	(41,746)	(67,103)	(20,344)	-	(129,193)
Reclassification (cost)	793,306	112,638	(49,431)	(871,324)	(14,811)
Reclassification (accumulated depreciation)	-	10,920	-	-	10,920
Net exchange differences	(144)	(13,031)	(5,089)	(37,702)	(55,966)
December 31	<u>\$ 1,470,680</u>	<u>\$ 374,006</u>	<u>\$ 40,538</u>	<u>\$ 900</u>	<u>\$ 1,886,124</u>
December 31, 2025					
Costs	\$ 1,892,224	\$ 502,879	\$ 157,587	\$ 900	\$ 2,553,590
Accumulated depreciation	(421,544)	(128,873)	(117,049)	-	(667,466)
	<u>\$ 1,470,680</u>	<u>\$ 374,006</u>	<u>\$ 40,538</u>	<u>\$ 900</u>	<u>\$ 1,886,124</u>

	House and buildings	Machinery and equipment	Others	Unfinished construction and equipment to be inspected	Total
January 1, 2024					
Costs	\$ 878,858	\$ 360,766	\$ 177,425	\$ 132,104	\$ 1,549,153
Accumulated depreciation	(361,454)	(171,520)	(115,421)	-	(648,395)
	<u>\$ 517,404</u>	<u>\$ 189,246</u>	<u>\$ 62,004</u>	<u>\$ 132,104</u>	<u>\$ 900,758</u>
<u>2024 years</u>					
January 1	\$ 517,404	\$ 189,246	\$ 62,004	\$ 132,104	\$ 900,758
Increase	6,090	33,762	71,423	761,038	872,313
Disposal (cost)	-	(4,308)	(2,156)	-	(6,464)
Disposal (accumulated depreciation)	-	4,308	2,156	-	6,464
Depreciation expenses	(24,351)	(65,259)	(22,380)	-	(111,990)
Reclassification (cost)	-	8,812	-	(8,812)	-
Net exchange differences	-	10,551	3,635	24,696	38,882
December 31	<u>\$ 499,143</u>	<u>\$ 177,112</u>	<u>\$ 114,682</u>	<u>\$ 909,026</u>	<u>\$ 1,699,963</u>
December 31, 2024					
Costs	\$ 884,948	\$ 425,179	\$ 252,184	\$ 909,026	\$ 2,471,337
Accumulated depreciation	(385,805)	(248,067)	(137,502)	-	(771,374)
	<u>\$ 499,143</u>	<u>\$ 177,112</u>	<u>\$ 114,682</u>	<u>\$ 909,026</u>	<u>\$ 1,699,963</u>

The property, plant, and equipment of the Group were not provided as collateral or capitalized interest.

(8) Lease transactions – Lessee

- A. The underlying assets leased by the Group include land, buildings, and transportation equipment. The term of lease contract is usually 3 to 43 years. The lease contract employs individual negotiation and includes various terms and conditions. Besides the fact that the rented assets shall not be used as loan guarantees, there are no other restrictions.
- B. The lease terms of parking spaces rented by the Group are less than 12 months, and the underlying leased assets of low value are water dispensers and photocopiers.
- C. The following information is the book value and recognized depreciation expenses of right-of-use assets:

	December 31, 2025	December 31, 2024
	Book amount	Book amount
Land	\$ 312,096	\$ 322,687
House	3,417	44,623
Transportation equipment	2,183	969
	<u>\$ 317,696</u>	<u>\$ 368,279</u>
	2025	2024
	Depreciation expenses	Depreciation expenses
Land	\$ 20,003	\$ 20,519
House	10,261	16,017
Transportation equipment	1,489	1,470
	<u>\$ 31,753</u>	<u>\$ 38,006</u>

D. The increase in right-of-use asset of the Group in 2025 and 2024 were NTD 19,477 and NTD 7,957, respectively.

E. The following is information regarding the profit or loss items related to lease contracts:

	2025	2024
Item influencing current profit or loss		
Interest expenses of lease liabilities	\$ 5,120	\$ 15,397
Expenses for short-term lease contracts	2,287	1,524
Expenses for lease of low-price assets	226	191
Lease modification profit	229,378	-

In the current year, due to the early termination of the lease contract through a supplemental agreement for plant and office usage rights, the Group recognized a gain on lease modification in the amount of \$229,378. Please refer to Note 6(24) for details.

F. The Group's total cash outflow of lease in 2025 and 2024 were NTD 35,753 and NTD 40,750, respectively.

(9) Lease transactions – Lessor

A. The underlying assets leased by the Group is the building and the term of lease contract is usually 1 to 20 years. The lease contract adopts individual negotiation and includes various different terms and conditions. To ensure the use condition of the leased assets, it is often required that the lessee shall not use the leased assets for loan guarantee.

B. The Group recognized NTD 60,168 and NTD 68,833 of rent revenue based on the operating lease contract in 2025 and 2024, respectively, and there were no variable lease payments.

C. The maturity analysis of lease payments based on operating lease of the Group is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Not more than 1 year	\$ 33,755	\$ 63,428
2 to 5 years	22,835	32,722
More than 5 years	<u>743</u>	<u>786</u>
Total	<u>\$ 57,333</u>	<u>\$ 96,936</u>

(10) Other non-current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Offset against business tax payable	\$ 133,979	\$ 148,980
Net defined benefit assets	63,972	56,652
Refundable deposits	<u>7,445</u>	<u>4,664</u>
Total	<u>\$ 205,396</u>	<u>\$ 210,296</u>

(11) Short-term loans

<u>Nature of loan</u>	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loans			
Credit loans	<u>\$ 440,020</u>	3.9%~4.1%	None
<u>Nature of loan</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loans			
Credit loans	<u>\$ 94,539</u>	5.60%~5.62%	None

(12) Financial liabilities measured at fair value through profit or loss

<u>Liabilities</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial liabilities mandatorily measured at fair value through profit or loss		
Cross-currency swap	<u>\$ 45,977</u>	<u>\$ 19,543</u>

1. Details of financial liabilities measured at fair value through profit or loss recognized in profit or loss are as follows:

	<u>2025</u>	<u>2024</u>
Recognized in profit or loss:		
Financial liabilities mandatorily measured at fair value through profit or loss		
Cross-currency swap	<u>(\$ 24,044)</u>	<u>(\$ 60,919)</u>

2. The information on transactions and contracts of derivative financial liabilities for which hedge accounting is not applied by the Group is as follows:

<u>Derivative financial liabilities</u>	December 31, 2025	
	Contract amount (Notional principal) (thousands)	Contract term
Current items:		
Cross-currency swap contracts	TWD(BUY) 1,436,780	2025.08.19 – 2026.06.16
	USD(SELL) 47,000	2025.08.19 – 2026.06.16

<u>Derivative financial liabilities</u>	December 31, 2024	
	Contract amount (Notional principal) (thousands)	Contract term
Current items:		
Cross-currency swap contracts	TWD(BUY) 1,134,430	2024.08.19 – 2025.03.24
	USD(SELL) 35,000	2024.08.19 – 2025.03.24

Cross-currency swap contracts

The cross-currency swap contracts entered into by the Group are to meet the needs of capital allocation. In terms of foreign currency exchange, the principal of the two currencies is swapped at the same exchange rate at the beginning and the end of the period, so there is no exchange rate risk. In terms of interest rate swap, the fixed interest rate between the two currencies is exchanged with a fixed interest rate, and there is no interest rate fluctuation risk.

3. See Note 12(3) for the fair value information of financial assets measured at fair value through profit or loss.

(13) Other payables

	December 31, 2025	December 31, 2024
Salaries and bonuses payable	\$ 84,298	\$ 76,773
Payables for discount	77,811	87,958
Employee bonus payable	29,159	1,476
Collections payable	26,124	-
Payables for equipment	50,679	81,234
Rent payable	-	53,922
Other fees payable	64,226	54,625
	<u>\$ 332,297</u>	<u>\$ 355,988</u>

(14) Pension

A. (A) The Company has established the regulation for retirement with welfare in accordance with the “Labor Standards Act,” which is applicable to the years of service for full-time employees before the implementation of the “Labor Pension Act” on July 1, 2005, and the employees continued to adopt the “Labor Standards Act” after the “Labor Pension Act” came into effect. Employees who meet the retirement requirements will receive a pension based on their years of service and the average salary or wage from the six (6) months prior to retirement. Two units are accrued for each year of service for the first 15 years, and one unit is accrued for each additional year thereafter, up to a maximum of 45 units. The Company contributes 2% of total payroll on a monthly basis to the labor pension reserve fund and deposits it into a designated account under the name of the Supervisory Committee of Labor Pension Reserve at the Bank of Taiwan. Before the end of the fiscal year, the Company calculates the balance of the said labor pension fund account. If the pension account balance is insufficient to pay for the pension of employees expecting to meet the retirement conditions in the following year, the spread amount shall be deposited by the Company in a lump sum before the end of March in the following year.

(B) The amount recognized in the balance sheet is stated as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligation	(\$ 19,258)	(\$ 20,036)
Fair value of plan assets	<u>83,230</u>	<u>76,688</u>
Net defined benefit assets	<u>\$ 63,972</u>	<u>\$ 56,652</u>

(C) Changes in the net defined benefit assets are as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit assets</u>
2025 years			
Balance, January 1	(\$ 20,036)	\$ 76,688	\$ 56,652
Service cost in the current period	(104)	-	(104)
Interest income (expense)	<u>(301)</u>	<u>1,236</u>	<u>935</u>
	(20,441)	77,924	57,483
Remeasurement amount:			
Return on plan assets (excluding amount included in interest income or expenses)	-	5,306	5,306
Effects of changes in financial assumptions	861	-	861
Experience adjustments	<u>322</u>	<u>-</u>	<u>322</u>
	<u>1,183</u>	<u>5,306</u>	<u>6,489</u>
Balance, December 31	<u>(\$ 19,258)</u>	<u>\$ 83,230</u>	<u>\$ 63,972</u>

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit assets
2024 years			
Balance, January 1	(\$ 20,103)	\$ 69,624	\$ 49,521
Service cost in the current period	(104)	-	(104)
Interest income (expense)	(220)	814	594
	(20,427)	70,438	50,011
Remeasurement amount:			
Return on plan assets (excluding amount included in interest income or expenses)	-	6,250	6,250
Effects of changes in financial assumptions	650	-	650
Experience adjustments	(259)	-	(259)
	391	6,250	6,641
Balance, December 31	(\$ 20,036)	\$ 76,688	\$ 56,652

- (D) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and Article 6 of the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.) The utilization of the fund is supervised by Supervisory Committee for Labor Pension Reserve. With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Any deficits thereof shall be made up by the national treasury upon approval of the competent authority. As the Company is not entitled to participate in the operation and management of the fund, it is unable to disclose the fair value hierarchy classification of plan assets in accordance with paragraph 142 of IAS 19. For the fair value of the total assets under the fund on December 31, 2025 and 2024, please refer to the labor pension fund utilization report published by the government each year.
- (E) Actuarial assumptions for pension plans are as follows:

	2025	2024
Discount rate	1.35%	1.65%
Future salary increase rate	2.00%	3.00%

Mortality assumptions are based on published statistical data and actuarial experience.

Due to the change in principal actuarial assumptions adopted, the affected present value of the defined benefit obligation is as follows:

	Discount rate		Future salary increase rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2025				
Effect on present value of defined benefit obligation	<u>(\$ 297)</u>	<u>\$ 306</u>	<u>\$ 303</u>	<u>(\$ 296)</u>
December 31, 2024				
Effect on present value of defined benefit obligation	<u>(\$ 346)</u>	<u>\$ 357</u>	<u>\$ 351</u>	<u>(\$ 342)</u>

Said analysis of sensitivity refers to the analysis of the effect produced by any change of single hypothesis under the circumstance that the other hypotheses remain unchanged. In practice, a lot of changes in hypotheses might be linked with each other. The analysis of sensitivity adopted the same method used for calculation of net pension liability on the balance sheet.

The methods and hypotheses used by the analysis of sensitivity prepared in the current period are identical with those used in the previous period.

(F) In February 2025, the Science Park Administration approved the Company to suspend the appropriation of the labor pension reserve.

(G) The Company is scheduled to contribute NTD 0 to the pension plan in 2025.

(H) Until December 31, 2025, the weighted average duration of the pension plan has been 7 years. The expected pension benefit payments are as follows:

Less than 1 year	\$	3,609
1–2 years		609
2–5 years		5,038
Over 5 years		<u>11,594</u>
	\$	<u>20,850</u>

(I) In 2025 and 2024, the pension cost recognized by the Company in accordance with the above regulations were both \$0.

B. (A) As of July 1, 2005, the Company and its domestic subsidiaries instituted the defined contribution pension plan according to the Labor Pension Act applicable to employees who are nationals of the country where the Company operates. For employees who have elected to participate in the pension system under the Labor Pension Act, the Company and its domestic subsidiaries contribute 6% of the employees' monthly salary to their individual pension accounts maintained by the Bureau of Labor Insurance. Pension benefits are paid out based on the balance of the personal pension account, including accumulated returns, and may be received either as monthly payments or as a lump sum.

- (B) The subsidiaries in China and Vietnam make monthly contributions to the endowment insurance based on a certain percentage of the local employees' total salary in accordance with the endowment insurance system stipulated by the local government and deposit them in a dedicated employee account. Employee pensions are arranged by the government. Except for the contribution of funds on a monthly basis, the Company mentioned above shall bear no other obligations.
- (C) Pension costs recognized by the Group under the pension plan amounted to NTD 36,107 and NTD 26,935 for the years ended 2025 and 2024, respectively.

(15) Share-based payment for remuneration

- A. The share-based payment for remuneration agreements of the Group as of December 31, 2025 and 2024 were as follows:

Type of agreement	Grant date	Amount given	Contract period	Criteria for vesting
New restricted employee shares plan	2022.09.13	1,110 thousand shares	3 years	Descriptions (1) and (6)
New restricted employee shares plan	2022.11.08	500 thousand shares	3 years	Descriptions (2) and (6)
New restricted employee shares plan	2023.08.11	100 thousand shares	3 years	Descriptions (3) and (6)
New restricted employee shares plan	2023.11.10	30 thousand shares	3 years	Descriptions (4) and (6)
New restricted employee shares plan	2024.05.10	260 thousand shares	3 years	Descriptions (5) and (6)
Transfer of treasury shares to employees	2025.06.30	5,500 thousand shares	-	Vested immediately

- (A) According to the different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with an expiration date of September 12, 2025.
- (B) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on November 7, 2025.
- (C) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on August 10, 2026.
- (D) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on November 9, 2026.
- (E) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on May 9, 2027.
- (F) The new restricted employee shares issued by the Company are issued without consideration and may not be transferred during the vesting period. However, they are not restricted in terms of voting rights or the right to participate in dividend distributions. If an employee resigns during the vesting period, he/she must return the shares but not the dividends received.

(G) On June 26, 2025, the Company's board of directors resolved to transfer the repurchased treasury shares to employees. The transfer was 5,500 thousand shares at a price of NTD 15 per share.

(H) The above share-based payment agreements are all settled through equity.

B. The details of the above share-based payment agreements are shown below:

	<u>2025 years</u>	<u>2024 years</u>
	Quantity (thousand shares)	Quantity (thousand shares)
New restricted employee shares on January 1	614	1,042
Issued in the current period	-	260
Vested in the current period	(280)	(498)
Canceled in the current period	(189)	(190)
New restricted employee shares on December 31	<u>145</u>	<u>614</u>

C. Share-based payment transactions granted on the grant date are measured at the fair value of the options using the Black-Scholes option pricing model, based on the grant date share price less the exercise price. The relevant information is as follows:

Type of agreement	Grant date	Stock price (NTD)	Exercise price (NTD)	Expected volatility (%)	Expected duration	Expected dividends	Risk-free rate (%)	Fair value per unit (NTD)
New restricted employee shares plan	2022.09.13	29.70	-	-	3 years	-	-	29.70
New restricted employee shares plan	2022.11.08	23.05	-	-	3 years	-	-	23.05
New restricted employee shares plan	2023.08.11	20.05	-	-	3 years	-	-	20.05
New restricted employee shares plan	2023.11.10	21.95	-	-	3 years	-	-	21.95
New restricted employee shares plan	2024.05.10	21.95	-	-	3 years	-	-	21.95
Transfer of treasury shares to employees	2025.06.30	22.63	15	58.52	0.1 years	-	1.22	7.67

D. The expenses generated from share-based payment transactions are as follows:

	<u>2025</u>	<u>2024</u>
Equity settled	<u>\$ 42,583</u>	<u>\$ 8,194</u>

(16) Liability reserve

	Warranty	
	2025 years	2024 years
Balance, January 1	\$ 10,965	\$ 12,939
Increase in liability reserve in current period	10,823	10,424
Used liability reserve in current period	(10,552)	(12,398)
Balance, December 31	<u>\$ 11,236</u>	<u>\$ 10,965</u>

The analysis of liability reserve is as follows:

	December 31, 2025	December 31, 2024
Current	<u>\$ 414</u>	<u>\$ 541</u>
Non-current	<u>\$ 10,823</u>	<u>\$ 10,424</u>

The Group's reserve for warranty liabilities is estimated based on the historical warranty information of these products to project possible after-sale service in the future. The warranty liabilities of the Group, estimated to be incurred in 2026 and 2027, are NTD 414 and NTD 10,823, respectively.

(17) Capital stock

- A. As of December 31, 2025, the Company's authorized capital was NTD 5,000,000, divided into 500,000 thousand shares (including 14,000 thousand shares reserved for employee stock options), and the paid-in capital amounted to NTD 3,301,360, with a par value of NTD 10 per share. All shares issued by the Company were paid in full.

A reconciliation of the Company's outstanding common shares at the beginning and end of the period is as follows:

	2025 (thousand shares)	2024 (thousand shares)
January 1	323,679	330,190
Issuance of new restricted employees shares	-	260
Cancellation of new restricted employee shares	(189)	(190)
Recovery of shares	(854)	(6,581)
Transfer of treasury shares to employees	5,460	-
December 31	<u>328,096</u>	<u>323,679</u>

- B. The Company's board of directors resolved to issue new restricted employee shares on May 10, 2024 (please refer to Note 6(15)). The respective issuance reference date for the new shares was May 10, 2024. Employees did not need to pay to acquire the new restricted employee shares. The rights and obligations of the common shares issued this time are the same as other previously issued common stocks, except for the restriction on the transferability of shares, until the vested conditions are met by the employees.

- C. On March 11, 2024, the Company's board of directors resolved to cancel 20 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 200. The reduction date was set as March 11, 2024, and the change of registration was completed on March 27, 2024.
- D. On August 9, 2024, the Company's board of directors resolved to cancel 50 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 500. The reduction date was set as August 9, 2024, and the change of registration was completed on August 27, 2024.
- E. On November 13, 2024, the Company's board of directors resolved to cancel 120 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 1,200. The reduction date was set as November 13, 2024, and the change of registration was completed on November 28, 2024.
- F. On March 5, 2025, the Company's board of directors resolved to cancel 15 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 150. The reduction date was set as March 5, 2025, and the change of registration was completed on March 20, 2025.
- G. On May 9, 2025, the Company's board of directors resolved to cancel 11 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 110. The reduction date was set as May 9, 2025, and the change of registration was completed on June 13, 2025.
- H. On August 7, 2025, the Company's board of directors resolved to cancel 122 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 1,220. The reduction date was set as August 7, 2025, and the change of registration was completed on August 26, 2025.
- I. On November 11, 2025, the Company's board of directors resolved to cancel 41 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 414. The reduction date was set as November 11, 2025, and the change of registration was completed on November 26, 2025.

J. Treasury stocks

(A) Reasons for the redemption of shares and their quantities:

Name of Company Holding Shares	Reason for redemption	December 31, 2025	
		Number of shares (thousand shares)	Book amount
The Company	For transfer of shares to employees	2,040	\$ 65,282
December 31, 2024			
Name of Company Holding Shares	Reason for redemption	Number of shares (thousand shares)	Book amount
The Company	For transfer of shares to employees	6,646	\$ 205,694

- (B) On May 10, 2024, the Company's board of directors resolved to buy back 5,000 thousand shares of the Company from May 13 to July 12, 2024, at the price of NTD 15.5–NTD 33.6 per share to protect the Company's credit and shareholders' equity. If the market price falls below the lower limit of the original price range, the repurchase of the Company's shares will continue. As of the expiration of the exercise

period, a total of 2,650 thousand shares have been repurchased at a total cost of NTD 78,605 thousand.

- (C) On August 9, 2024, the Company's board of directors resolved to buy back 3,000 thousand shares of the Company from August 12 to October 11, 2024, at the price of NTD 17.8–NTD 33 per share to protect the Company's credit and shareholder equity. If the market price falls below the lower limit of the original price range, the repurchase of the Company's shares will continue. As of the expiration of the exercise period, a total of 1,785 thousand shares have been repurchased at a total cost of NTD 56,912 thousand.
- (D) On November 13, 2024, the Company's board of directors resolved to buy back 3,000 thousand shares of the Company from November 14, 2024 to January 13, 2025, at the price of NTD 24.85–NTD 37.30 per share to protect the Company's credit and shareholder equity. If the market price falls below the lower limit of the original price range, the repurchase of the Company's shares will continue. As of the expiration of the exercise period, a total of 3,000 thousand shares have been repurchased at a total cost of NTD 96,224 thousand.
- (E) Pursuant to the Securities and Exchange Act, the number of shares repurchased by the Company shall not exceed 10% of the total number of issued shares. The total amount used for such repurchase shall not exceed the sum of retained earnings, share premium, and realized capital surplus.
- (F) According to the Securities and Exchange Act, the treasury stock held by the Company shall not be pledged and shall not be entitled to the rights of shareholders before transfer.
- (G) Pursuant to the Securities and Exchange Act, shares repurchased due to the transfer of shares to employees shall be transferred within five years from the repurchase date. Failure to transfer the shares within this period will be treated as if the Company has not issued the shares, and the Company must proceed to change the registration to cancel the shares. For the repurchased shares to protect the Company's credit and shareholders' rights and interests, a change of registration shall be made to cancel the shares within six months from the date of repurchase.
- (H) On June 26, 2025, the Company's Board of Directors approved the transfer of 5,500,000 shares of treasury stock to employees at a transfer price of NT\$15 per share, with an actual transfer of 5,460,000 shares.

(18) Capital reserves

According to the Company Act, for capital reserves that include shares issued at a premium exceeding the par value and gains in the form of gifts, the Company shall distribute the capital reserve by issuing new shares or cash in proportion to the original shareholding ratio of the shareholders, provided that the Company incurs no losses. In addition, according to the relevant regulation of the Securities and Exchange Act, the capital surplus mentioned above that can be capitalized annually shall not exceed 10% of the total paid-in capital. When the reserve is insufficient to cover the capital losses, the Company shall not use capital reserve for offset.

	2025 years					Total
	Stock premium	Employee stock option	Changes in net worth of equity of affiliated companies and joint ventures recognized under equity method	New restricted employee shares	Others	
January 1	\$ 484,632	\$ -	\$ 35,206	\$ 69,870	\$ 8,968	\$ 598,676
Employee stock options executed	-	42,173	-	-	-	42,173
Cancellation of new restricted employee shares	-	-	-	(3,208)	-	(3,208)
Transfer of treasury shares to employees	-	(42,173)	-	-	307	(41,866)
Disposal of investments accounted for using the equity method	-	-	(35,206)	-	-	(35,206)
December 31	<u>\$ 484,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,662</u>	<u>\$ 9,275</u>	<u>\$ 560,569</u>

	2024 years					Total
	Stock premium	Changes in net worth of equity of affiliated companies and joint ventures recognized under equity method	New restricted employee shares	Others		
January 1	\$ 484,632	\$ 59,187	\$ 69,891	\$ 8,968	\$ 622,678	
Issuance of new restricted employee shares	-	-	3,107	-	3,107	
Cancellation of new restricted employee shares	-	-	(3,128)	-	(3,128)	
Disposal of investments accounted for using the equity method	-	(23,981)	-	-	(23,981)	
December 31	<u>\$ 484,632</u>	<u>\$ 35,206</u>	<u>\$ 69,870</u>	<u>\$ 8,968</u>	<u>\$ 598,676</u>	

(19) Retained earnings

- A. If the Company has a profit at the year's final accounting, it shall first be used to pay the income tax and to offset any cumulative losses in accordance with the law, and 10% of the balance shall be appropriated as a legal reserve, unless the existing legal reserve reaches the amount of the Company's paid-in capital. The rest of the balance shall be used for the provision/reversal of special reserves pursuant to the law. The residual balance, if any, shall be added to the cumulative undistributed earnings. The board of directors shall draft a proposal for the allocation of the residual balance plus the undistributed earnings and submit it to the shareholders' meeting to determine whether shareholder bonuses shall be distributed.
- B. The Company authorizes the board of directors to make a resolution with respect to payment of all or part of the distributable dividends, bonuses, capital reserves or legal reserves in cash by a majority vote at a meeting attended by over two-thirds of the directors and report such payment to the shareholders' meeting without being subject to the resolution of the shareholders' meeting referred to in the preceding paragraph.

- C. The dividend policy of the Company is as follows: CyberTAN is currently in the growth stage. Its policy for the distribution of bonuses to shareholders must be based on the current and future investment environment, funding needs, domestic and international competition, capital budget, and other factors, and it must take into account shareholder interests and CyberTAN's long-term financial plan. Bonuses to shareholders shall be allocated from the accumulated distributable earnings and shall be no less than 15% of the distributable earnings of the current year. No distribution is required if the distributable earnings of the current year are less than 3% of the paid-in capital. Cash dividends shall account for no less than 10% of the bonuses to shareholders.
- D. The legal reserve shall not be used except for covering losses, issuing new shares, or distributing cash in proportion to the original shareholding ratio of the shareholders. The new shares or cash allocated shall not exceed 25% of the paid-in capital.
- E. In accordance with the law, when distributing earnings, the Company shall appropriate a special reserve from the debit balance of other equity items as of the balance sheet date before such earnings may be distributed. If the debit balance of other equity items is subsequently reversed, the reversed amount may be included in distributable earnings.
- F. The 2024 and 2023 earnings distribution proposals of the Company approved by the shareholders' meetings on May 29, 2025 and June 25, 2024, respectively, are as follows:

	2024		2023	
	Amount	Dividends per share (NTD)	Amount	Dividends per share (NTD)
Reversal of special reserves	<u>\$ 97,294</u>	\$	- <u>\$ 6,922</u>	\$ -

- G. On March 5, 2026, the Board of Directors approved, by resolution, the distribution of earnings of 2025 as follows:

	2025	
	Amount	Dividends per share (NTD)
Allocated legal reserve	\$ 13,252	
Allocated special reserve	243,274	
	\$	-

(20) Other equity items

	Financial assets measured at fair value through other comprehensive income	Translation of foreign currency	Employees' unearned remuneration	Total
January 1, 2025	(\$ 47,762)	(\$ 10,414)	(\$ 6,628)	(\$ 64,804)
Valuation adjustment	(552,540)	-	-	(552,540)
Valuation adjustment – Affiliated companies	3,394	-	-	3,394
Valuation adjustment transferred to retained earnings	26,276	-	-	26,276
Valuation adjustment transferred to retained earnings – Affiliated companies	(1,845)	-	-	(1,845)
Currency translation differences:				
- Group	-	(57,820)	-	(57,820)
- Group's tax	-	(14,755)	-	(14,755)
Cancellation of new restricted employee shares	-	-	5,102	5,102
Share-based payment expenses	-	-	410	410
Disposal of investments accounted for using the equity method	<u>26,170</u>	<u>1,618</u>	<u>-</u>	<u>27,788</u>
December 31, 2025	<u>(\$ 546,307)</u>	<u>(\$ 81,371)</u>	<u>(\$ 1,116)</u>	<u>(\$ 628,794)</u>

	Financial assets measured at fair value through other comprehensive income	Translation of foreign currency	Employees' unearned remuneration	Total
January 1, 2024	(\$ 77,483)	(\$ 77,986)	(\$ 14,143)	(\$ 169,612)
Valuation adjustment	(5,370)	-	-	(5,370)
Valuation adjustment – Affiliated companies	17,249	-	-	17,249
Valuation adjustment transferred to retained earnings – Affiliated companies	(151)	-	-	(151)
Currency translation differences:				
- Group	-	53,630	-	53,630
- Group's tax	-	(681)	-	(681)
- Affiliated companies	-	11,768	-	11,768
Issuance of new restricted employee shares	-	-	(5,707)	(5,707)
Cancellation of new restricted employee shares	-	-	5,028	5,028
Share-based payment expenses	-	-	8,194	8,194
Disposal of investments accounted for using the equity method	17,993	2,855	-	20,848
December 31, 2024	<u>(\$ 47,762)</u>	<u>(\$ 10,414)</u>	<u>(\$ 6,628)</u>	<u>(\$ 64,804)</u>

(21) Operating revenue

	2025	2024
Revenue from customer contracts	<u>\$ 4,190,309</u>	<u>\$ 3,595,201</u>

A. Details of revenue from customer contracts

The revenue of the Group is mainly from providing products transferred at specific times, and it can be classified by the following main product lines and geographical areas:

	America	Europe	Asia		
<u>2025</u>	Communication products	Communication products	Communication products	Other departments	Total
Revenue from external customer contracts	\$ 884,812	\$ 1,501,516	\$ 1,616,636	\$ 187,345	\$ 4,190,309
	America	Europe	Asia		
<u>2024</u>	Communication products	Communication products	Communication products	Other departments	Total
Revenue from external customer contracts	\$ 1,959,165	\$ 980,767	\$ 228,448	\$ 426,821	\$ 3,595,201

B. Contract liabilities

- (A) The Group's balance of contract liabilities - advance sale receipts related to revenue from customer contract recognized on December 31, 2025, December 31, 2024 and January 1, 2024 were NTD 2,552, NTD 41,443 and NTD 48,648, respectively.
- (B) Contract liabilities at the beginning recognized in the revenue in current period

	2025	2024
Balance of the contract liabilities at the beginning recognized in the revenue in current period	\$ 41,443	\$ 48,246

(22) Interest revenue

	2025	2024
Bank deposit interest	\$ 9,421	\$ 21,418
Interest income from financial assets measured at amortized cost.	14,451	14,741
Other interest income	1,682	8,243
	\$ 25,554	\$ 44,402

(23) Other revenue

	2025	2024
Profit on write-off of overdue payables	\$ 18,625	\$ 70,883
Rental revenue	60,168	68,833
Dividend revenue	800	4,869
Other revenues – others	5,636	1,379
	\$ 85,229	\$ 145,964

(24) Other gains and losses

	<u>2025</u>	<u>2024</u>
Gains on disposal of investment	\$ 707,714	\$ 361,157
Lease modification profit (Note 1)	229,378	-
Foreign currency exchange gain (loss)	(101,748)	10,000
Other expenses – interest	(1,418)	(1,781)
Other expenses – depreciation	(15,014)	(18,622)
Financial liabilities loss measured at fair value through profit or loss	(24,044)	(60,919)
Loss on impairment of non-financial assets (Note 2)	-	(17,056)
Gains on disposal of property, plant and equipment	6,822	203
Miscellaneous expenses	<u>(19,900)</u>	<u>(46,700)</u>
	<u>\$ 781,790</u>	<u>\$ 226,282</u>

Note 1: In 2025, the Group's China subsidiary, Chongqing Hongdaofu Technology Co., Ltd., and its Vietnam subsidiary, HON YAO FU Technology Company Limited, originally entered into lease agreements for plant and office use as lessees. As the Group transferred all production lines to a newly constructed plant in Vietnam, all leases were terminated early by mutual agreement with the lessors. A lease modification gain of NTD 229,378 was recognized, representing the difference between the lease liabilities and the right-of-use assets.

Note 2: The impairment loss of non-financial assets in 2024 resulted from the recoverable amount of intangible assets being less than their book value, leading to the recognition of an impairment loss of NTD 17,056 thousand in 2024.

(25) Finance costs

	<u>2025</u>	<u>2024</u>
Interest expenses:		
Bank loans	\$ 7,993	\$ 14,213
Lease liabilities	<u>3,044</u>	<u>13,651</u>
	<u>\$ 11,037</u>	<u>\$ 27,864</u>

(26) Additional Information on the Nature of Expense

	<u>2025</u>	<u>2024</u>
Employee benefit expenses	\$ 658,543	\$ 452,232
Depreciation expenses of property, plant and equipment	121,188	101,010
Depreciation expenses of right-of-use assets	24,744	30,364
Amortization expense of intangible assets	<u>6,055</u>	<u>7,854</u>
	<u>\$ 810,530</u>	<u>\$ 591,460</u>

(27) Employee benefit expenses

	<u>2025</u>	<u>2024</u>
Salary expenses	\$ 514,291	\$ 362,851
Employee stock option	42,583	8,194
Expenses for labor and health insurance	43,249	33,864
Pension expenses	35,276	26,445
Other employment expenses	<u>23,144</u>	<u>20,878</u>
	<u>\$ 658,543</u>	<u>\$ 452,232</u>

A. According to the Articles of Incorporation of the Company, if the Company makes a profit in a year, it shall allocate no less than 6% of the profit as employee remuneration, with no less than 25% of the total amount of employee remuneration allocated to entry-level employees. However, if the Company has accumulated losses, a provision shall first be made to offset those losses, and then no less than 6% of the profit shall be allocated as employee remuneration.

B. The Company estimated the remuneration for employees to be NTD 29,159 and NTD 1,476 in 2025 and 2024 respectively, and estimated the remuneration for directors to be NTD 0 in both years. The said amounts were accounted for in salary expenses.

The percentages of 8.5% and 8% were based on profit levels as of the end of 2025 and 2024, respectively. As resolved by the board of directors, the amount of employee remuneration and director remuneration in 2024 was NTD 1,476 and NTD 0, respectively, consistent with the amounts recognized in the 2024 financial statements.

C. Please refer to the “Market Observation Post System” for information related to the remuneration to employees and directors of the Company approved by the board of directors.

(28) Income Tax

A. Income tax (benefits) expenses

(A) Components of income tax (benefits) expenses:

	<u>2025</u>	<u>2024</u>
Income tax in the current period:		
Income tax generated from the current income	\$ 1,059	\$ 1,691
Additional tax levied on the undistributed earnings	2,063	-
Underestimated (overestimated) income tax in previous year	<u>(423)</u>	<u>14</u>
Total income tax in the current period	<u>2,699</u>	<u>1,705</u>
Deferred income tax:		
Initial occurrence and reversal of temporary difference	89,834	14,297
Total deferred income tax	<u>89,834</u>	<u>14,297</u>
Income tax expenses	<u>\$ 92,533</u>	<u>\$ 16,002</u>

(B) Income tax related to other comprehensive income:

	2025	2024
Exchange differences on the translation of the foreign operation	\$ 14,755	\$ 681
Remeasurement of defined benefit obligation	1,298	1,328
	<u>\$ 16,053</u>	<u>\$ 2,009</u>

B. Relation between income tax and accounting profit:

	2025	2024
Income tax calculated based on net loss before tax at the statutory tax rate	\$ 63,170	\$ 5,316
Excluded expenses by the tax laws	17,285	50,549
Exemption by the tax laws	(141,542)	(72,230)
Realizable evaluation changes of deferred income tax assets	88,005	32,353
Underestimated (overestimated) income tax in previous year	(423)	14
Taxable loss of unrecognized deferred income tax assets	63,975	-
Additional tax levied on the undistributed earnings	2,063	-
Income tax expenses	<u>\$ 92,533</u>	<u>\$ 16,002</u>

3. The amount of deferred income tax assets and liabilities due to temporary difference are shown in the following:

	2025 years			
	January 1	Recognized into profit and/or loss	Recognized in other comprehensive net profit	December 31
Temporary difference:				
- Deferred income tax assets:				
Loss on inventory valuation	\$ 957	\$ 797	\$ -	\$ 1,754
Warranty reserve	2,194	(1,911)	-	283
Bonus payable for unused vacation	905	61	-	966
Foreign investment losses under equity method	88,005	(88,005)	-	-
Exchange differences on the translation of the foreign operation	14,755	-	(14,755)	-
Subtotal	<u>\$ 106,816</u>	<u>(\$ 89,058)</u>	<u>(\$ 14,755)</u>	<u>\$ 3,003</u>
- Deferred income tax liabilities:				

Unrealized exchange gain	(5,335)	(776)	-	(6,111)
Remeasurement of defined benefit plan	<u>(\$ 7,759)</u>	<u>\$ -</u>	<u>(\$ 1,298)</u>	<u>(\$ 9,057)</u>
Subtotal	<u>(\$ 13,094)</u>	<u>(\$ 776)</u>	<u>(\$ 1,298)</u>	<u>(\$ 15,168)</u>
Total	<u>\$ 93,722</u>	<u>(\$ 89,834)</u>	<u>(\$ 16,053)</u>	<u>(\$ 12,165)</u>

	2024 years			
	January 1	Recognized into profit and/or loss	Recognized in other comprehensive net profit	December 31
Temporary difference:				
- Deferred income tax assets:				
Loss on inventory valuation	\$ 380	\$ 577	\$-	\$ 957
Warranty reserve	2,589	(395)	-	2,194
Bonus payable for unused vacation	1,435	(530)	-	905
Foreign investment losses under equity method	87,832	173	-	88,005
Exchange differences on the translation of the foreign operation	15,436	-	(681)	14,755
Refund liabilities	559	(559)	-	-
Unrealized exchange loss	<u>8,228</u>	<u>(8,228)</u>	<u>-</u>	<u>-</u>
Subtotal	<u>\$ 116,459</u>	<u>(\$ 8,962)</u>	<u>(\$ 681)</u>	<u>\$ 106,816</u>
- Deferred income tax liabilities:				
Unrealized exchange gain	-	(5,335)	-	(5,335)
Remeasurement of defined benefit plan	<u>(\$ 6,431)</u>	<u>\$ -</u>	<u>(\$ 1,328)</u>	<u>(\$ 7,759)</u>
Subtotal	<u>(\$ 6,431)</u>	<u>(\$ 5,335)</u>	<u>(\$ 1,328)</u>	<u>(\$ 13,094)</u>
Total	<u>\$ 110,028</u>	<u>(\$ 14,297)</u>	<u>(\$ 2,009)</u>	<u>\$ 93,722</u>

4. The validity period and unrecognized deferred income tax assets of Group's unused income tax losses are as follows:

December 31, 2025

Region	Year of occurrence	Declared/ Approved	Amount not yet deducted	Amount of unrecognized deferred income tax assets	Final deduction year
Taiwan	2021	\$ 96,111	\$ 96,111	\$ 96,111	2031
Taiwan	2022	56,340	56,340	56,340	2032
Taiwan	2023	161,265	161,265	161,265	2033
Taiwan	2024	100,999	100,999	100,999	2034
Taiwan	2025	314,546	314,546	314,546	2035
China	2021	110,304	110,304	110,304	2026
China	2022	135,068	135,068	135,068	2027
China	2023	39,707	39,707	39,707	2028
China	2024	5,551	5,551	5,551	2029

December 31, 2024

Region	Year of occurrence	Declared/ Approved	Amount not yet deducted	Amount of unrecognized deferred income tax assets	Final deduction year
Taiwan	2021	\$ 96,111	\$ 96,111	\$ 96,111	2031
Taiwan	2022	56,340	56,340	56,340	2032
Taiwan	2023	161,265	161,265	161,265	2033
Taiwan	2024	100,999	100,999	100,999	2034
China	2025	153,642	153,642	153,642	2035
China	2021	110,304	110,304	110,304	2026
China	2022	135,068	135,068	135,068	2027
China	2023	39,707	39,707	39,707	2028
China	2024	5,551	5,551	5,551	2029

5. The Company's profit-seeking business income tax has been certified by the tax authority up until 2023.

(29) Earnings per share

	2025		
	After-tax income	Weighted average outstanding shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net profit attributable to the parent company's common stock shareholders	\$ 222,055	325,144	\$ 0.68
<u>Diluted earnings per share</u>			
Net profit attributable to the parent company's common stock shareholders	\$ 222,055	325,144	
Impacts of dilutive potential common shares			
Remuneration to employees	-	1,262	
Restricted stock	-	106	
Impacts of net profit attributable to the parent company's common stock shareholders plus potential common stocks	\$ 222,055	326,512	\$ 0.68

	2024		
	After-tax income	Weighted average number of shares outstanding Shares outstanding (in thousands)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net profit attributable to the parent company's common stock shareholders	\$ 2,717	327,346	\$ 0.01
<u>Diluted earnings per share</u>			
Net profit attributable to the parent company's common stock shareholders	\$ 2,717	327,346	
Impacts of dilutive potential common shares			
Remuneration to employees	-	45	
Restricted stock	-	368	
Impacts of net losses attributable to the parent company's common stock shareholders plus potential common stocks	\$ 2,717	327,759	\$ 0.01

(30) Supplementary information on cash flow

Partial cash payment investment activities:

	2025	2024
Purchase of land use rights	\$ -	\$ -
Add: Payables at beginning of period	-	6,840
Cash paid in current period	<u>\$ -</u>	<u>\$ 6,840</u>

	2025	2024
Purchase of property, plant and equipment	\$ 405,157	\$ 872,313
Add: Payables for equipment, beginning	81,234	4,158
Less: payables for equipment, ending	(50,679)	(81,234)
Cash paid in current period	<u>\$ 435,712</u>	<u>\$ 795,237</u>

(31) Changes in liabilities from financing activities

	Lease liabilities	
	2025 years	2024 years
January 1	\$ 443,843	\$ 482,764
Changes in cash flow from financing activities	(28,120)	(23,638)
Other non-cash changes	(213,388)	(26,759)
Impact of changes in exchange rate	(3,584)	11,476
December 31	<u>\$ 198,751</u>	<u>\$ 443,843</u>

Besides lease liabilities, the Group's changes in liabilities from financing activities in 2025 and 2024 were changes in cash flow from financing without any non-cash changes. Please refer to the consolidated statement of cash flow.

7. Transactions of the Related Party

(1) Name of the related party and relationship

Name of the related party	Relationship with the Group
Gwong-Yih Lee	Key management of the Group
Microelectronics Technology, Inc. and its subsidiaries (Note)	Other related parties
Hon Hai Precision Industry Co., Ltd. and its subsidiaries (Hong Hai)	"
FOXCONN Technology Co., Ltd. and its subsidiaries	"
Garuda Technology Co., Ltd. and its subsidiaries	"
Pan-International Industrial Corp.	"
Cloud Network Technology Singapore Pte. Ltd.(Cloud Network)	"

Note: Microelectronics Technology, Inc. and its subsidiaries were previously related parties of the Company. However, since the Group ceased to hold a board seat on January 9, 2025, it no longer has significant influence over Microelectronics Technology, Inc. Therefore, it reclassified the company as an other related party, effective January 9, 2025.

(2) Significant transactions with the related party

A. Operating revenue

	<u>2025</u>	<u>2024</u>
Sale of goods:		
Other related parties		
- Cloud Network	\$ 859,894	\$ 981,400
- Hon Hai Precision Ind. Co., Ltd.	573,923	134,495
- Others	32,898	-
Affiliated companies	<u>-</u>	<u>27,717</u>
Total	<u>\$ 1,466,715</u>	<u>\$ 1,143,612</u>

Except for transactions that have no similar transactions to follow, where the transaction terms are negotiated and determined by both parties, the selling prices of the Group to the aforementioned related parties are similar to the selling prices for ordinary customers. The credit terms are 20 days from the shipment date to 120 days after the month-end. For general customers, the credit terms are 60 days after the month-end.

B. Purchase

	<u>2025</u>	<u>2024</u>
Purchase of commodities:		
Other related parties	\$ 443,378	\$ 164,476
Affiliated companies	<u>-</u>	<u>31,129</u>
Total	<u>\$ 443,378</u>	<u>\$ 195,605</u>

Except for transactions with no similar transactions to follow, where the transaction terms are negotiated and determined by both parties, all other transactions of the Group involve purchasing from related parties at prevailing market prices. The Company's payment terms are 30 days from the shipment date to 120 days after month-end. For general suppliers, the payment terms are 60 days after month-end.

C. Accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable – the related party		
Other related parties		
-Cloud Network	\$ 186,309	\$ 238,127
- Hon Hai Precision Ind. Co., Ltd.	145,767	55,534
- Others	9,545	-
Affiliated companies	-	10,817
Less: Allowance for expected credit losses (<u>9,545)</u>	<u>-</u>
Total	<u>\$ 332,076</u>	<u>\$ 304,478</u>

D. Other receivables

	<u>December 31, 2025</u>	<u>December 31,2025</u>
Other receivables – the related party		
Other related parties		
- Microelectronics Technology and its subsidiaries	\$ 43,211	\$ -
- Others	467	1,039
Affiliated companies		
- Microelectronics Technology and its subsidiaries	-	92,602
Less: Allowance for expected credit losses (<u>43,211)</u>	<u>-</u>
Total	<u>\$ 467</u>	<u>\$ 93,641</u>

Other receivables from the related party mainly are the purchase amount on behalf of the related party and rental revenue.

E. Accounts payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable – the related party		
Other related parties	\$ 126,172	\$ 19,663
Affiliated companies	<u>-</u>	<u>12,051</u>
Total	<u>\$ 126,172</u>	<u>\$ 31,714</u>

F. Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other payables – the related party		
Other related parties	\$ 7,115	\$ 17,749
Affiliated companies	<u>-</u>	<u>1,079</u>
Total	<u>\$ 7,115</u>	<u>\$ 18,828</u>

Other payables to the related party mainly are payables of processing fee, labor service fee and freight.

G. Processing expenses

	<u>2025</u>	<u>2024</u>
Other related parties	<u>\$ 3,832</u>	<u>\$ 3,347</u>

H. Labor service fee

	<u>2025</u>	<u>2024</u>
Other related parties	<u>\$ 2,400</u>	<u>\$ 2,592</u>

I. Freight costs

	<u>2025</u>	<u>2024</u>
Other related parties	<u>\$ 10,416</u>	<u>\$ 62,830</u>

J. Rental revenue

	<u>2025</u>	<u>2024</u>
Other related parties		
- Microelectronics Technology and its subsidiaries	\$ 50,862	\$ -
- Hon Hai Precision Ind. Co., Ltd.	6,605	7,150
Affiliated companies		
- Microelectronics Technology and its subsidiaries	<u>-</u>	<u>61,312</u>
Total	<u>\$ 57,467</u>	<u>\$ 68,462</u>

In 2025 and 2024, the Group leased property, plant and equipment to the related party. Under the lease contract, the rent was agreed with reference to the market price and was collected on a quarterly basis.

K. Guarantee deposits received

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other related parties		
- Microelectronics Technology and its subsidiaries	\$ 5,765	\$ -
- Others	690	690
Affiliated companies		
- Microelectronics Technology and its subsidiaries	-	5,765
Total	<u>\$ 6,455</u>	<u>\$ 6,455</u>

L. Other transactions

In 2025 and 2024, the related party, Gwong-Yih Lee, acted as a joint guarantor for the Company's bank credit facilities and as a co-signer of promissory notes.

(3) Information on the remuneration to the key management:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 19,342	\$ 20,933
Benefits after severance/retirement	514	539
Share-based payment for remuneration	18,637	-
Total	<u>\$ 38,493</u>	<u>\$ 21,472</u>

8. Pledged Assets

The details of the Group's assets provided as collateral are as follows:

<u>Asset item</u>	<u>Book value</u>		<u>Purpose of collateral</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>	
Time deposit (listed financial assets measured at amortized cost – non-current)	<u>\$ 22,529</u>	<u>\$ 22,529</u>	Guarantee deposits of superficies

9. Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts

(1) Contingency

None.

(2) Commitments

As of December 31, 2025 and 2024, the total prices for the project contracts signed were NTD 896,280 and NTD 998,884, respectively. The prices paid were NTD 846,089 and NTD 820,872 respectively, and the unpaid amounts were NTD 50,191 and NTD 178,012, respectively.

10. Losses Due to Major Disasters

None.

11. Significant Subsequent Events

None.

12. Others

(1) Capital Management

The Group's capital management objective is intended to protect its continued operation and maintain an optimal capital structure to reduce capital costs and provide remuneration to shareholders. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce liabilities.

(2) Financial instruments

A. Categories of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets measured at fair value through other comprehensive income		
Selection of specified equity instrument investment	\$ 254,221	\$ 51,871
Financial assets measured at amortized cost	<u>2,832,281</u>	<u>2,925,566</u>
	<u>\$ 3,086,502</u>	<u>\$ 2,977,437</u>
<u>Financial liabilities</u>		
Financial liabilities measured at fair value through profit or loss		
Financial liabilities mandatorily measured at fair value through profit or loss	\$ 45,977	\$ 19,543
Financial liabilities measured at amortized cost	2,139,182	1,363,357
Lease liabilities	<u>198,751</u>	<u>443,843</u>
	<u>\$ 2,383,910</u>	<u>\$ 1,826,743</u>

Note: Financial assets at amortized cost include cash and cash equivalents, financial assets at amortized cost, accounts receivable (including related parties), other receivables, and deposits paid. Financial liabilities at amortized cost include short-term borrowings, accounts payable (including related parties), other payables (including related parties), and deposits received.

B. Risk management policy

- (A) Various financial risks have an impact on the daily operation of the Group, including market risk (including the exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. To reduce the adverse impact of uncertainty on the Group's financial performance, the Group used forward exchange contracts to hedge the risk of exchange rate. The derivative tools used by the Group are for hedging purposes instead of trading or speculation.
- (B) The risk management work is executed by the Group's financial department based on the policy approved by the board of directors. The Group's financial department is responsible for identifying, evaluating and hedging financial risks through close cooperation with each business unit in the Group. The board of directors has established written principles for the overall risk management while providing written policy for certain scope and matters, such as exchange rate risk, interest rate risk, credit risk, utilization of the financial and non-financial instruments and the investment principles of remained current funds.

C. Nature and degree of important financial risk

(A) Market risk

Exchange rate risk

- (a) The Group is a multinational corporation. Therefore, the exchange rate risk resulting from transactions with functional currencies relatively different from the Company and its subsidiaries mainly involve USD, RMB, and VND. Related exchange rate risks come from future commercial transactions and recognized assets and liabilities.
- (b) The management of the Group has established a policy that regulates the management of exchange rate risk relative to the functional currency of the Companies in the Group. Each Company shall adopt a hedging policy against the overall exchange rate risk via the Group's financial department. The exchange rate risk is measured by the expected transactions with a high possibility of generating USD, RMB, and VND expenses, which adopt forward exchange contracts to reduce the impact of exchange rate fluctuations on the expected purchase inventory cost.
- (c) The Group's business lines involved some non-functional currencies (the functional currency of the Company and some of its subsidiaries was NTD, and that of some subsidiaries is USD, RMB, and VND). Therefore, the Company would be subject to effects produced by fluctuation in foreign exchange rates. The information about assets and liabilities denominated in foreign currency exposed to significant effects produced by fluctuations in the foreign exchange rate is stated as follows:

December 31, 2025						
Foreign currency (thousand dollars)	Exchange rate	Book amount (NTD)	Sensitivity analysis			
			Range of change	Impact on profit or loss	Impact on other comprehensive income	
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	\$57,990	31.430	\$1,822,626	2%	\$ 29,162	\$ -
RMB : NTD	2,157	4.496	9,698	2%	155	-
USD : VND	396	26,748.911	12,446	2%	199	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	51,085	31.430	1,605,602	2%	25,690	-
December 31, 2024						
Foreign currency (thousand dollars)	Exchange rate	Book amount (NTD)	Sensitivity analysis			
			Range of change	Impact on profit or loss	Impact on other comprehensive income	
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	\$31,310	32.785	\$1,026,498	2%	\$ 16,424	\$ -
RMB : NTD	2,157	4.478	9,659	2%	155	-
USD : VND	1,719	25,641.026	55,757	2%	892	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	41,945	32.785	1,375,167	2%	22,003	-
USD : VND	2,229	25,641.026	74,570	2%	1,193	-

- (d) The Group's total amount of all exchange loss (including the realized and unrealized) from monetary items due to significant impact of exchange rate fluctuation were NTD (101,748) and NTD 10,000 in 2025 and 2024, respectively.

Price risk

- (a) The Group's equity instruments exposed to price risk are the holding financial assets measured at the fair value through profit or loss and financial assets measured at the fair value through other comprehensive income. To manage the price risk of equity investments, the Group diversifies its investment portfolio in

accordance with limits established by the Group.

- (b) The Group mainly invested in equity instruments issued at home and abroad. The price of such equity instruments is affected by the uncertainty of the investment's future value. If the price of the equity instrument increases or decreases by 1% and all other factors remain unchanged, the other comprehensive income in 2025 and 2024 will increase or decrease by NTD 2,507 and NTD 415 as a result of the profit or loss in the equity instrument measured at fair value through other comprehensive income.

(B) Credit risk

- (a) The Group's credit risk represents the risk of financial loss if customers or counterparties to financial instruments fail to meet their contractual obligations. It mainly arises from the inability of counterparties to settle accounts receivable in accordance with payment terms and to fulfill the contractual cash flows of debt instruments measured at amortized cost.
- (b) The Group manages credit risk from a group-wide perspective. For trading banks and financial institutes, only those with good credit can be accepted as trading counterparties. According to the loan policy expressly defined internally, each business department within the Group shall conduct a management and credit risk analysis on each new customer before setting payment and proposing the delivery terms and conditions. The internal risk control evaluates customers' credit quality by taking into consideration the customers' financial position, past experience and other factors. The individual risk limit is set by the board of directors according to the internal or external ratings. The management will also control the periodic draw down of credit limits.
- (c) The Group adopts IFRS 9 for presumption that when the contract payment is past due for over 90 days based on the agreed payment terms, the Group takes it as a default of the contract.
- (d) The following presumption provided by the Group adopts IFRS 9 as the basis to determine whether the credit risk of a financial instrument increases significantly after the initial recognition:
 - (i) When the contract payment is past due for over 30 days based on the agreed payment terms, it is determined that the credit risk of the financial instrument has increased significantly after the initial recognition.
 - (ii) For bond investments traded on the Taipei Exchange, those financial assets with investment grading rated by any external credit rating agency on the balance sheet date are considered to be low credit risk.
- (e) The Group's indexes used to determine the debt instrument as credit impairment are as follows:
 - (i) Issuer has major financial difficulty or is likely to wind up or proceed with other financial reorganizations;
 - (ii) The active market of financial assets might extinguish due to the financial difficulty of the issuer;
 - (iii) Overdue or non-performance of interest or principal payment by the issuer;
 - (iv) National or regional adverse economic changes related to the default of issuer.
- (f) The Group assesses expected credit losses on accounts receivable by

individually evaluating material receivables that are in default. For the remaining balances, the Group groups accounts receivable based on customer credit ratings and types and adopts a simplified approach to estimate expected credit losses using a provision matrix.

- (g) The Group writes off financial assets when, after collection and legal proceedings, they are not reasonably expected to be recoverable. However, the Group continues to pursue legal actions to preserve its rights to recover the receivables. As of December 31, 2025 and 2024, the Group has no receivables that have been written off and are still subject to collection or legal proceedings.
- (h) The Group adopted the business indicators of the National Development Council for the future forward-looking considerations to adjust the established loss ratio based on a certain period of history and current information to estimate the allowance for loss of the accounts receivable (including the related parties). The reserve matrix on December 31, 2025, and 2024 is as follows:

	Individual assessment	Undue	Overdue 1– 30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue more than 90 days	Total
<u>December 31, 2025</u>							
Expected loss ratio		0.29%	7.81%	7.84%	7.87%	100%	
Total book value	\$ 9,545	\$ 1,245,231	\$ 9,045	\$ 672	\$ 484	\$ 259	\$ 1,265,236
Allowance loss	9,545	3,529	706	52	24	259	14,115
	Individual assessment	Undue	Overdue 1– 30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue more than 90 days	Total
<u>December 31, 2024</u>							
Expected loss ratio		0.88%	13.67%	13.70%	13.73%	100%	
Total book value	\$ -	\$ 983,675	\$ 25,974	\$ 1,106	\$ 89	\$ 1,817	\$ 1,012,661
Allowance loss	-	6,459	3,550	151	12	1,817	11,989

- (i) The aging analysis of accounts receivable (including the related party) is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
Undue	\$ 1,254,776	\$ 983,675
Within 30 days	9,045	25,974
31–60 days	672	1,106
61–90 days	484	89
90 days and above	259	1,817
	<u>\$ 1,265,236</u>	<u>\$ 1,012,661</u>

The aging analysis stated above was based on the number of overdue days.

- (j) The Group's statement of changes in the allowance loss for accounts receivable using the simplified approach is as follows:

	<u>2025 years</u>	<u>2024 years</u>
	Accounts receivable (including the related party)	Accounts receivable (including the related party)
January 1	\$ 11,989	\$ 7,476
Impairment loss recognized	3,003	4,500
Foreign exchange rate effect	(877)	13
December 31	<u>\$ 14,115</u>	<u>\$ 11,989</u>

- (k) The Group recognized expected credit impairment losses of NTD 43,211 and NTD 0 for other receivables of customers in 2025 and 2024, respectively.

(C) Liquidity risk

- (a) The cash flow forecast is executed by each business department in the Group and summarized by the Group's finance department. The finance department of the Group supervises the forecast of the Group's current fund demand to ensure there are sufficient funds to support operating needs.
- (b) The following table refers to the non-derivative financial liabilities and is grouped subject to the relevant expiry dates. The non-derivative financial liabilities are analyzed based on the residual period from the date of the balance sheet until the expiry date. The contractual cash flow amount disclosed in the following statement is the undiscounted amount.

Non-derivative
financial liabilities

	<u>Within 1 year</u>	<u>Within 1 to 2 years</u>	<u>Within 2 to 5 years</u>	<u>Over 5 years</u>
December 31, 2025				
Guarantee deposits received	\$ 5,765	\$ 690	\$ 788	\$ 456
Lease liabilities	<u>25,446</u>	<u>22,436</u>	<u>63,270</u>	<u>117,368</u>
	<u>\$ 31,211</u>	<u>\$ 23,126</u>	<u>\$ 64,058</u>	<u>\$ 117,824</u>

Non-derivative
financial liabilities

	<u>Within 1 year</u>	<u>Within 1 to 2 years</u>	<u>Within 2 to 5 years</u>	<u>Over 5 years</u>
December 31, 2024				
Guarantee deposits received	\$ 349	\$ 341	\$ 5,765	\$ 456
Lease liabilities	<u>70,695</u>	<u>67,284</u>	<u>188,959</u>	<u>167,523</u>
	<u>\$ 71,044</u>	<u>\$ 67,625</u>	<u>\$ 194,724</u>	<u>\$ 167,979</u>

Except for those specified above, the non-derivative financial liabilities of the Group will expire within the coming year.

(3) Fair value information

A. The levels of the valuation technique adopted to measure the fair value of the financial and non-financial instruments are defined as follows:

Level 1: The quotation of the same asset or liability in an active market on the measurement date acquired by the enterprise (before adjustment). The active market means the market in which there are frequent and large volumes of transactions to provide information about pricing on an ongoing basis.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of derivatives held by the Group is categorized within this level of the fair value hierarchy.

Level 3: Unobservable inputs for the asset or liability. All equity investments held by the Group without an active market are classified within this level of the fair value hierarchy.

B. The following is the analysis regarding the Group's classification of financial instruments measured at fair value based on the nature, characteristics and risks of the assets and liabilities as well as the levels of fair value:

December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value assets:</u>				
Financial assets measured at fair value through other comprehensive income	<u>\$ 201,076</u>	<u>\$ -</u>	<u>\$ 53,145</u>	<u>\$ 254,221</u>
<u>Recurring fair value liability:</u>				
Financial liabilities measured at fair value through profit or loss	<u>\$ -</u>	<u>\$ 45,977</u>	<u>\$ -</u>	<u>\$ 45,977</u>
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value assets:</u>				
Financial assets measured at fair value through other comprehensive income	<u>\$ 12,175</u>	<u>\$ -</u>	<u>\$ 39,696</u>	<u>\$ 51,871</u>
<u>Recurring fair value liability:</u>				
Financial liabilities measured at fair value through profit or loss	<u>\$ -</u>	<u>\$ 19,543</u>	<u>\$ -</u>	<u>\$ 19,543</u>

- C. The methods and assumptions used by the Group to measure fair value is as follows:
- (a) The Group's fair value inputs (i.e. Level 1) adopting the quoted market price are listed in the following based on the characteristics of the instruments:

Quoted market price	TWSE/TPEX listed stocks
	Closing price

- (b) Except for the financial instrument in the active market, the fair value of other financial instruments is based on the evaluation technology or the quotation of the counterparty. The fair value acquired through the evaluation technology can reference other substantial conditions and similar financial instruments' current fair value and discounted cash flow method or other evaluation technology, including market information that can be acquired on the date of preparing the consolidated balance sheet. The information is then used on a calculation model (such as the yield curve referred to by the Taipei Exchange and the average quotation of the Reuters commercial paper rate).
- (c) When evaluating unstandardized financial instruments with low complexity such as debt instruments without active market, interest rate swap contracts, exchange swap contracts and options, the Group adopts evaluation technology widely used by market participants. The parameters used by the evaluation model of such financial instruments are usually information observable in the market.
- (d) The Group includes the credit valuation adjustment in the consideration for the fair value calculation of financial and non-financial instruments to reflect the credit risk of the trading counterparty and the credit quality of the Group, respectively.
- D. There was no transfer between level 1 and level 2 in 2025 and 2024.
- E. The following statement is the changes in level 3 in 2025 and 2024:

	Equity instruments	
	2025 years	2024 years
January 1	\$ 39,696	\$ 10,464
Purchases in current period	25,000	31,689
Loss recognized under other comprehensive income	(13,491)	(5,370)
Foreign exchange rate effect	1,940	2,913
December 31	\$ 53,145	\$ 39,696

- F. There was no transfer-in and transfer-out from level 3 in 2025 and 2024.
- G. For the Group's evaluation process for fair value classified as level 3, the finance department is responsible for conducting the independent fair value validation of the financial instrument. The department confirms the reasonableness of the evaluation result by aligning it more closely with market conditions using information from independent sources. It ensures that these sources are independent, reliable, and consistent with other resources, and that they represent executable prices. Additionally, the department regularly calibrates the evaluation model, conducts back testing, updates required input values and data, and makes other necessary fair value adjustments to the evaluation model.

H. For the evaluation model used by the measurement item of level 3 fair value, the quantitative information of unobservable major input and sensitivity analysis for the changes in unobservable major input are as follows:

	December 31, 2025	Evaluation	Unobservable	Range	Relationship
	<u>Fair value</u>	<u>technology</u>	<u>major input</u>	<u>(weighted average)</u>	<u>between input and fair value</u>
Non-derivative equity instruments:					
Non-TWSE/TPEX listed stocks	\$ 17,529	Comparable to TWSE/TPEX listed companies	Note 1	10.96	Note 2
Stocks of venture capital companies	\$ 35,616	Net asset value method	N/A	N/A	N/A
	December 31, 2024	Evaluation	Unobservable	Range	Relationship
	<u>Fair value</u>	<u>technology</u>	<u>major input</u>	<u>(weighted average)</u>	<u>between input and fair value</u>
Non-derivative equity instruments:					
Non-TWSE/TPEX listed stocks	\$ 26,405	Comparable to TWSE/TPEX listed companies	Note 1	3.76	Note 2
Stocks of venture capital companies	\$ 13,291	Net asset value method	N/A	N/A	N/A

Note 1: Price-to-book (P/B) multiple and lack of marketability discount (DLOM).

Note 2: The higher the multiple, the higher the fair value; the higher the marketability discount, the lower the fair value.

13. Noted Disclosures

(1) Information related to material transactions

1. Loaning of funds to others: Please refer to Attachment I.
2. Endorsement and guarantee made for others: None.
3. Significant marketable securities held at the end of the period (excluding investments in subsidiaries, affiliated companies, and joint ventures): Please refer to Attachment II.
4. Purchase/sale amount of transactions with the related party reaching NTD 100 million or more than 20% of the paid-in capital: Please refer to Attachment III.
5. Accounts receivable from the related party reaching NTD 100 million or more than 20% of the paid-in capital: Please refer to Attachment IV.
6. Business relationship and major transactions between the parent company and its subsidiaries: Please refer to Attachment V.

(2) Information related to reinvested enterprises

Information related to the invested company, such as names and locations (excluding the invested company in China): Please refer to Attachment 6.

(3) Information about investment in Mainland China

1. Basic information: Please refer to Attachment VII.

2. Major transactions with the invested company in China either directly or indirectly with occurrence through third regions: None.

14. Business Segment Information

(1) General information

The Company only engages in one industry and the Group's operating decision-maker, the board of directors, adopts the overall group financial statements to evaluate performance and distribute resources. Therefore, the Company is identified as a single reportable segment.

(2) Segment Information

The Group is a single reportable segment. The Group's operating decision-maker, the board of directors, adopts profit after tax in the financial statements for measurement and as the basis for performance evaluation. Therefore, the business segment information is consistent with the information in the main financial statements.

(3) Information by product type and labor service:

The Group manufactures and sells broadband Internet access routers and wireless LAN products. Its product features and manufacturing processes are similar, and its markets and sales methods are the same. The Group operates in a single operating segment; therefore, segment information is not applicable.

(4) Information by regions

The Group's information by region in 2025 and 2024 is as follows:

	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
America	\$ 896,372	\$ 1,346	\$ 2,201,231	\$ 1,140
Europe	1,562,047	-	981,400	-
Asia	1,731,716	2,347,096	412,570	2,228,661
Australia	174	-	-	-
Total	<u>\$ 4,190,309</u>	<u>\$ 2,348,442</u>	<u>\$ 3,595,201</u>	<u>\$ 2,229,801</u>

(5) Important customer information

The following are details regarding the customers of the Group whose revenue accounted for more than 10% of the revenue in the statement of comprehensive income in 2025 and 2024:

Customer name	2025		2024	
	Sales amount	Percentage (%)	Sales amount	Percentage (%)
A	\$ 1,433,817	34.22%	\$ 1,115,895	31.04%
B	1,235,264	29.48%	468,402	13.16%
C	1,057,602	25.24%	1,510,438	42.44%

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CyberTAN Technology Inc. and its subsidiaries
Loans of funds to others
January 1 to December 31, 2025

Attachment I

No. (Note 1)	Company providing the loan	Borrower	Transactions (Note 2)	Whether it is a related party	Current maximum amount (Note 3)	Ending balance (Note 9)	Actual drawn amount	Interest rate range	Nature of loans (Note 4)	Business transaction amount (Note 5)	Reason for the necessity of short-term financing (Note 6)	Allowance for impairment losses	Collateral		Max. amount permitted to a single borrower (Note 7, 8)	Total lending limit (Note 7, 8)	Remarks
													Name	Value			
0	CyberTAN Technology Inc.	HON YAO FU Technology Company Limited	Other receivables – Lending of funds	Yes	\$ 332,050	\$ -	\$ -	-	2	-	Operating turnover	-	-	-	\$430,781	\$1,723,125	Note 7
1	Fuhongkang Technology (Shenzhen) Co., Ltd.	Chongqing Hongdaofu Technology Co., Ltd.	Other receivables – Lending of funds	Yes	54,876	35,968	35,968	2.79%	2	-	Operating turnover	-	-	-	494,504	989,008	Note 8

Note 1: The “No.” column is explained as follows:

- (1) 0 is reserved for issuer.
- (2) Each invested company is numbered in sequential order starting from 1.

Note 2: Items such as accounts receivable from affiliated companies, amounts due from related parties, shareholder transactions, prepayments, and temporary payments, should be included in this column if they are of a lending nature.

Note 3: The maximum balance of loans to others in the current year.

Note 4: The nature of the loan should be filled in if it is a business transaction or if there is a need for short-term financing.

- (1) Please fill in “1” for those who have business transactions.
- (2) Fill in “2” if there is a need for short-term financing.

Note 5: If the nature of the loaning of funds is for business transactions, the business transaction amount shall be filled in. The business transaction amount refers to the business transaction amount between the loaning company and the loaning party in the most recent year.

Note 6: If the nature of the loan is in need of short-term financing, the reason for the need for the loan and the use of the fund by the borrower should be explained, such as repayment of loan, purchase of equipment, and business turnover.

Note 7: According to the Company’s Procedures for Loans of Funds to Others, for the Company’s lending funds to companies or firms in need of short-term financing, the total amount of the loan may not exceed 40% of the Company’s net worth limit. In addition, the amount of loans made by the Company as a whole to a single enterprise is limited to 10% of the Company’s net worth.

Note 8: When foreign subsidiaries, in which the Company directly and indirectly holds 100% of the voting shares, engage in intercompany financing, the total amount is limited to no more than 400% of the lender’s net worth. The limit for any individual borrower is restricted to no more than 200% of the lender’s net worth.

Note 9: If the public company submits the loaning of funds to the board of directors for the resolution of the board of directors on a case-by-case basis in accordance with Article 14-1, paragraph 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amount resolved by the board of directors shall be included in the disclosed balance even if the funds have not yet been disbursed, to reveal the risk undertaken. However, if the funds are repaid subsequently, the balance after repayment should be disclosed to reflect the adjustment of risk. If a public company has authorized its chairman to make loans in installments or revolving funds for a certain period of time within a year, through a resolution pursuant to Article 14, paragraph 2 of the Regulations. Even if the funds are subsequently repaid, the loan may be extended again; therefore, the amount of funds lent, as approved by the board of directors, should be used as the balance for the announcement and declaration.

CyberTAN Technology Inc. and its subsidiaries
Significant Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associated Companies and Joint Ventures)
December 31, 2025

Attachment II

Unit: NTD thousand
(Unless otherwise specified)

Holding company	Type and name of securities (Note 1)	Relationship with the issuer of securities (Note 2)	Account title	End of period				Remarks (Note 4)
				Number of shares	Book amount (Note 3)	Shareholding ratio	Fair value	
CyberTAN Technology Inc.	Innolux Corporation	Other related parties	Investment in equity instruments measured at fair value through other comprehensive income	800,000	\$ 13,640	0.01%	\$ 13,640	-
"	Microelectronics Technology, Inc.	Other related parties	"	8,275,320	187,436	7.80%	187,436	-
"	Himalaya Venture Fund Corp.	-	"	2,500,000	21,046	4.76%	21,046	-
"	Shin Kong Life Insurance unsecured cumulative subordinated corporate bonds	-	Financial assets measured at amortized cost – non-current	-	290,000	-	290,000	-
CyberTAN (B.V.I) Investment Corp.	Innovation Works Limited	-	Investment in equity instruments measured at fair value through other comprehensive income	41,755	14,570	2.71%	14,570	-
Ta Tang Investment Co., Ltd.	Shasta Cloud, Inc.	-	"	601,467	17,529	2.87%	17,529	-

Note 1: The “securities” referred to in this table means stocks, bonds, beneficiary certificates, and securities derived from the above items, all as defined within the scope of IFRS 9 “Financial Instruments.”

Note 2: This column is not required if the issuer of the securities is not a related party.

Note 3: Where fair value measurement is used, please fill in the “book value” column with the book value after the valuation adjustment of the fair value and deduction of any accumulated loss; otherwise, please complete the column with the initial acquisition cost or the book value of the amortized cost net of the accumulated loss.

Note 4: For any securities in the table that are provided as a guarantee, pledged for loans, or restricted pursuant to any agreement, the number of stocks provided for guarantee or pledged for loans, the amount of the guarantee or pledge, or the restrictions shall be indicated in the Remarks.

Note 5: This table lists the securities the Company determines are material and required to be disclosed.

CyberTAN Technology Inc. and its subsidiaries
Purchase/Sale Amount of Transactions with Related Parties Reaching NTD 100 Million or More Than 20% of Paid-in Capital
January 1 to December 31, 2025

Attachment III

Unit: NTD thousand
(Unless otherwise specified)

Purchase (sale) company	Counterparty	Relationship	Transaction				Trading conditions different from those of regular transactions and reasons thereof (Note 1)		Notes/accounts receivable (payable)		Remarks (Note 2)
			Purchase (sale)	Amount	Percentage to total purchase (sales)	Loan period	Unit price	Loan period	Balance	Percentage of total notes and accounts receivable (payable)	
CyberTAN Technology Inc.	HON YAO FU Technology Company Limited	Subsidiary of the Company	Purchase	\$ 2,045,362	13.12%	Payment term: O/A 90 days	\$ -	Payment term for regular customers: O/A 60 days	\$ -	-	-
"	FU HAI Technology Company Limited	Subsidiary of the Company	Purchase	1,826,837	11.72%	Payment term: O/A 60 days	-	Payment term for regular customers: O/A 60 days	(294,079)	(50.21%)	-
"	COMPETITION TEAM IRELAND LIMITED	Other related parties	Purchase	107,866	2.57%	Payment term: O/A 60 days	-	Payment term for regular customers: O/A 60 days	(37,650)	(2.78%)	-
"	Cloud Network Technology Singapore Pte. Ltd.	Other related parties	Sale	859,406	(20.51%)	Collection term: Net 75 days	-	Collection term for general customers: O/A 60 days.	186,309	14.89%	-
"	Hon Hai Precision Industry Co., Ltd.	Other related parties	Sale	378,968	(9.04%)	Receive payment 60 days after month-end.	-	Collection term for general customers: O/A 60 days.	38,387	3.07%	-
"	FUSING INTERNATIONAL INC.	Other related parties	Sale	189,414	(4.25%)	Receive payment 90 days after month-end.	-	Collection term for general customers: O/A 60 days.	107,259	8.57%	-

Note 1: If the conditions of trading with related parties are different from those of regular transactions, the difference and the reasons thereof shall be indicated in the "unit price" and "loan period" columns.

Note 2: In case of receipts in advance or prepayments, the reasons, agreed terms and conditions, amount, and the difference from regular transactions shall be indicated in the Remarks.

CyberTAN Technology Inc. and its subsidiaries
Accounts Receivable from Related Parties Reaching NTD 100 Million or More Than 20% of Paid-in Capital
December 31, 2025

Attachment IV

Unit: NTD thousand
(Unless otherwise specified)

Company reporting the receivables	Counterparty	Relationship	Balance of accounts receivable from related parties (Note 1)		Turnover rate	Overdue accounts receivable from related parties		Subsequent recovered amount of accounts receivable from related parties	Allowance for impairment losses
						Amount	Treatment		
CyberTAN Technology Inc.	Cloud Network Technology Singapore Pte. Ltd.	Other related parties	\$	186,309	4.05%	\$ -	-	\$ 72,602	\$ 540
	FUSING INTERNATIONAL INC.	Other related parties		107,259	3.53%			21,310	311
"	Fu Hai Technology Company Limited	Subsidiary of the Company		870,337	-	-	-	1,444	-
(Other receivables listed in the table) (Note 3)									

Note 1: Please list the amount of notes/accounts receivable, other receivables, etc., from related parties, respectively.

Note 2: The paid-in capital means that of the parent company. For the shares of any issuer without a par value or where the par value per share is not NTD 10, the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity attributable to the owner of the parent company shown in the balance sheet.

Note 3: Represents receivables arising from the procurement of raw materials on behalf of others.

CyberTAN Technology Inc. and its subsidiaries
Business relationship and significant transactions between the parent company and its subsidiaries:
January 1 to December 31, 2025

Attachment V

Unit: NTD thousand
(Unless otherwise specified)

No. (Note 1)	Name of counterparty	Counterparty	Relationship with counterparty (Note 2)	Transaction details			Percentage in total consolidated operating revenue or assets (Note 3)
				Title	Amount	Trading conditions	
0	CyberTAN Technology Inc.	HON YAO FU Technology Company Limited	1	Purchase	\$ 2,045,362	Payment due 60 days after the shipment date; payment term for regular customers: O/A 60 days	48.81%
"	"	Fu Hai Technology Company Limited	1	Purchase	1,826,837	Payment due 60 days after the shipment date; payment term for regular customers: O/A 60 days	43.60%
"	"	"	1	Accounts payable	294,079	Payment due 60 days after the shipment date; payment term for regular customers: O/A 60 days	4.37%
"	"	"	1	Other receivables	870,337	Collection term: O/A 60 days; collection term for general customers: O/A 60 days.	12.94%

Note 1: The business transactions between the parent company and its subsidiaries shall be indicated in the "No." column. This column shall be completed as follows:

(1) 0 is reserved for the parent company.

(2) Each subsidiary is numbered in sequential order starting from 1.

Note 2: The relationship with the counterparty is classified into the following three categories. Only the type needs to be indicated. (Repeated disclosure is not required for the same transaction between a parent company and its subsidiaries, or among subsidiaries.) In case of the transaction in the form of parent company to a subsidiary, for example, if the parent company has disclosed the transaction, the subsidiary is not necessary to disclose the same repeatedly; in case of the transaction in the form of subsidiary to subsidiary, if a subsidiary has disclosed the transaction, the other subsidiary is not necessary to disclose the same.)

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: To calculate the percentage of the transaction amount in total consolidated operating revenue or assets, the share of the balance at ending of the period in the total consolidated assets is used as the basis of the calculation under the item of assets/liabilities; the share of the interim accumulated amount in the total consolidated operating revenue is used as the basis for the calculation under the item of profit/loss.

Note 4: The disclosure criteria are for transaction amounts that reach NTD 10 million or more.

CyberTAN Technology Inc. and its subsidiaries
Name and Territory of Invested Companies and Other Relevant Information (Excluding Invested Companies in China)
January 1 to December 31, 2025

Attachment VI

Unit: NTD thousand
(Unless otherwise specified)

Name of investor	Name of invested company (Note 1, 2)	Territory	Main business operation	Initial investment amount		Shareholding at the end of the period			Current profit or loss of the invested company (Note 2(2))	Investment gains and losses recognized in the current period (Note 2(3))	Remarks
				End of current period	End of last year	Number of shares	Ratio	Book amount			
CyberTAN Technology Inc.	CyberTAN Corp.(U.S.A)	USA	Sales of wired and wireless communication equipment	\$ 18,165	\$ 18,165	600,000	100.00%	\$ 54,914	\$ 4,107	\$ 4,107	-
"	Ta Tang Investment Co., Ltd.	Taiwan	General investment business	100,000	100,000	10,000,000	100.00%	200,134	2,980	2,980	-
"	CyberTAN (B.V.I) Investment Corp.	British Virgin Islands	General investment business	2,261,566	1,939,056	81,043,717	100.00%	1,501,583	(56,298)	(68,678)	-
"	SonicFi Inc.	Taiwan	Sales of wired and wireless communication equipment	5,000	5,000	500,000	100.00%	5,018	(21)	(21)	-
"	Mega Power Ventures Inc.	Taiwan	General investment business	14,000	14,000	1,400,000	25.00%	27,865	327	88	-
CyberTAN (B.V.I) Investment Corp.	CyberTAN Technology (HONG KONG) Limited	Hong Kong	General investment business	220,741	220,741	-	100.00%	253,896	206,059	206,059	-
"	HON YAO FU Technology Company Limited	Vietnam	Development, manufacturing and sale of high-end routers	277,119	277,119	-	100.00%	19,919	43,805	44,728	-
"	FU HAI Technology Company Limited	Vietnam	Development, manufacturing and sale of high-end routers	1,547,205	1,244,405	-	100.00%	1,226,181	(307,207)	(320,394)	-

Note 1: When the listed company has set up any holding company overseas and used the consolidated financial statements as the main financial statements pursuant to local laws, the information on overseas invested companies may be disclosed only to the extent that the information is related to the holding company.

Note 2: Otherwise, the table shall be completed as follows:

- (1) The "name of invested company," "territory," "main business operation," "original investment amount" and "shareholding at the end of the period" columns should be completed sequentially based on the Company's (listed company's) investment and each of its reinvestments in directly or indirectly controlled-invested companies. The relationship (subsidiary or sub-subsidiary) of each invested company with the Company (listed company) should be indicated in the Remarks.
- (2) The "current profit (loss) of invested company" column should be filled in with the amount of the current profit/loss of each invested company.
- (3) The "profit (loss) from investments recognized in the current period" column should be filled in only with the amount, recognized by the Company (listed company), of the profit/loss from direct investments in each subsidiary and of the profit/loss of each invested company valued under the equity method, and it is not necessary to provide other profits/losses. When providing "the recognized amount of the current profit/loss from direct investments in each subsidiary," it should ensure that the current profit/loss amount of each subsidiary includes any profit/loss from reinvestments that shall be recognized in accordance with regulations.

CyberTAN Technology Inc. and its subsidiaries
Information on Investments in Mainland China – Basic Information
January 1 to December 31, 2025

Attachment VII

Unit: NTD thousand
(Unless otherwise specified)

Name of Chinese invested company	Main business operation	Paid-in capital	Method of investment (Note 1)	Accumulated amount of investments from Taiwan at the beginning of current period	Amount of investments remitted or recovered in current period		Accumulated amount of investments from Taiwan at the end of current period	Current profit or loss of the invested company	The Company's shareholding ratio of direct or indirect investment	Investment gains and losses recognized in the current period (Note 2)	Investment book value – ending	Profit received from investments as of the end of current period	Remarks
					Remittance	Recovery							
Fuhongkang Technology (Shenzhen) Co., Ltd.	Development, manufacturing and sale of high-end routers	\$ 168,188	(2)	\$ 212,868	\$ -	\$ -	\$ 212,868	\$ 208,359	100%	208,359 (2(B))	\$ 247,252	\$ -	-
Guangzhou Fuguang Communication Technology Co., Ltd.	Development of high-end routers	9,741	(2)	-	-	-	-	(2,300)	100%	(2,300) (2(B))	6,767	-	-
Chongqing Hongdaofu Technology Co., Ltd.	Development, manufacturing and sale of high-end routers	319,108	(3)	-	-	-	-	206,094	100%	206,094 (2(B))	(24,018)	-	-
Company name		Accumulated amount of investments from Taiwan to Mainland China at the end of current period		Investment amount approved by the Investment Commission, MOEA	Limit on the amount of investments in Mainland China specified by the Investment Commission, MOEA (Note 4)								
CyberTAN Technology Inc.		\$212,868 (USD6,344)		\$205,725 (USD6,500)	\$ 2,584,687								

Note 1: Investment is classified into following three categories. It is only necessary to mark the type:

- (1) Engaged in direct investment in Mainland China.
- (2) Reinvested in Mainland China through a company in a third area, CyberTAN Technology (HONG KONG) Limited.
- (3) Others: Directly reinvested in Chinese companies through investment in the Chinese companies.

Note 2: In the “profit (loss) from investments recognized in the current period” column:

- (1) An indication is needed if the investment is under preparation and there is no profit or loss.
- (2) There are following three profit/loss recognition bases. The appropriate one must be indicated.
 - A. The financial statements audited and approved by an international accounting firm that has collaboration relationship with an accounting firm in the Republic of China
 - B. The financial statements audited by a CPA of the parent company in Taiwan
 - C. Other.

Note 3: All amounts in the table should be stated in NTD.

Note 4: According to the letter Jing-Shen-Zi No. 09704604680 dated August 29, 2008, issued by the Ministry of Economic Affairs, the amendments to the “Investment or Technical Cooperation in the Mainland Area and the Examination Guidelines,” the cumulative ceiling amount of an investment in the Mainland area shall be subject to 60% of the net value or the consolidated net value, whichever is higher.