

CyberTAN Technology Inc.  
Parent Company Only Financial Report with Independent Auditors' Report  
2025 and 2024  
(Stock Code: 3062)

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CyberTAN Technology Inc.

2025 and 2024 Parent Company Only Financial Report and Independent Auditors' Report

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## Independent Auditors' Report

(115)Cai-Shen-Bao-Zi No.25004706

To CyberTAN Technology Inc.:

### **Audit opinion**

We have audited the parent company only balance sheets of CyberTAN Technology Inc. (hereinafter referred to as “the Company”) as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity, and cash flows for the years then ended, as well as the accompanying notes to the parent company only financial statements (including a summary of significant accounting policies).

In our opinion, based on our audit results and other independent auditors' report (please refer to the other matter section), all material disclosures of the parent company only financial statements mentioned above were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and presented a fair view of the parent company only financial position of CyberTAN as at December 31, 2025 and 2024, and business performance and cash flow for the periods January 1 to December 31, 2025 and 2024.

### **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 Parent Company Only 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 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**

The “key audit matters” means that the independent auditor has used their professional judgment as the basis to audit the most important matters on the 2025 parent company only financial statements of CyberTAN. These matters were addressed in the content of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

The key audit matters of the 2025 parent company only financial statements of CyberTAN 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(13) to the parent company only financial report; for the uncertainty to accounting estimates and assumptions, please refer to Note 5(2) to the parent company only financial report; for description of inventory accounting titles, please refer to Note 6(5) to the parent company only financial report. The balances of valuation loss regarding the inventory and allowance for inventory on December 31, 2025 were NTD 279,031 thousand and NTD 8,767 thousand, respectively.

CyberTAN is mainly involved in the sale of communication products manufactured by the subsidiaries. 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 and its subsidiaries 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 and from the identification of obsolete or damaged inventory items. As the inventories of CyberTAN and its subsidiaries are significant in amount and consist of numerous items, and the identification of obsolete or damaged inventory involves management's subjective judgments and significant audit judgment, the assessment of the allowance for inventory valuation losses has been identified as a key audit matter.

#### Responsive Audit Procedures

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

1. Adopted the acquired allowance policy for inventory devaluation of CyberTAN and its subsidiaries during the comparative period of financial statements and evaluated the reasonableness of the allowance 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**

Certain investments accounted for using the equity method included in the separate financial statements of CyberTAN have not been audited by us, but have been audited by other auditors. Therefore, our opinion on the separate financial statements of the Company, including the amounts presented therein and the related information disclosed in Note 13, is based on the reports of other auditors. The balances of the investments under the equity method as of December 31, 2025 and 2024 were NTD 27,865 thousand and NTD 31,705 thousand respectively, accounting for 0.44% and 0.52% of the parent company only total assets. The comprehensive income recognized under the equity method for the said companies were NTD 3,482 thousand and NTD 19,506 thousand from January 1 to December 31, 2025 and 2024, respectively, accounting for (0.88%) and 22.65% of the parent company only comprehensive income.

#### **Responsibilities of Management and the Governance Unit with Governance of the Parent Company Only Financial Statements**

The management is responsible for preparing the appropriate parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Report by Securities Issuers. Additionally, it is responsible for maintaining the internal control mechanism that is related to and necessary for the preparation of the parent company only financial statements. As a result, it can ensure material misstatement due to fraud or error is not pertained in the parent company only financial statements.

In preparing the parent company only financial statements, the management is also responsible for assessing the ability of CyberTAN 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 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 is responsible for supervising the financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Auditing Standards in the ROC will always detect a material misstatement in the separate financial statements of the Company if one exists. Misstatement can arise from fraud or error. If fraud or errors are considered material, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent company only 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 parent company only 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 the knowledge is not to express opinions on the effectiveness of the internal control mechanism of CyberTAN.
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 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 parent company only 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 to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of individual companies within the CyberTAN in order to express an opinion on the parent company only financial statements. The independent auditor is responsible for guiding, supervising, and implementing the individual audit of CyberTAN, and also for forming an audit opinion for the parent company only financial statements.

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 parent company only financial statements of CyberTAN. 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.  
Parent Company Only Balance Sheet  
December 31, 2025 and 2024

Unit: NTD thousand

Assets	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 693,433	11	\$ 570,176	9
1136	Financial assets measured at amortized cost – current	6(3) and 8	-	-	100,000	2
1170	Accounts receivable, net	6(4)	917,706	15	694,799	12
1180	Accounts receivable – the related party, net	6(4) and 7	335,600	5	325,600	5
1210	Other receivables- the related party	7	870,805	14	862,023	14
1220	Income tax assets in the current period		5,133	-	5,114	-
130X	Inventory	6(5)	270,264	4	184,151	3
1470	Other current assets		21,761	-	37,075	1
11XX	<b>Total current assets</b>		<u>3,114,702</u>	<u>49</u>	<u>2,778,938</u>	<u>46</u>
<b>Non-current assets</b>						
1517	Financial assets measured at fair value through other comprehensive income – non-current	6(2)	222,122	4	12,175	-
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)	1,789,514	28	1,938,853	32
1600	Property, plant and equipment	6(7)	530,636	8	544,866	9
1755	Right-of-use assets	6(8)	173,587	3	189,313	3
1780	Intangible assets		1,231	-	6,450	-
1840	Deferred income tax assets	6(28)	3,003	-	106,816	2
1990	Other non-current assets – others	6(11), (14)	198,024	3	205,704	3
15XX	<b>Total non-current assets</b>		<u>3,230,646</u>	<u>51</u>	<u>3,316,706</u>	<u>54</u>
1XXX	<b>Total assets</b>		<u>\$ 6,345,348</u>	<u>100</u>	<u>\$ 6,095,644</u>	<u>100</u>

(To be continued)

CyberTAN Technology Inc.  
Parent Company Only Balance Sheet  
December 31, 2025 and 2024

Unit: NTD thousand

Liabilities and equity	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
<b>Current liabilities</b>						
2100	Short-term loans	6(11)	\$ -	-	\$ 94,539	2
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		81,665	1	89,644	1
2180	Accounts payable – the related party	7	294,166	5	21,047	-
2200	Other payables	6(13)	1,179,623	19	884,049	15
2220	Other payables – the related party	7	218,460	3	27,926	-
2230	Income tax liabilities in the current period		136	-	-	-
2250	Liability reserve – current	6(16)	413	-	541	-
2280	Lease liabilities – current		19,175	-	17,658	-
2399	Other current liabilities – others		5,257	-	47,236	1
21XX	<b>Total current liabilities</b>		<u>1,847,424</u>	<u>29</u>	<u>1,243,626</u>	<u>20</u>
<b>Non-current liabilities</b>						
2550	Liability reserve – non-current	6(16)	998	-	10,424	-
2570	Deferred income tax liabilities	6(28)	15,168	-	13,058	1
2580	Lease liabilities – non-current		166,247	3	182,760	3
2600	Other non-current liabilities	7	7,699	-	6,911	-
25XX	<b>Total non-current liabilities</b>		<u>190,112</u>	<u>3</u>	<u>213,153</u>	<u>4</u>
2XXX	<b>Total liabilities</b>		<u>2,037,536</u>	<u>32</u>	<u>1,456,779</u>	<u>24</u>
<b>Equity</b>						
Capital stock						
3110	Common stock	6(17)	3,301,360	52	3,303,254	54
Capital reserves						
3200	Capital reserves	6(18)	560,569	9	598,676	10
Retained earnings						
3310	Legal reserve	6(19)	825,257	13	825,257	13
3320	Special reserve		58,176	1	155,470	3
3350	Undistributed earnings		256,526	4	26,706	-
Other equity						
3400	Other equity	6(20)	( 628,794)	( 10)	( 64,804)	( 1)
Treasury stocks						
3500	Treasury stocks	6(17)	( 65,282)	( 1)	( 205,694)	( 3)
3XXX	<b>Total equity</b>		<u>4,307,812</u>	<u>68</u>	<u>4,638,865</u>	<u>76</u>
3X2X	<b>Total liabilities and equity</b>		<u>\$ 6,345,348</u>	<u>100</u>	<u>\$ 6,095,644</u>	<u>100</u>

Please refer to the notes of the parent company only financial statements, which constitute a part of the parent company only financial report.

Chairman: Gwong-Yih Lee

Manager: Raoul Oyang

Finance & Accounting Officer: Chiu-Ju Chen

CyberTAN Technology Inc.  
Parent Company Only 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	\$ 4,189,468	100	\$ 3,612,341	100
5000	Operating cost	6(5), (26) (27) and 7	( 3,819,392)	( 91)	( 3,394,659)	( 94)
5900	Operating gross profit		<u>370,076</u>	<u>9</u>	<u>217,682</u>	<u>6</u>
	Operating expense	6(26) (27) and 7				
6100	Selling expenses		( 118,328)	( 3)	( 50,683)	( 2)
6200	Administrative expenses		( 170,970)	( 4)	( 106,496)	( 3)
6300	R&D expenses		( 345,945)	( 8)	( 293,977)	( 8)
6450	Expected credit impairment losses	12(2)	( 5,658)	-	( 3,882)	-
6000	Total operating expenses		<u>(640,901)</u>	<u>(15)</u>	<u>(455,038)</u>	<u>(13)</u>
6900	Operating losses		<u>(270,825)</u>	<u>(6)</u>	<u>(237,356)</u>	<u>(7)</u>
	Non-operating revenue and expenses					
7100	Interest revenue	6(22) and 7	25,936	1	43,379	1
7010	Other revenue	6(23) and 7	85,181	2	139,841	4
7020	Other gains and losses	6(24)	587,068	14	333,046	9
7050	Finance costs	6(25)	( 8,739)	-	( 8,899)	-
7055	Expected credit impairment losses	12(2)	( 43,211)	( 1)	-	-
7070	Share of profit or loss of subsidiaries, affiliated companies and joint ventures recognized under the equity method	6(6)	( 61,524)	( 2)	( 253,036)	( 7)
7000	Total non-operating income and expense		<u>584,711</u>	<u>14</u>	<u>254,331</u>	<u>7</u>
7900	<b>Profit before tax</b>		<u>313,886</u>	<u>8</u>	<u>16,975</u>	<u>-</u>
7950	Income tax expenses	6(28)	( 91,831)	( 2)	( 14,258)	-
8200	<b>Current net profit</b>		<u>\$ 222,055</u>	<u>6</u>	<u>\$ 2,717</u>	<u>-</u>
	<b>Other comprehensive income</b>					
	<b>Items not reclassified to profit or loss</b>					
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(20)	( 546,840)	( 13)	-	-
8330	Share of other comprehensive income of subsidiaries, affiliated companies and joint ventures recognized under the equity method – items not reclassified to profit or loss	6(6)	( 2,306)	-	13,389	-
8349	Income tax related to items not reclassified	6(28)	( 1,298)	-	( 1,328)	-
8310	Total of items not reclassified to profit or loss		<u>(543,955)</u>	<u>(13)</u>	<u>18,702</u>	<u>-</u>
	<b>Items may be reclassified to profit or loss subsequently</b>					
8361	Exchange difference in the financial statement translation of the foreign operation	6(20)	( 57,820)	( 2)	53,630	2
8380	Share of other comprehensive income of subsidiaries, affiliated companies and joint ventures recognized under the equity method – items may be reclassified to profit or loss	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		<u>(72,575)</u>	<u>(2)</u>	<u>64,717</u>	<u>2</u>
8300	<b>Other comprehensive profit (loss) for the period (after-tax, net)</b>		<u>(\$ 616,530)</u>	<u>(15)</u>	<u>\$ 83,419</u>	<u>2</u>
8500	<b>Total comprehensive income (losses) for the year</b>		<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 parent company only financial statements, which constitute a part of the parent company only financial report.

Chairman: Gwong-Yih Lee

Manager: Raoul Oyang

Finance & Accounting Officer: Chiu-Ju Chen

CyberTAN Technology Inc.  
Parent Company Only Statement of Changes in Equity  
January 1 to December 31, 2025 and 2024

Unit: NTD thousand

	Notes	Retained earnings				Other equity					Total
		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 allocation of earnings in 2023:	6(19)										
Reversal of special reserves		-	-	-	( 6,922 )	6,922	-	-	-	-	-
Issuance of new restricted employee shares	6(15), (17), (18), (20)	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	6(20)	-	-	-	-	151	-	( 151 )	-	-	-
Repurchase of treasury shares		-	-	-	-	-	-	-	-	( 204,268 )	( 204,268 )
Balance at December 31, 2024		<u>\$3,303,254</u>	<u>\$ 598,676</u>	<u>\$ 825,257</u>	<u>\$ 155,470</u>	<u>\$ 26,706</u>	<u>(\$ 10,414 )</u>	<u>(\$ 47,762 )</u>	<u>(\$ 6,628 )</u>	<u>(\$ 205,694 )</u>	<u>\$4,638,865</u>
<u>2025</u>											

Please refer to the notes of the parent company only financial statements, which constitute a part of the parent company only financial report.

Chairman: Gwong-Yih Lee

Manager: Raoul Oyang

Finance & Accounting Officer: Chiu-Ju Chen

CyberTAN Technology Inc.  
Parent Company Only Statement of Changes in Equity  
January 1 to December 31, 2025 and 2024

Unit: NTD thousand

	Notes	Retained earnings				Other equity					Total
		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 allocation of earnings in 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		<u>\$3,301,360</u>	<u>\$ 560,569</u>	<u>\$ 825,257</u>	<u>\$ 58,176</u>	<u>\$ 256,526</u>	<u>(\$ 81,371 )</u>	<u>(\$ 546,307 )</u>	<u>(\$ 1,116 )</u>	<u>(\$ 65,282 )</u>	<u>\$4,307,812</u>

Please refer to the notes of the parent company only financial statements, which constitute a part of the parent company only financial report.

Chairman: Gwong-Yih Lee

Manager: Raoul Oyang

Finance & Accounting Officer: Chiu-Ju Chen

CyberTAN Technology Inc.  
Parent Company Only Statement of Cash Flow  
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	\$ 313,886	\$ 16,975
Adjustment items		
Income/expenses items without impact on cash flow		
Depreciation expenses	6(26) 51,549	51,326
Miscellaneous expenses – depreciation expenses	6(24) 15,014	18,622
Amortization expenses	6(26) 5,156	7,672
Expected credit impairment losses	12(2) 48,869	3,882
Net loss on financial liabilities measured at fair value through profit or loss.	6(12), (24) 24,044	60,919
Interest expenses	6(25) 8,739	8,899
Miscellaneous expenses – Interest expenses	6(24) 1,418	1,781
Interest revenue	6(22) ( 25,936 )	( 43,379 )
Dividend revenue	6(2)(23) 800	-
Share of losses of associates and joint ventures accounted for using the equity method	6(6) 61,524	253,036
Gains on disposal of investment accounted for using equity method	6(6), (24) ( 707,714 )	( 361,157 )
Share-based payment expenses	6(15) 42,583	8,194
Profit on write-off of overdue payables	6(23) ( 18,625 )	( 70,883 )
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		
Accounts receivable	( 2,391 )	( 39,763 )
Accounts receivable – the related party	( 219,020 )	104,767
Other receivables- the related party	( 19,544 )	( 163,251 )
Inventory	( 379,843 )	( 153,463 )
Other current assets	( 86,113 )	( 36,003 )
Other non-current assets	17,498	( 13,138 )
	15,919	14,154
Net changes of liabilities related to operating activities		
Contract liabilities – current	( 38,891 )	( 5,165 )
Accounts payable	( 7,979 )	( 218,931 )
Accounts payable – the related party	273,119	( 15,560 )
Other payables	269,450	271,865
Other payables – the related party	190,534	19,957
Liability reserve	( 9,554 )	( 1,974 )
Other current liabilities – others	2,770	25,934
Cash outflow from operations	( 167,956 )	( 254,684 )
Income tax paid	( 1,845 )	( 2,280 )
Net cash outflow from operating activities	( 169,801 )	( 256,964 )
<u>Cash flow from investing activities</u>		
Disposal of financial assets measured at amortized cost - current	100,000	595,695
Acquisition of financial assets measured at fair value through other comprehensive income	( 25,000 )	( 12,175 )
Proceeds from disposal of investment under equity method	6(6) 55,107	635,856
Cash dividend distributed by affiliated companies recognized under the equity method	6(6) 7,322	1,478
Acquisition of property, plant, and equipment	6(7) ( 33,304 )	( 30,102 )
Acquisition of intangible asset	( 669 )	( 5,457 )
Dividends received	( 800 )	-

Please refer to the notes of the parent company only financial statements, which constitute a part of the parent company only financial report.

CyberTAN Technology Inc.  
Parent Company Only Statement of Cash Flow  
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>
Other receivables from related parties decreased (increased).		327,850	( 327,850 )
Proceeds from disposal of financial assets measured at fair value through other comprehensive income		229,090	-
Interest received		23,752	40,717
Net cash inflow from investing activities		<u>683,348</u>	<u>898,162</u>
<u>Cash flow from financing activities</u>			
Acquisition of investment under equity method	6(6)	( 322,510 )	( 959,043 )
Increase (decrease) in short-term loans		( 94,539 )	54,623
Increase in guarantee deposits		788	79
Repayment of lease principal	6(30)	( 18,299 )	( 17,962 )
Interest paid		( 10,157 )	( 60,487 )
Cost of the repurchase of treasury shares		( 27,473 )	( 204,268 )
Transfer of treasury shares		81,900	-
Net cash outflow from financing activities		<u>( 390,290 )</u>	<u>( 1,187,058 )</u>
Increase (decrease) in cash and cash equivalents in the current period		123,257	( 545,860 )
Balance of cash and cash equivalents, beginning		570,176	1,116,036
Balance of cash and cash equivalents, ending		<u>\$ 693,433</u>	<u>\$ 570,176</u>

Please refer to the notes of the parent company only financial statements, which constitute a part of the parent company only financial report.

Chairman: Gwong-Yih Lee

Manager: Raoul Oyang

Finance & Accounting Officer: Chiu-Ju Chen

CyberTAN Technology Inc.  
Notes to Parent Company Only 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. We mainly engaged in wired communication mechanical equipment manufacturing, electronic components manufacturing, and the R&D, development and sales of broadband Internet routers, gateways, virtual private networks, firewalls, Layer 3 and Layer 4 switches, wired broadband network security router and wireless broadband network security router. 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 parent company only 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 new, amended, and revised IFRS Accounting Standards and Interpretations effective in 2025 that have been approved and issued 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 Company 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 2025, 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 Company evaluated that the above standards and interpretations applicable have no significant impact on the financial status and business results of the Company.

(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
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 Company has assessed that the standards and interpretations above have no significant impact on the Company’s financial position and financial 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 parent company only financial statements are as follows. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(1) Compliance Statement

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

(2) Basis of preparation

A. Except the following important items, the parent company only financial report has been duly prepared on the basis of historical costs:

- (A) Financial assets (including derivatives) measured at fair value through profit or loss based on fair value.
  - (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 financial statements in conformity with the IFRS Accounting Standards and Interpretations (hereinafter referred to as IFRSs), as endorsed and issued into effect by the FSC, requires the use of significant accounting estimates. In applying the Company's accounting policies, management is also required to exercise judgment. Certain items involve a higher degree of judgment or complexity, or significant assumptions and estimates. Please refer to Note 5 for further details.
- (3) Translation of foreign currency

The items included in the parent company only financial statements are measured using the currency of the primary economic environment in which the Company operates (i.e. the functional currency). The parent company only 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 Company'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 operation for partial disposal or selling is a subsidiary, the accumulated exchange differences recognized under other comprehensive income are reattributed proportionally as non-controlling equity of the subsidiary. However, when the Company maintains partial rights of the former subsidiary but loses the control over the subsidiary included in the foreign operation institutions, it is conducted based on the disposal of all equity in the foreign operation institutions.

(4) 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 Company 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 Company classifies all liabilities that do not meet the above conditions as non-current liabilities.

(5) 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.

(6) 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 Company applies trade date accounting for regular way transactions of financial assets measured at fair value through profit or loss.
- C. It is initially recognized at fair value by the Company while the transaction cost is recognized in profit or loss upon incurred. Subsequent valuation is based on the fair value measurement and the resulting gain or loss is recognized as profit or loss.

(7) 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 Company applies trade date accounting for regular way transactions of financial assets measured at fair value through other comprehensive income.
- C. It is initially recognized at fair value plus the transaction cost by the Company 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. Dividend income is recognized in profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.
  - (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.
- (8) 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 Company adopts the trade date accounting for financial assets in accordance with the general trade practice measured at amortized cost.
  - C. The Company measures its fair value plus transaction costs at the time of initial recognition. Subsequently, the effective interest method is adopted to recognize interest income and impairment loss in the current period according to the amortization procedure. At the time of derecognition, the loss is recognized in profit and/or loss.
  - D. The time deposit not complying with cash equivalents held by the Company is measured at investment amount since the impact of discounting was insignificant.
- (9) 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. These are short-term non-interest-bearing accounts receivable. As the effect of discounting is immaterial, they are measured at the original invoice amount.
- (10) 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 parts, the Company measures the loss allowance based on 12-month expected credit

losses for those without a significant increase in credit risk after initial recognition, after taking reasonable and supporting materials into consideration (including forward-looking ones) 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 the expected credit losses over the duration. For accounts receivable excluding material financial parts, the loss allowance is measured at the amount of the expected credit losses over the duration.

(11) Derecognition of the financial assets

The Company will derecognize financial assets only in the event where the interests on a contract for financial assets-based cash flow ceased to be effective.

(12) 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.

(13) 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.

(14) Investment/subsidiaries and affiliated companies under the equity method

- A. Subsidiaries mean the entities controlled by the Company. When the Company is exposed to changes in the remuneration participated by the entities or is entitled to changes in remuneration, and is able to influence the remuneration by virtue of its power over the entities, the Company is considered to be controlling the entities.
- B. Unrealized gains and losses on transactions between the Company and subsidiaries were written off. Accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The shares of profit or loss acquired from subsidiaries by the Company were recognized as current profit or loss and shares of other comprehensive income were recognized as other comprehensive income. In the event that the shares of loss in the subsidiaries recognized by the Company are equal to or greater than its equity in the subsidiaries, the Company will continue to recognize the losses based on the shareholding ratio.
- D. The affiliated companies refer to the entity in which the Company has significant impact upon and often holds more than 20% of voting shares directly or indirectly. The investment of the Company in the affiliated companies adopts the equity method for disposal and is recognized based on cost upon acquisition.
- E. The shares in profit or loss acquired from affiliated companies by the Company was recognized as current profit or loss and shares of other comprehensive income was recognized as other comprehensive income. In the event that the Company's shares of loss in the affiliated companies is equal to or exceed its equity in the affiliated companies (including other unsecured receivables), the Company does not recognize further losses,

unless in the event of occurrence of legal obligations, presumed obligations or within the scope that the Company made payment on behalf of the affiliated companies.

- F. 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 Company, all of changes in equity will be recognized as “capital reserves” based on the shareholding ratio by the Company.
- G. The unrealized profit or loss deriving from the transactions between the Company 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 Company.
- H. When the Company loses significant influence over an associate, the remaining investment is remeasured at fair value, and the difference between the fair value and the carrying amount is recognized in profit or loss for the period.
- I. When the Company forfeits its material influence over the affiliated companies, if the Group disposes of the affiliated companies, the accounting treatment for the values related to the affiliated companies as stated in other comprehensive income previously is identical to the basis for the Company’s direct disposition of related assets or liabilities. Namely, if the gain or loss stated in other comprehensive income previously would be reclassified into income when the related assets or liabilities are disposed of, the gain or loss shall be reclassified into income from equity when the Company has no significant impact on the affiliated companies. 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.
- J. According to the regulations of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the current income and other comprehensive income as presented in the parent company only financial statements shall be identical with the current income and other comprehensive income attributable to the proportion allocated to the parent shareholder as presented in the financial statement prepared on the basis of consolidation. The shareholders’ equity as presented in the parent company only financial statements shall be identical with the parent shareholders’ equity as presented in the financial statement prepared on the basis of consolidation.

(15) 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 single asset only when future economic benefits related to such item will probable inflow to the Company 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. 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 Company reviews the residual value, useful life and depreciation method of each asset at the end of each reporting period. 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,” effective from the date of change. The useful life of each asset are 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

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

- A. The lease asset is recognized as right-of-use assets and lease liabilities upon the date available for use by the Company. 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 Company’s incremental borrowing rate of interest on the start date of lease. The lease payment belongs to fixed payment deducting any received lease incentives.
- C. 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.
- D. 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;
  - (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.

(17) Intangible assets

Computer software

Computer software is recognized at cost and amortized using the straight-line method over its estimated useful life of 1 year.

(18) Impairment of non-financial assets

The Company 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.

(19) Loans

This refers to short-term amounts borrowed from the bank. Loans of the Company are initially recognized at fair value less transaction costs. Subsequently, any difference between the amount 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 as interest expense.

(20) Accounts payable

- A. This means debt generated from the purchase of materials, commodities or labor services on credit.
- B. These are short-term non-interest-bearing accounts payable. As the effect of discounting is immaterial, they are measured at the original invoice amount.

(21) 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 Company 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 Company while the transaction cost is recognized in profit or loss upon incurred. Subsequent valuation is based on the fair value measurement and the resulting gain or loss is recognized as profit or loss.

(22) Derecognition of the financial liabilities

The Company derecognizes financial liabilities when the contractual obligation is discharged, canceled, or expires.

(23) 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.

(24) 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.

(25) 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 rereasurement 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. 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.

(26) 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.

(27) 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 Company 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 recognized using the balance sheet method based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. 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 business merger) shall not be recognized, insofar as the accounting profit or taxable income (taxable loss) is not affected by the transaction. For taxable temporary differences arising from investments in subsidiaries and associates, deferred tax is not recognized when the timing of reversal can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future. The deferred income tax assets and liabilities are measured at the tax rate in the current period of which the assets are expected to be realized or liabilities to be repaid. The tax rate shall be based on the tax rate and tax laws already 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.

(28) Capital stock

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.

(29) 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 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.

(30) Recognition of revenue

A. Sale of goods

- (A) The Company researches, develops, manufactures, and sells products related to wire communication and wireless broadband networks. 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 the product, and the Company 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 rebates granted to customers are generally calculated based on the cumulative sales volume over a 12-month period. The Company estimates variable consideration 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 in the amount of cumulative revenue recognized will not occur. The estimates are updated at each reporting 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 Company provides standard warranty for products sold and has responsibility to provide refund for products with defect, 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 Company has unconditional rights to contract proceeds since that timing and can collect consideration from the customer after that time.

B. Cost of acquiring customer contract

The Company 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.

(31) 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 the expenses incurred by the Company, the government subsidies shall be stated as the current income on a systematic basis when the related expenses are incurred.

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

When preparing the parent company only financial report of the Company, the management decided 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 Company has taken into account the economic impact of COVID-19 in its critical accounting estimates and will continue to evaluate the impact of COVID-19 on its financial position and performance. 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 Company must make judgment and estimate to determine the net realizable value of the inventory on the balance sheet date. Due to rapid technological changes, the Company assesses inventory for obsolescence, damage or declines in market value at each balance sheet date, and writes down inventory cost 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 Company's inventory was NTD 270,264.

## 6. Description of Significant Accounting Items

### (1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and working fund	\$ 271	\$ 287
Current deposit	614,587	199,735
Time deposit	78,575	-
Cash equivalents – repurchase bonds	-	370,154
Total	<u>\$ 693,433</u>	<u>\$ 570,176</u>

- A. The financial institutions trading with the Company are reputable banks and the Company trades with various financial institutions to spread the credit risk. Therefore, the probability of anticipated default is low.
- B. The Company has reclassified time deposit with an initial maturity date over three months and restricted use to the item of “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
Over-the-counter (OTC) stocks	25,000	-
Valuation adjustment	<u>( 520,566 )</u>	<u>-</u>
Total	<u>\$ 222,122</u>	<u>\$ 12,175</u>

- A. The Company classified the equity instrument investment belonging to strategic investments 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 222,122 and NTD 12,175, respectively.
- B. The details of financial assets measured at fair value through other comprehensive income recognized in profit or loss and comprehensive income are as follows:

	<u>2025</u>	<u>2024</u>
Equity instrument measured at fair value through other comprehensive income		
Fair value changes recognized in other comprehensive income	<u>( \$ 546,840 )</u>	<u>\$ -</u>
Accumulated gain or loss recognized in retained earnings due to derecognition	<u>( \$ 26,276 )</u>	<u>\$ -</u>
Dividend income recognized in profit or loss	<u>\$ 800</u>	<u>\$ -</u>

- C. In January 2025, the Company 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.
- D. For information related to the credit risk of financial assets measured at fair value through other comprehensive income, please refer to Note 12(2).

(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>\$ -</u>	<u>\$ 100,000</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>

- A. Without taking into account the collaterals or credit enhancement held by the Company, for the financial assets measured at amortized cost that best represents the Company, the maximum amounts of credit risk exposure as of December 31, 2025 and 2024 were the book balance.
- B. For pledged financial assets measured at amortized cost by the Company, please refer to Note 8.
- C. The Company'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	\$ 922,276	\$ 706,157
Accounts receivable – the related party	345,145	325,600
Less: Allowance for expected credit losses	<u>( 14,115 )</u>	<u>( 11,358 )</u>
	<u>\$ 1,253,306</u>	<u>\$ 1,020,399</u>

- A. For aging analysis of accounts receivable (including the related party), please refer to Note 12(2).
- B. The balances of accounts receivable on December 31, 2025 and 2024 were generated by the customer's contract. Also, the balance of accounts receivable from the customer's contract was NTD \$965,797 as of January 1, 2024.
- C. The accounts receivable (including the related party) of the Company does not include collaterals.
- D. Without taking into account the collaterals or credit enhancement held by the Company, for the accounts receivable that best represents the Company, the maximum credit risk exposure amount as of December 31, 2025 and 2024 was the book balance.
- E. Please refer to Note 12(2) for details on the credit risk of accounts receivable.

(5) Inventory

	December 31, 2025		
	Costs	Allowance for valuation loss	Book amount
Materials	\$ 15,996	( \$ 953 )	\$ 15,043
Semi-finished goods	63	( 16 )	47
Finished products	21,060	( 7,798 )	13,262
Inventory in transit	241,912	-	241,912
Total	<u>\$ 279,031</u>	<u>( \$ 8,767 )</u>	<u>\$ 270,264</u>

	December 31, 2024		
	Costs	Allowance for valuation loss	Book amount
Materials	\$ 19,580	( \$ 121 )	\$ 19,459
Semi-finished goods	524	( 82 )	442
Finished products	17,669	( 4,581 )	13,088
Inventory in transit	151,162	-	151,162
Total	<u>\$ 188,935</u>	<u>( \$ 4,784 )</u>	<u>\$ 184,151</u>

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

	2025	2024
Cost of sold inventory	\$ 3,788,171	\$ 3,391,771
Inventory loss	27,238	-
Valuation loss	3,983	2,888
	<u>\$ 3,819,392</u>	<u>\$ 3,394,659</u>

(6) Investment at equity method

	2025	2024
January 1	\$ 1,938,853	\$ 1,451,362
Increase in investment at equity method	322,510	959,043
Disposal of investments accounted for using the equity method	( 342,877 )	( 295,825 )
Cash dividend distributed from investment under the equity method	( 7,322 )	( 1,478 )
Share of profit or loss from investment under the equity method	( 61,524 )	( 253,036 )
Other comprehensive income under the equity method	( 2,306 )	13,389
Exchange difference in the financial statement translation of the foreign operation	( 57,820 )	65,398
December 31	<u>\$ 1,789,514</u>	<u>\$ 1,938,853</u>

For information of the Company's subsidiaries, please refer to Note 4(3) in the 2025 consolidated financial statements of the Company and its subsidiaries.

A. The investment gains (losses) recognized under the equity method in 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Subsidiaries:		
CyberTAN Corp.(U.S.A)	\$ 4,107	(\$ 861)
CyberTAN(B.V.I) Investment Corp.	( 68,678)	( 111,862)
Ta Tang Investment Co., Ltd.	2,980	1,829
SonicFi INC.	( 21)	37
Affiliated companies:		
Microelectronics Technology, Inc. (Microelectronics Technology)	-	( 142,853)
Mega Power Ventures Inc.	<u>88</u>	<u>674</u>
Total	<u>(\$ 61,524)</u>	<u>(\$ 253,036)</u>

B. The basic information about affiliated companies important to the Company is stated as follows:

<u>Company name</u>	<u>Principal business place</u>	<u>Shareholding ratio December 31, 2024</u>	<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

C. The summarized financial information of affiliated companies important to the Company is stated as follows:

	<u>Microelectronics Technology 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	<u>( 5,711)</u>
Book value of affiliated companies	<u>\$ 342,877</u>

	Microelectronics Technology
	<u>2024</u>
Revenue	\$ 1,669,989
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><u>(\$ 1,068,510)</u></u>

- D. As the affiliated company important to the Company, Microelectronics Technology has the open quotation. Its fair value as of December 31, 2024 was NTD 1,136,353.
- E. In 2024, the Company 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%.
- F. From January 1 to January 9, 2025, the Company sold 1,473 thousand shares of affiliate Microelectronics Technology for a total sale price of NTD 55,107. This was recognized as an investment gain of NTD 38,991 accounted for under the equity method, decreasing its shareholding from 11.22% to 10.63%.
- G. The Company was originally the largest single shareholder of Microelectronics Technology Inc. However, due to the transfer of more than one-half of the shares held at the time of its election as a director, the Company was automatically removed from its position as a director in accordance with applicable laws. As a result, the Company lost significant influence over Microelectronics Technology Inc. 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.
- H. As of December 31, 2024, the Company 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 Company 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>Other equipment</u>	<u>Unfinished construction</u>	<u>Total</u>
January 1, 2025					
Costs	\$ 878,795	\$ 112,073	\$ 126,467	\$ -	\$ 1,117,335
Accumulated depreciation	( 379,651)	( 90,900)	( 101,918)	-	( 572,469)
	<u>\$ 499,144</u>	<u>\$ 21,173</u>	<u>\$ 24,549</u>	<u>\$ -</u>	<u>\$ 544,866</u>
<u>2025</u>					
January 1	\$ 499,144	\$ 21,173	\$ 24,549	\$ -	\$ 544,866
Increase	10,058	8,124	14,222	900	33,304
Disposal (cost)	-	( 710)	( 938)	-	( 1,648)
Disposal (accumulated depreciation)	-	710	938	-	1,648
Depreciation expenses	( 23,717)	( 10,656)	( 13,161)	-	( 47,534)
December 31	<u>\$ 485,485</u>	<u>\$ 18,641</u>	<u>\$ 25,610</u>	<u>\$ 900</u>	<u>\$ 530,636</u>
December 31, 2025					
Costs	\$ 888,853	\$ 119,487	\$ 139,751	\$ 900	\$ 1,148,991
Accumulated depreciation	( 403,368)	( 100,846)	( 114,141)	-	( 618,355)
	<u>\$ 485,485</u>	<u>\$ 18,641</u>	<u>\$ 25,610</u>	<u>\$ 900</u>	<u>\$ 530,636</u>

	House and buildings	Machinery and equipment	Other equipment	Total
January 1, 2024				
Costs	\$ 872,704	\$ 105,748	\$ 109,999	\$ 1,088,451
Accumulated depreciation	( 355,300)	( 78,593)	( 88,855)	( 522,748)
	<u>\$ 517,404</u>	<u>\$ 27,155</u>	<u>\$ 21,144</u>	<u>\$ 565,703</u>
<u>2024</u>				
January 1	\$ 517,404	\$ 27,155	\$ 21,144	\$ 565,703
Increase	6,091	6,840	17,171	30,102
Disposal (cost)	-	( 515)	( 703)	( 1,218)
Disposal (accumulated depreciation)	-	515	703	1,218
Depreciation expenses	( 24,351)	( 12,822)	( 13,766)	( 50,939)
December 31	<u>\$ 499,144</u>	<u>\$ 21,173</u>	<u>\$ 24,549</u>	<u>\$ 544,866</u>
December 31, 2024				
Costs	\$ 878,795	\$ 112,073	\$ 126,467	\$ 1,117,335
Accumulated depreciation	( 379,651)	( 90,900)	( 101,918)	( 572,469)
	<u>\$ 499,144</u>	<u>\$ 21,173</u>	<u>\$ 24,549</u>	<u>\$ 544,866</u>

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

(8) Lease transactions – Lessee

- A. The underlying assets leased by the Company include land, buildings and transportation equipment. The term of lease contract is usually 3 to 20 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 space rented by the Company 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:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Book amount	Book amount
Land	\$ 171,003	\$ 188,344
House	401	-
Transportation equipment	2,183	969
	<u>\$ 173,587</u>	<u>\$ 189,313</u>

2025

2024

	<u>Depreciation expenses</u>	<u>Depreciation expenses</u>
Land	\$ 17,340	\$ 17,340
House	200	199
Transportation equipment	<u>1,489</u>	<u>1,470</u>
	<u>\$ 19,029</u>	<u>\$ 19,009</u>

D. The increase in right-of-use asset of the Company in 2025 and 2024 were NTD 3,303 and NTD 433, respectively.

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

	<u>2025</u>	<u>2024</u>
<u>Item influencing current profit or loss</u>		
Interest expenses of lease liabilities	\$ 4,072	\$ 4,397
Expenses for short-term lease contracts	2,287	1,514
Expenses for lease of low-price assets	<u>226</u>	<u>191</u>
	<u>\$ 6,585</u>	<u>\$ 6,102</u>

F. The Company's total cash outflow of lease in 2025 and 2024 were NTD 24,884 and NTD 24,064, respectively.

(9) Lease transactions – Lessor

A. The underlying assets leased by the Company 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 Company 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 payment based on operating lease of the Company 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
Others	73	72
Total	<u>\$ 198,024</u>	<u>\$ 205,704</u>

(11) Short-term loans

December 31, 2025: 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>
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 Company is as follows:

December 31, 2025			
<u>Financial liabilities</u>	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
December 31, 2024			
<u>Financial liabilities</u>	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 Company 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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Payables for purchase advance	\$ 952,958	\$ 700,711
Payables for discount	77,811	87,958
Salaries and bonuses payable	57,199	51,205
Employee bonus payable	29,159	1,476
Collections payable	26,124	-
Others	36,372	42,699
	<u>\$ 1,179,623</u>	<u>\$ 884,049</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			
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>
	<u>( 20,441)</u>	<u>77,924</u>	<u>57,483</u>
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	322	-	322
	<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>
	<u>Present value of defined benefit</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit assets</u>

	<u>obligation</u>		
2024			
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 )
	<u>391</u>	<u>6,250</u>	<u>6,641</u>
Balance, December 31	<u>( \$ 20,036 )</u>	<u>\$ 76,688</u>	<u>\$ 56,652</u>

(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:

	<u>2025</u>	<u>2024</u>
Discount rate	<u>1.35%</u>	<u>1.65%</u>
Future salary increase rate	<u>2.00%</u>	<u>3.00%</u>

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	( \$ 297 )	\$ 306	\$ 303	( \$ 296 )
December 31, 2024				
Effect on present value of defined benefit obligation	( \$ 346 )	\$ 357	\$ 351	( \$ 342 )

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	11,594
	\$ 20,850

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

B. (A) Effective from July 1, 2005, the Company has adopted a defined contribution pension plan in accordance with the Labor Pension Act, which is applicable to domestic employees. The Company shall contribute the amount equivalent to 6% of the monthly salary of respective native employees to the individual pension accounts of the employees at Labor Insurance Bureau, with respect to the labor pension system under the “Labor Pension Act” chosen by employees. Retired employees may claim for pension disbursement in accordance with the status of their individual accounts and the cumulative contribution in the account through monthly payment or in lump sum.

(B) Pension cost recognized by the Company under the above-mentioned pension plan was NTD 14,767 and NTD 12,934 in 2025 and 2024, respectively.

(15) Share-based payment for remuneration

A. The share-based payment for remuneration agreements of the Company in 2025 and 2024 were as follows:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Amount given</u>	<u>Contract period</u>	<u>Criteria for vesting</u>
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	2025.09.30	5,500 thousand shares	-	Vested immediately

- (A) 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 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:

	2025	2024
	<u>Quantity (thousand shares)</u>	<u>Quantity (thousand shares)</u>
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. The Company measures share-based payment transactions granted on the grant date at the fair value of the options, which is estimated using the Black-Scholes option pricing model or by the difference between the share price on the grant date and the exercise price. The relevant information is as follows:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Stock price (NTD)</u>	<u>Exercise price (NTD)</u>	<u>Expected volatility (%)</u>	<u>Expected duration</u>	<u>Expected dividends</u>	<u>Risk-free rate (%)</u>	<u>Fair value per unit (NTD)</u>
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:

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

(16) Liability reserve

	Warranty	
	2025	2024
Balance, January 1	\$ 10,965	\$ 12,939
Increase in liability reserve in current period	12,702	10,424
Used liability reserve in current period	(22,255)	(12,398)
Balance, December 31	<u>\$ 1,412</u>	<u>\$ 10,965</u>

The analysis of liability reserve is as follows:

	December 31, 2025	December 31, 2024
Current	<u>\$ 413</u>	<u>\$ 541</u>
Non-current	<u>\$ 998</u>	<u>\$ 10,424</u>

1. The Company's reserve for warranty liabilities is estimated according to the historical warranty information of such product to estimate possible after-sale service in the future. The warranty liabilities of the Company estimated to be used in 2026 and 2027 are NTD 413 and NTD 998, 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 repurchased restricted employee shares, resulting in a capital reduction of NTD 200. The effective date of capital reduction was 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 repurchased restricted employee shares, resulting in a capital reduction of NTD 500. The effective date of capital reduction was 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 repurchased restricted employee shares, resulting in a capital reduction of NTD 1,200. The effective date of capital reduction was November 13, 2024, and the change of registration was completed on November 27, 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

  

Name of Company Holding Shares	Reason for redemption	December 31, 2024	
		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 repurchase up to 5,000 thousand shares of the Company from May 13 to July 12, 2024, at a price range of NTD 15.50 to NTD 33.60 per share to maintain the Company’s credit standing and protect shareholders’ equity. When the market price falls below the lower limit of the price range, the Company will continue to execute the share repurchase. As of

the end of the repurchase period, a total of 2,650 thousand shares had been repurchased at a total cost of NTD 78,605 thousand.

- (C) On August 9, 2024, the Company's Board of Directors resolved to repurchase up to 3,000 thousand shares of the Company from August 12 to October 11, 2024, at a price range of NTD 17.80 to NTD 33.00 per share in order to maintain the Company's credit standing and protect shareholders' equity. The Company will continue the repurchase when the market price falls below the lower limit of the prescribed price range. As of the end of the repurchase period, a total of 1,785 thousand shares had 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					
	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	Total
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					
	Stock premium		Changes in net worth of equity of affiliated companies and joint ventures recognized under equity method	New restricted employee shares	Others	Total
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>\$</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 at the regular shareholders' meeting held separately on May 29, 2025 and June 25, 2024 are stated as follows:

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

- 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	( 546,840 )	-	-	( 546,840 )
Valuation adjustment transferred to retained earnings	26,276	-	-	26,276
Valuation adjustment – Subsidiaries and affiliated companies	( 2,306 )	-	-	( 2,306 )
Valuation adjustment transferred to retained earnings – Subsidiaries and affiliated companies	( 1,845 )	-	-	( 1,845 )
Currency translation differences:	-	-	-	
- the Company and subsidiaries	-	( 57,820 )	-	( 57,820 )
- tax of the Company and subsidiaries	-	( 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	26,170	1,618	-	27,788
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 – Subsidiaries and affiliated companies	11,879	-	-	11,879
Valuation adjustment transferred to retained earnings – Subsidiaries and affiliated companies	( 151 )	-	-	( 151 )
Currency translation differences:				
- the Company and subsidiaries	-	53,630	-	53,630
- tax of the Company and subsidiaries	-	( 681 )	-	( 681 )
- Affiliated companies	-	11,768	-	11,768
Cancellation of new restricted employee shares	-	-	5,028	5,028
Issuance of new restricted employee shares	-	-	( 5,707 )	( 5,707 )
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	( \$ 47,762 )	( \$ 10,414 )	( \$ 6,628 )	( \$ 64,804 )

(21) Operating revenue

	2025	2024
Revenue from customer contracts	<u>\$ 4,189,468</u>	<u>\$ 3,612,341</u>

A. Details of revenue from customer contracts

The Company's revenue is derived from the sale of goods transferred at a point in time. Revenue is disaggregated by major product lines and geographical regions as follows:

	<u>America</u>	<u>Europe</u>	<u>Asia</u>	<u>Other</u>	<u>Total</u>
<u>2025</u>	<u>Communicat</u>	<u>Communicat</u>	<u>Communicat</u>	<u>departments</u>	
	<u>ion products</u>	<u>ion products</u>	<u>ion products</u>		
Revenue from external customer contracts	<u>\$ 874,213</u>	<u>\$ 1,501,516</u>	<u>\$ 1,616,407</u>	<u>\$ 197,332</u>	<u>\$ 4,189,468</u>
	<u>America</u>	<u>Europe</u>	<u>Asia</u>	<u>Other</u>	<u>Total</u>
<u>2024</u>	<u>Communicat</u>	<u>Communicat</u>	<u>Communicat</u>	<u>departments</u>	
	<u>ion products</u>	<u>ion products</u>	<u>ion products</u>		
Revenue from external customer contracts	<u>\$ 1,977,396</u>	<u>\$ 980,247</u>	<u>\$ 227,877</u>	<u>\$ 426,821</u>	<u>\$ 3,612,341</u>

B. Contract liabilities

(A) The Company'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 48,601, respectively.

(B) Contract liabilities at the beginning recognized in the revenue in current period

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

(22) Interest revenue

	<u>2025</u>	<u>2024</u>
Bank deposit interest	<u>\$ 5,488</u>	<u>\$ 16,127</u>
Interest income from financial assets measured at amortized cost.	<u>11,600</u>	<u>11,759</u>
Other interest income	<u>8,848</u>	<u>15,493</u>
	<u>\$ 25,936</u>	<u>\$ 43,379</u>

(23) Other revenue

	<u>2025</u>	<u>2024</u>
Profit on write-off of overdue payables	\$ 18,625	\$ 70,833
Rental revenue	60,168	68,833
Dividend revenue	800	-
Miscellaneous income	5,588	175
Total	<u>\$ 85,181</u>	<u>\$ 139,841</u>

(24) Other gains and losses

	<u>2025</u>	<u>2024</u>
Gains on disposal of investment	\$ 707,714	\$ 361,157
Foreign currency exchange gain (loss), net	( 60,321)	71,128
Miscellaneous expenses – depreciation expenses	( 15,014)	( 18,622)
Miscellaneous expenses – Interest expenses	( 1,418)	( 1,781)
Losses from financial assets at fair value through profit or loss	( 24,044)	( 60,919)
Miscellaneous expenses	( 19,849)	( 17,917)
Total	<u>\$ 587,068</u>	<u>\$ 333,046</u>

(25) Finance costs

	<u>2025</u>	<u>2024</u>
Interest expenses:		
Bank loans	\$ 6,085	\$ 6,283
Lease liabilities	2,654	2,616
Finance costs	<u>\$ 8,739</u>	<u>\$ 8,899</u>

(26) Additional Information on the Nature of Expense

	<u>2025</u>	<u>2024</u>
Employee benefit expenses	\$ 444,433	\$ 305,958
Depreciation expenses of property, plant and equipment	39,529	39,959
Depreciation expenses of right-of-use assets	12,020	11,367
Amortization expense of intangible assets	5,156	7,672
	<u>\$ 501,138</u>	<u>\$ 364,956</u>

(27) Employee benefit expenses

	2025	2024
Salary expenses	\$ 390,605	\$ 258,993
Expenses for labor and health insurance	25,724	21,025
Pension expenses	13,936	12,444
Other employment expenses	14,168	13,496
	<u>\$ 444,433</u>	<u>\$ 305,958</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.

In 2025, the amounts were estimated at 8.5% and 0% respectively based on the profit for the year. The actual distributed amounts approved by the Board of Directors were NTD 29,159 and NTD 0, among which the remuneration for employees would be distributed in cash.

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, directors, and supervisors of the Company approved by the board of directors and resolved by a shareholders’ meeting.

(28) Income Tax

A. Income tax (benefits) expenses

(A) Components of income tax benefits:

	2025	2024
Income tax in the current period:		
Income tax generated from the current income	\$ -	\$ -
Additional tax levied on the undistributed earnings	1,980	-
Over-estimated income tax in previous years	( 19)	( 6)
Total income tax in the current period	<u>1,961</u>	<u>( 6)</u>
Deferred income tax:		
Initial occurrence and reversal of temporary difference	89,870	14,264
Total deferred income tax	89,870	14,264
Income tax expenses	<u>\$ 91,831</u>	<u>\$ 14,258</u>

(B) Income tax benefits related to other comprehensive income:

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

B. Relation between income tax expenses and accounting profit:

	<u>2025</u>	<u>2024</u>
Income tax calculated based on net profit before tax at the statutory tax rate	\$ 62,777	\$ 3,627
Excluded expenses by the tax laws	17,721	50,549
Exemption by the tax laws	( 141,542 )	( 72,231 )
Taxable loss of unrecognized deferred income tax assets	62,909	32,319
Realizable evaluation changes of deferred income tax assets	88,005	-
Over-estimated income tax in previous years	( 19 )	( 6 )
Additional tax levied on the undistributed earnings	<u>1,980</u>	<u>-</u>
Income tax expenses	<u>\$ 91,831</u>	<u>\$ 14,258</u>

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

	114 years			
	January 1	Recognized into profit and/or loss	Recognized in other comprehen- sive net profit	December 31
Deferred income tax assets:				
- Temporary difference:				
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	( \$ 5,299)	( \$ 812)	\$ -	( \$ 6,111)
Remeasurement of defined benefit plan	( 7,759)	-	( 1,298)	( 9,057)
Subtotal	<u>( \$ 13,058)</u>	<u>( \$ 812)</u>	<u>( \$ 1,298)</u>	<u>( \$ 15,168)</u>
Total	<u>\$ 93,758</u>	<u>( \$ 89,870)</u>	<u>( \$ 16,053)</u>	<u>( \$ 12,165)</u>

	2024			
	January 1	Recognized into profit and/or loss	Recognized in other comprehen- sive net profit	December 31
Deferred income tax assets:				
- Temporary difference:				
Loss on inventory valuation	\$ 379	\$ 578	\$ -	\$ 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	8,232	( 8,232)	-	-
Subtotal	<u>\$ 116,462</u>	<u>( \$ 8,965)</u>	<u>( \$ 681)</u>	<u>\$ 106,816</u>
- Deferred income tax liabilities:				
Unrealized exchange gain	\$ -	( \$ 5,299)	\$ -	( \$ 5,299)
Remeasurement of defined benefit plan	( 6,431)	-	( 1,328)	( 7,759)
Subtotal	<u>( \$ 6,431)</u>	<u>( \$ 5,299)</u>	<u>( \$ 1,328)</u>	<u>( \$ 13,058)</u>
Total	<u>\$ 110,031</u>	<u>( \$ 14,264)</u>	<u>( \$ 2,009)</u>	<u>\$ 93,758</u>

- D. The validity period and unrecognized deferred income tax assets the Company's unused income tax losses are as follows:

December 31, 2025					
Year of occurrence	Declared/Approved	Amount not yet deducted	Amount of unrecognized deferred income tax assets	Final deduction year	
2021	\$ 96,111	\$ 96,111	\$ 96,111	2031	
2022	56,340	56,340	56,340	2032	
2023	161,265	161,265	161,265	2033	
2024	100,999	100,999	100,999	2034	
2025	314,546	314,546	314,546	2035	

December 31, 2024					
Year of occurrence	Declared/Approved	Amount not yet deducted	Amount of unrecognized deferred income tax assets	Final deduction year	
2021	\$ 96,111	\$ 96,111	\$ 96,111	2031	
2022	56,340	56,340	56,340	2032	
2023	161,265	161,265	161,265	2033	
2024	100,999	100,999	100,999	2034	

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 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	\$ 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 profit attributable to the parent company's common stock shareholders plus potential common stocks	\$ 2,717	327,759	\$ 0.01

(30) Changes in liability reserve from financing activities

	Lease liabilities	
	2025	2024
January 1	\$ 200,418	\$ 217,947
Changes in cash flow from financing activities	( 18,299)	( 17,962)
Other non-cash changes	3,303	433
December 31	<u>\$ 185,422</u>	<u>\$ 200,418</u>

Except for lease liabilities, the Company's changes in liabilities from financing activities in 2025 and 2024 were changes in cash flows from financing activities without any non-cash changes. Please refer to the statement of cash flows.

7. Transactions of the Related Party

(1) Name of the related party and relationship

<u>Name of the related party</u>	<u>Relationship with the Company</u>
Gwong-Yih Lee	Key management of the Company
CyberTAN Corp.(U.S.A)	Subsidiary of the Company
CyberTAN (B.V.I) Investment Corp. (CyberTAN (B.V.I))	"
SonicFi INC.	"
Fuhongkang Technology (Shenzhen) Co., Ltd.	The Company is the ultimate parent company of such company
Chongqing Hongdaofu Technology Co., Ltd.	"
HON YAO FU Technology Company Limited (HON YAO FU)	"
FU HAI Technology Company Limited(FU HAI)	"
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 Company 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	\$ 859,406	\$ 980,880
- Hon Hai Precision Ind. Co., Ltd.	573,306	134,495
- Others	32,898	-
Subsidiaries	15,957	37,056
Affiliated companies	-	27,717
	<u>\$ 1,481,567</u>	<u>\$ 1,180,148</u>

Except for transactions with no similar transactions to follow, where the transaction terms are negotiated and determined by both parties, the selling prices of the Company to the aforementioned related parties are similar to the selling prices to 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:		
Subsidiaries		
-HON YAO FU	\$ 2,045,362	\$ 3,370,250
-FU HAI	1,826,837	-
Affiliated companies	-	31,129
	<u>\$ 3,872,199</u>	<u>\$ 3,401,379</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 our company 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	\$ 237,667
- Hon Hai Precision Ind. Co., Ltd.	145,767	55,534
- Others	9,545	-
Subsidiaries	3,524	21,582
Affiliated companies	-	10,817
Less: Allowance for expected credit losses	( 9,545 )	-
	<u>\$ 335,600</u>	<u>\$ 325,600</u>

D. Other receivables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other receivables – the related party		
Subsidiaries		
- FU HAI	\$ 870,337	\$ -
- HON YAO FU	-	439,450
- Others	-	1,082
Other related parties	43,679	1,039
Affiliated companies	-	92,602
Less: Allowance for expected credit losses	( 43,211 )	-
	<u>\$ 870,805</u>	<u>\$ 534,173</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		
Subsidiaries		
- FU HAI	\$ 294,079	\$ -
- HON YAO FU	-	8,996
Other related parties	87	-
Affiliated companies	-	12,051
	<u>\$ 294,166</u>	<u>\$ 21,047</u>

F. Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other payables – the related party		
Other related parties	\$ 128,582	\$ 26,449
Subsidiaries	89,878	398
Affiliated companies	-	1,079
	<u>\$ 218,460</u>	<u>\$ 27,926</u>

Other payables to the related party mainly consist of procurement on behalf of the Company, processing fees payable, and service fees payable.

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>
Subsidiaries	\$ 31,757	\$ -
Other related parties	2,400	2,592
	<u>\$ 34,157</u>	<u>\$ 2,592</u>

I. Funds loaned to related parties

(A) Loans to related parties

(a) Balance at the end of the period (December 31, 2025: None).

	<u>December 31, 2024</u>
Subsidiaries	
-HON YAO FU	<u>\$ 327,850</u>

(b) Interest income (2025: None)

	<u>2024</u>
Subsidiaries	
-HON YAO FU	<u>\$ 10,817</u>

The loan terms for subsidiaries are that interest will be paid on a semi-annual basis after the loan. For 2024, interest was received at the annual rates of 4.5%.

J. Property transaction

Acquisition of financial assets

	<u>Account item</u>	<u>Number of shares traded (thousand shares)</u>	<u>2025 Price of acquisition</u>
CyberTAN (B.V.I)	Investment at equity method	10,000	<u>\$ 322,510</u>

	<u>Account item</u>	<u>Number of shares traded (thousand shares)</u>	<u>2024 Price of acquisition</u>
CyberTAN (B.V.I)	Investment at equity method	40,000	<u>\$ 959,043</u>

K. Service and repair fee

	<u>2025</u>	<u>2024</u>
Subsidiaries	<u>\$ 40,013</u>	<u>\$ 10,424</u>

L. Rental revenue

	<u>2025</u>	<u>2024</u>
Other related parties		
- Microelectronics Technology and its subsidiaries	\$ 50,862	\$ -
- Others	6,605	7,149
Affiliated companies		
- Microelectronics Technology and its subsidiaries	-	61,312
	<u>\$ 57,467</u>	<u>\$ 68,461</u>

In 2025 and 2024, the Company leased property, plant and equipment to a related party. The lease terms were agreed with reference to market rates, and rent is collected on a quarterly basis.

M. Guarantee deposits received

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

N. 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:

	2025	2024
Salary and other 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 Company's assets provided as collateral are as follows:

Asset item	Book value		Purpose of collateral
	December 31, 2025	December 31, 2024	
Time deposit (listed financial assets measured at amortized cost - current and 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

None.

10. Losses Due to Major Disasters

None.

11. Significant Subsequent Events

None.

12. Others

(1) Capital Management

The Company's capital management objective is intended to protect the Company's continued operation and maintain optimal capital structure to reduce capital cost and provide remuneration to the shareholder. To maintain or adjust the capital structure, the Company 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>
Financial assets		
Financial assets measured at fair value through other comprehensive income	\$ 222,122	\$ 12,175
Financial assets measured at amortized cost	<u>3,130,146</u>	<u>2,865,199</u>
	<u>\$ 3,352,268</u>	<u>\$ 2,877,374</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Financial liabilities		
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	1,781,613	1,124,116
Lease liabilities	<u>185,422</u>	<u>200,418</u>
	<u>\$ 2,013,012</u>	<u>\$ 1,344,077</u>

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

B. Risk management policy

- (A) Various financial risks have impact on the daily operation of the Company, including the market risk (including the exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. To reduce adverse impact of uncertainty on the Company's financial performance, the Company used forward exchange contracts to hedge the risk of exchange rate. The derivative tools used by the Company is for hedging purpose instead of trading or speculation.
- (B) The risk management work is executed by the Company's financial department based on the policy approved by the board of directors. The Company's financial department is responsible for identifying, evaluating and hedging financial risks by the close cooperation with each business unit in the Company. 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 Company is a multinational corporation. Therefore, the exchange rate risk resulted from transactions with functional currency relatively different from the Company mainly involve USD and RMB. Related exchange rate risks come from future commercial transactions and recognized assets and liabilities.
- (b) The management of the Company has established policy that regulates the management of the exchange rate risk which is relative to the functional currency of the companies in the Company. Each company shall adopt hedging policy against the overall exchange rate risk via the Company's financial department. Exchange rate risk is managed through highly probable forecast transactions denominated in USD and RMB. The Company enters into forward exchange contracts to reduce the effect of exchange rate fluctuations on the cost of inventory purchases.
- (c) The Company's business lines involved some non-functional currencies (the functional currency of the Company is NTD). Therefore, the Company would be subject to the effect produced by fluctuation in foreign exchange rate. The information about assets and liabilities denominated in foreign currency exposed to significant effect produced by fluctuation in 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)						
Financial assets						
Monetary items						
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	-
Financial liabilities						
Monetary items						
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)						
Financial assets						
Monetary items						
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	-
Financial liabilities						
Monetary items						
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 Company'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(60,321) and NTD 71,128 in 2025 and 2024, respectively.

### Price risk

- A. The Company's equity instruments exposed to price risk are the holding financial assets measured at the fair value through profit or loss. To manage the price risk of equity investments, the Company diversifies its investment portfolio based on investment limits established by the Company.
- B. The Company mainly invests in the equity instruments issued by companies at home, and the price of such equity instruments is affected by the uncertainty of the investment target'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 2,221 and NTD 122 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 Company's credit risk is the risk of financial loss arising from the failure of customers or financial instrument counterparties to fulfill their contractual obligations. This primarily arises from the inability of counterparties to settle accounts receivable in accordance with the payment terms and from financial assets measured at amortized cost.
- (b) The Company manages credit risk from a group perspective. For trading banks and financial institutes, only those with good credit can be accepted as trading counterparties. According to the loan policy defined by the Company, each business unit within the Company shall conduct the 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 Company adopts IFRS 9 for presumption that when the contract payment past due for over 90 days based on the agreed payment terms, the Company takes it as a default of the contract.
- (d) The Company applies IFRS 9 and uses the following presumption as the basis for determining whether there has been a significant increase in the credit risk of financial instruments since 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 Company'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 Company assesses expected credit losses on accounts receivable as follows: for individually significant receivables that are credit-impaired, expected credit losses are assessed on an individual basis; for the remaining balances, receivables are grouped based on customer ratings and customer types, and the simplified approach is applied, with expected credit losses estimated using a provision matrix.
- (g) The Company writes off financial assets when there is no reasonable expectation of recovery after relevant recovery procedures. However, the Company continues legal proceedings to preserve its rights as a creditor. As of December 31, 2025 and 2024, the Company had no financial assets that had been written off but were still subject to recovery activities.
- (h) The Company 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		0.30%	4.57%	83.44%	83.45%	100.00%	
Total book value	\$ 9,545	\$1,248,853	\$ 8,449	\$ 42	\$ 532	\$ -	\$ 1,267,421
Allowance loss	9,545	3,705	386	35	444	-	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		0.89%	12.46%	12.48%	12.49%	100.00%	
Total book value	\$ -	\$ 1,004,786	\$25,870	\$ 1,101	\$ -	\$ -	\$ 1,031,757
Allowance loss	-	7,997	3,224	137	-	-	11,358

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

	Accounts receivable	
	December 31, 2025	December 31, 2024
Undue	\$ 1,258,398	\$ 1,004,786
Within 30 days	8,449	25,870
31–60 days	42	1,101
61–90 days	532	-
	<u>\$ 1,267,421</u>	<u>\$ 1,031,757</u>

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

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

	<u>2025</u>		<u>2024</u>	
	Accounts receivable (including the related party)		Accounts receivable (including the related party)	
January 1	\$	11,358	\$	7,476
Impairment loss recognized		5,658		3,882
Amount written off as uncollectible.	(	2,901 )		-
December 31	<u>\$</u>	<u>14,115</u>	<u>\$</u>	<u>11,358</u>

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

Non-derivative  
financial liabilities

	Within 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years
December 31, 2025				
Guarantee	\$ 5,765	\$ 690	\$ 788	\$ 456
deposits received				
Lease liabilities	<u>22,371</u>	<u>21,545</u>	<u>61,908</u>	<u>101,022</u>
	<u>\$ 28,136</u>	<u>\$ 22,235</u>	<u>\$ 62,696</u>	<u>\$ 101,478</u>

Non-derivative  
financial liabilities

	Within 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years
December 31, 2024				
Guarantee	\$ 349	\$ 341	\$ 5,765	\$ 456
deposits received				
Lease liabilities	<u>21,474</u>	<u>20,784</u>	<u>61,920</u>	<u>121,658</u>
	<u>\$ 21,823</u>	<u>\$ 21,125</u>	<u>\$ 67,685</u>	<u>\$ 122,114</u>

Except for those specified above, the non-derivative financial liabilities of the Company 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 invested by the Company all belongs to this level.

Level 3: Unobservable inputs for the asset or liability.

B. The following is the analysis regarding the Company's classification of the 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</u>				
<u>assets:</u>				
Financial assets measured at fair value through other comprehensive income	<u>\$ 201,076</u>	<u>\$ -</u>	<u>\$ 21,046</u>	<u>\$ 222,122</u>
<u>Recurring fair value</u>				
<u>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</u>				
<u>assets:</u>				
Financial assets measured at fair value through other comprehensive income	<u>\$ 12,175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,175</u>
<u>Recurring fair value</u>				
<u>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 Company to measure fair value is as follows:
- (a) The Company'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:

	TWSE/TPEX listed stocks
Quoted market price	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 take reference from other substantial conditions and similar financial instruments' current fair value and discounted cash flow method or other evaluation technology, including the market information that can be acquired on the date of preparing the parent company only balance sheet. The information is then used on a calculation model (such as yield curve referred by Taipei Exchange and the average quotation of Reuters commercial paper rate).
- (c) When evaluating unstandardized financial instruments with low complexity such as debt instrument without active market, interest rate swap contract, exchange swap contract and options, the Company adopts evaluation technology widely used in the market participants. The parameters used by the evaluation model of such financial instruments are usually information observable in the market.
- (d) The Company 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 Company, respectively.
- D. There was no transfer between level 1 and level 2 and no transfer-in and transfer-out from level 3 in 2025 and 2024.
- E. The following statement is the changes in level 3 in 2025 and 2024:

	Equity instruments	
	2025	2024
January 1	\$ -	\$ -
Purchases in current period	25,000	-
Loss recognized under other comprehensive income	( 3,954)	-
December 31	<u>\$ 21,046</u>	<u>\$ -</u>

- 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
	Fair value	technology	major input	(weighted average)	between input and fair value
Non-derivative equity instruments:					
Stocks of venture capital companies	\$ 21,046	Net asset value method	N/A	N/A	N/A

### 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

N/A.

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

Attachment I

Unit: NTD thousand  
(Unless otherwise specified)

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)	Collateral		Max. amount permitted to a single borrower (Note 7, 8)	Total lending limit (Note 7, 8)	Remarks
												Allowance for impairment losses	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.  
 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.  
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.  
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.  
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)	Title	Amount	Transaction details		Percentage in total consolidated operating revenue or assets (Note 3)
							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.  
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.  
Information on Investments in Mainland China – Basic Information  
January 1 to December 31, 2025

Attachment VII

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	Unit: NTD thousand (Unless otherwise specified) 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.

CyberTAN Technology Inc.  
Cash and cash equivalents  
December 31, 2025

Statement 1

Unit: NTD thousand

Item	Summary	Amount
Cash on hand and working fund		\$ 271
Current deposit		
- Current deposits in NTD		47,369
- Current deposits in foreign currency	Demand deposit in USD 17,727 thousand at an exchange rate of 31.430	557,162
	Demand deposit in RMB 2,157 thousand at an exchange rate of 4.496	9,697
	Current deposit in other foreign currency	359
Time deposits – US dollars	Time deposit in USD 2,500 thousand at an exchange rate of 31.430	78,575
Total		<u>\$ 693,433</u>

CyberTAN Technology Inc.  
Accounts receivable, net  
December 31, 2025

Statement 2

Unit: NTD thousand

<u>Customer name</u>	<u>Amount</u>	<u>Remarks</u>
<u>Accounts receivable</u>		
Customer A	\$ 502,011	
Customer B	329,198	
Customer C	82,218	
Others	8,849	Balance of each customer not exceeding 5% of the account amount
Subtotal	922,276	
Less: Allowance for expected credit losses	( 4,570)	
Total	<u>\$ 917,706</u>	
<u>Accounts receivable – the related party</u>		
Cloud Network	\$ 186,309	
Hon Hai Precision Ind. Co., Ltd.	145,767	
Others	13,069	Balance of each customer not exceeding 5% of the account amount
Subtotal	345,145	
Less: Allowance for expected credit losses	( 9,545)	
Total	<u>\$ 335,600</u>	

CyberTAN Technology Inc.  
Changes in long-term equity investment under the equity method  
January 1 to December 31, 2025

Statement 3

Unit: NTD thousand

Name of invested company	Balance, beginning		Increases in the current period (Note 1)		Decrease in the current period (Note 2)		Ending balance Shareholding ratio	Market price or equity net value		Collateral and mortgage	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount		Amount	Total price		
CyberTAN Corp.(U.S.A)	600,000	\$ 52,963	-	\$ 4,107	-	( \$ 2,156 )	600,000	100	\$ 54,914	\$ 54,914	None
Ta Tang Investment Co., Ltd.	10,000,000	206,030	-	2,980	-	( 8,876 )	10,000,000	100	200,134	200,134	"
CyberTAN (B.V.I) Investment Corp.	71,043,717	1,300,239	10,000,000	325,686	-	( 124,342 )	81,043,717	100	1,501,583	1,501,583	"
Microelectronics Technology, Inc.	28,266,756	342,877	-	-	( 28,266,756)	( 342,877 )	-	-	-	-	"
Mega Power Ventures Inc.	1,400,000	31,705	-	3,482	-	( 7,322 )	1,400,000	25	27,865	27,865	"
SonicFi INC.	500,000	5,039	-	-	-	( 21 )	500,000	100	5,018	5,018	"
		<u>\$ 1,938,853</u>		<u>\$336,255</u>		<u>( \$ 485,594 )</u>			<u>\$ 1,789,514</u>		

Note 1: The increase in the current period is the investment interest recognized under the equity method, the cash capital increase of the investment under the equity method in the current period, and the share of other comprehensive income of subsidiaries, affiliated companies and joint ventures recognized under the equity method in current period.

Note 2: The decrease in current period is the investment loss recognized under the equity method, disposal of investment under the equity method, the share of other comprehensive income of subsidiaries, affiliated companies and joint ventures recognized under the equity method, and cash dividends received from affiliated companies recognized under the equity method.

CyberTAN Technology Inc.  
Operating revenue  
January 1 to December 31, 2025

Statement 4

Unit: NTD thousand

<u>Item</u>	<u>Quantity</u>	<u>Amount</u>	<u>Remarks</u>
Operating revenue			
Communication products	1,683,897	\$ 3,992,136	
Others		197,332	
		<u>\$ 4,189,468</u>	

CyberTAN Technology Inc.  
Operating cost  
January 1 to December 31, 2025

Statement 5

Unit: NTD thousand

Item	Amount
Raw materials, beginning	\$ 19,580
Add: Materials purchased in current period	35,945
Less: Raw materials, ending	( 34,908)
Reclassified as expenses	( 11,272)
Raw material inventory loss	( 7,025)
Materials consumed in current period	2,320
Manufacturing expenses	11,988
Current manufacturing costs	14,308
Semi-finished goods, beginning	524
Less: Reclassified as expenses	( 47)
Semi-finished goods inventory loss	( 378)
Semi-finished goods, ending	( 63)
Current finished product cost	14,344
Plus: Finished products, beginning	168,831
Current purchase	3,871,574
Less: Finished products, ending	( 244,060)
Reclassified as expenses	( 2,683)
Finished goods inventory loss	( 19,835)
Production and marketing costs	3,788,171
Inventory loss	27,238
Loss on inventory devaluation	3,983
Operating cost	\$ 3,819,392

CyberTAN Technology Inc.  
Manufacturing expenses  
January 1 to December 31, 2025

Statement 6

Unit: NTD thousand

<u>Item</u>	<u>Amount</u>	<u>Remarks</u>
Salary expenses	\$ 8,870	
Others	3,118	Balance of each account not exceeding 5% of the account amount
	<u>\$ 11,988</u>	

CyberTAN Technology Inc.  
Selling expenses  
January 1 to December 31, 2025

Statement 7

Unit: NTD thousand

<u>Item</u>	<u>Amount</u>	<u>Remarks</u>
Salary expense	\$ 72,577	
Sample fee	12,209	
Travel expense	7,550	
Others	25,992	Balance of each account not exceeding 5% of the account amount
	<u>\$ 118,328</u>	

CyberTAN Technology Inc.  
Administrative expenses  
January 1 to December 31, 2025

Statement 8

Unit: NTD thousand

<u>Item</u>	<u>Amount</u>	<u>Remarks</u>
Salary expense	\$ 91,478	
Depreciation	12,766	
Labor service fee	12,202	
Insurance premium	10,211	
Others	44,313	Balance of each account not exceeding 5% of the account amount
	<u>\$ 170,970</u>	

CyberTAN Technology Inc.  
R&D expenses  
January 1 to December 31, 2025

Statement 9

Unit: NTD thousand

<u>Item</u>	<u>Amount</u>	<u>Remarks</u>
Salary expense	\$ 216,380	
Depreciation	33,070	
Labor service fee	29,654	
Others	66,841	Balance of each account not exceeding 5% of the account amount
	<u>\$ 345,945</u>	

CyberTAN Technology Inc.

Summary of employee benefits, depreciation, depletion and amortization expenses of the year by function  
January 1, 2024 to December 31, 2025

Statement 10

Unit: NTD thousand

By function By nature	2025			2024		
	As operating costs	As operating expenses	Total	As operating costs	As operating expenses	Total
Employee benefit expenses						
Salary expenses	\$ 8,870	\$ 380,435	\$ 389,305	\$ 18,908	\$ 238,285	\$ 257,193
Expenses for labor and health insurance	476	25,248	25,724	1,580	19,445	21,025
Pension expenses	288	13,648	13,936	867	11,577	12,444
Remuneration to Directors	-	1,300	1,300	-	1,800	1,800
Other employee benefit expenses	156	14,012	14,168	1,083	12,413	13,496
Depreciation expenses	793	50,756	51,549	2,243	49,083	51,326
Amortization expenses	-	5,156	5,156	-	7,672	7,672

Note:

1. The average number of the Company's employees in current and previous years were 256 and 218, respectively; among them, four directors did not concurrently serve as employees.
2. The company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the information as follow:
  - (1) The average employee benefit expense for the current year was NTD 1,758 (calculated as "total employee benefit expenses for the current year minus total directors' remuneration" divided by "number of employees for the current year minus number of directors not concurrently serving as employees").  
The average employee benefit expense for the previous year was NTD 1,421 (calculated as "total employee benefit expenses for the previous year minus total directors' remuneration" divided by "number of employees for the previous year minus number of directors not concurrently serving as employees").
  - (2) The average employee salary expense for the current year was NTD 1,545 (calculated as total salary expenses for the current year divided by "number of employees for the current year minus number of directors not concurrently serving as employees").  
The average employee salary expense for the previous year was NTD 1,202 (calculated as total salary expenses for the previous year divided by "number of employees for the previous year minus number of directors not concurrently serving as employees").
  - (3) The change in average employee salary expense was 28.54% (calculated as the average employee salary expense for the current year minus that for the previous year, divided by the average employee salary expense for the previous year).

CyberTAN Technology Inc.

Summary of employee benefits, depreciation, depletion and amortization expenses of the year by function (continued)

January 1, 2024 to December 31, 2025

Statement 10

Unit: NTD thousand

3. The Company has established an Audit Committee to replace the authority of the supervisors; therefore, there is no remuneration to supervisors.
4. Please refer to Note 6(27) for the Company's allowance policy of employee remuneration.
5. CyberTAN Technology pays attention to the treatment and benefit of employees and establish a reward system with internal reasonableness and external competitiveness.
  - (1) Directors and managers: The Company fully considers business performance of the Company (including financial and non-financial aspects), individual performance and duties and connection and reasonableness between industrial development trends and future economic risks to establish a reasonable remuneration after referring to the external market level. The Company also submits the individual remuneration to directors and managers reviewed by the remuneration committee to the board of directors for resolution.
  - (2) Employees: By conducting regular market surveys and reviews, the Company provides a remuneration level that is better than that provided under the law, with external competitiveness. For the internal salary of employees, the Company plans competitive remuneration based on position, educational background, professional seniority, and work performance while taking into consideration the comparison results of external market salary surveys, regardless of factors such as gender, age, marriage, race, nationality, religion, and politics. In this case, the Company is devoted to forming a quality work environment with complete welfare.