

**JIH LIN TECHNOLOGY CO., LTD.
AND SUBSIDIARIES**

**Consolidated Financial Statements
With Report of Independent Accountants
for the Years Ended
December 31, 2025 and 2024**

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The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese financial statements shall prevail.

CONSOLIDATED FINANCIAL STATEMENTS

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Representation Letter

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

Very truly yours,
JIH LIN TECHNOLOGY CO., LTD.
By

Tsai, Shang-Yen
Chairperson
March 9, 2026

Independent Auditors' Report

To JIH LIN TECHNOLOGY CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of JIH LIN TECHNOLOGY CO., LTD. (the "Company") and its subsidiaries as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including the summary of significant accounting policies (collectively "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above are fairly presented, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2025 and 2024, and their consolidated financial performance and cash flows for the years ended December 31, 2025 and 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2025 are stated as follows:

Revenue recognition

The net revenue recognized by the Company and its subsidiaries in 2025 amounted to NT\$ 5,348,422 thousand, mainly from the sale of semiconductor wire racks and molds produced and manufactured by the Company. The sale of its finished products of semiconductor lead frame involved different trading terms. It is necessary to determine the performance obligations and the time point of their satisfaction, therefore, we considered the recognition of revenue from contracts with customers as a key audit matter. Our audit procedures included, but were not limited to, assessing the appropriateness of the accounting policies for revenue recognition; evaluate and test the effectiveness of the internal control design and execution of revenue recognition, select samples to perform a detailed test of the transaction and review the significant terms and conditions in the contract to confirm the authenticity of the transaction and the correctness of the time point of recognition; review the significant return and discount of goods in the subsequent period to confirm the correctness of the recognition of sales revenue as of the balance sheet date; perform the sales cut-off point test in the period before and after the balance sheet date and to take samples and verify the relevant vouchers to determine the correctness of the transaction recognition point; use audit sampling for confirmations to verify ending balance and important sales terms for accounts receivable; conduct a journal entry testing and examine the preparation or sale of the goods as a transaction. We also assessed the adequacy of disclosures of operating revenue. Please refer to Notes 4 and 6 to the Company's consolidated financial statements.

Valuation for inventories

As of December 31, 2025 the Company and its subsidiaries' net inventories amounted to NT\$ 1,224,609 thousand, which accounted for 23% of total assets and were significant to the Company and its subsidiaries. As the raw material of the inventories is significantly impacted by international copper price, management has to estimate the trend of copper price and assess purchase quantity based on purchase orders and the production schedule, which will impact the valuation of net realizable value of inventories. Therefore, we determined this a key audit matter. Our audit procedures included, but not limited to, assessing the appropriateness of accounting policies for allowance to reduce inventory to market; considering the internal process of the inventory unit cost and the correctness of calculation; verifying the aging interval of inventory aging schedule and recheck the provision for allowance based on inventory aging; conducting analytical procedures on gross margin; assessing the net realizable value determined by management; and reviewing the management's inventory plan and selecting the important stock location for inventory observation to confirm the quantity and the status of the inventory. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 5 and 6 to the Company's consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2025 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2025 and 2024.

Chen, Cheng-Chu

Hung, Kuo-Sen

Ernst & Young, Taiwan

March 9, 2026

English Translation of Consolidated Financial Statements Originally Issued in Chinese
JIH LIN TECHNOLOGY CO., LTD AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
As of December 31, 2025 and 2024
(Amounts in thousands of New Taiwan Dollars)

Assets		December 31, 2025		December 31, 2024		Liabilities and stockholders' equity		December 31, 2025		December 31, 2024	
Items	Note	Amount	%	Amount	%	Items	Note	Amount	%	Amount	%
Current assets						Current liabilities					
Cash and cash equivalents	4/ 6. (1)	\$1,377,765	26	\$1,249,038	24	Short-term borrowings	6. (9)	\$370,080	7	\$321,980	6
Notes receivable, net	4/ 6. (2),(14)	58,646	1	28,539	0	Contract liabilities - current	6. (13)	5,191	0	3,672	0
Account receivable, net	4/ 6. (3),(14)	944,313	18	1,023,344	19	Account payable		296,229	6	300,579	6
Account receivables - related parties, net	4/ 6.(3),(14) / 7	192	0	282	0	Account payable - related parties	7	11	0	11	0
Other receivable		29,567	1	40,130	1	Other payable		119,141	2	119,993	2
Current tax assets	4	8,554	0	8,546	0	Other payable - related parties	7	2,262	0	2,111	0
Inventories	4/ 6. (4)	1,224,609	23	1,251,682	24	Current tax liabilities	4/ 6. (19)	25,332	0	15,966	0
Prepayments	4	27,971	0	32,916	1	Current lease liabilities, non related parties	4/ 6. (15)	3,305	0	2,555	0
Other current assets		79	0	43	0	Current lease liabilities, related parties	4/ 6. (15)/ 7	4,003	0	—	—
Total current assets		<u>3,671,696</u>	<u>69</u>	<u>3,634,520</u>	<u>69</u>	Current portion of long-term borrowings	6. (10)	304,403	6	721,007	14
						Other current liabilities		5,575	0	1,637	0
						Total current liabilities		<u>1,135,532</u>	<u>21</u>	<u>1,489,511</u>	<u>28</u>
Non-current assets						Non-current liabilities					
Property, plant, and equipment	4/ 6. (5)	1,280,204	24	1,292,044	25	Long-term borrowings	6. (10)	993,569	19	597,972	11
Right-of use assets	4/ 6. (15)/ 7	78,428	2	63,586	1	Deferred tax liabilities	4/ 6. (19)	95,654	2	100,667	2
Investment property, net	4/ 6. (6)	206,626	4	212,886	4	Non-current lease liabilities, non related parties	4/ 6. (15)	79,187	2	81,778	2
Intangible assets	4/ 6. (7)	1,111	0	1,551	0	Non-current lease liabilities, related parties	4/ 6. (15)/ 7	12,494	0	—	—
Deferred tax assets	4/ 6. (19)	42,726	1	48,958	1	Other non-current liabilities - others		12,000	0	10,000	0
Other non-current assets	6. (8)	12,683	0	24,607	0	Net defined benefit liability, non-current	4/ 6. (11)	3,920	0	1,247	0
Total non-current assets		<u>1,621,778</u>	<u>31</u>	<u>1,643,632</u>	<u>31</u>	Total non-current liabilities		<u>1,196,824</u>	<u>23</u>	<u>791,664</u>	<u>15</u>
						Total liabilities		<u>2,332,356</u>	<u>44</u>	<u>2,281,175</u>	<u>43</u>
						Equity attributable to owners of the parent					
						Capital	6. (12)				
						Common stock		1,020,409	19	1,020,409	19
						Total capital		1,020,409	19	1,020,409	19
						Capital surplus	6. (12)	434,082	8	556,531	11
						Retained earnings	6. (12)				
						Legal reserve		340,840	7	315,154	6
						Special reserve		125,449	2	200,365	3
						Unappropriated earnings		1,151,367	22	1,029,967	20
						Total retained earnings		<u>1,617,656</u>	<u>31</u>	<u>1,545,486</u>	<u>29</u>
						Other equity		(111,029)	(2)	(125,449)	(2)
						Total equity attributable to owner of the parent		<u>2,961,118</u>	<u>56</u>	<u>2,996,977</u>	<u>57</u>
						Total equity		<u>2,961,118</u>	<u>56</u>	<u>2,996,977</u>	<u>57</u>
Total assets		<u>\$5,293,474</u>	<u>100</u>	<u>\$5,278,152</u>	<u>100</u>	Total liabilities and equity		<u>\$5,293,474</u>	<u>100</u>	<u>\$5,278,152</u>	<u>100</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese

JIH LIN TECHNOLOGY CO., LTD AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Items	Note	2025		2024	
		Amount	%	Amount	%
Net revenue	4/ 6. (13)/ 7	\$5,348,422	100	\$5,026,851	100
Cost of goods sold	4/ 6. (4),(16)/ 7	(4,638,509)	(87)	(4,331,861)	(86)
Gross profit		709,913	13	694,990	14
Operating expenses	4/ 6. (15),(16)/ 7				
Selling expenses		(83,705)	(2)	(85,596)	(2)
Administrative expenses		(277,959)	(5)	(278,252)	(6)
Research and development expenses		(112,237)	(2)	(113,678)	(2)
Expected credit gains (losses)	4/ 6. (14)	542	0	(532)	(0)
Total operating expenses		(473,359)	(9)	(478,058)	(10)
Operating income		236,554	4	216,932	4
Non-operating income and expenses					
Interest income	6. (17)	25,181	0	22,905	0
Other income	6. (17)	24,788	1	67,154	1
Other gains and losses	6. (17)	(26,872)	(0)	52,722	1
Finance costs	6. (17)/ 7	(36,171)	(1)	(35,802)	(0)
Total non-operating income and expenses		(13,074)	(0)	106,979	2
Net income before income tax		223,480	4	323,911	6
Income tax expense	4/ 6. (19)	(67,313)	(1)	(66,910)	(1)
Net income of continuing operations		156,167	3	257,001	5
Net income		156,167	3	257,001	5
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plan	6. (18)	(2,364)	(0)	(144)	(0)
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6. (18)	18,025	0	93,645	2
Income tax related to items that may be reclassified subsequently to profit or loss	6. (18), (19)	(3,605)	(0)	(18,729)	(0)
Total other comprehensive income (loss), net of tax		12,056	(0)	74,772	2
Total comprehensive income		\$168,223	3	\$331,773	7
Net income attribute to:					
Owners of the parent		\$156,167	3	\$257,001	5
Total comprehensive income attribute to:					
Owners of the parent		\$168,223	3	\$331,773	7
Earnings per share (Expressed in NTD)					
Basic earnings per share	4/ 6. (20)	\$1.53		\$2.52	
Diluted earnings per share	4/ 6. (20)	\$1.53		\$2.51	

English Translation of Consolidated Financial Statements Originally Issued in Chinese

JIH LIN TECHNOLOGY CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

Items	Equity attributable to owners of the parent						Total Equity
	Common stock	Capital surplus	Retained earnings			Other Equity	
			Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign operations	
Balance as of January 1, 2024	\$1,020,409	\$668,776	\$297,461	\$133,965	\$949,040	\$(200,365)	\$2,869,286
Appropriation and distribution of 2023 retained earnings:							
Legal reserve	—	—	17,693	—	(17,693)	—	—
Special reserve	—	—	—	66,400	(66,400)	—	—
Cash dividends	—	—	—	—	(91,837)	—	(91,837)
Cash dividends distributed from capital surplus	—	(112,245)	—	—	—	—	(112,245)
Profit for the year ended December 31, 2024	—	—	—	—	257,001	—	257,001
Other comprehensive income for the years ended December 31, 2024	—	—	—	—	(144)	74,916	74,772
Total comprehensive income	—	—	—	—	256,857	74,916	331,773
Balance as of December 31, 2024	\$1,020,409	\$556,531	\$315,154	\$200,365	\$1,029,967	\$(125,449)	\$2,996,977
Balance as of January 1, 2025	\$1,020,409	\$556,531	\$315,154	\$200,365	\$1,029,967	\$(125,449)	\$2,996,977
Appropriation and distribution of 2024 retained earnings:							
Legal reserve	—	—	25,686	—	(25,686)	—	—
Cash dividends	—	—	—	—	(81,633)	—	(81,633)
Special reserve reversal	—	—	—	(74,916)	74,916	—	—
Cash dividends distributed from capital surplus	—	(122,449)	—	—	—	—	(122,449)
Profit for the year ended December 31, 2025	—	—	—	—	156,167	—	156,167
Other comprehensive income for the years ended December 31, 2025	—	—	—	—	(2,364)	14,420	12,056
Total comprehensive income	—	—	—	—	153,803	14,420	168,223
Balance as of December 31, 2025	\$1,020,409	\$434,082	\$340,840	\$125,449	\$1,151,367	\$(111,029)	\$2,961,118

English Translation of Consolidated Financial Statements Originally Issued in Chinese
JIH LIN TECHNOLOGY CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025 and 2024
(Amounts in thousands of New Taiwan Dollars)

Items	2025	2024
	Amount	Amount
Cash flows from operating activities:		
Net income before income tax	\$223,480	\$323,911
Adjustments:		
The profit or loss items:		
Depreciation	181,666	193,521
Amortization	1,372	2,043
Expected credit (profit) loss	(542)	532
Interest expense	36,171	35,802
Interest income	(25,181)	(22,905)
(Gain) on disposal of property, plant and equipment	(2,303)	(2,046)
Other	(22,808)	2,172
Subtotal	<u>168,375</u>	<u>209,119</u>
Changes in operating assets and liabilities:		
Changes in operating assets		
(Increase) in notes receivable	(30,107)	(22,733)
Decrease (Increase) in account receivable	79,588	(81,923)
Decrease in account receivable from related parties	90	98
Decrease (Increase) in other receivable	10,702	(5,322)
Decrease in inventories	48,546	68,451
Decrease (Increase) in prepayments	5,204	(5,911)
(Increase) Decrease in other current assets	(36)	22
Changes in operating liabilities		
Increase (Decrease) in contract liabilities - current	1,519	(1,913)
(Decrease) Increase in account payable	(4,350)	52,806
Increase in account payable from related parties	—	11
(Decrease) in other payable	(1,284)	(24,177)
Increase (Decrease) in other payable from related parties	151	(2,396)
Increase (Decrease) in other current liabilities	3,938	(305)
Increase in net defined benefit liabilities	309	198
Total changes in operating assets and liabilities	<u>114,270</u>	<u>(23,094)</u>
Cash generated from operations activities	506,125	509,936
Interest received	25,042	22,336
Income tax paid	(60,341)	(65,063)
Net cash provided by operating activities	<u>470,826</u>	<u>467,209</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(148,616)	(97,751)
Proceeds from disposal of property, plant and equipment	11,964	10,254
Acquisition of intangible assets	(713)	(702)
(Increase) in other non-current assets	(6,180)	(17,216)
Net cash (used in) investing activities	<u>(143,545)</u>	<u>(105,415)</u>
Cash flows from financing activities:		
Increase (Decrease) in short-term borrowings	48,100	(30,104)
Increase in long-term borrowings	500,000	150,000
Repayment of long-term borrowings	(521,007)	(150,168)
Increase in guarantee deposits received	2,000	—
Repayment of lease liabilities	(8,721)	(8,741)
Cash dividend	(204,082)	(204,082)
Interest paid	(34,197)	(34,292)
Net cash provided by (used in) financing activities	<u>(217,907)</u>	<u>(277,387)</u>
Effect of exchange rate changes on cash and cash equivalents	19,353	74,764
Net Increase (Decrease) in cash and cash equivalents	128,727	159,171
Cash and cash equivalents, beginning of period	1,249,038	1,089,867
Cash and cash equivalents, end of period	<u>\$1,377,765</u>	<u>\$1,249,038</u>

English Translation of Financial Statements Originally Issued in Chinese

JIH LIN TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and Organization

JIH LIN TECHNOLOGY CO., LTD. (the Company) was incorporated on October 18, 2000. The Company's registered address is No.58, Jhong Yang Rd., Nanzih Dist., Kaohsiung City. The principal activities of the Company are to tooling manufacture、lead frame manufacture and sales service. The Company's ordinary shares were publicly listed on the Taiwan Stock Exchange on February 25, 2014.

2. Date and Procedures of Authorization of Financial Statements for Issue

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the years ended December 31, 2025 and 2024 were authorized for issue by the board of directors on March 9, 2026.

3. Newly Issued or Revised Standards and Interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group adopted International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which have been endorsed by FSC, and not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue, are listed below.

Item	New, Revised or Aemnded Standards and Interpretaions	Effective date issued by IASB
A	IFRS 17 "Insurance Contracts"	1 January 2023
B	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
C	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
D	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026

A. IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

B. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

C. Annual Improvements to IFRS Accounting Standards – Volume 11

- (1) Amendments to IFRS 1
- (2) Amendments to IFRS 7
- (3) Amendments to Guidance on implementing IFRS 7
- (4) Amendments to IFRS 9
- (5) Amendments to IFRS 10
- (6) Amendments to IAS 7

D. Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS

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The amendments include:

- (1) Clarify the application of the ‘own-use’ requirements.
- (2) Permit hedge accounting if these contracts are used as hedging instruments.
- (3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and amendments are applicable for annual periods beginning on or after 1 January 2026 and have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group’s financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
B	IFRS 18 “Presentation and Disclosure in Financial Statements”	1 January 2027 (Note)
C	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027
D	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	1 January 2027

Note: On 25 September 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

A. IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attribute to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

B. IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

- (1) Improved comparability in the statement of profit or loss (income statement)
IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.
- (2) Enhanced transparency of management-defined performance measures
IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.
- (3) Useful grouping of information in the financial statements
IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

C. Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments permit subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

D. Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

- (1) Clarify that when the entity’s functional currency is that of a non hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.
- (2) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.
- (3) When the entity’s functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC, the local effective dates are to be determined by FSC. As the Group is currently determining the potential impact of the new or amended standards and interpretations, it is not practicable to estimate the impact on the Group at this point in time. All other standards and interpretations have no material impact on the Group.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

The consolidated financial statements of the Group for the years ended December 31, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”), IFRSs, IASs, IFRIC and SIC, which are endorsed by FSC.

(2) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

(3) Basis of Consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has :

- A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- B. exposure, or rights, to variable returns from its involvement with the investee, and
- C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including :

- A. the contractual arrangement with the other vote holders of the investee
- B. rights arising from other contractual arrangements, and
- C. the Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

- A. derecognizes the assets (including goodwill) and liabilities of the subsidiary
- B. derecognizes the carrying amount of any non-controlling interest
- C. recognizes the fair value of the consideration received
- D. recognizes the fair value of any investment retained
- E. recognizes any surplus or deficit in profit or loss
- F. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)	
			December 31, 2025	December 31, 2024
The Company	Speedy Investment Limited	Investment holding	100.00%	100.00%
The Company	Jih Li Technology Co., Ltd	Lead frame manufacture and sales service	100.00%	100.00%
The Company	Jih-Linchpin Limited	Investment holding	100.00%	100.00%
The Company	SH Precision Co., Ltd	Lead frame manufacture and sales service	100.00%	100.00%
The Company	Malaysian SH Precision Sdn. Bhd.	Lead frame manufacture and sales service	100.00%	100.00%
Speedy Investment Limited	Jinan Jihlong Technology Co., Ltd.	Lead frame manufacture and sales service	100.00%	100.00%
Jih-Linchpin Limited	Suzhou SH Precision Co., Ltd.	Lead frame manufacture and sales service	100.00%	100.00%

(4) Foreign Currency Transactions

The Group's consolidated financial statements are presented in NT\$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following :

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of Financial Statements in Foreign Currency

The assets and liabilities of foreign operations are translated into New Taiwan Dollars at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. On the partial disposal of foreign operations that result in a loss of control, loss of significant influence or joint control but retain partial equity is considering as disposal.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and Non-Current Distinction

An asset is classified as current when :

- A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
- B. The Group holds the asset primarily for the purpose of trading.
- C. The Group expects to realize the asset within twelve months after the reporting period.
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when :

- A. The Group expects to settle the liability in its normal operating cycle.
- B. The Group holds the liability primarily for the purpose of trading.
- C. The liability is due to be settled within twelve months after the reporting period.
- D. The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(7) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial Instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement.

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below :

- (a) the Group's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date :

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

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for :

- (a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met :

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and ;
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income (always is debt instrument) are described as below :

- (a) a gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) when the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - I. Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - II. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, at initial recognition, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and should be recorded as financial assets measured at fair value through other comprehensive income on balance sheet. Dividends on such investment are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were measured at amortized cost or measured at fair value through other comprehensive income only if they met particular conditions. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss and trade receivables.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Group measures expected credit losses of a financial instrument in a way that reflects :

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows :

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- (d) For financing lease receivable arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12.(4), Page 66-67, for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

- (a) The rights to receive cash flows from the asset have expired.
- (b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
- (c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributed to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability is classified as held for trading if :

- (a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term ;
- (b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either :

- (a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
- (b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attribute to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative Instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss (held for trading) except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are separated from the host contract and accounted for as a derivative.

(10) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- A. In the principal market for the asset or liability, or ;
- B. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials –Purchase cost on weighted average cost basis

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(12) Property, Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment.

When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Property, plant and equipment	Lives
Buildings and facilities	5~50 years
Machinery and equipment	2~16 years
Tooling equipment	2~5 years
Office equipment	3~10 years
Transportation equipment	2~6 years
Leasehold improvements	5~11 years
Other equipment	3~20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. These changes are treated as accounting estimates.

(13) Investment Property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", investment properties are measured using the cost model in accordance with the requirements of IAS 16 for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Investment Property	Lives
Buildings	40 years
Right-of-use assets	20 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group decides to transfer to or from investment properties based on the actual usage of the assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(14) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether the contract, throughout the period of use, has both of the following :

- A. the right to obtain substantially all of the economic benefits from use of the identified asset ; and
- B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date :

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date ;

- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which is increasing the carrying amount to reflect interest on the lease liability by using an effective interest method; and reducing the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use asset applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and presents interest expense separately from the depreciation charge associated with those leases in the consolidated income statement.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and presents them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(15) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss. A summary of the policies applied to the Group’s intangible assets is as follows :

	<u>Computer software</u>
Useful lives	Finite (3 years)
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired

(16) Impairment of Non-Financial Assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro-rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably 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. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(18) Revenue Recognition

The Group's revenue arising from contracts with customers mainly includes sale of goods and rendering of services. The accounting policies for the Group's types of revenue are explained as follows :

Sale of goods

The Group manufactures and sells merchandise. Sales are recognized when goods have been shipped and customers have obtained the control (the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits from the goods). The main product of the Group is semiconductor lead frame and tooling and revenue is recognized based on the consideration stated in the contract. Sales by volume discounts, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. The Group uses the previous experience to estimate volume discounts. However, revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The credit period of the Group's sale of goods is from 30 to 180 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The period between the Group transfers the goods to customers and when the customers pay for that goods is usually short and there is no significant financing component to the contract.

(19) Borrowing Costs

Borrowing costs directly attribute to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(20) Post-Employment Benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- A. the date of the plan amendment or curtailment, and
- B. the date that the Group recognizes any related restructuring costs or termination benefits.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(21) Income Taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed

5. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Inventories

Estimates of net realisable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6.(4), Page 36, for more details.

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand	\$1,069	\$1,231
Demand deposits	722,548	693,305
Time deposits	654,148	554,502
Total	<u>\$1,377,765</u>	<u>\$1,249,038</u>

(2) Notes receivables and Notes receivables - related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivables arising from operating activities	\$58,646	\$28,539
Subtotal (carrying amount)	58,646	28,539
Less: loss allowance	—	—
Subtotal	<u>58,646</u>	<u>28,539</u>
Notes receivables arising from operating activities (related parties)	—	—
Subtotal (carrying amount)	—	—
Less: loss allowance	—	—
Subtotal	—	—
Total	<u>\$58,646</u>	<u>\$28,539</u>

The Group's notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6.(14), Page 52-53, for more details on loss allowance and Note 12.(4), Page 66-67, for details on credit risk.

(3) Account receivables and Account receivables - related parties

	December 31, 2025	December 31, 2024
Account receivables	\$944,324	\$1,023,912
Subtotal (carrying amount)	944,324	1,023,912
Less: loss allowance	(11)	(568)
Subtotal	944,313	1,023,344
Account receivables-related parties	192	282
Subtotal (carrying amount)	192	282
Less: loss allowance	—	—
Subtotal	192	282
Total	\$944,505	\$1,023,626

The Group's account receivables were not pledged.

The credit terms of account receivables are generally set at 30 to 180 days from the end of month. The gross carrying amounts were NT\$944,516 thousand and NT\$1,024,194 thousand as of December 31, 2025 and 2024, respectively. Please refer to Note 6.(14), Page 52-53, for loss allowance for the years ended December 31, 2025 and 2024 and Note 12.(4), Page 66-67, for credit risk.

(4) Inventories

	December 31, 2025	December 31, 2024
Raw materials	\$516,635	\$582,204
Supplies	54,412	58,402
Work in progress	199,128	203,151
Finished goods	454,434	407,925
Total	\$1,224,609	\$1,251,682

	For the years ended December 31,	
	2025	2024
Cost of inventories sold	\$4,661,317	\$4,329,689
(Benefit)Loss on inventory valuation(Note)	(22,808)	2,172
Cost of goods sale	\$4,638,509	\$4,331,861

Note : (Benefit)Loss from inventory recovery is affected by the international price of copper and destocking.

The aforementioned inventories were not pledged.

(5) Property, plant and equipment

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Owner occupied property, plant and equipment	<u>\$1,280,204</u>	<u>\$1,292,044</u>

A. Owner occupied property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Tooling equipment</u>	<u>Office equipment</u>	<u>Transportation equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Construction in progress and equipment awaiting examination</u>	<u>Total</u>
Cost: :										
As of January 1, 2024	\$39,434	\$982,668	\$1,222,024	\$330,088	\$42,949	\$29,965	\$10,385	\$62,848	\$32,465	\$2,752,826
Additions	—	11,252	36,372	18,770	702	1,750	—	4,059	24,846	97,751
Disposals	—	(4,174)	(20,583)	(10,121)	—	(62)	(398)	(604)	—	(35,942)
Transfers	—	149	16,152	14,231	285	—	—	746	(27,375)	4,188
Exchange differences	(951)	9,148	26,463	5,137	1,937	608	—	1,664	358	44,364
As of December 31, 2024	38,483	999,043	1,280,428	358,105	45,873	32,261	9,987	68,713	30,294	2,863,187
Additions	5,891	7,393	81,290	17,845	646	92	171	5,571	29,717	148,616
Disposals	(427)	(5,089)	(103,017)	(1,972)	(55)	(272)	(103)	(403)	—	(111,338)
Transfers	2,019	250	25,403	6,215	186	—	—	4,560	(21,014)	17,619
Exchange differences	(1,185)	(5,518)	(2,323)	(7,066)	1,001	321	—	293	(410)	(14,887)
As of December 31, 2025	\$44,781	\$996,079	\$1,281,781	\$373,127	\$47,651	\$32,402	\$10,055	\$78,734	\$38,587	\$2,903,197

	Land	Buildings	Machinery and equipment	Tooling equipment	Office equipment	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress and equipment awaiting examination	Total
Depreciation and impairment :										
As of January 1, 2024	—	\$281,475	\$788,286	\$226,225	\$24,570	\$25,747	\$8,461	\$41,213	—	\$1,395,977
Depreciation	—	44,506	81,772	39,453	4,969	1,884	991	6,819	—	180,394
Disposals	—	(4,174)	(13,021)	(9,492)	—	(62)	(398)	(587)	—	(27,734)
Transfers	—	—	(27)	(2,340)	—	—	—	—	—	(2,367)
Exchange differences	—	3,726	15,892	2,815	953	396	—	1,091	—	24,873
As of December 31, 2024	—	325,533	872,902	256,661	30,492	27,965	9,054	48,536	—	1,571,143
Depreciation	—	43,877	79,495	32,097	3,684	1,634	627	6,721	—	168,135
Disposals	—	(4,992)	(94,660)	(1,307)	(49)	(238)	(103)	(328)	—	(101,677)
Transfers	—	—	72	(2,290)	—	—	—	—	—	(2,218)
Exchange differences	—	(3,919)	(2,908)	(6,686)	566	232	—	325	—	(12,390)
As of December 31, 2025	—	\$360,499	\$854,901	\$278,475	\$34,693	\$29,593	\$9,578	\$55,254	—	\$1,622,993
Net carrying amount as of :										
December 31, 2024	\$38,483	\$673,510	\$407,526	\$101,444	\$15,381	\$4,296	\$933	\$20,177	\$30,294	\$1,292,044
December 31, 2025	\$44,781	\$635,580	\$426,880	\$94,652	\$12,958	\$2,809	\$477	\$23,480	\$38,587	\$1,280,204

B. The significant part of the Group's buildings included primary buildings, renovation and decoration works, the useful life were 25~50 years and 5~8 years, respectively.

C. The amounts of capitalization of borrowing costs were \$0 for the years ended December 31, 2025 and 2024.

D. The Group's property, plant and equipment were not pledged.

(6) Investment property

The Group's investment properties include both owned Technology Industrial Park buildings and investment properties held by the Group as right-of-use assets. The Group has entered into commercial property leases for its owned investment properties with terms 10 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The investment properties held by the Group as right-of-use assets with non-cancellable period of 10 years. Some of these contracts provide the Group options to extend the leases.

	Buildings	Right-of-use assets	Total
Cost :			
As of January 1, 2024	\$212,391	\$45,001	\$257,392
Transfer in from property, plant and equipment	—	(6,076)	(6,076)
As of December 31, 2024	212,391	38,925	251,316
Transfer in from property, plant and equipment	—	—	—
As of December 31, 2025	\$212,391	\$38,925	\$251,316
Depreciation and impairment :			
As of January 1, 2024	\$26,548	\$5,606	\$32,154
Depreciation	5,310	966	6,276
As of December 31, 2024	31,858	6,572	38,430
Depreciation	5,309	951	6,260
As of December 31, 2025	\$37,167	\$7,523	\$44,690
Net carrying amount as of :			
December 31, 2024	\$180,533	\$32,353	\$212,886
December 31, 2025	\$175,224	\$31,402	\$206,626
		For the years ended December 31,	
		2025	2024
Rental income from investment properties		\$32,915	\$31,544

The Group's investment property were not pledged.

For those right-of-use assets leased as operating leases and presented in investment properties, please refer to Note 6.(15), Page 54-56, for relevant disclosure as required by IFRS 16.

(7) Intangible assets

A.Details was as follows:

	<u>Computer software</u>
Cost:	
As of January 1, 2024	\$18,314
Addition-acquired separately	702
Disposals	(761)
Transfers	—
Exchange differences	(310)
As of December 31, 2024	<u>17,945</u>
Addition-acquired separately	713
Disposals	(1,160)
Transfers	—
Exchange differences	(487)
As of December 31, 2025	<u><u>\$17,011</u></u>
Amortization and Impairment:	
As of January 1, 2024	\$15,756
Amortization	1,709
Disposals	(761)
Transfers	—
Exchange differences	(310)
As of December 31, 2024	<u>16,394</u>
Amortization	1,137
Disposals	(1,160)
Transfers	—
Exchange differences	(471)
As of December 31, 2025	<u><u>\$15,900</u></u>
Net carrying amount as of:	
December 31, 2024	<u><u>\$1,551</u></u>
December 31, 2025	<u><u>\$1,111</u></u>

B. The cost of computer software is ERP computer software, which is amortized evenly over 3 years.

C. Amortization expense of intangible assets under the statement of comprehensive income :

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Cost of goods sold	<u>\$120</u>	<u>\$253</u>
Operating expenses	<u>\$1,017</u>	<u>\$1,456</u>

(8) Other non-current assets

	December 31, 2025	December 31, 2024
Advance payments in equipments	\$6,229	\$18,743
Refundable deposits	2,051	1,937
Other non-current assets - other	4,403	3,927
Total	\$12,683	\$24,607

(9) Short-term borrowings

A.Details was as follows:

	December 31, 2025	December 31, 2024
Unsecured loans	\$370,080	\$321,980

B. Interest rate ranges and due date :

	December 31, 2025	December 31, 2024
Interest rates	1.61%~1.97909%	1.36%~1.928%
Due date	2026.01.06~2026.12.01	2025.01.09~2025.07.17
Unused short-term lines of credits amounted	\$2,156,146	\$2,460,782

(10) Long-term borrowings

A.Details of long-term borrowings as of December 31, 2025 was as follows:

Creditor	December 31, 2025	rate (%)	Maturity date and terms of repayment
Unsecured Mid-to Long - Term Loan from E. Sun Bank	\$300,000	1.9700%	The loan amount is 300,000 thousand. Effective December 11, 2025 to September 11, 2027. Repayment of principal at the due date with monthly interest payments. The quota will be reduced after 24 months. After that, every 3 months will be a period and the quota will be reduced to zero during five periods subsequently. From the first to fourth period, it will be reduced by 10% in each period. And the quota will be reduced by 60 % to zero in the fifth period. The amount of principal more than the current quota with be repaid immediately.
Unsecured Mid-to Long - Term Loan from First Commercial Bank	200,000	1.9500%	The loan amount is 200,000 thousand. Effective October 14, 2025 to April 25, 2028. Repayment of principal at the due date with monthly interest payments.

Creditor	December 31, 2025	rate (%)	Maturity date and terms of repayment
Unsecured Mid-to Long - Term Loan from SinoPac bank	\$50,000	2.0050%	The loan amount is 50,000 thousand. Effective December 31, 2025 to June 30, 2027. Repayment of principal at the due date with monthly interest payments.
Unsecured Mid-to Long - Term Loan from Mizuho Bank	100,000	1.9500%	The loan amount is 100,000 thousand. Effective September 4, 2025 to June 10, 2027. Repayment of principal at the due date with monthly interest payments.
Unsecured Mid-to Long - Term Loan from Mizuho bank	100,000	1.9500%	The loan amount is 100,000 thousand. Effective September 22, 2025 to June 10, 2027. Repayment of principal at the due date with monthly interest payments.
Unsecured Mid-to Long - Term Loan from Bank of Taiwan	82,500	2.1650%	The loan amount is 150,000 thousand. Since November 4, 2023, principal is repaid at 7,500 thousand in 20 quarterly payments with monthly interest payments. As of December 31, 2025, first to ninth principal has been repaid, and the principal for each period is 7,500 thousand.
Unsecured Mid-to Long-Term Loan from Taishin Bank	100,000	2.2200%	The loan amount is 100,000 thousand. Effective December 17, 2025 to July 17, 2027. Repayment of principal at the due date with monthly interest payments. The quota will be reduced begin on the twelfth month following the initial use. After that, every 6 months will be a period and the quota will be reduced during four periods subsequently. From the first to third period, it will be reduced by 150 million. And it will be reduced by 100 million in forth period.
Unsecured Mid-to Long-Term Loan from Taishin Bank	300,000	2.2300%	The loan amount is 300,000 thousand. Effective November 4, 2025 to July 17, 2027. Repayment of principal at the due date with monthly interest payments. The quota will be reduced begin on the twelfth month following the initial use. After that, every 6 months will be a period and the quota will be reduced during four periods subsequently. From the first to third period, it will be reduced by 150 million. And it will be reduced by 100 million in forth period.

Creditor	December 31, 2025	rate (%)	Maturity date and terms of repayment
Unsecured Mid-to Long - Term Loan from E. Sun Bank – Operation Revolving (Note)	\$14,583	1.875%	The loan amount is 100,000 thousand. Since August 15, 2022, principal is repaid at 2,083 thousand in 48 monthly payments with monthly interest payments. As of December 31, 2025, first to forty-first principal have been repaid, and the principal for each period is 2,083 thousand.
Unsecured Mid-to Long - Term Loan from Chang Hwa Bank – Operation Revolving (Note)	8,511	1.875%	The loan amount is 50,000 thousand. Since October 15, 2022, principal is repaid at 1,064 thousand in 47 monthly payments with monthly interest payments. As of December 31, 2025, first to thirty-ninth principal have been repaid, and the principal for each period is 1,064 thousand.
Unsecured Mid-to Long - Term Loan from Bank of Taiwan – Operation Revolving (Note)	12,500	1.875%	The loan amount is 60,000 thousand. Since November 15, 2022, principal is repaid at 1,250 thousand in 48 monthly payments with monthly interest payments. As of December 31, 2025, first to thirty-eighth principal have been repaid, and the principal for each period is 1,250 thousand.
Unsecured Mid-to Long - Term Loan from First Commercial Bank – Operation Revolving (Note)	11,178	1.875%	The loan amount is 48,775 thousand. Since December 15, 2022, principal is repaid at 1,016 thousand in 48 monthly payments with monthly interest payments. As of December 31, 2025, the first to thirty-seventh principal have been repaid, and the principal for each period is 1,016 thousand.
Unsecured Mid-to Long - Term Loan from E. Sun Bank – Machinery (Note)	9,654	1.875%	The loan amount is 66,200 thousand. Since August 15, 2022, principal is repaid at 1,379 thousand in 48 monthly payments with monthly interest payments. As of December 31, 2025, first to forty-first principal have been repaid, and the principal for each period is 1,379 thousand.
Unsecured Mid-to Long - Term Loan from Chang Hwa Bank – Machinery (Note)	1,446	1.875%	The loan amount is 2,610 thousand. Since December 15, 2022, principal is repaid at 31 thousand in 83 monthly payments with monthly interest payments. As of December 31, 2025, the first to thirty-seventh principal have been repaid, and the principal for each period is 31 thousand.

Creditor	December 31, 2025	rate (%)	Maturity date and terms of repayment
Unsecured Mid-to Long - Term Loan from Bank of Taiwan – Machinery (Note)	\$7,600	1.875%	The loan amount is 36,480 thousand. Since November 15, 2022, principal is repaid at 760 thousand in 48 quarterly payments with monthly interest payments. As of December 31, 2025, first to thirty-eighth principal have been repaid, and the principal for each period is 760 thousand.
Less: Due within one year	(304,403)		
Total	<u>\$ 993,569</u>		

Note : The Company apply 「 Action Plan for Overseas Taiwanese Businesses to Return to Invest in Taiwan 」 , restricted use of financing for plant facilities or purchase of machinery and equipment and operation revolving fund. Interest rate ranges and due date as follow :

Item	December 31, 2025 Operation Revolving	December 31, 2025 Machinery
Interest rate ranges	1.875%	1.875%
Due date	July 15, 2026~ November 15, 2026	July 15, 2026~ October 15, 2029
Unused mid-to long-term lines of credits amounted	—	—

B. Details of long-term borrowings as of December 31, 2024 was as follows:

Creditor	December 31, 2024	rate (%)	Maturity date and terms of repayment
Unsecured Mid-to Long - Term Loan from E. Sun Bank	\$300,000	1.9700%	The loan amount is 300,000 thousand. Effective December 11, 2024 to September 11, 2027. Repayment of principal at the due date with monthly interest payments. The quota will be reduced after 24 months. After that, every 3 months will be a period and the quota will be reduced to zero during five periods subsequently. From the first to fourth period, it will be reduced by 10% in each period. And the quota will be reduced by 60% to zero in the fifth period. The amount of principal more than the current quota will be repaid immediately.
Unsecured Mid-to Long - Term Loan from SinoPac bank	50,000	2.0050%	The loan amount is 50,000 thousand. Since December 31, 2024 to June 30, 2026, Repayment of principal at the due date with monthly interest payments.
Unsecured Mid-to Long - Term Loan from Mizuho Bank	100,000	1.9800%	The loan amount is 100,000 thousand. Since October 22, 2024 to June 10, 2026, Repayment of principal at the due date with monthly interest payments

Creditor	December 31, 2024	rate (%)	Maturity date and terms of repayment
Unsecured Mid-to Long - Term Loan from Bank of Taiwan	\$112,500	2.0650%	The loan amount is 150,000 thousand. Since November 4, 2023, principal is repaid at 7,500 thousand in 20 quarterly payments with monthly interest payments. As of December 31, 2024, first to fifth principal has been repaid, and the principal for each period is 7,500 thousand.
Syndication unsecured loan from Taishin Bank -A	500,000	2.5648%	The loan amount is 500,000 thousand. Effective December 6, 2024 to September 20, 2025. Repayment of principal.
Syndication unsecured loan from Taishin Bank -A	100,000	2.5574%	The loan amount is 100,000 thousand. Effective October 17, 2024 to September 20, 2025. Repayment of principal.
Unsecured Mid-to Long - Term Loan from E. Sun Bank – Operation Revolving (Note)	39,583	1.875%	The loan amount is 100,000 thousand. Since August 15, 2022, principal is repaid at 2,083 thousand in 48 monthly payments with monthly interest payments. As of December 31, 2024, first to twenty-ninth principal have been repaid, and the principal for each period is 2,083 thousand.
Unsecured Mid-to Long - Term Loan from Chang Hwa Bank – Operation Revolving (Note)	21,277	1.875%	The loan amount is 50,000 thousand. Since October 15, 2022, principal is repaid at 1,064 thousand in 47 monthly payments with monthly interest payments. As of December 31, 2024, first to twenty-seventh principal have been repaid, and the principal for each period is 1,064 thousand.
Unsecured Mid-to Long - Term Loan from Bank of Taiwan – Operation Revolving (Note)	27,500	1.875%	The loan amount is 60,000 thousand. Since November 15, 2022, principal is repaid at 1,250 thousand in 48 monthly payments with monthly interest payments. As of December 31, 2024, first to twenty-sixth principal have been repaid, and the principal for each period is 1,250 thousand.
Unsecured Mid-to Long - Term Loan from First Commercial Bank – Operation Revolving (Note)	23,371	1.875%	The loan amount is 48,775 thousand. Since December 15, 2022, principal is repaid at 1,016 thousand in 48 monthly payments with monthly interest payments. As of December 31, 2024, the first to twenty-fifth principal have been repaid, and the principal for each period is 1,016 thousand.

Creditor	December 31,		Maturity date and terms of repayment
	2024	rate (%)	
Unsecured Mid-to Long - Term Loan from E. Sun Bank—Machinery (Note)	\$26,204	1.875%	The loan amount is 66,200 thousand. Since August 15, 2022, principal is repaid at 1,379 thousand in 48 monthly payments with monthly interest payments. As of December 31, 2024, first to twenty-ninth principal have been repaid, and the principal for each period is 1,379 thousand.
Unsecured Mid-to Long - Term Loan from Chang Hwa Bank—Machinery (Note)	1,824	1.875%	The loan amount is 2,610 thousand. Since December 15, 2022, principal is repaid at 31 thousand in 83 monthly payments with monthly interest payments. As of December 31, 2024, the first to twenty-fifth principal have been repaid, and the principal for each period is 31 thousand.
Unsecured Mid-to Long - Term Loan from Bank of Taiwan—Machinery (Note)	16,720	1.875%	The loan amount is 36,480 thousand. Since November 15, 2022, principal is repaid at 760 thousand in 48 quarterly payments with monthly interest payments. As of December 31, 2024, first to twenty-sixth principal have been repaid, and the principal for each period is 760 thousand.
Less: Due within one year	(721,007)		
Total	<u>\$597,972</u>		

Note : The Company apply 「Action Plan for Overseas Taiwanese Businesses to Return to Invest in Taiwan」, restricted use of financing for plant facilities or purchase of machinery and equipment and operation revolving fund. Interest rate ranges and due date as follow :

Item	December 31, 2024	December 31, 2024
	Operation Revolving	Machinery
Interest rate ranges	1.875%	1.875%
Due date	July 15, 2026~ November 15, 2026	July 15, 2026~ October 15, 2029
Unused mid-to long-term lines of credits amounted	—	—

(11) Post-employment benefits plan

A. Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People’s Republic of China will contribute social welfare benefits based on a certain percentage of employees’ salaries or wages to the employees’ individual pension accounts.

Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with the local regulations.

Expenses under the defined contribution plan for the years ended December 31, 2025 and 2024 were \$7,971 thousand and \$8,267 thousand, respectively.

B. Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average monthly salary prior to retirement. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees’ total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute \$210 thousand to its defined benefit plan during the 12 months beginning after December 31, 2025.

The average duration of the defined benefits plan obligation as of December 31, 2025 and 2024 are 19 years and 18 years, respectively.

C. The pension costs recognized in profit or loss for the years ended December 31, 2024 and 2023 are as follows :

	For the years ended December 31,	
	2025	2024
Current period service costs	\$499	\$382
Net interest on the net defined benefit liabilities	20	13
Total	\$519	\$395

D. Reconciliations of liabilities (assets) of the defined benefit obligation and plan assets at fair value are as follows :

	December 31, 2025	December 31, 2024	January 1, 2024
Defined benefit obligation	\$11,992	\$8,493	\$7,417
Plan assets at fair value	(8,072)	(7,246)	(6,512)
Net defined benefit liabilities recognized on the consolidated balance sheets	<u>\$3,920</u>	<u>\$1,247</u>	<u>\$905</u>

Reconciliations of liability (asset) of the defined benefit plan is as follows:

	As at		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit liability (asset)
As of January 1, 2024	\$7,417	\$(6,512)	\$905
Current service costs	382	—	382
Net interest expense (income)	105	(92)	13
Past service cost and gains and losses arising from settlements	—	—	—
Subtotal	<u>487</u>	<u>(92)</u>	<u>395</u>
Remeasurements of the net defined benefit liability (asset) :			
Actuarial gains and losses arising from changes in demographic assumptions	39	—	39
Actuarial gains and losses arising from changes in financial assumptions	(306)	—	(306)
Experience adjustments	965	—	965
Remeasurements of the defined benefit asset	—	(554)	(554)
Subtotal	<u>698</u>	<u>(554)</u>	<u>144</u>
Payment of benefit obligation	(109)	109	—
Contributions by employer	—	(197)	(197)
Effect of changes in foreign exchange rates	—	—	—
As of December 31, 2024	8,493	(7,246)	1,247
Current service costs	499	—	499
Net interest expense (income)	136	(116)	20
Past service cost and gains and losses arising from settlements	—	—	—
Subtotal	<u>635</u>	<u>(116)</u>	<u>519</u>
Remeasurements of the net defined benefit liability (asset) :			
Actuarial gains and losses arising from changes in demographic assumptions	—	—	—
Actuarial gains and losses arising from changes in financial assumptions	192	—	192
Experience adjustments	2,672	—	2,672
Remeasurements of the defined benefit asset	—	(500)	(500)
Subtotal	<u>2,864</u>	<u>(500)</u>	<u>2,364</u>
Payment of benefit obligation	—	—	—
Contributions by employer	—	(210)	(210)
Effect of changes in foreign exchange rates	—	—	—
As of December 31, 2025	<u>\$11,992</u>	<u>\$(8,072)</u>	<u>\$3,920</u>

E. The principal assumptions used in determining the Company's defined benefit plan are shown below :

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.52%	1.60%
Expected rate of salary increases	2.00%	2.00%

F. A sensitivity analysis for significant assumption as of December 31, 2025 and 2024, is as shown below :

	<u>For the years ended December 31,</u>			
	<u>2025</u>		<u>2024</u>	
	<u>Defined benefit obligation increase</u>	<u>Defined benefit obligation decrease</u>	<u>Defined benefit obligation increase</u>	<u>Defined benefit obligation decrease</u>
Discount rate increase by 0.5%	—	\$1,042	—	\$677
Discount rate decrease by 0.5%	\$1,293	—	\$890	—
Future salary increase by 0.5%	\$1,279	—	\$882	—
Future salary decrease by 0.5%	—	\$1,042	—	\$677

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(12) Equities

A. Common stock

As of December 31, 2025 and 2024, the Company's authorized capital were both \$1,500,000 thousand, and issued were both \$1,020,409 thousand with 102,041 thousand shares, each at a par value of NT\$10.

B. Additional paid-in capital

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Share premium	\$395,164	\$517,613
Acquiring or disposing subsidiaries	38,918	38,918
Total	<u>\$434,082</u>	<u>\$556,531</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the group. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company as stock dividends up to a certain percentage of paid-in capital. The said capital reserve could also be distributed in the form of cash dividends to shareholders in proportion to the number of shares being held by each of them.

C. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order :

- (a) Reserve for tax payments
- (b) Offset prior years' operation losses
- (c) Legal reserve, which is 10% of leftover profits
- (d) Set aside or reverse special reserve in accordance with law and regulations
- (e) The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The policy of dividend distribution should reflect factors such as the current and future development plan, investment environment, fund requirements, domestic and international competition as well as the interest of the shareholders. The Board of Directors shall propose the distribution plan and submit it to the stockholders' meeting every year. The distribution of stockholders' dividend shall be allocated as cash dividend no less than 20% dividend.

According to the Company Act, the Company needs to set aside an amount to legal reserves unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserves that exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When reserve distribution, the company has already set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity when the Company adopted IFRS in the first time. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

The Company complies with Order No. Jin-Guan-Zheng-Fa-1090150022 issued by the FSC on March 31, 2021, which sets out the following provisions : On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserves. Later when the company uses, disposes of, or reclassifies the relevant assets, it may reverse to distributable earnings a proportional amount of the special reserves originally set aside.

As of December 31, 2025 and 2024, special reserve set aside for the first-time adoption of IFRS amounts to \$34,253 thousand. The Company complies with Order No. Jin-Guan-Zheng-Fa-1010012865 issued by the FSC on April 6, 2012, the special capital reserve \$(74,916) thousand was reversed and \$66,400 thousand was set aside in 2025 and 2024 respectively. As of December 31, 2025 and 2024, special capital reserve amounted to \$125,449 thousand and \$200,365 thousand respectively.

Details of the 2025 and 2024 earnings distribution and dividends per share as approved and resolved by the Board of Directors' meeting and shareholders' meeting on March 9, 2026 and March 12, 2025 respectively, are as follows :

	Appropriation of earnings		Dividend per share (NT\$)	
	2025	2024	2025	2024
Legal reserve	\$15,380	\$25,686	—	—
(Reverse)Set Special reserve	\$(14,420)	\$(74,916)	—	—
Common stock -cash dividend(Note)	\$61,225	\$81,633	\$0.60	\$0.80

Note : The board of directors's meeting held on March 9, 2026 and March 12, 2025 resolve to distribute the dividends in form of cash of 2025 and 2024 by an extraordinary resolution.

The Company's board of directors who is authorized by the articles made a resolution to distribute \$91,837 thousand and \$122,449 thousand in capital reserve with NT\$0.90 and NT\$1.20 per share as cash dividends of 2025 and 2024 on March 9, 2026 and March 12, 2025, respectively.

The appropriation of 2025 unappropriated retained earnings has not yet been approved by the stockholder's meeting as of the reporting date. Information relevant to the Board of Directors' meeting recommendations and stockholders' meeting approval can be obtained from the "Market Observation Post System" on the website of the TWSE.

Please refer to Note 6.(16), Page 56-57, for information on the employees and directors' compensation.

(13) Net revenue

	For the years ended December 31,	
	2025	2024
Revenue from contracts with customers		
Sale of goods	\$3,595,186	\$3,521,097
Other operating revenue	1,753,236	1,505,754
Total	\$5,348,422	\$5,026,851

Analysis of revenue from contracts with customers during the years ended December 31, 2025 and 2024 are as follows:

A. Disaggregation of revenue

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
TO Leadframe	\$1,560,998	\$1,489,958
Discrete device	1,391,106	1,346,853
Module	643,082	684,286
Other	1,753,236	1,505,754
Total	<u>\$5,348,422</u>	<u>\$5,026,851</u>
Timing of revenue recognition :		
At a point in time	<u>\$5,348,422</u>	<u>\$5,026,851</u>

B. Contract balances

Contract liabilities — current

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>January 1,</u> <u>2024</u>
Sale of goods	<u>\$ 5,191</u>	<u>\$ 3,672</u>	<u>\$ 5,585</u>

The significant changes in the Group balances of contract liabilities for the years ended December 31, 2025 and 2024 are as follows:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Revenue recognized during the period that was included in the beginning balance	\$(1,169)	\$(3,082)
Deducting the amount incurred and transferred to revenue during the period	\$(3,950)	\$(6,972)
Increase in receipt in advance during the period	\$6,638	\$8,141

C. Transaction price allocated to unsatisfied performance obligations

None.

D. Assets recognized from the costs to obtain or fulfil a contract with a customer

None.

(14) Expected credit loss (gain)

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Operating expense – Expected credit loss (gain)		
Contract asset	—	—
Notes receivables	—	—
Account receivables	\$(542)	\$532
Total	<u>\$(542)</u>	<u>\$532</u>

Please refer to Note 12.(4), Page 66-67, for more details on credit risk.

The Group measures the loss allowance of its receivables (including note receivables and account receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of December 31, 2025 and 2024 are as follows:

The Group needed to consider the grouping by counterparties' credit rating, geographical region and industry sector, and its loss allowance is measure by using expected credit loss, details as follows:

	<u>December 31, 2025</u>						<u>Total</u>
	<u>Neither past due(Note)</u>	<u>Past due</u>					
		<u>30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-120 days</u>	<u>Over 121 days</u>	
Gross carrying amount	\$954,676	\$46,185	\$2,301	—	—	—	\$1,003,162
Loss ratio	—	0.01%-0.05%	0.05%-2.5%	—	—	—	
Lifetime expected credit losses	—	(6)	(5)	—	—	—	(11)
Subtotal	\$954,676	\$46,179	\$2,296	—	—	—	\$1,003,151

	<u>December 31, 2024</u>						<u>Total</u>
	<u>Neither past due(Note)</u>	<u>Past due</u>					
		<u>30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-120 days</u>	<u>Over 121 days</u>	
Gross carrying amount	\$966,949	\$64,395	\$15,857	\$5,532	—	—	\$1,052,733
Loss ratio	—	0.01%-1%	1%-5%	5%-15%	—	—	
Lifetime expected credit losses	—	(11)	(245)	(312)	—	—	(568)
Subtotal	\$966,949	\$64,384	\$15,612	\$5,220	—	—	\$1,052,165

Note: Not any of the Company's note receivables was past due.

The movement in the provision for impairment of receivables for the years ended December 31, 2025 and 2024 are as follows:

	<u>Account receivables</u>
As of January 1, 2024	\$33
Charge (revisal) of current period	532
Effect of changes in exchange rate	3
As of December 31, 2024	568
Charge (revisal) of current period	(542)
Effect of changes in exchange rate	(15)
As of December 31, 2025	\$11

(15) Leases

(1) Group as a lessee

The Group leases various properties, including real estate such as land, buildings and Leasehold improvements. The lease terms between 3 to 50 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

(a) Amounts recognized in the balance sheet

I. Right-of-use assets

	December 31, 2025	December 31, 2024
Land	\$59,367	\$61,510
Leasehold improvements	2,017	2,076
Buildings and facilities	17,044	—
Total	<u>\$78,428</u>	<u>\$63,586</u>

During the years ended of December 31, 2025 and 2024, the Group's additions to right-of-use assets amounted to \$22,068 thousand and \$9,174 thousand, respectively.

II. Lease liabilities

	December 31, 2025	December 31, 2024
Lease liabilities	<u>\$98,989</u>	<u>\$84,333</u>
Current	\$7,308	\$2,555
Non-current	91,681	81,778
Total	<u>\$98,989</u>	<u>\$84,333</u>

Please refer to Note 6.(17)(D), Page 58, for the interest on lease liability recognized during 2025 and 2024 and Note 12.(5), Page 67, for the maturity analysis of lease liabilities as of December 31 ,2025 and 2024.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2025	2024
Land	\$2,415	\$2,457
Leasehold improvements	65	66
Buildings and facilities	4,791	4,328
Total	<u>\$7,271</u>	<u>\$6,851</u>

(c) Income and costs relating to leasing activities

	For the years ended December 31,	
	2025	2024
The expenses relating to short-term leases	\$13,179	\$14,614
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	91	80

(d) Cash outflow relating to leasing activities

During the years ended December 31, 2025 and 2024, the Group's total cash outflows for leases amounted to \$23,533 thousand and \$24,784 thousand, respectively.

(e) Other information relating to leasing activities

Extension and termination options

Some of the Group's property leases contain options to extend or terminate the leases. When determining the lease term, it shall be the non-cancellable period where the lessee has the right to use the underlying asset, together with periods covered by an option to extend the lease where the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease where the Group is reasonably certain not to exercise that option. The use of those options can maximize the flexibility in managing the contracts. The majority of options to extend or terminate the leases can only be exercised by the Group. The Group would reassess the lease periods when a significant event or a significant change in circumstances occurs (that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term) after the commencement date.

(2) Group as a lessor

Please refer to Note 6.(6), Page 39, for relevant disclosure of the Group's own occupied investment property and right-of-use assets. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended December 31,	
	2025	2024
Lease income for operating leases	\$32,915	\$31,544

Please refer to Note 6.(6),Page 39, for relevant disclosure of property, plant and equipment for operating leases under IFRS 16. For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2025 and 2024 are as follow:

	December 31, 2025	December 31, 2024
Not later than one year	\$32,915	\$32,915
Later than one year and not later than two years	33,040	32,915
Later than two year and not later than three years	34,544	33,040
Later than three year and not later than four years	36,000	34,543
Later than four year and not later than five years	36,000	36,000
Later than five years	109,320	145,320
Total	<u>\$281,819</u>	<u>\$314,733</u>

(16) Summary statement of employee benefits, depreciation and amortization expenses by function:

Function Nature	For the years ended December 31,					
	2025			2024		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$400,764	\$205,343	\$606,107	\$402,292	\$204,158	\$606,450
Labor and health insurance	\$49,594	\$18,035	\$67,629	\$46,853	\$17,265	\$64,118
Pension	\$10,310	\$4,799	\$15,109	\$10,541	\$4,197	\$14,738
Other employee benefits expense	\$10,141	\$9,324	\$19,465	\$8,756	\$8,845	\$17,601
Depreciation	\$141,030	\$40,636	\$181,666	\$151,279	\$42,242	\$193,521
Amortization	\$139	\$1,233	\$1,372	\$313	\$1,730	\$2,043

According to the Company's Articles of Incorporation, 2%~10% of profit of the current year is distributable as employees' compensation and no higher than 2% of profit of the current year is distributable as remuneration to directors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributed as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the board of directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of the year ended December 31, 2025, the Company estimated the amounts of the employees' compensation and remuneration to directors to be 3.05% and 0.66%, respectively. As such, employees' compensation and remuneration to directors were recognized as employee salary expense at \$5,600 thousand and \$1,200 thousand for the year ended December 31, 2025, respectively. A fixed monthly remuneration for the independent directors were recognized as employee salary expense at \$1,440 thousand.

Based on profit of the year ended December 31, 2024, the Company estimated the amounts of the employees' compensation and remuneration to directors to be 2.90% and 0.50%, respectively. As such, employees' compensation and remuneration to directors were recognized as employee salary expense at \$8,406 thousand and \$1,440 thousand for the year ended December 31, 2024, respectively. A fixed monthly remuneration for the independent directors were recognized as employee salary expense at \$1,440 thousand.

Actual payment is \$8,406 thousand and \$1,440 thousand as employees' compensation and remuneration to directors for the year of 2024, respectively. There were no material differences between the actual amount and the estimated amount which recognized in the year of 2024.

(17) Non-operating income and expenses

A. Interest income

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Finance asset measured at amortized cost – Bank deposit	<u>\$25,181</u>	<u>\$22,905</u>

B. Other income

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Rental income	\$2,411	\$ 2,481
Others income – other	22,377	64,673
Total	<u>\$24,788</u>	<u>\$67,154</u>

C. Other gains and losses

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Gains on disposal of property, plant and equipment	\$2,303	\$2,046
Foreign exchange (losses) benefits, net	(27,514)	51,026
Others	(1,661)	(350)
Total	<u>\$(26,872)</u>	<u>\$52,722</u>

D. Finance costs

	For the years ended December 31,	
	2025	2024
Interest on borrowings from bank	\$34,629	\$34,453
Interest on lease liabilities	1,542	1,349
Total	\$36,171	\$35,802

(18) Components of other comprehensive income

For the year ended December 31, 2025 :

	Arising during the period	Reclassification on adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Items that will not to be reclassified to profit or loss :					
Remeasurements of defined benefit pension plans	\$(2,364)	—	\$(2,364)	—	\$(2,364)
Items that may be reclassified subsequently to profit or loss :					
Exchange differences on translation of foreign operations	18,025	—	18,025	\$(3,605)	14,420
Total of other comprehensive income (loss)	\$15,661	—	\$15,661	\$(3,605)	\$12,056

For the year ended December 31, 2024 :

	Arising during the period	Reclassification on adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Items that will not to be reclassified to profit or loss :					
Remeasurements of defined benefit pension plans	\$(144)	—	\$(144)	—	\$(144)
Items that may be reclassified subsequently to profit or loss :					
Exchange differences on translation of foreign operations	93,645	—	93,645	\$(18,729)	74,916
Total of other comprehensive income (loss)	\$93,501	—	\$93,501	\$(18,729)	\$74,772

(19) Income tax

A. The major components of income tax expense (benefit) for the years ended December 31, 2025 and 2024 were as follows:

(a) Income tax expense (benefit) recognized in profit or loss

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Current income tax expense (benefit):		
Current income tax charge	\$72,594	\$53,349
Adjustments in respect of current income tax of prior periods	(1,556)	(4,305)
Deferred income tax expense (benefit):		
Deferred income tax expense (benefit) relating to origination and reversal of temporary differences	(1,024)	20,916
Deferred income tax related to recognition and derecognition of tax losses and unused tax credits	(1,362)	(2,408)
Others	(1,339)	(642)
Total income tax expense	<u>\$67,313</u>	<u>\$66,910</u>

(b) Income tax recognized in other comprehensive income

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Deferred tax expense (benefit):		
Exchange differences on translation of foreign operations	<u>\$3,605</u>	<u>\$18,729</u>

B. The reconciliation of income tax expense and income tax based on pre-tax net income at the statutory tax rate was as follows:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Accounting profit before tax from continuing operations	<u>\$223,480</u>	<u>\$323,911</u>
Tax at the domestic rates applicable to profits in the country concerned	\$86,378	\$104,041
Tax effect of expenses not deductible for tax purposes	22,167	494
Tax effect of deferred tax assets/liabilities	(50,899)	(33,370)
Corporate income surtax on undistributed retained earnings	11,223	50
Adjustments in respect of current income tax of prior periods	(1,556)	(4,305)
Total income tax expense recognized in profit or loss	<u>\$67,313</u>	<u>\$66,910</u>

C. Balance of deferred income tax assets (liabilities) relate to the following:
For the year ended December 31, 2025 :

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Unrealized exchange losses	\$(2,800)	\$ 2,789	—	\$(11)
Unrealized exchange benefits	—	492	—	492
Allowance for bad debts	(650)	54	—	(596)
Allowance for inventory valuation	7,349	(4,366)	—	2,983
Share of profit (loss) of subsidiaries accounted for using the equity method	(77,471)	1,188	—	(76,283)
Depreciation difference for tax purpose—ductible	8,759	(120)	—	8,639
Depreciation difference for tax purpose—taxable	(17,847)	273	—	(17,574)
Downstream transaction not realized	224	66	—	290
Exchange differences on translation of foreign operations	29,681	—	\$(3,605)	26,076
Temporary differences in prepaid annuities	(1,899)	709	—	(1,190)
Deduction for Losses	2,408	1,362	—	3,770
Other	537	(61)	—	476
Deferred tax (expense) / income		<u>\$2,386</u>	<u>\$(3,605)</u>	
Net deferred income tax assets/(liabilities)	<u>\$(51,709)</u>			<u>\$(52,928)</u>
Reflected in balance sheet as follows:				
Deferred income tax assets	<u>\$48,958</u>			<u>\$42,726</u>
Deferred income tax liabilities	<u>\$(100,667)</u>			<u>\$(95,654)</u>

For the year ended December 31, 2024 :

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Unrealized exchange (losses) benefits	\$6591	\$(3,459)	—	\$(2,800)
Allowance for bad debts	(715)	65	—	(650)
Allowance for inventory valuation	6,669	680	—	7,349
Share of profit (loss) of subsidiaries accounted for using the equity method	(61,924)	(15,547)	—	(77,471)
Depreciation difference for tax purpose—ductible	8,644	115	—	8,759
Depreciation difference for tax purpose—taxable	(16,161)	(1,686)	—	(17,847)
Downstream transaction not realized	824	(600)	—	224
Exchange differences on translation of foreign operations	48,410	—	\$(18,729)	29,681
Temporary differences in prepaid annuities	(1,502)	(397)	—	(1,899)
Deduction for Losses	—	2,408	—	2,408
Other	624	(87)	—	537
Deferred tax income/ (expense)		<u>\$(18,508)</u>	<u>\$(18,729)</u>	
Net deferred income tax assets/(liabilities)	<u>\$(14,472)</u>			<u>\$(51,709)</u>
Reflected in balance sheet as follows:				
Deferred income tax assets	<u>\$65,830</u>			<u>\$48,958</u>
Deferred income tax liabilities	<u>\$(80,302)</u>			<u>\$(100,667)</u>

D. Unrecognized deferred income tax liabilities related to investment subsidiaries

The company may generate income tax payable when repatriating undistributed surplus of some subsidiaries. The related deferred income tax liabilities were not recognized because of the company has decided not to distribute the earnings of subsidiaries in the foreseeable future. As of December 31, 2025 and 2024, the amount of taxable temporary differences not recognized as deferred income tax was \$177,993 thousand and \$139,646 thousand, respectively.

E. The assessment of income tax returns

As of December 31, 2025, the assessments of the income tax returns of the Company and its subsidiaries are as follows :

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2023
Subsidiary- Jih Li Technology Co., Ltd	Assessed and approved up to 2023

(20) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributes to ordinary equity owners of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributes to ordinary equity owners of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
A. Basic earnings per share		
Net income	\$156,167	\$257,001
Weighted average number of ordinary shares outstanding for basic earnings per share (thousand shares)	<u>102,041</u>	<u>102,041</u>
Basic earnings per share (NT\$)	<u>\$1.53</u>	<u>\$2.52</u>
B. Diluted earnings per share		
Net income	<u>\$156,167</u>	<u>\$257,001</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (thousand shares)	102,041	102,041
Effect of dilution :		
Employee compensation — stock (thousand shares)	<u>111</u>	<u>168</u>
Weighted average number of common stocks after dilution(thousand shares)	<u>102,152</u>	<u>102,209</u>
Diluted earnings per share (NT\$)	<u>\$1.53</u>	<u>\$2.51</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date the financial statements were authorized for issue.

7. Related Party Transactions

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of related parties

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
Jih Long Industry Co., Ltd.	Other related parties
Jih Hong Technology Co., Ltd.	Other related parties
Jih Yin Precision Co., Ltd.	Other related parties
Hongxiu International Investment Co., Ltd	Other related parties
Weishan International Investment Co., Ltd	Other related parties
MOSPEC Semiconductor Corp.	Other related parties
Tsai, Shang-Yen and other ten people	Key management personal of the Group

Significant transactions with the related parties

(1) Sales

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Other related parties	<u>\$1,903</u>	<u>\$1,335</u>

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection periods to foreign customers were month-end 30~180 days, and non-related parties domestic and foreign customers were month-end 30~180 days. The receivables from the related parties were not guaranteed.

(2) Purchase

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Other related parties	<u>\$105</u>	<u>\$28</u>

The purchase price from the related parties was determined through mutual agreement in reference to market conditions. The payment periods to related parties were the same with other company, and were month-end three months.

(3) Receivables -related parties

	<u>December 31,</u>	<u>December 31,</u>
	<u>2025</u>	<u>2024</u>
Other related parties	<u>\$192</u>	<u>\$282</u>

The credit conditions for the account receivable of the related parties are collection within 90 days after the sale which is equivalent to that of general customers.

(4) Account payables - related parties

	December 31, 2025	December 31, 2024
Other related parties	\$11	\$11

The credit conditions for the account payable of the related parties are payment within 90 days after the purchase which is equivalent to that of general supplier.

(5) Other payables - related parties

	December 31, 2025	December 31, 2024
Other related parties	\$2,262	\$2,111

(6) Lease - related parties

Rent Expense

	For the years ended December 31,	
	2025	2024
Other related parties	\$720	\$720

Right-of-use assets (The ending balance of the right-of-use asset acquired by lease from the related party)

	December 31, 2025	December 31, 2024
Other related parties		
Jih Hong Technology Co., Ltd	\$14,160	—
Others	2,178	—
Total	\$16,338	—

Lease liabilities (The ending balance of lease liability payable to the related party)

	December 31, 2025	December 31, 2024
Other related parties		
Jih Hong Technology Co., Ltd	\$14,297	—
Others	2,200	—
Total	\$16,497	—

Interest expense (The interest amount of lease liability payable to the related party)

	For the years ended December 31,	
	2025	2024
Other related parties	\$361	\$27

(7) Key management personnel compensation

	For the years ended December 31,	
	2025	2024
Short-term employee benefits	\$18,756	\$19,066
Post-employment benefits	540	540
Total	\$19,296	\$19,606

(8) Commissioned processing

	For the years ended December 31,	
	2025	2024
Other related parties	\$10,479	\$13,245

8. Assets Pledged as Collateral

None

9. Commitments and Off Balance Sheet Commitments

(1) As of December 31, 2025, the Group had opened an unused letter of credit amounting to USD 1,082 thousand and JPY 482 thousand.

(2) As of December 31, 2025, the Group had customs bond and the guarantees provided by bank to custom amounting to NT\$ 4,500 thousand.

(3) As of December 31, 2025, no endorsement guarantee provided by the Group.

10. Losses Due to Major Disasters

None

11. Significant Subsequent Events

None

12. Others

(1) Categories of financial instruments

Financial assets

	December 31, 2025	December 31, 2024
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	\$1,376,696	\$1,247,807
Notes receivables and Account receivables (including related parties)	1,003,151	1,052,165
Other receivables (including related parties)	29,567	40,130
Refundable deposits	2,051	1,937
Total	\$2,411,465	\$2,342,039

Financial liabilities

	December 31, 2025	December 31, 2024
Financial liabilities at amortized cost:		
Short-term borrowings	\$370,080	\$321,980
Notes payables, account payables and other payables (including related parties)	417,643	422,694
Long-term borrowings (including current portion)	1,297,972	1,318,979
Lease liabilities (including related parties)	98,989	84,333
Total	<u>\$2,184,684</u>	<u>\$2,147,986</u>

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk preference.

The Group has established appropriate policies, procedures and internal controls for financial risk management. The plans for material treasury activities are reviewed by Board of Directors and Audit Committee in accordance with relevant regulations and internal controls. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise foreign currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there are usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD and JPY. The information of the sensitivity analyses is as follows:

- A. When NTD increased / decreased USD by 1%, the profit for the years ended December 31, 2025 and 2024 increased by \$11,262 thousand and \$12,304 thousand, respectively, when NTD increase. And decreased by \$(11,262) thousand and \$(12,304) thousand, respectively, when NTD decrease.
- B. When NTD increased / decreased JPY by 1%, the profit for the years ended December 31, 2025 and 2024 increased by \$14 thousand and \$381 thousand, respectively, when NTD increase. And decreased by \$(14) thousand and \$(381) thousand, respectively, when NTD decrease.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period. A change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2025 and 2024 to decrease/increase by NT\$1,668 thousand and NT\$1,641 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to credit risk management. Credit limits are established for all trading partners based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria, etc. Certain trading partners' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2025 and 2024, amounts receivables from top ten customers represent 40.39% and 36.02%, respectively, of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counterparties.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
December 31, 2025					
Borrowings	\$698,800	\$1,006,817	\$317	—	\$1,705,934
Accounts payables	\$415,746	—	—	—	\$415,746
Lease liabilities	\$8,721	\$16,003	\$11,717	\$83,149	\$119,590
December 31, 2024					
Borrowings	\$1,056,743	\$588,062	\$23,407	—	\$1,668,212
Accounts payables	\$421,228	—	—	—	\$421,228
Lease liabilities	\$3,716	\$7,431	\$7,431	\$86,865	\$105,443

(6) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities :

- (a) The carrying amount of cash and cash equivalents, account receivables, other receivables, other current assets, accounts payable, other payables and current portion of long-term borrowings approximate their fair value.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities and bonds) at the reporting date.
- (c) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc).
- (d) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, accounts receivables, accounts payable, other receivables and refundable deposits whose carrying amount approximate their fair value, the fair value of the Group's financial assets and financial liabilities measured at amortized cost is listed in the table below :

	Carrying Amount	
	December 31, 2025	December 31, 2024
Financial liabilities		
Short-term borrowings	\$370,080	\$321,980
Long-term borrowings (including current portion)	\$1,297,972	\$1,318,979
	Fair value	
	December 31, 2025	December 31, 2024
Financial liabilities		
Short-term borrowings	\$370,080	\$321,980
Long-term borrowings (including current portion)	\$1,261,076	\$1,294,374

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12.(8), Page 69-70, for fair value measurement hierarchy for financial instruments of the Group.

(7) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2025 :

	Short-term borrowings	Long-term borrowings	Lease liabilities	Total liabilities from financing activities
As of January 1, 2025	\$321,980	\$1,318,979	\$84,333	\$1,725,292
Cash flows	48,100	(21,007)	(8,721)	18,372 (Note1)
Non-cash changes				
Interest expense	—	—	1,542	1,542
Others	—	—	21,835	21,835
As of December 31, 2025	\$370,080	\$1,297,972	\$98,989	\$1,767,041

Note 1: The amount does not include guarantee deposits received of 2,000 thousand, interest paid of 34,197 thousand and cash dividend of 204,082 thousand.

Reconciliation of liabilities for for the year ended December 31, 2024 :

	Short-term borrowings	Long-term borrowings	Lease liabilities	Total liabilities from financing activities
As of January 1, 2024	\$352,084	\$1,319,147	\$106,708	\$1,777,939
Cash flows	(30,104)	(168)	(8,741)	(39,013)(Note2)
Non-cash changes				
Interest expense	—	—	1,349	1,349
Others	—	—	(14,983)	(14,983)
As of December 31, 2024	\$321,980	\$1,318,979	\$84,333	\$1,725,292

Note 2: The amount does not include interest paid of 34,292 thousand and cash dividend of 204,082 thousand.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 – Unobservable inputs for the assets or liabilities.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

Investment properties held by the Group are not measured at fair value. The fair value measurements of the investment properties were categorized within Level 3. The fair value of investment property is equivalent to the carrying value as of December 31, 2025 and 2024.

(9) Significant assets and liabilities denominated in foreign currencies (excluding functional currency)

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below :

	December 31, 2025			December 31, 2024		
	Foreign Currency (thousand)	Exchange rate	NT\$ (thousand)	Foreign Currency (thousand)	Exchange rate	NT\$ (thousand)
<u>Financial assets</u>						
Monetary item :						
USD	\$37,895	31.430	\$1,191,039	\$41,355	32.785	\$1,355,831
JPY	\$112,975	0.2008	\$22,685	\$221,063	0.2099	\$46,401
<u>Financial liability:</u>						
Monetary item :						
USD	\$2,063	31.430	\$64,827	\$3,825	32.785	\$125,406
JPY	\$119,709	0.2008	\$24,038	\$39,472	0.2099	\$8,285

Functional currencies of entities of the Group are varied. Accordingly, the Group is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange (loses)gains were \$(27,514) thousand and \$51,026 thousand for the years ended December 31, 2025 and 2024, respectively.

(10) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional Disclosures

- (1) Information at significant transactions for the year ended December 31, 2025 :
 - A. Financing provided to others : None.
 - B. Endorsement/Guarantee provided to others : None.
 - C. Securities held (excluding subsidiaries, associates and joint venture) : None.
 - D. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100,000 thousand or 20 percent of the capital stock : Please refer to Attachment 1.
 - E. Receivables from related parties with amounts exceeding the lower of NT\$100,000 thousand or 20 percent of capital stock : None.
 - F. Others: significant intercompany relationships and significant intercompany transactions : Please refer to Attachment 2.

- (2) Information on investees : Names, locations and related information of investees : Please refer to Attachment 3.

- (3) Information on investments in mainland China
 - A. Information on investments in mainland China : Please refer to Attachment 4.
 - B. Significant transactions with the investee companies in China directly or indirectly through the third area and the relevant prices, payment terms and unrealized gains and losses for the year ended December 31, 2025 :
 - (a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period : Please refer to Attachment 5.
 - (b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period : Please refer to Attachment 5.
 - (c) The amount of property transactions and the amount of the resultant gains or losses : None.
 - (d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes : None.
 - (e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds : None.
 - (f) Other transactions that have a material effect on the profit or loss for the period or on the financial position : None.

14. Segment Information

- (1) Industry financial information :

The principal activities of the Company and subsidiaries are to tooling manufacture、lead frame manufacture and sales service. Because a single industry does not need to disclose its segment information.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements.

(2) Geographic areas information

Revenue from external customers :

	For the year ended December 31,	
	2025	2024
Taiwan	\$481,141	\$490,771
China	2,452,350	2,253,278
Others	2,414,931	2,282,802
Total	<u>\$5,348,422</u>	<u>\$5,026,851</u>

Non-current assets :

	December 31, 2025	December 31, 2024
	Taiwan	\$854,759
China	496,735	515,561
Others	227,558	211,552
Total	<u>\$1,579,052</u>	<u>\$1,594,674</u>

Major customers

	For the year ended December 31,	
	2025	2024
Customer A	5.43%	5.35%
Customer B	5.26%	5.39%
Customer C	9.50%	5.92%
Customer D	5.56%	4.08%

JIH LIN TECHNOLOGY CO., LTD. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 1

RELATED PARTY TRANSACTIONS FOR PURCHASES AND SALES AMOUNTS EXCEEDING THE LOWER OF NT\$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK :

Company Name	Related Party	Relationships	Transaction Detail				Details of Abnormal Transaction		Notes/ Accounts Receivables (Payables)		Note
			Purchases/ Sales	Amount	Percentage to Total Sales (Purchases)	Collection/ Payment Terms	Unit Price	Collection/ Payment Terms	Ending Balance	Percentage to Total Notes/Accounts Receivable (Payable)	
Jih Lin Technology Co., Ltd	Suzhou SH Precision Co., Ltd.	Subsidiary	Purchases	\$240,820	17.30%	120 days	NA	NA	Accounts Payables \$66,027	61.41%	
Suzhou SH Precision Co., Ltd.	SH Precision Co., Ltd	Associates	Sales	\$128,539	12.04%	60 days	NA	NA	Accounts Receivables \$19,303	9.16%	
Suzhou SH Precision Co., Ltd.	Jinan Jihlong Technology Co., Ltd	Associates	Purchases	\$117,541	18.43%	120 days	NA	NA	Accounts Payables \$8,971	9.52%	

Note 1: If the related party's transaction conditions are different from the general transaction conditions, the unit price and credit period column should state the difference and the reason.

Note 2: If there is an advance receipt (prepayment), the reason, payment terms, amount, and differences from the general transaction type should be stated in the Remark column.

Note 3: Capital stock refers to the stock of the parent company. If the issuer's shares have no denomination or the denomination per share is not NT\$10, the transaction amount of 20% of the capital stock shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet.

Note 4: All the above transactions were eliminated on consolidation.

JIH LIN TECHNOLOGY CO., LTD. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 2

THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT AND SUBSIDIARIES:

No. (Note 1)	Company Name	Counter Party	Relationship with the Company (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount (Note 4)	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	Jih Lin Technology Co., Ltd	Jih Li Technology Co., Ltd	1	Cost of goods sold- Processing fee	\$48,526	90 days	0.91%
0	Jih Lin Technology Co., Ltd	Jih Li Technology Co., Ltd	1	Other payables	\$13,930	90 days	0.26%
0	Jih Lin Technology Co., Ltd	Jinan Jihlong Technology Co., Ltd.	1	Cost of goods sold	\$22,078	120 days	0.41%
0	Jih Lin Technology Co., Ltd	Suzhou SH Precision Co., Ltd.	1	Cost of goods sold	\$240,820	120 days	4.50%
0	Jih Lin Technology Co., Ltd	Suzhou SH Precision Co., Ltd.	1	Accounts payable	\$66,027	120 days	1.25%
0	Jih Lin Technology Co., Ltd.	Malaysian SH Precision Sdn Bhd	1	Sales	\$65,933	60 days	1.23%
0	Jih Lin Technology Co., Ltd.	Malaysian SH Precision Sdn Bhd	1	Accounts receivable	\$16,826	60 days	0.32%
0	Jih Lin Technology Co., Ltd.	SH Precision Co.,Ltd	1	Sales	\$38,634	60 days	0.72%
1	Suzhou SH Precision Co., Ltd.	SH Precision Co.,Ltd	3	Sales	\$128,539	60 days	2.40%
1	Suzhou SH Precision Co., Ltd.	SH Precision Co.,Ltd	3	Accounts receivable	\$19,303	60 days	0.36%
1	Suzhou SH Precision Co., Ltd.	SH Precision Co., Ltd	3	Cost of goods sold	\$50,782	60 days	0.95%
1	Suzhou SH Precision Co., Ltd.	SH Precision Co., Ltd	3	Accounts payable	\$23,170	60 days	0.44%
1	Suzhou SH Precision Co., Ltd	Jinan Jihlong Technology Co., Ltd.	3	Cost of goods sold	\$117,541	120 days	2.20%
1	Suzhou SH Precision Co., Ltd.	Jinan Jihlong Technology Co., Ltd.	3	Accounts payable	\$8,971	120 days	0.17%

JIH LIN TECHNOLOGY CO., LTD. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 2(continued)

Note 1 : The parent company and its subsidiaries are coded as follows:

(1)The parent company is coded "0".

(2)The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2 : Transactions are categorized as follows:

(1)Transactions from parent company to a subsidiary.

(2)Transactions from subsidiary to the parent company.

(3)Transactions between subsidiaries.

Note 3 : Percentage of consolidated operating revenues or total assets is calculated as follows: for the balance sheet accounts, the ending balance of assets or liabilities divided by consolidated total assets, or for the income statement accounts, the interim accumulated amounts divided by consolidated sales.

Note 4 : All the above transactions were eliminated on consolidation.

JIH LIN TECHNOLOGY CO., LTD. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 3

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEES IN MAINLAND CHINA) :

Investor Company	Investee Company (Note1.2)	Location	Main business	Original Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of Investee (Note2(2).3)	Investment Income (Loss) Recognized (Note2(3).3)	Note
				Ending Balance	Beginning Balance	Units and Shares	Percentage of Ownership	Carrying Amount			
Jih Lin Technology Co., Ltd	SPEEDY INVESTMENT LIMITED	United States	Investment holding	\$699,204	\$699,204	1	100.00%	\$1,282,171	\$105,151	\$105,505	Subsidiary (Note3)
Jih Lin Technology Co., Ltd	Jih Li Technology Co., Ltd	Taiwan	Lead frame manufacture and sales service	\$50,000	\$50,000	5,000	100.00%	\$49,448	\$(5,749)	\$(5,451)	Subsidiary (Note3)
Jih Lin Technology Co., Ltd	Jih-Linchpin Limited	Samoa	Investment holding	\$80,214	\$80,214	3,000	100.00%	\$993,989	\$73,259	\$73,326	Subsidiary (Note3)
Jih Lin Technology Co., Ltd	SH Precision Co.,Ltd	Japan	Lead frame manufacture and sales service	\$28,913	\$28,913	8	100.00%	\$439,934	\$36,091	\$36,099	Subsidiary (Note3)
Jih Lin Technology Co., Ltd	Malaysian SH Precision Sdn. Bhd	Malaysia	Lead frame manufacture and sales service	\$26,843	\$26,843	13,871	100.00%	\$426,018	\$25,221	\$25,413	Subsidiary (Note3)

Note 1: If the public company has a foreign holding company and uses consolidated statements as the main financial statements in accordance with local laws and regulations, the disclosure of information about the foreign investee company may only disclose relevant information to the holding company.

Note 2: If it is not in the case described in Note 1, fill in according to the following regulations:

- (1) Column of “Investee company”, “Address”, “Main businesses and products”, “Initial investment” and “Investment as of December 31, 2021” should be filled in order according to the reinvestment status of the public company and each directly or indirectly controlled investment and indicate the relationship between each investee company and the public company (if it is a subsidiary or a grandson company) in the note column.
- (2) The amount of net income (loss) of investee company should be filled in “Net income (loss) of investee company” column.
- (3) In column “Investment income (loss) recognized” only the amount of profit and loss of each subsidiary recognized by the (public) company for direct reinvestment and each investee company evaluated by the equity method is required, and the rest is not required. When filling in the “recognition of the current profit and loss amount of each subsidiary for direct reinvestment”, it should be confirmed that the current profit and loss amount of each subsidiary has included the investment profit and loss that should be recognized for its reinvestment in accordance with the regulations.

Note 3 : All the above transactions were eliminated on consolidation.

JIH LIN TECHNOLOGY CO., LTD. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 4

INFORMATION ON INVESTMENT IN MAINLAND CHINA :

Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment From Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2024	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow						
Jinan Jihlong Technology Co., Ltd	Lead frame manufacture and sales service	\$649,784 (USD20,000 Thousands)	(2) SPEEDY INVESTMENT LIMITED	\$649,784 (USD20,000 Thousands)	—	—	\$649,784 (USD20,000 Thousands)	\$105,436	100.00%	(2).B \$105,436	\$1,282,169	\$245,818 (USD7,778 Thousands)
Suzhou SH Precision Co., Ltd.	Lead frame manufacture and sales service	\$807,154 (USD25,075 Thousands)	(2) Jih-Linchpin Limited	\$79,912 (USD2,646 Thousands)	—	—	\$79,912 (USD2,646 Thousands)	\$73,302	100.00%	(2).B \$73,302	\$994,379	—

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$729,696 (USD22,646 thousands)	\$812,340 (USD25,846 thousands)	— (Note 3)

Note 1 : The methods for investment in Mainland China are categorized into the following three types. Please specify the type.

- (1) Direct investment in Mainland China.
- (2) Investment in Mainland China through companies in the third area. (Please specify the name of the company in third region).
- (3) Others.

Note 2 : For the column of investment gain (loss) :

- (1) If there is no investment gain (loss) during the preparation, it should be noted.
- (2) If the basis for the recognition of investment gain (loss) is classified into the following three type, it should be noted as follows :
 - A. The financial report was audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.
 - B. The financial statements were audited by the auditors of the parent company.
 - C. Other.

Note 3 : The Company has obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau, MOEA, the ceiling amount of the investment in Mainland China is not applicable to the Company.

JIH LIN TECHNOLOGY CO., LTD. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 5

INFORMATION ON INVESTMENTS IN MAINLAND CHINA_ THE AMOUNT AND PERCENTAGE OF PURCHASE AND THE BALANCE AND PERCENTAGE OF THE RELATED PAYABLES AT THE END OF THE PERIOD :

Company Name	Related Party	Relationships	Transaction Detail				Details of Abnormal Transaction		Notes/ Accounts Receivables (Payables)		Note
			Purchases/ Sales	Amount	Percentage to Total Sales (Purchases)	Collection/ Payment Terms	Unit Price	Collection/ Payment Terms	Ending Balance	Percentage to Total Notes/Accounts Receivable (Payable)	
Jih Lin Technology Co., Ltd	Jinan Jihlong Technology Co., Ltd	Subsidiary	Sales	\$2,367	0.13%	120 days	NA	NA	Accounts Receivables \$—	—	(Note)
Jih Lin Technology Co., Ltd	Jinan Jihlong Technology Co., Ltd	Subsidiary	Purchases	\$22,078	1.59%	120 days	NA	NA	Accounts Payables \$6,598	6.14%	(Note)
Jih Lin Technology Co., Ltd	Suzhou SH Precision Co., Ltd.	Subsidiary	Sales	\$40	0.00%	120 days	NA	NA	Accounts Receivables \$—	—	(Note)
Jih Lin Technology Co., Ltd	Suzhou SH Precision Co., Ltd	Subsidiary	Purchases	\$240,820	17.30%	120 days	NA	NA	Accounts Payables \$66,027	61.41%	(Note)
Suzhou SH Precision Co., Ltd	SH Precision Co., Ltd	Associates	Sales	\$128,539	12.04%	60 days	NA	NA	Accounts Receivables \$19,303	9.16%	(Note)
Suzhou SH Precision Co., Ltd	SH Precision Co., Ltd	Associates	Purchases	\$50,782	7.96%	60 days	NA	NA	Accounts Payables \$23,170	24.58%	(Note)
Suzhou SH Precision Co., Ltd	Malaysian SH Precision Sdn. Bhd	Associates	Sales	\$9,387	0.88%	60 days	NA	NA	Accounts Receivables \$3,624	1.72%	(Note)

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JIH LIN TECHNOLOGY CO., LTD. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 5(continued)

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Company Name	Related Party	Nature of Relationships	Transaction Detail				Details of Abnormal Transaction		Notes/ Accounts Receivables (Payables)		Note
			Purchases/ Sales	Amount	Percentage to Total Sales (Purchases)	Collection/ Payment Terms	Unit Price	Collection/ Payment Terms	Ending Balance	Percentage to Total Notes/Accounts Receivable (Payable)	
Suzhou SH Precision Co., Ltd	Jinan Jihlong Technology Co., Ltd	Associates	Sales	\$772	0.07%	120 days	NA	NA	Accounts Receivables \$167	0.08%	(Note)
Suzhou SH Precision Co., Ltd	Jinan Jihlong Technology Co., Ltd	Associates	Purchases	\$117,541	18.43%	120 days	NA	NA	Accounts Payables \$8,971	9.52%	(Note)
Jinan Jihlong Technology Co., Ltd	Malaysian SH Precision Sdn. Bhd	Associates	Sales	\$3,792	0.23%	60 days	NA	NA	Accounts Receivables \$—	—	(Note)

Note : All the above transactions were eliminated on consolidation.