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**ENE TECHNOLOGY INC**

**FINANCIAL STATEMENTS  
WITH REPORT OF INDEPENDENT AUDITORS  
FOR THE NINE-MONTH PERIODS ENDED  
SEPTEMBER 30, 2025 AND 2024**

Address: 4F, No.21, Lixin Rd. Hsinchu Science Industrial Park  
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# **Independent Auditors' Review Report**

**To ENE Technology Inc.**

## **Introduction**

We have reviewed the accompanying balance sheet of ENE Technology Inc. as of September 30, 2025, and the related statements of comprehensive income for the three-months and nine-month periods then ended, and the statements of changes in equity and cash flows for the nine-month periods then ended, as well as the notes to the financial statements, including a summary of significant accounting policies. These financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these financial statements based on our review. The interim financial statements were prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard (IAS) 34, *Interim Financial Reporting*, as endorsed and issued by the Financial Supervisory Commission of the Republic of China (Taiwan).

## **Scope of Review**

We conducted our review in accordance with Statement of Auditing Standards No. 2410, *Review of Financial Statements*. A review consists principally of inquiries of company personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

## **Qualified Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not presented fairly, in all material respects, in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard (IAS) 34, *Interim Financial Reporting*, as endorsed and issued by the Financial Supervisory Commission of the Republic of China (Taiwan).

**Other Matter – Prior Period Financial Statements Reviewed by Other Auditors**

The consolidated financial statements of ENE Technology Inc. for the nine-month periods ended September 30, 2024 were reviewed by other auditors, who expressed an unmodified conclusion on those statements in their review report dated October 30, 2024.

Alison Huang

Nicole Yang

Ernst & Young, Taiwan

November 05, 2025

ENE TECHNOLOGY INC  
BALANCE SHEET  
2025.09.30, 2024.12.31 & 2024.09.30

Unit: NTD thousands

ASSETS			2025.09.30		2024.12.31		2024.09.30	
Code	Item	Note	Amount	%	Amount	%	Amount	%
	Current Assets							
1100	Cash and cash equivalent	N6(1)	\$ 751,073	63	\$ 638,638	50	\$ 552,639	45
1110	Financial assets at fair value through profit or loss	N6(2)	-	-	90	-	510	-
1136	Financial assets at amortized cost – current	N6(3)	5,000	-	124,671	10	105,000	8
1170	Accounts receivable, net	N6(4) & N6(17)	131,048	11	158,776	13	170,182	14
1180	Account receivable- related parties	N6(4) & N6(17) & N7	42,148	4	51,748	4	49,798	4
130x	Inventories	N6(5)	130,949	11	162,725	13	221,683	18
1410	Prepayments	N7	2,506	-	3,412	-	1,545	-
1479	Other current assets-others		8,569	1	4,753	-	7,569	1
11xx	Total current assets		<u>1,071,293</u>	<u>90</u>	<u>1,144,813</u>	<u>90</u>	<u>1,108,926</u>	<u>90</u>
	Non Current Assets							
1535	Financial assets at amortized cost – non current	N6(3) & 8	1,084	-	1,076	-	1,068	-
1600	Property, plant and equipment	N6(6) & N7	49,187	4	53,189	4	35,291	3
1755	Right-of-Use assets	N6(7) & N7	13,550	2	20,011	2	21,870	2
1780	Intangible assets	N6(8) & N7	25,571	2	26,550	2	30,732	2
1840	Deferred tax assets	N4 & N6(20)	24,041	2	19,299	2	19,544	2
1900	Other non current assets	N7	1,418	-	2,069	-	9,568	1
15xx	Total non current assets		<u>114,851</u>	<u>10</u>	<u>122,194</u>	<u>10</u>	<u>118,073</u>	<u>10</u>
1xxx	Total Assets		<u>\$ 1,186,144</u>	<u>100</u>	<u>\$ 1,267,007</u>	<u>100</u>	<u>\$ 1,226,999</u>	<u>100</u>

ENE TECHNOLOGY INC  
BALANCE SHEET  
2025.09.30, 2024.12.31 & 2024.09.30

Unit: NTD thousands

ASSETS		Liabilities & Equity		2025.09.30		2024.12.31		2024.09.30	
Code	Item	Note	Amount	%	Amount	%	Amount	%	
	Current Liabilities								
2170	Account payables		\$ 24,294	2	\$ 18,148	1	\$ 27,961	2	
2180	Account payables- related parties	N7	28,298	2	18,308	1	11,991	1	
2200	Other account payables	N6(10)	19,358	2	43,976	3	29,128	2	
2220	Other account payables-related parties	N7	-	-	3,191	-	-	-	
2280	Lease liabilities-current	N6(7) &N7	5,640	1	6,180	1	6,159	1	
2399	Other lease liabilities-others	N6(13) & N6(16)	36,099	3	32,170	3	30,247	3	
21xx	Total current liabilities		<u>113,689</u>	<u>10</u>	<u>121,973</u>	<u>9</u>	<u>105,486</u>	<u>9</u>	
	Non current liabilities								
2530	Corporate bond payables	N6(11)	288,249	24	283,315	23	281,690	23	
2570	Deferred tax liabilities	N4 & N6(20)	1,116	-	3,661	-	1,272	-	
2580	Lease liabilities-non current	N6(7) & N7	7,308	1	13,297	1	15,167	1	
2600	other non current liabilities		3	-	3	-	3	-	
25xx	Total non current liabilities		<u>296,676</u>	<u>25</u>	<u>300,276</u>	<u>24</u>	<u>298,132</u>	<u>24</u>	
2xxx	Total Liabilities		<u>410,365</u>	<u>35</u>	<u>422,249</u>	<u>33</u>	<u>403,618</u>	<u>33</u>	
	Equity								
3100	Capital	N6(14)							
3110	Ordinary shares		452,688	38	452,688	36	452,688	37	
3200	Capital surplus	N6(14)	277,871	23	289,058	23	289,058	23	
3300	Retained earnings	N6(14)							
3310	Legal reserve		24,869	2	19,879	1	19,879	2	
3350	Unappropriated retained earning		20,351	2	84,844	7	65,546	5	
	Total retained earnings		<u>45,220</u>	<u>4</u>	<u>104,723</u>	<u>8</u>	<u>85,425</u>	<u>7</u>	
3400	Other equity		-	-	(1,711)	-	(3,790)	-	
3xxx	Total equity		<u>775,779</u>	<u>65</u>	<u>844,758</u>	<u>67</u>	<u>823,381</u>	<u>67</u>	
	Total of Liabilities and equities		<u>\$ 1,186,144</u>	<u>100</u>	<u>\$ 1,267,007</u>	<u>100</u>	<u>\$ 1,226,999</u>	<u>100</u>	

ENE TECHNOLOGY INC  
STATEMENT OF COMPREHENSIVE INCOME  
2025.07.01~2025.09.30 & 2024.07.01~2024.09.30  
2025.01.01~2025.09.30 & 2024.01.01~2024.09.30

Unit: NTD thousands

Code	Item	Notes	2025.07.01~2025.09.30		2024.07.01~2024.09.30		2025.01.01~2025.09.30		2024.01.01~2024.09.30	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues	N6(16) & N7	\$ 155,284	100	\$ 174,791	100	\$ 506,947	100	\$ 541,507	100
5000	Operating costs	N6(5), N6(18) & N7	(87,898)	(57)	(110,733)	(63)	(288,104)	(57)	(352,724)	(65)
5900	Gross profit		67,386	43	64,058	37	218,843	43	188,783	35
6000	Operating expenses	N6(8), N6(12),N6(18) & N7								
6100	Selling expenses		(17,434)	(11)	(17,577)	(10)	(52,885)	(10)	(56,160)	(10)
6200	Administrative expenses		(20,125)	(13)	(19,663)	(11)	(55,328)	(11)	(55,556)	(10)
6300	R&D expenses		(30,962)	(20)	(27,735)	(16)	(90,410)	(18)	(83,322)	(16)
6450	Expected credit impairment gain (loss)	N6(17)	10	-	357	-	131	-	159	-
	Total operating expenses		(68,511)	(44)	(64,618)	(37)	(198,492)	(39)	(194,879)	(36)
6900	Operating income (loss)		(1,125)	(1)	(560)	-	20,351	4	(6,096)	(1)
7000	Non-operating income and expenses									
7100	Interest income	N6(19)	3,000	2	3,761	2	11,162	2	13,637	3
7010	Other income		10	-	-	-	19	-	356	-
7020	Other income and loss	N6(19)	9,310	6	(11,934)	(7)	(49,013)	(9)	24,658	5
7050	Finance cost	N6(19) & N7	(1,756)	(1)	(1,861)	(1)	(5,274)	(1)	(3,574)	(1)
	Total operating income & expenses		10,564	7	(10,034)	(6)	(43,106)	(8)	35,077	7
7900	Profit (loss) before tax		9,439	6	(10,594)	(6)	(22,755)	(4)	28,981	6
7950	Income tax benefit (expense)	N4 & N6(20)	(7,283)	(5)	3,671	2	8,521	1	1,620	-
8200	Profit (loss) for the period		2,156	1	(6,923)	(4)	(14,234)	(3)	30,601	6
8500	Total comprehensive income (loss) for the period		\$ 2,156	1	\$ (6,923)	(4)	\$ (14,234)	(3)	\$ 30,601	6
	Earnings per share									
9750	Basic earning per share	N6(21)	\$ 0.05		\$ (0.15)		\$ (0.32)		\$ 0.68	
9850	Diluted earning per share	N6(21)	\$ 0.05		\$ (0.15)		\$ (0.32)		\$ 0.68	

ENE TECHNOLOGY INC  
STATEMENTS OF CHANGES IN EQUITY  
2025.01.01~2025.09.30 & 2024.01.01~2024.09.30

Unit: NTD thousands

Description	Share Capital	Capital Surplus	Retained earnings		Other equity item	Total Equity
			Legal reserve	Unappropriated	Unearned employee compensation	
Balance as of 2024.01.01	\$ 452,688	\$ 277,236	\$ 13,215	\$ 86,878	\$ (10,029)	\$ 819,988
Appropriation and distribution of 2023 earnings:						
Legal reserve	-	-	6,664	(6,664)	-	-
Cash dividends	-	-	-	(45,269)	-	(45,269)
Cash dividends distributed from capital surplus	-	(9,054)	-	-	-	(9,054)
Profits 2024.01.01~2024.09.30	-	-	-	30,601	-	30,601
Total comprehensive income (loss) 2024.01.01~2024.09.30	-	-	-	30,601	-	30,601
Equity component of convertible bonds – stock warrants	-	20,876	-	-	-	20,876
Share based payment	-	-	-	-	6,239	6,239
Balance as of 2024.09.30	<u>\$ 452,688</u>	<u>\$ 289,058</u>	<u>\$ 19,879</u>	<u>\$ 65,546</u>	<u>\$ (3,790)</u>	<u>\$ 823,381</u>
Balance as of 2025.01.01	\$ 452,688	\$ 289,058	\$ 19,879	\$ 84,844	\$ (1,711)	\$ 844,758
Appropriation and distribution of 2024 earnings:						
Legal reserve	-	-	4,990	(4,990)	-	-
Cash dividends	-	-	-	(45,269)	-	(45,269)
Cash dividends distributed from capital surplus	-	(9,054)	-	-	-	(9,054)
Profits 2025.01.01~2025.09.30	-	-	-	(14,234)	-	(14,234)
Total comprehensive income (loss) 2025.01.01~2025.09.30	-	-	-	(14,234)	-	(14,234)
Share based payment	-	(2,133)	-	-	1,711	(422)
Balance as of 2025.09.30	<u>\$ 452,688</u>	<u>\$ 277,871</u>	<u>\$ 24,869</u>	<u>\$ 20,351</u>	<u>\$ -</u>	<u>\$ 775,779</u>

ENE TECHNOLOGY INC  
STATEMENTS OF CASH FLOWS  
2025.01.01~2025.09.30 & 2024.01.01~2024.09.30

Unit: NTD thousands

Description	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30	Description	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
	Amount	Amount		Amount	Amount
Cash flows from operating activities			Cash flows from investing activities		
Profit (loss) before tax	\$ (22,755)	\$ 28,981	Acquisition of financial assets at amortized cost	(99,510)	(100,000)
Adjustments			Disposal of financial assets at amortized cost	219,173	224,101
Income and expense items			Acquisition of property, plant and equipment	(19,375)	(26,173)
Depreciation	26,092	16,837	Acquisition of intangible assets	(31,358)	(23,458)
Amortization	28,829	24,088	Increase in refundable deposits	(9)	(85)
Expected credit impairment (gain) loss	(131)	(159)	Decrease in refundable deposits	660	-
Interest expenses	5,274	3,574	Net cash inflow (outflow) from investing activities	69,581	74,385
Interest income	(11,162)	(13,637)			
Net loss on financial assets at fair value through profit or loss	90	(44)	Cash flow from financing activities		
Unrealized foreign exchange gain	-	1,573	Decrease of short term borrowings	-	(160,000)
Share-based payment	(422)	6,239	Issuance of corporate bond	-	300,350
Gain on lease change	(75)	-	Repayments of lease principal	(5,187)	(5,534)
Changes in operating assets and liabilities, net	-	44	Cash dividends distribution	(45,259)	(45,269)
Account receivables	27,859	11,668	Cash dividends distribution from capital surplus	(9,054)	(9,054)
Account receivables- related parties	9,600	14,637	Net cash inflow (outflow) from financing activities	(59,500)	80,493
Inventories	31,776	68,582			
Prepayments	906	3,138	Increase in cash and cash equivalents	112,435	295,397
Net defined benefit assets	-	5,706	Opening balance of cash and cash equivalent	638,638	257,242
Other current assets- others	(1,560)	(2,183)	Closing balance of cash and cash equivalent	\$ 751,073	\$ 552,639
Account payables	16,136	(28,484)			
Other account payables	(21,831)	(11,846)			
Other current liabilities-others	3,929	1,357			
Cash from operation	92,555	130,071			
Interest received	11,216	13,733			
Interest paid	(340)	(1,950)			
Income tax paid	(1,077)	(1,335)			
Net cash inflow from operating activities	102,354	140,519			

**ENE Technology Inc.**  
**Notes to the Financial Statements**

For the nine-month periods ended September 30, 2025 and 2024  
(Unless otherwise stated, amounts are expressed in NTD thousands)

**1. Corporate History**

ENE Technology Inc. (hereinafter referred to as the “Company”) was incorporated in May 1998. The Company’s primary business activities include the development, design, manufacture, and sale of integrated circuits. Alcor Micro Corp. has been the Company’s parent company since 2022.06.09, and the ultimate parent company is Egis Technology Inc.

**2. Date and Procedures of Authorization for Issuance of the Financial Statements**

The Company’s financial statements were approved and authorized for issuance by the Board of Directors on 2025.11.05.

**3. Newly Issued or Revised Standards and Interpretations**

1. Changes in accounting policies resulting from first-time application of IFRS

The Company has adopted the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations as endorsed by the Financial Supervisory Commission (FSC) applicable for annual periods beginning on or after 2025.01.01. The initial application of these amendments did not have a material impact on the Company.

2. As of the date the financial statements were authorized for issuance, the Company has not adopted the following new, revised, or amended standards and interpretations issued by the International Accounting Standards Board (IASB) and endorsed by the FSC:

Item	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
1	IFRS 17 “Insurance Contracts”	2023.01.01
2	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	2026.01.01
3	Annual Improvements to IFRS Accounting Standards – Volume 11	2026.01.01
4	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	2026.01.01

(1) IFRS 17 “Insurance Contracts”

IFRS 17 “Insurance Contracts” establishes a comprehensive model for insurance contracts, covering all relevant accounting aspects (recognition, measurement, presentation, and disclosure). The core of the Standard is the general model, under

ENE Technology Inc.  
Notes to Financial Report (continue)  
(Except otherwise indicated, amounts are expressed in NTD thousands)

which initial recognition is measured by the sum of the fulfillment cash flows and the contractual service margin. At each reporting date, the carrying amount represents the total of the liability for remaining coverage and the liability for incurred claims.

In addition to the general model, the Standard provides the variable fee approach for contracts with direct participation features and a simplified premium allocation approach for short-duration contracts.

Following its issuance in May 2017, the Standard was further amended in 2020 and 2021, including a deferral of the effective date by two years (from 2021.01.01 to 2023.01.01) and additional transitional reliefs, with certain requirements simplified to reduce implementation costs and clarified to improve interpretability. IFRS 17 supersedes the interim Standard IFRS 4 “Insurance Contracts.”

(2) Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

The amendments include:

- (a) Clarification that financial liabilities are derecognized on the settlement date, and the accounting for liabilities settled via electronic payments prior to the settlement date is specified.
- (b) Guidance on assessing the contractual cash flow characteristics of financial assets with ESG-linked or similar contingent features.
- (c) Clarifications on the accounting for non-recourse assets and contractually linked instruments.
- (d) Additional disclosure requirements under IFRS 7 for financial assets and liabilities with terms and contingent features (including ESG links), and for equity instruments designated at fair value through other comprehensive income.

(3) Annual Improvements to International Financial Reporting Standards – 11th Cycle

- (a) Amendments to IFRS 1
- (b) Amendments to IFRS 7
- (c) Amendments to Implementation Guidance of IFRS 7
- (d) Amendments to IFRS 9
- (e) Amendments to IFRS 10
- (f) Amendments to IAS 7

(4) Contracts Involving Reliance on Natural Power (Amendments to IFRS 9 and IFRS 7)

The amendments include:

- (a) Clarification of the application of the “own use” exemption.

ENE Technology Inc.  
Notes to Financial Report (continue)  
(Except otherwise indicated, amounts are expressed in NTD thousands)

(b) Allowing the application of hedge accounting when the contract is used as a hedging instrument.

(c) Additional disclosure requirements to help investors understand the effects of such contracts on the entity's financial performance and cash flows.

The above newly issued and amended standards are effective for annual periods beginning on or after 2026.01.01, and the Company has assessed that there is no material impact.

3. As of the date of authorization for issuance of the financial statements, the Company has not applied the following new, revised and amended standards or interpretations issued by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC :

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
1	Amendments to 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 Venture	To be determined by IASB
2	IFRS 18 “Presentation and Disclosure in Financial Statements”	2027.01.01 (Note)
3	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	2027.01.01

(Note) The FSC announced in a press release dated September 25, 2025, that Taiwan is scheduled to implement IFRS 18 effective 2028.

- (1) Amendments to 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 Venture:

This project addresses the inconsistency between IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” regarding the loss of control when a subsidiary is contributed to an associate or joint venture. IAS 28 requires that gains or losses resulting from contributions of non-monetary assets in exchange for an interest in an associate or a joint venture be eliminated to the extent of the investor's interest in the associate or joint venture, while IFRS 10 requires recognition of the full amount of gains or losses arising from the loss of control of a subsidiary. This amendment restricts the above requirement under IAS 28, such that when the sale or contribution of assets constitutes a business as defined in IFRS 3, the full amount of the gains or losses shall be recognized.

This amendment also modifies IFRS 10 such that, when an investor sells or contributes a subsidiary that does not constitute a business as defined in IFRS 3 to its associate or joint venture, the resulting gains or losses shall be recognized only to the extent of the interests not attributable to the investor.

ENE Technology Inc.  
Notes to Financial Report (continue)  
(Except otherwise indicated, amounts are expressed in NTD thousands)

(2) IFRS 18 “Presentation and Disclosure in Financial Statements”

This Standard replaces IAS 1 “Presentation of Financial Statements” with the following major changes:

(a) Improving comparability of the statement of profit or loss

In the statement of profit or loss, income and expenses are classified into five categories: operating, investing, financing, income taxes, and discontinued operations. Among these, the first three represent new classifications introduced to improve the structure of the statement of profit or loss, and all entities are required to present newly defined subtotals (including operating profit or loss). By enhancing the structure of the statement of profit or loss and introducing these new subtotals, investors will have a consistent starting point when analyzing financial performance across entities, thereby facilitating comparability among companies.

(b) Enhancing transparency of management performance measures

Entities are required to disclose explanations of entity-specific measures related to the statement of profit or loss, referred to as management performance measures.

(c) Better aggregation of financial information

Application guidance has been established to determine whether information should be presented in the primary financial statements or disclosed in the notes. This change is expected to provide more detailed and useful information. Entities are also required to provide more transparent information on operating expenses to help investors identify and understand the information they use.

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

Simplified disclosure requirements for subsidiaries without public accountability, allowing eligible subsidiaries to elect to apply this Standard. °

The effective dates of the above mentioned standards and interpretations issued by the IASB but not yet endorsed by the FSC shall be determined in accordance with the FSC’s regulations. The Company is currently assessing the potential impact of IFRS 18 “Presentation and Disclosure in Financial Statements.” Except for this ongoing assessment, the adoption of the other newly issued, revised or amended standards and interpretations is not expected to have a material impact on the Company’s financial statements.

#### **4. Summary of Material Accounting Policies**

##### 1. Statement of Compliance

The Company's interim financial statements for the nine months ended 2025.09.30 and 2024.09.30 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed by the FSC.

##### 2. Basis of Preparation

Except for financial instruments measured at fair value, the financial statements have been prepared on a historical cost basis. Except as otherwise indicated, the financial statements are presented in thousands of New Taiwan dollars (NT\$).

3. Except for the following accounting policies, the accounting policies applied in the preparation of the financial statements for the nine-month periods ended 2025.09.30 and 2024.09.30 are consistent with those applied in the preparation of the financial statements for the year ended 2024.12.31. For a summary of the other significant accounting policies, please refer to the consolidated financial statements for the year ended 2024.12.31.

##### Income Taxes

The interim income tax expense is accrued and disclosed based on the estimated annual effective tax rate applied to profit before tax for the interim period. In other words, the estimated annual effective tax rate is applied to the profit before tax of the interim period. The estimation of the annual effective tax rate includes only current income tax expense, while deferred income tax is recognized and measured in accordance with IAS 12 "Income Taxes" on a basis consistent with the annual financial statements. The effects of any changes in tax rates on deferred income tax during the interim period are recognized in full in profit or loss, other comprehensive income, or directly in equity, as appropriate.

#### **5. Significant Accounting Judgments, Estimates and Assumptions**

The major sources of accounting judgments, estimates, and assumptions of uncertainty in the Company's interim financial statements for the nine months ended 2025.09.30 and 2024.09.30 are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to 2024 consolidated financial report.

ENE Technology Inc.  
Notes to Financial Report (continue)  
(Except otherwise indicated, amounts are expressed in NTD thousands)

6. **Contents of Significant Accounts**

1. Cash and Cash Equivalents

	2025.09.30	2024.12.31	2024.09.30
Patty cash	\$30	\$30	\$30
Saving and cheque account	98,505	205,635	163,487
Term deposit	652,538	432,973	389,122
Total	<u>\$751,073</u>	<u>\$638,638</u>	<u>\$552,639</u>

The time deposits above have original maturities of three months or less and are readily convertible to a known amount of cash with an insignificant risk of changes in value.

Cash and Cash equivalents were not pledged for collateral.

2. Financial Assets at Fair Value through Profit or Loss (FVTPL)

	2025.09.30	2024.12.31	2024.09.30
Current:			
Mandatorily measured at fair value through profit or loss			
Derivative financial instruments not designated as hedging instruments – Redemption rights of convertible bonds	\$-	\$90	\$510
	<u>\$-</u>	<u>\$90</u>	<u>\$510</u>

Financial assets at fair value through profit or loss were not pledged as collaterals.

3. Financial Assets Measured at Amortized Cost

	2025.09.30	2024.12.31	2024.09.30
Current			
Time deposits with original maturities of more than three month	\$5,000	\$124,671	\$105,000
	<u>\$5,000</u>	<u>\$124,671</u>	<u>\$105,000</u>
Non current			
Time deposits pledged as collateral	\$1,084	\$1,076	\$1,068
	<u>\$1,084</u>	<u>\$1,076</u>	<u>\$1,068</u>

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The Company places its term deposits with financial institutions of good credit quality, and the probability of default is expected to be remote. Please refer to Note 12 for details.

Please refer to Note 8 for information on the financial assets measured at amortized cost that are provided as collateral by the Company °

4. Account receivables and account receivables from related parties

	2025.09.30	2024.12.31	2024.09.30
Account receivables	\$131,806	\$159,665	\$171,106
Less: loss allowance 失	(758)	(889)	(924)
Sub Total	131,048	158,776	170,182
Account receivables- related parties	42,148	51,748	49,798
Less: loss allowance	-	-	-
Sub total	42,148	51,748	49,798
Total	\$173,196	\$210,524	\$219,980

Account receivables were not pledged for collaterals.

The credit period granted to customers is generally between 30 and 150 days. Please refer to Note 6(17) for information on loss allowance for the nine-month periods ended 2025.09.30 and 2024.09.30, and to Note 12 for information relating to credit risk.

5. Inventories

	2025.09.30	2024.12.31	2024.09.30
Raw materials	\$51,971	\$47,306	\$83,671
Work in process	64,236	94,470	107,260
Final products	14,742	20,949	30,752
Total	\$130,949	\$162,725	\$221,683

For the nine-month periods ended 2025.09.30 and 2024.09.30, the amounts of inventory costs recognized as expenses were NT\$87,898 thousand and NT\$110,733 thousand, respectively, which included inventory obsolescence and valuation losses of NT\$3,156 thousand and NT\$7,484 thousand, respectively.

For the nine months ended September 30, 2025 and 2024, the Company recognized cost of inventories in the amounts of NT\$288,104 thousand and NT\$352,724 thousand, respectively, which included inventory write-downs of NT\$8,362 thousands and NT\$28,736 thousands.

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Inventories were not pledged for collaterals.

The Company has entered into long-term contracts with certain suppliers, which will expire on 2025.12.31. The contracts stipulate minimum purchase amounts or quantities, and any losses arising from failure to meet the contractual purchase commitments are recognized as current expenses and provisions. Please refer to Notes 6 (13) for related information.

## 6. Property, Plant and Equipment

	2025.09.30	2024.12.31	2024.09.30		
Property, plant and equipment	\$49,187	\$53,189	\$35,291		
	Equipment	Office	Lease improvement	Equipment to be inspected	Total
Cost :					
2025.01.01	\$126,778	\$21,438	\$5,377	\$1,071	\$154,664
Acquisition	14,177	2,450	200	68	16,895
Transfer	-	-	1,139	(1,139)	-
2025.09.30	<u>\$140,955</u>	<u>\$23,888</u>	<u>\$6,716</u>	<u>\$-</u>	<u>\$171,559</u>
2024.01.01	\$91,537	\$19,739	\$5,247	\$-	\$116,523
Acquisition	13,812	1,823	129	715	16,479
Disposal	(795)	(124)	-	-	(919)
2024.09.30	<u>\$104,554</u>	<u>\$21,438</u>	<u>\$5,376</u>	<u>\$715</u>	<u>\$132,083</u>
Depreciation & impairment :					
2025.01.01	\$83,268	\$15,817	\$2,390	\$-	\$101,475
Depreciation	17,866	2,121	910	-	20,897
2025.09.30	<u>\$101,134</u>	<u>\$17,938</u>	<u>\$3,300</u>	<u>\$-</u>	<u>\$122,372</u>
2024.01.01	\$71,473	\$13,505	\$1,524	\$-	\$86,502
Depreciation	8,782	1,778	649	-	11,209
Disposal	(795)	(124)	-	-	(919)
2024.09.30	<u>\$79,460</u>	<u>\$15,159</u>	<u>\$2,173</u>	<u>\$-</u>	<u>\$96,792</u>
Net carrying amount:					
2025.09.30	<u>\$39,821</u>	<u>\$5,950</u>	<u>\$3,416</u>	<u>\$-</u>	<u>\$49,187</u>
2024.12.31	<u>\$43,510</u>	<u>\$5,621</u>	<u>\$2,987</u>	<u>\$1,071</u>	<u>\$53,189</u>
2024.09.30	<u>\$25,094</u>	<u>\$6,279</u>	<u>\$3,203</u>	<u>\$715</u>	<u>\$35,291</u>

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No property, plant and equipment were pledged for collateral.

7. Leases

The Company as Lessee

The Company leases office buildings and vehicles, with lease terms generally ranging from 2 to 5 years. The lease contracts are individually negotiated and contain a variety of terms and conditions. Except that the leased assets may not be used as collateral for borrowings, no other restrictions are imposed.

The effects of leases on the Company's financial position, financial performance and cash flows are summarized as follows:

A. Amounts recognized in the balance sheet

(a) Right-of-use Assets

Carrying amounts of right-of-use assets

	2025.09.30	2024.12.31	2024.09.30
House	\$13,542	\$18,558	\$20,231
Transportation equipment	8	1,453	1,639
Total	<u>\$13,550</u>	<u>\$20,011</u>	<u>\$21,870</u>

For the nine-month periods ended 2025.09.30 and 2024.09.30, there were no additions to right-of-use assets.

For the nine-month period ended 2025.09.30, due to the early termination of a lease contract, the carrying amounts of right-of-use assets and lease liabilities decreased by NT\$1,266 thousand and NT\$1,341 thousand, respectively, as of 2025.09.30.

(b) Lease Liabilities

	2025.09.30	2024.12.31	2024.09.30
Current	\$5,640	\$6,180	\$6,159
Non current	7,308	13,297	15,167
Total	<u>\$12,948</u>	<u>\$19,477</u>	<u>\$21,326</u>

Please refer to Note 6 (19 (3)) Finance Costs for information on interest expense on

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lease liabilities for the nine-month periods ended 2025.09.30 and 2024.09.30. Please refer to Notes 12(6) Liquidity Risk Management for the maturity analysis of lease liabilities as of 2025.09.30 and 2024.09.30.

B. Amounts Recognized in the Statement of Comprehensive Income

Depreciation of Right-of-use Assets

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
House	\$1,672	\$1,672	\$5,017	\$5,017
Transportation equipment	26	204	178	611
Total	<u>\$1,698</u>	<u>\$1,876</u>	<u>\$5,195</u>	<u>\$5,628</u>

C. Income and Expenses Relating to Leasing Activities – Lessee

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Interest expense on lease liabilities	\$101	\$155	\$340	\$499
Expenses relating to short-term lease contracts	187	117	527	317
Expenses relating to leases of low-value assets	28	24	116	71
Gain on lease modification (Note	-	-	(75)	-
Total	<u>\$316</u>	<u>\$296</u>	<u>\$908</u>	<u>\$887</u>

Note: Early termination of company vehicles lease in February 2025.

D. Cash Outflows Relating to Leasing Activities – Lessee

The total cash outflows for leases amounted to NT\$2,040 thousand, NT\$2,152 thousand, NT\$6,170 thousand and NT\$6,421 thousand for the nine-month periods ended 2025.09.30 and 2024.09.30, and for the nine-month periods ended 2025.09.30 and 2024.09.30, respectively.

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8. Intangible Assets

	<b>Computer Software</b>
Cost:	
2025.01.01	\$79,719
Acquisition	27,850
2025.09.30	\$107,569
2024.01.01	\$44,255
Acquisition	30,958
2024.09.30	\$75,213
Amortization and impairment :	
2025.01.01	\$53,169
Amortization	28,829
2025.09.30	\$81,998
2024.01.01	\$20,393
Amortization	24,088
2024.09.30	\$44,481
Net carrying value :	
2025.09.30	\$25,571
2024.12.31	\$26,550
2024.09.30	\$30,732

The amortization charges recognized for intangible assets were as follows:

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Management expenses	\$869	\$556	\$2,584	\$1,741
R&D expenses	9,084	8,116	26,245	22,347
Total	\$9,953	\$8,672	\$28,829	\$24,088

9. Short-term loans

As of September 30, 2025, December 31, 2024, and September 30, 2024, the Company's unused short-term credit facilities amounted to NT\$350,000 thousand, NT\$350,000 thousand, and NT\$380,000 thousand, respectively.

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10. Other Payables

	2025.09.30	2024.12.31	2024.09.30
Accrued salaries and compensations	\$10,867	\$15,458	\$12,820
Accrued Software License Fees	2,277	2,400	2,313
Accrued service fees	1,080	1,124	668
Accrued intangible assets	308	3,816	-
Payables for Equipment	210	247	177
Accrued remuneration for employee and directors	-	15,139	8,630
Others	4,616	5,792	4,520
Total	<u>\$19,358</u>	<u>\$43,976</u>	<u>\$29,128</u>

11. Corporate Bonds Payable

	2025.09.30	2024.12.31	2024.09.30
Corporate bond payable	\$300,000	\$300,000	\$300,000
Less: discounted corporate bond payables	(11,751)	(16,685)	(18,310)
Total	<u>\$288,249</u>	<u>\$283,315</u>	<u>\$281,690</u>

(1) Domestic convertible bonds issued by the Company

A. The terms and conditions of the Company's third domestic unsecured convertible bonds are as follows:

- (a) The Company, with the approval of the competent authority, issued its third domestic unsecured convertible bonds in an aggregate principal amount of NT\$300,000 thousand. The bonds bear interest at a coupon rate of 0% with a three-year term and are outstanding from 2024.06.25 to 2027.06.25. The bonds will be redeemed in cash at par value upon maturity. The convertible bonds were listed on the Taipei Exchange (TPEX) on 2024.06.25.
- (b) Holders of these convertible bonds may request conversion into the Company's common shares at any time from 2024.09.26, being the day following three months from the issuance date, to 2027.05.16, being forty days prior to the maturity date, except during the book closure periods as required under applicable laws or regulations. The rights and obligations of the common shares issued upon conversion are identical to those of the Company's existing common shares.

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- (c) The conversion price of these convertible bonds was determined in accordance with the pricing model prescribed in the conversion rules. Thereafter, in the event of anti-dilution circumstances, the conversion price shall be adjusted in accordance with the pricing model prescribed in the conversion rules. Furthermore, on the reset dates stipulated in the conversion rules, the conversion price shall be reset in accordance with such pricing model. The initial conversion price at issuance was set at NT\$65.8 per share, and, as a result of the distribution of cash dividends on common shares and the distribution of cash from capital surplus, the conversion price was adjusted to NT\$63.3 per share on 2025.05.19.
  - (d) From the day following one month after the issuance date to forty days prior to maturity, if the closing price of the Company's common shares exceeds 150% of the then prevailing conversion price for thirty consecutive trading days, or from the day following three months after the issuance date to forty days prior to maturity, if the outstanding balance of these convertible bonds falls below 10% of the original total issuance amount, the Company may redeem all of the bonds in cash at par value at any time thereafter.
  - (e) In accordance with the conversion rules, all convertible bonds repurchased by the Company (including those repurchased on the Taipei Exchange), redeemed or converted shall be cancelled, and all rights and obligations attached to such bonds shall be extinguished and will not be reissued.
- B. As of 2025.09.30, there had been no conversions of the convertible bonds into common shares, nor any repurchases of the bonds by the Company.
- (2) In accordance with IAS 32 "Financial Instruments: Presentation," upon issuance of the convertible bonds, the equity component of the conversion option was separated from the liability components and recognized in "Capital surplus – stock options for convertible bonds" in the amount of NT\$20,876 thousand. In addition, the embedded call option was separated and recognized in "Financial assets at fair value through profit or loss" in accordance with IFRS 9 "Financial Instruments," as its economic characteristics and risks are not closely related to those of the host debt contract. The effective interest rate of the host debt contract after separation was 2.03%.

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12. Post-employment Benefit Plans

Defined Benefit Plans

As formal employees subject to the defined benefit pension plan gradually left the Company or opted to participate in the defined contribution pension plan, the Company settled all defined benefit pension liabilities in February 2024. The settlement was approved by the competent authority in April 2024. For the nine-month period from 2024.01.01 to 2024.09.30, the pension cost recognized by the Company under the pension plan was NT\$0.

Defined Contribution Plans

The Company has established an employee pension plan under the Labor Pension Act, which is classified as a defined contribution plan. In accordance with the Act, the Company is required to make monthly contributions to employees' pension accounts with the Bureau of Labor Insurance at a rate of not less than 6% of each employee's monthly wages. The Company has established its employee pension plan in accordance with the Act and contributes monthly an amount equal to 6% of employees' monthly wages to the individual pension accounts with the Bureau of Labor Insurance.

For the nine-month periods ended 2025.09.30 and 2024.09.30, and for the nine-month periods ended 2025.09.30 and 2024.09.30, the pension costs recognized under the above plan were NT\$1,985 thousand, NT\$1,405 thousand, NT\$6,684 thousand and NT\$3,932 thousand, respectively.

13. Other Current Liabilities – Others

	2025.09.30	2024.12.31	2024.09.30
Provisions	\$34,225	\$30,725	\$27,656
Others	1,874	1,445	2,591
Total	<u>\$36,099</u>	<u>\$32,170</u>	<u>\$30,247</u>
	2025.01.01~2025.09.30	2024.01.01~2024.09.30	
Opening balance of provision	\$30,725	\$27,656	
Additions from the current period	3,500	-	
Closing balance of provisions	<u>\$34,225</u>	<u>\$27,656</u>	

The Company has entered into long-term contracts with certain suppliers, which stipulate minimum amounts or quantities to be purchased. Management assessed that failure to meet the minimum purchase commitments may result in losses requiring compensation; therefore,

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provisions were recognized.

#### 14. Equity

##### (1) Ordinary Shares

As of 2025.09.30, the Company's authorized capital was NT\$950,000 thousand, consisting of 95,000 thousand shares with a par value of NT\$10 per share. The Company's issued and paid-in capital was NT\$452,688 thousand, consisting of 45,269 thousand shares with a par value of NT\$10 per share. Each share entitles the holder to one vote and the right to receive dividends.

To attract and retain professional talent and to maximize the interests of the Company and its shareholders, the Board of Directors resolved in March 2022 and May 2022 to issue restricted stocks for employees (RSEs) on a gratuitous basis. The grant dates were 2022.03.16 and 2022.05.10, with a total of 1,000 thousand shares issued. The vesting conditions require that both the employees' service periods and annual performance evaluations meet the prescribed standards. Shares that do not meet the vesting conditions may be reclaimed by the Company without consideration and cancelled. As of 2025.09.30, 1,000 thousand restricted shares had been issued, of which 946 thousand had vested and 54 thousand had been cancelled.

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(2) Capital Surplus

	2025.09.30	2024.12.31	2024.09.30
Share Premium	\$243,311	\$237,934	\$237,934
Treasury Share Transactions	11,535	11,535	11,535
Share of changes in net assets of associates accounted for using the equity metho	2,149	2,149	2,149
Restricted employee stocks (RES)	-	16,564	16,564
Stock Options from Convertible Bonds	20,876	20,876	20,876
Total	<u>\$277,871</u>	<u>\$289,058</u>	<u>\$289,058</u>

In accordance with the relevant laws and regulations, capital surplus may not be used except to offset a deficit. When there is no deficit, the capital surplus arising from the issuance of shares in excess of par value and from donations received may be capitalized each year within a prescribed percentage of paid-in capital, or may be distributed in cash to shareholders in proportion to their shareholdings.

On April 15, 2025 and May 28, 2024, the shareholders resolved to distribute cash dividends of NT\$9,054 thousand and NT\$9,054 thousand from capital surplus, equivalent to NT\$0.20 per share each year.

(3) Earnings Distribution and Dividend Policy

According to the Company's Articles of Incorporation, if there is surplus earnings after tax at year-end, such earnings shall first be used to offset accumulated losses, and 10% of the remainder shall be appropriated as legal reserve. When the legal reserve has accumulated to an amount equal to the Company's paid-in capital, this restriction shall not apply. In addition, in accordance with operational needs and regulatory requirements, special reserves may be appropriated or reversed. If distributable earnings remain, they shall be combined with the beginning undistributed earnings of the year, and the Board of Directors shall propose a distribution plan for shareholders' dividends, which shall be resolved by the shareholders in a meeting.

The Company's dividend policy is established in accordance with the Company Act and the Articles of Incorporation. The distribution is determined based on factors such as the Company's capital and financial structure, operating performance, profitability, and the characteristics and business cycle of the industry in which the Company operates. The total dividend distributed shall not be less than 50% of the current year's distributable earnings, of which cash dividends shall not be less than 50% of the total dividend distributed.

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The legal reserve may not be used except to offset a deficit or to be distributed as new shares or cash dividends to shareholders in proportion to their shareholdings. However, such distribution of new shares or cash dividends shall be limited to the portion of the legal reserve in excess of 25% of paid-in capital.

When the Company distributes earnings, in accordance with relevant laws and regulations, a special reserve shall be appropriated from the debit balance of other equity items as of the balance sheet date of the current year before any distribution may be made. When the debit balance of such other equity items is subsequently reversed, the reversed amount may be included in distributable earnings.

The appropriations of earnings for 2024 and 2023 were approved by the shareholders in meetings held on 2025.04.15 and 2024.05.28, respectively, and are summarized as follows:

	Appropriation of earnings		EPS (\$)	
	2024	2023	2024	2023
Legal reserve	\$4,990	\$6,664		
Cash dividends on ordinary shares	45,269	45,269	\$1.00	\$1.00

Please refer to Note 6(18) for information for estimation and the amounts recognized in respect of employee compensation and remuneration to directors.

## 15. Share-based Payment Plans

Employees of the Company are entitled to share-based payments as part of their compensation plans ; Transactions in which employees render services in exchange for equity instruments are classified as equity-settled share-based payment transactions.

As of 2025.09.30, the Company's share-based payment arrangements were as follows:

Program	Grant date	Grant quantity	Contract period	Vesting conditions
Restricted Employee Shares	2022.03.16	980 thousands units	3 years	Note
Restricted Employee Shares	2022.05.10	20 thousands units	3 years	Note

Restricted employee shares issued by the Company may not be sold, pledged, transferred, gifted, encumbered, or otherwise disposed of before vesting conditions are met.

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Note: The restricted stocks for employees may be exercised progressively at specified percentages only after one year of service and upon the achievement of the prescribed KPIs. Employees who remain in service and meet the performance conditions for one, two, and three years from the grant date of the restricted stocks for employees are entitled to vesting of 20%, 30%, and 50% of the granted shares, respectively.

The information on the outstanding share-based payment arrangements under the aforementioned plan is as follows:

	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
	<u>Qty (thousands units)</u>	<u>Qty (thousands units)</u>
RES at the beginning of the period	467	748
Number of shares vested during the period	(467)	(281)
RES at the end of the period	<u>-</u>	<u>467</u>

The restricted employee shares issued by the Company have a par value of NT\$10 per share and were issued at NT\$0 per share (i.e., free of charge), and the fair values were measured at NT\$41.5 and NT\$40.25 per share, being the closing prices on the respective grant dates.

For the share-based payment transactions mentioned above, the Company recognized compensation costs of NT\$0, NT\$2,080 thousand, NT\$(422) thousand, and NT\$6,239 thousand for period of 07.01 to 09.30 and 01.01 to 09.30 in 2025 and 2024, respectively.

## 16. Operating Revenue

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Revenue from contracts with customers	<u>\$155,284</u>	<u>\$174,791</u>	<u>\$506,947</u>	<u>\$541,507</u>

(1) The Company's revenue is primarily derived from sales of goods transferred at a point in time. Revenue can be disaggregated by geographic region as follows:

<u>Area (Note)</u>	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Taiwan	\$78,236	\$57,639	\$256,243	\$200,957
China	68,827	112,787	233,097	327,176
Other	8,221	4,365	17,607	13,374
Total	<u>\$155,284</u>	<u>\$174,791</u>	<u>\$506,947</u>	<u>\$541,507</u>

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Note: Revenue is disclosed based on the location of customers.

(2) Contract Balances

The Company recognizes contract liabilities related to customer contracts, presented under other current liabilities:

	2025.09.30	2024.12.31	2024.09.30	2024.01.01
Sales	\$430	\$-	\$1,025	\$193

For the nine-month periods ended 2025.09.30 and 2024.09.30, the amounts of revenue recognized from the contract liabilities at the beginning of the period were NT\$0 and NT\$193 thousand, respectively.

(3) Transaction price allocated to the remaining performance obligations

As the Company's customer contracts for the sale of goods have original expected durations of less than one year, information on the remaining performance obligations is not required to be disclosed.

(4) Assets recognized from the costs to obtain or fulfill customer contracts: none

17. Expected Credit Losses (ECL)

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Operating expenses – expected credit gain (loss)				
Account receivables	\$10	\$357	\$131	\$159

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The information on the assessment of loss allowances as of 2025.09.30, 2024.12.31, and 2024.09.30 is as follows:

The Company applies the simplified approach to measure expected credit losses by using a provision matrix. The loss rates are determined based on historical and current information for specific periods, adjusted to reflect forward-looking considerations, in order to estimate the loss allowance for accounts receivable. The relevant information is as follows:

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2025.09.30

	Days past due				Total
	Not past due	30 days past due	31-90 days past due	Over 91 days past due	
Total carrying amount	\$169,201	\$4,035	\$-	\$718	\$173,954
Loss rate	0~0.03%	0%~0.16%	1.49%~13.58%	100%	
Lifetime expected credit losses	(40)	-	-	(718)	(758)
Carrying amount	\$169,161	\$4,035	\$-	\$-	\$173,196

2024.12.31

	Days past due				Total
	Not past due	30 days past due	31-90 days past due	Over 91 days past due	
Total carrying amount	\$210,570	\$-	\$-	\$843	\$211,413
Loss rate	0~0.03%	0%~0.16%	1.49%~13.58%	100%	
Lifetime expected credit losses	(46)	-	-	(843)	(889)
Carrying amount	\$210,524	\$-	\$-	\$-	\$210,524

2024.09.30

	Days past due				Total
	Not past due	30 days past due	31-90 days past due	Over 91 days past due	
Total carrying amount	\$220,031	\$-	\$-	\$873	\$220,904
Loss rate	0%~0.03%	-	-	100%	
Lifetime expected credit losses	(51)	-	-	(873)	(924)
Carrying amount	\$219,980	\$-	\$-	\$-	\$219,980

The movements in the loss allowance for accounts receivable for the nine-month periods ended 2025.09.30 and 2024.09.30 were as follows:

	A/R
2025.01.01	\$889
Reversals	(131)
2025.09.30	\$758
2024.01.01	\$1,083
Additions	(159)
2024.09.30	\$924

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18. Summary of Employee Benefits, Depreciation, and Amortization Expenses by Function:

Function \ Nature	2025.07.01~2025.09.30			2024.07.01~2024.09.30		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salaries	\$-	\$31,786	\$31,786	\$-	\$26,627	\$26,627
Share-based payments	-	-	-	-	2,080	2,080
Labor/health insurance expenses	-	2,518	2,518	-	2,587	2,587
Pension	-	1,985	1,985	-	1,405	1,405
Directors' remuneration	-	1,120	1,120	-	194	194
Other employee benefit expenses	-	1,072	1,072	-	1,280	1,280
Depreciation expenses	-	8,977	8,977	-	6,083	6,083
Amortization expenses	-	9,953	9,953	-	8,672	8,672

Function \ Nature	2025.01.01~2025.09.30			2024.01.01~2024.09.30		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salaries	\$-	\$88,789	\$88,789	\$-	\$92,162	\$92,162
Share-based payments	-	(422)	(422)	-	6,239	6,239
Labor/health insurance expenses	-	7,241	7,241	-	6,747	6,747
Pension	-	6,684	6,684	-	3,932	3,932
Directors' remuneration	-	3,137	3,137	-	2,826	2,826
Other employee benefit expenses	-	3,149	3,149	-	2,541	2,541
Depreciation expenses	-	26,092	26,092	-	16,837	16,837
Amortization expenses	-	28,829	28,829	-	24,088	24,088

According to the Company's Articles of Incorporation, at least 20% of annual profits shall be allocated as employee compensation, of which no less than 17% shall be distributed to rank-and-file employees, and no more than 3% shall be allocated as directors' remuneration. For information on employee compensation and directors' remuneration approved by the Board of Directors, please refer to the Market Observation Post System (MOPS).

The estimated amounts of directors' remuneration and employees' compensation are as follows, recognized under salaries expense:

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	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Directors remuneration	\$-	\$(416)	\$-	\$1,126
Employee remuneration	-	(2,775)	-	7,504
Total	<u>\$-</u>	<u>\$(3,191)</u>	<u>\$-</u>	<u>\$8,630</u>

For the nine-month periods ended 2025.09.30 and 2024.09.30, employee compensation and directors' remuneration were estimated in accordance with the Articles of Incorporation and based on the profitability of each respective period. Any difference between the estimated amounts and the actual amounts resolved by the Board of Directors is recognized in profit or loss of the following year. If the Board of Directors resolves to distribute employee compensation in the form of shares, the number of shares to be distributed is calculated based on the closing price of the Company's common shares on the day preceding the Board resolution date.

On 2025.02.25, the Board of Directors resolved to distribute employee compensation and directors' remuneration for 2024 in cash in the amounts of NT\$13,210 thousand and NT\$1,929 thousand, respectively. These amounts were not materially different from the amounts recognized as expenses in the 2024 financial statements.

On 2024.02.27, the Board of Directors resolved to distribute employee compensation and directors' remuneration for 2023 in cash in the amounts of NT\$16,853 thousand and NT\$2,528 thousand, respectively. These amounts were not materially different from the amounts recognized as expenses in the 2023 financial statements.

## 19. Non-operating Income and Expenses

### (1) Interest Income

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Financial Assets Measured at Amortized Cost	\$2,995	\$3,752	\$11,151	\$13,623
Other interest income	5	9	11	14
Total	<u>\$3,000</u>	<u>\$3,761</u>	<u>\$11,162</u>	<u>\$13,637</u>

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Notes to Financial Report (continue)  
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(2) Other Gains and Losses

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Net Foreign Exchange (Losses) Gains	\$9,340	\$(12,024)	\$(48,998)	\$24,614
Gains (Losses) on Financial Assets at Fair Value through Profit or Loss	(30)	90	(90)	44
Gains from lease change	-	-	75	-
Total	<u>\$9,310</u>	<u>\$(11,934)</u>	<u>\$(49,013)</u>	<u>\$24,658</u>

(3) Finance Costs

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Interest on Corporate Bonds Payable	\$1,655	\$1,616	\$4,934	\$1,706
Interest on Lease Liabilities	101	241	340	585
Interest on Bank loans	-	4	-	1,283
Total	<u>\$1,756</u>	<u>\$1,861</u>	<u>\$5,274</u>	<u>\$3,574</u>

20. Income tax

The major components of income tax expense (benefit) are as follows:

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Current Income Tax Expense:				
Adjustments to current income tax of prior years recognized in the current period	\$-	\$(736)	\$1,228	\$(736)
Deferred Income Tax Benefit:				
Relating to the origination and reversal of temporary differences	(7,283)	4,407	7,293	2,356
Income Tax Benefit (Expense)	<u>\$(7,283)</u>	<u>\$3,671</u>	<u>\$8,521</u>	<u>\$1,620</u>

Income tax return assessments

The Company's income tax returns have been assessed and approved by the tax authorities up to 2022.

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21. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. °

Diluted earnings per share are calculated by dividing net income attributable to ordinary shareholders of the parent (after adjusting for the interest on convertible bonds) by the weighted-average number of common shares outstanding during the period plus the weighted-average number of common shares that would be issued on the conversion of all dilutive potential common shares.

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
(1) Basic EPS				
Net Profit (Loss) for the Period (in NT\$ thousands)	\$2,156	\$(6,923)	\$(14,234)	\$30,601
Weighted-Average Number of Common Shares Outstanding for Basic Earnings Per Share, weighted-Average Shares (in thousands)	45,269	44,801	45,138	44,721
Basic Earnings Per Share (NT\$)	\$0.05	\$(0.15)	\$(0.32)	\$0.68
(2) Diluted EPS				
Net Profit (Loss) for the Period (in NT\$ thousands)	2,156	(6,923)	(14,234)	30,601
Dilutive Effects:				
Interest on Convertible Bonds (in NT\$ thousands)	(Note2)	(Note1)	(Note1)	1,365
Net Profit (Loss) for the Period After Adjusting for Dilutive Effects (in NT\$ thousands)	2,156	(6,923)	(14,234)	31,966
Weighted-Average Number of Common Shares Outstanding for Basic Earnings Per Share (in thousands)	45,269	44,801	45,138	44,721
Dilutive Effects:				
Employee Stock Options (in thousands)	(Note2)	(Note2)	(Note2)	486
Employee Compensation (in thousands of shares)	283	(Note2)	(Note2)	177

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Convertible Bonds (in thousands of shares)	( Note2 )	( Note2 )	( Note2 )	1,620
Weighted-Average Number of Common Shares Outstanding After Adjusting for Dilutive Effects (in thousands)	45,552	44,801	45,138	47,004
Diluted EPS (NT\$)	\$0.05	\$(0.15)	\$(0.32)	\$0.68

Note 1: As the Company incurred a loss before income tax, the convertible bonds would have an anti-dilutive effect and therefore were excluded from the calculation.

Note 2: Excluded from the calculation as they have an anti-dilutive effect.

22. Supplementary information on cash flow

Investing activities partially paid in cash:

	2025.01.01~2025.09.30	2024.01.01~2024.09.30
Acquisition of property, plant and equipment	\$16,895	\$16,479
Add: Beginning balance of equipment payables (including related parties)	2,690	2,371
Ending balance of prepayments for equipment	-	7,500
Less: Ending balance of equipment payables (including related parties)	(210)	(177)
Cash paid of the period	\$19,375	\$26,173
	2025.01.01~2025.09.30	2024.01.01~2024.09.30
Acquisition of intangible assets	\$27,850	\$30,958
Add: Beginning balance of intangible assets payables	3,816	-
Less: Ending balance of payables (including related parties)	(308)	-
Beginning balance of prepayments	-	(7,500)
Cash paid of the period	\$31,358	\$23,458

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**7. Related party transactions**

Transactions with related parties during the period :

Related parties

<u>Related parties</u>	<u>Relation with the Company</u>
ASUSTeK Computer Inc. (ASUS)	Key management personnel (corporate directors)
Sigurd Microelectronics Corp. (Sigurd)	Key management personnel (corporate directors)(note)
Egis Technology Inc. (Egis)	Ultimate parent company
Alcor Micro Corp. (Alcor)	Parent company
AlgolTek, Inc. (AlgolTek)	Associate
VASUBI Technology Inc. (VASUBI)	Associate

Note: Following the re-election of directors on 2025.04.15, Sigurd ceased to be a corporate director and a related party of the Company.

Significant transactions with related parties

1. Sales

Product sales:

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
ASUS	<u>\$30,075</u>	<u>\$35,767</u>	<u>\$96,931</u>	<u>\$85,702</u>

Sales of goods to related parties were conducted under mutually agreed terms, and the collection terms did not differ significantly from those with non-related parties.

2. Purchases

Purchases through related parties:

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Egis	<u>\$53,122</u>	<u>\$54,163</u>	<u>\$143,638</u>	<u>\$163,878</u>

Purchases made through Egis on behalf of the Company were priced based on negotiations between the parties, and the payment terms did not differ from those with non-related parties.

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Purchase of services :

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Siguards	\$-	\$2,833	\$2,622	\$9,326

Services were purchased from related parties under normal commercial terms and conditions, and did not differ significantly from those with non-related parties.

3. R&D expenses

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Egis	\$37	\$-	\$2,062	\$34
Alcor Micro	-	-	-	1,365
Visubi	-	75	-	244
Total	\$37	\$75	\$2,062	\$1,643

Mainly expenses for R&D trial production wafers, masks, and miscellaneous purchases. °

4. Account receivables -related parties

	2025.09.30	2024.12.31	2024.09.30
ASUS	\$42,148	\$51,748	\$49,798

5. Account payable- related parties

Account payables

	2025.09.30	2024.12.31	2024.09.30
Egis	\$28,298	\$16,718	\$10,229
Siguard	-	1,590	1,762
Total	\$28,298	\$18,308	\$11,991

Other payables - equipment

	2025.09.30	2024.12.31	2024.09.30
Egis	\$-	\$2,443	\$-

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Other payables - others

	2025.09.30	2024.12.31	2024.09.30
Egis	\$-	\$438	\$-
Siguard	-	310	-
Total	\$-	\$748	\$-

Accounts payable mainly arose from purchases, while other payables primarily related to mold procurement and specialized technical services. All payables were non-interest-bearing.

6. Prepayments

	2025.09.30	2024.12.31	2024.09.30
Egis	\$1,284	\$1,284	\$-

7. Property transaction

Acquisition of property, plant and equipment

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Egis	\$410	\$761	\$10,516	\$13,367
Siguard	-	-	402	-
Total	\$410	\$761	\$10,918	\$13,367

The Company primarily procured molds, masks, and other equipment through related parties, with prices determined through negotiations between the parties, and the payment terms did not differ significantly from those with non-related parties.

Acquisition of intangible assets- computer software

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Egis	\$-	\$-	\$-	\$7,500

8. Other non-current assets

Refundable deposits

	2025.09.30	2024.12.31	2024.09.30
Algotek	\$697	\$688	\$688

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	2025.09.30	2024.12.31	2024.09.30
Egis	\$-	\$-	\$7,500

The Company entered into a product development contract with Egis, and the contract amount signed but not yet paid as of 2025.09.30 was NT\$7,500 thousand.

9. Lease - lessee

(1) The Company leased buildings from AlgolTek for a period of five years. No additions to right-of-use assets were recognized during the current period. The rental prices for leases with related parties were determined through negotiations between the parties and are paid monthly in accordance with the contract.

Lease liabilities

A. Balance at the end of the period :

	2025.09.30	2024.12.31	2024.09.30
AlgolTek	\$7,408	\$9,605	\$10,327

B. Interest expenses:

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
AlgolTek	\$62	\$83	\$201	\$265

(2) Expense for short term lease

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Algotek	\$124	\$64	\$348	\$91

(b) Compensation of key management personnel

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Short-term employee benefits	\$6,089	\$6,728	\$21,518	\$24,362
Post-employment benefits	162	216	2,265	645
Share-based payment	-	939	670	2,673
Total	\$6,251	\$7,883	\$24,453	\$27,680

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**8. Assets pledged as collateral**

Following assets are pledged as collaterals:

Items	Carrying amount			Details of Secured Liabilities
	2025.09.30	2024.12.31	2024.09.30	
Term deposits (Note 1)	\$1,084	\$1,076	\$1,068	Note 2

Note 1: Non-current financial assets measured at amortized cost.

Note 2: Customs duty guarantees for imported raw materials.

**9. Significant Contingent Liabilities and Unrecognized Contractual Commitments**

1. The Company had entered into software licensing agreements, under which the contracted but unpaid amounts, excluding tax, totaled NT\$43,933 thousand as of 2025.09.30.
2. Unrecognized contractual commitments with related parties are disclosed in Note 7.

**10. Significant Disaster Losses**

None.

**11. Significant Subsequent Events**

None.

**12. Others**

1. Capital management

The objective of the Company's capital management is to safeguard its ability to continue as a going concern, to maintain an optimal capital structure so as to reduce the cost of capital, and to provide returns to shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares (including through private placements of common shares), or dispose of assets to reduce debt. The Company monitors its capital using the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt.

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2. Categories of financial instruments

Financial assets

	2025.09.30	2024.12.31	2024.09.30
Financial assets at fair value through profit or loss :			
Mandatorily measured at fair value through profit or loss	\$-	\$90	\$510
Measured at amortized cost :			
Cash and cash equivalents (excluding petty cash	751,043	638,608	552,609
Financial assets measured at amortized cost	6,084	125,747	106,068
Trade receivables (including related parties)	173,196	210,524	219,980
Other receivable	3,845	2,160	5,426
Refundable deposits	1,418	2,069	2,068
Total	<u>\$935,586</u>	<u>\$979,198</u>	<u>\$886,661</u>

Financial liabilities

	2025.09.30	2024.12.31	2024.09.30
Financial liabilities measured at amortized cost:			
Trade payables (including related parties)	52,592	36,456	67,608
Other payables	19,358	47,167	29,128
Corporate bonds payable	288,249	283,315	281,690
Lease liabilities	12,948	19,477	21,326
Guarantee deposits received	3	3	3
Total	<u>\$373,150</u>	<u>\$386,418</u>	<u>\$399,755</u>

3. Objectives and Policies of Financial Risk Management

The primary objective of the Company's financial risk management is to manage the market risk, credit risk, and liquidity risk arising from its operating activities. The Company identifies, measures, and manages the aforementioned risks in accordance with its policies and risk preferences. The Company has established appropriate policies, procedures, and internal controls for the financial risk management mentioned above in accordance with relevant regulations. Significant financial activities are subject to review by the Board of Directors and the Audit Committee in accordance with relevant regulations and the internal control system. During the execution of financial management activities, the Company is required to strictly comply with the relevant provisions of its financial risk management policies.

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4. Market Risk

The Company's market risk is the risk that the fair value or cash flows of financial instruments will fluctuate due to changes in market prices. Market risk primarily includes foreign exchange risk, interest rate risk, and other price risk (e.g., equity instruments). In practice, it is rare for a single risk variable to change in isolation, and the movements in risk variables are usually correlated. However, the sensitivity analyses presented below do not take into account the interrelationships among these risk variables.

Foreign Exchange Risk

As the Company operates on a multinational basis, it is exposed to foreign exchange risks arising from various currencies, primarily the U.S. dollar. The related foreign exchange risks arise from future commercial transactions as well as recognized assets and liabilities.

The significant foreign-currency financial assets and liabilities are summarized as follows: :

	Unit: NT\$ thousands		
	2025.09.30		
	Foreign currency	Exchange rate	NT\$
<u>Financial assets</u>			
Monetary items:			
US dollars	\$9,173	30.445	\$279,268
<u>Financial liabilities</u>			
Monetary items:			
US dollars	\$1,054	30.445	\$32,082
	2024.12.31		
	Foreign currency	Exchange rate	NT\$
<u>Financial assets</u>			
Monetary items:			
US dollars	\$16,256	32.79	\$533,034
<u>Financial liabilities</u>			
Monetary items:			
US dollars	\$849	32.79	\$27,839

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	2024.09.30		
	Foreign currency	Exchange rate	NT\$
<u>Financial assets</u>			
Monetary items:			
US dollars	\$17,913	31.65	\$566,946
<u>Financial liabilities</u>			
Monetary items:			
US dollars	\$613	31.65	\$19,401

The sensitivity analysis of the Company's foreign exchange risk focuses primarily on significant foreign-currency monetary items as of the end of the reporting period and the impact of foreign currency appreciation/depreciation on the Company's profit or loss and equity. The Company's foreign exchange risk is mainly affected by fluctuations in the U.S. dollar exchange rate. The sensitivity analysis is summarized as follows:

If the U.S. dollar had appreciated/depreciated by 1% against the New Taiwan dollar, the Company's profit or loss for the nine-month periods ended September 30, 2025 and 2024 would have increased/decreased by NT\$2,472 thousand and NT\$5,475 thousand, respectively.

The Company's net foreign exchange (losses) gains for the nine-month periods from July 1 to September 30, 2025 and 2024 amounted to NT\$9,340 thousand and NT\$(12,024) thousand, respectively; and the net foreign exchange (losses) gains for the nine-month periods ended September 30, 2025 and 2024 amounted to NT\$(48,998) thousand and NT\$24,614 thousand, respectively.

Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Company's interest rate risk primarily arises from its borrowings at floating interest rates.

The sensitivity analysis of interest rate risk focuses on the interest rate-exposed items as of the end of the reporting period. The Company's borrowings issued at floating interest rates are denominated in New Taiwan dollars. If the New Taiwan dollar borrowing interest rate had increased or decreased by 1%, with all other variables held constant, the Company's profit or loss for the nine-month periods ended September 30, 2025 and 2024 would have decreased/increased by NT\$0 thousand and NT\$0 thousand, respectively.

### Equity price risk

The equity instruments to which the Company is exposed to price risk are those classified as financial assets at fair value through profit or loss. To manage the price risk of its equity investments, the Company diversifies its portfolio in accordance with the limits set by the Group.

The Company primarily invests in open-end funds, the prices of which are subject to the uncertainties of the underlying investments. For the nine-month periods ended 2025.09.30 and 2024.09.30, the Company recognized no gains or losses on equity instruments measured at fair value through profit or loss.

### 5. Credit risk management

The Company's credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk mainly arises from counterparties' inability to settle trade receivables in accordance with the agreed terms. It also arises from the contractual cash flows of debt instrument investments classified as measured at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss.

The Company manages credit risk from a group perspective. With respect to banks and financial institutions, only those with independent ratings of a certain grade or higher are accepted as counterparties. In accordance with the Company's credit policy, each new customer is subject to management review and credit risk assessment prior to the establishment of payment and delivery terms and conditions. Internal risk control assesses the credit quality of customers by taking into account their financial position, past experience, and other factors. Credit limits are set by the Board of Directors based on internal or external ratings and are monitored regularly with respect to their utilization. Without taking into account collateral or other credit enhancements held, the maximum exposure to credit risk for financial assets measured at amortized cost is represented by their carrying amounts.

The Company applies the following presumption under IFRS 9 as the basis for determining whether the credit risk of a financial instrument has significantly increased since initial recognition:

- A. When contractual payments are more than 30 days past due in accordance with the agreed payment terms, the credit risk of the financial asset is presumed to have significantly increased since initial recognition.
- B. If, as of the balance sheet date, the financial asset has an investment-grade rating from

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any external credit rating agency, it is presumed to have low credit risk.

When the credit rating of an investment with an independent external rating is downgraded by two notches, the Company considers the investment to have experienced a significant increase in credit risk.

A financial asset is considered to be in default when contractual payments are more than 90 days past due in accordance with the agreed payment terms.

The Company considers the characteristics of trade credit risk and groups trade receivables accordingly. It applies the simplified approach and uses a provision matrix as the basis for estimating expected credit losses.

The indicators adopted by the Company to determine whether debt instrument investments are credit-impaired are as follows:

- A. The issuer is experiencing significant financial difficulty, or the probability that the issuer will enter bankruptcy or other financial reorganization has increased significantly.
- B. The disappearance of an active market for the financial asset due to the issuer's financial difficulties.
- C. The issuer is in default or delinquent in the payment of interest or principal.
- D. Adverse changes in national or regional economic conditions that are expected to cause the issuer to default.

The Company writes off amounts of financial assets that are not expected to be recoverable after collection efforts, while continuing to pursue legal actions to preserve its rights as a creditor.

In estimating the loss allowance for trade receivables, the Company adjusts the loss rates derived from historical and current information for forward-looking considerations. As of 2025.09.30 and 2024.09.30, such adjustments were not material.

## 6. Liquidity Risk Management

The Company maintains financial flexibility through cash and cash equivalents, highly liquid marketable securities, bank borrowings, convertible bonds, and lease contracts. The following table summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted cash flows, prepared in accordance with the earliest possible repayment dates, and includes contractual interest. For cash flows of interest payments on

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financial instruments with floating interest rates, the undiscounted interest amounts are determined by reference to the yield curves at the end of the reporting period.

Non-derivative Financial Liabilities:

	Less than 1 yr	1~5 yr	More than 5 yr	Total
<u>2025.09.30</u>				
Account payables	\$71,950	\$-	\$-	\$71,950
CB payables	-	300,000	-	300,000
Lease liabilities	7,202	7,460	-	14,662
<u>2024.12.31</u>				
Account payables	\$83,623	\$-	\$-	\$83,623
CB payables	-	300,000	-	300,000
Lease liabilities	6,634	13,649	-	20,283
<u>2024.09.30</u>				
Account payables	96,736	-	-	96,736
CB payables	-	300,000	-	300,000
Lease liabilities	6,661	15,615	-	22,276

7. Reconciliation of Liabilities Arising from Financing Activities

Reconciliation of liabilities for the period from 2025.01.01 to 2025.09.30:

	CB payable	Lease payable	Total Liabilities from Financing Activities
2025.01.01	\$283,315	\$19,477	\$302,792
Cash flow	-	(5,187)	(5,187)
Non cash flow (note)	4,934	(1,342)	3,592
2025.09.30	\$288,249	\$12,948	\$301,197

Reconciliation of liabilities for the period from 2024.01.01 to 2024.09.30:

	Short term borrowings	CB payable	Lease liabilities	Total Liabilities from Financing Activities
2024.01.01	\$160,000	\$-	\$26,860	\$186,860
Cash flow	(160,000)	300,350	(5,534)	134,816
Non cash flow (note)	-	(18,660)	-	(18,660)
2024.09.30	\$-	\$281,690	\$21,326	\$303,016

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Note: Primarily attributable to the amortization of bonds payable, capital surplus – stock options for bonds, and the early termination of lease contracts.

8. Fair Value of Financial Instruments

(1) Valuation Techniques and Assumptions Applied in Measuring Fair Value

Fair value is defined as 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 methods and assumptions applied by the Company in measuring or disclosing the fair value of financial assets and financial liabilities are as follows:

- A. The carrying amounts of cash and cash equivalents, trade receivables (including related parties), other receivables, trade payables (including related parties), and other payables approximate their fair values because of the short maturities of these instruments.
- B. The fair values of financial assets traded in active markets with standard terms and conditions are determined by reference to quoted market prices (e.g., listed equity securities).
- C. The fair values of derivative financial instruments are based on quoted market prices. When quoted prices are not available, the fair values of non-option derivatives are determined using cash flow discounting analyses based on applicable yield curves over the contract period, while the fair values of option derivatives are determined using option pricing models.
- D. For debt instruments without quoted prices in an active market, such as bank borrowings, fair values are determined using counterparty quotations or valuation techniques. The valuation techniques are based on discounted cash flow analyses, with assumptions such as interest rates and discount rates referenced to information on similar instruments. °

(2) Fair Value of Financial Instruments Measured at Amortized Cost

The carrying amounts of the Company's financial assets and financial liabilities measured at amortized cost approximate their fair values.

(3) Fair Value Hierarchy Information of Financial Instruments

A. Definition of Fair Value Hierarchy

All assets and liabilities measured at or disclosed at fair value are categorized within the fair value hierarchy based on the lowest level input that is significant

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to the overall fair value measurement. The hierarchy of inputs is defined as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be obtained at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the classification within the fair value hierarchy is reassessed at each reporting period end to determine whether transfers between levels of the fair value hierarchy have occurred.

B. Fair Value Hierarchy Information

2025.09.30:

	Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value</u>				
Financial Assets at Fair Value				
Through Profit or Loss (FVTPL)				
Redemption Rights of				
Convertible Bonds				
	\$-	\$-	\$-	\$-

2024.12.31:

	Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value</u>				
Financial Assets at Fair Value				
Through Profit or Loss (FVTPL)				
Redemption Rights of				
Convertible Bonds				
	\$-	\$90	\$-	\$90

2024.09.30:

	Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value</u>				
Financial Assets at Fair Value				
Through Profit or Loss (FVTPL)				
Redemption Rights of				
Convertible Bonds				
	\$-	\$510	\$-	\$510

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Transfers Between Level 1 and Level 2 of the Fair Value Hierarchy

For the periods from 2025.01.01 to 2025.09.30 and from 2024.01.01 to 2024.09.30, there were no transfers between Level 1 and Level 2 of the fair value hierarchy for the Company's assets and liabilities measured at fair value on a recurring basis.

C. Fair Value Hierarchy Information for Items Not Measured at Fair Value but for Which Fair Value is Disclosed

2025.09.30:

	Level 1	Level 2	Level 3	Total
Liabilities for Which Only Fair Value is Disclosed:				
CB payable	\$-	\$291,000	\$-	\$291,000
	\$-	\$291,000	\$-	\$291,000

2024.12.31:

	Level 1	Level 2	Level 3	Total
Liabilities for Which Only Fair Value is Disclosed:				
CB payable	\$-	\$285,270	\$-	\$285,270
	\$-	\$285,270	\$-	\$285,270

2024.09.30:

	Level 1	Level 2	Level 3	Total
Liabilities for Which Only Fair Value is Disclosed:				
CB payable	\$-	\$284,280	\$-	\$284,280
	\$-	\$284,280	\$-	\$284,280

**13. Notes to the Financial Statements Disclosures**

1. Significant Transaction Information

- (1) Loans to others: None.
- (2) Endorsements and guarantees for others: None.
- (3) Significant marketable securities held at period-end: None.
- (4) Sales or purchases with related parties amounting to NT\$100 million or 20% of paid-in capital or more: Appendix I.
- (5) Accounts receivable from related parties amounting to NT\$100 million or 20% of paid-

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in capital or more: None.

- (6) Others: Business relationships and significant transactions, including transaction amounts, between the parent company and subsidiaries or among subsidiaries: None.

2. Information on Investments in Subsidiaries, Associates, and Joint Ventures

When the Company has direct or indirect significant influence over, or control of, an investee, the relevant information of such investee shall be disclosed: None.

3. Information on Investments in Mainland China

(1) Names, principal business activities, paid-in capital, investment methods, inward and outward remittances of funds, shareholding ratios, current-period profit or loss and the recognized investment gains or losses, ending balance of investment carrying amounts, repatriated investment income, and investment limits for investments in Mainland China: None.

(2) Significant transactions directly or indirectly conducted through third regions with investees in Mainland China, including transaction amounts, terms of payment, and unrealized gains or losses: None.

**14. Segment Information**

1. General Information

The Company is engaged in a single industry and a single category of products, namely the design and sales of integrated circuit-related products. Since the Company's chief operating decision maker evaluates performance and allocates resources on a consolidated basis, the Company has identified itself as having a single reportable segment.

2. Measurement of Segment Information

- (1) The operating segment profit or loss of the Company is measured based on profit before income tax from operations, which serves as the basis for performance evaluation. The accounting policies and estimates applied to the operating segment are consistent with the significant accounting policies summarized in Notes 4 and 5, as well as the significant accounting estimates and assumptions described therein.
- (2) The external revenue (excluding revenue from inter-segment transactions), profit or loss, and financial information presented to the chief operating decision maker are consistent with the revenue, profit or loss, and financial information in the statement of comprehensive income and are measured on the same basis.

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- (3) The total assets and total liabilities provided to the chief operating decision maker are measured on a basis consistent with the assets and liabilities presented in these financial statements.

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Purchases from or sales to related parties amounting to NT\$100 million or more, or reaching 20% or more of paid-in capital

2025.01.01~2025.09.30

Appendix I

Unit: NTD thousands

Purchase (Sale) Company	Name of counterparty	Relationship	Transaction				Transaction terms differing from ordinary terms / Reasons		AR(AP) & notes ( including contract assets )		Note
			Purchase (Sale)	Amount	% of total Purchase (sale)	Credit Term	ASP	Credit Term	Outstanding Balance	% of total AR(AP) & notes	
ENE Technology Inc.	Egis Technology Inc.	Ultimate parent company	Purchase	\$143,638	56.62%	Net 30 days from month-end	-	-	\$(28,298)	53.81%	-
ENE Technology Inc.	ASUSTeK Computer Inc.	Key management personnel of the Company (Corporate directors)	Sale	\$96,931	19.12%	Net 90 days from month-end	-	-	\$42,148	24.34%	-