

**PHOENIX SILICON INTERNATIONAL
CORPORATION
FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2025 AND 2024**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

PHOENIX SILICON INTERNATIONAL CORPORATION
SEPTEMBER 30, 2025 AND 2024 FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR25000189

To the Board of Directors and Shareholders of Phoenix Silicon International Corporation

Introduction

We have reviewed the accompanying balance sheets of Phoenix Silicon International Corporation (the "Company") as at September 30, 2025 and 2024, and the related statements of comprehensive income for the three months and nine months then ended, as well as the statements of changes in equity and of cash flows for the nine months then ended, and notes to the financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these financial statements based on our reviews.

Scope of review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company as at September 30, 2025 and 2024, and of its financial performance for the three months and nine months then ended and its cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Liu, Chien-Yu

Li, Tien-Yi

For and on behalf of PricewaterhouseCoopers, Taiwan

November 6, 2025

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

PHOENIX SILICON INTERNATIONAL CORPORATION
BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	September 30, 2025		December 31, 2024		September 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 710,125	7	\$ 1,287,357	13	\$ 1,002,647	12
1110	Current financial assets at fair value through profit or loss	6(2)	14,044	-	-	-	1,304	-
1140	Current contract assets	6(19)	811,559	8	429,376	5	338,351	4
1170	Accounts receivable, net	6(4)	441,904	4	481,619	5	456,549	5
1200	Other receivables		20,273	-	2,909	-	15,044	-
130X	Inventories	6(5)	172,622	2	176,532	2	183,999	2
1410	Prepayments		36,379	-	34,881	-	26,888	-
1460	Non-current assets or disposal groups classified as held for sale, net	6(10)	-	-	-	-	14,640	-
1470	Other current assets		648	-	270	-	252	-
11XX	Current Assets		<u>2,207,554</u>	<u>21</u>	<u>2,412,944</u>	<u>25</u>	<u>2,039,674</u>	<u>23</u>
Non-current assets								
1535	Non-current financial assets at amortised cost	6(3) and 8	15,055	-	13,555	-	13,555	-
1600	Property, plant and equipment	6(6) and 9	7,863,520	73	6,517,118	68	6,143,626	70
1755	Right-of-use assets	6(7)	298,204	3	319,587	4	324,010	4
1780	Intangible assets		16,560	-	20,269	-	22,146	-
1840	Deferred income tax assets		48,396	-	32,681	-	32,496	1
1900	Other non-current assets	6(9)	280,719	3	243,106	3	177,300	2
15XX	Non-current assets		<u>8,522,454</u>	<u>79</u>	<u>7,146,316</u>	<u>75</u>	<u>6,713,133</u>	<u>77</u>
1XXX	Total assets		<u>\$ 10,730,008</u>	<u>100</u>	<u>\$ 9,559,260</u>	<u>100</u>	<u>\$ 8,752,807</u>	<u>100</u>

(Continued)

PHOENIX SILICON INTERNATIONAL CORPORATION
BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	September 30, 2025		December 31, 2024		September 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2130	Current contract liabilities	6(19)	\$ -	-	\$ -	-	\$ 79	-
2170	Accounts payable		194,640	2	160,807	2	149,722	2
2200	Other payables	6(11)	727,232	7	629,597	6	436,835	5
2230	Current income tax liabilities		67,135	1	66,511	1	39,955	-
2280	Current lease liabilities		18,184	-	18,143	-	18,036	-
2320	Long-term liabilities, current portion	6(13) and 8	574,903	5	1,039,576	11	886,467	10
2399	Other current liabilities, others		42	-	139	-	39	-
21XX	Current Liabilities		<u>1,582,136</u>	<u>15</u>	<u>1,914,773</u>	<u>20</u>	<u>1,531,133</u>	<u>17</u>
Non-current liabilities								
2530	Bonds payable	6(12)	1,642,752	15	-	-	-	-
2540	Long-term borrowings	6(13) and 8	2,450,233	23	3,175,410	33	2,946,828	34
2550	Provisions for liabilities - non-current	6(15)	24,637	-	23,227	-	22,775	-
2570	Deferred tax liabilities		5,256	-	4,662	-	3,860	-
2580	Non-current lease liabilities		279,087	3	300,857	3	305,418	4
2600	Other non-current liabilities		19,789	-	23,725	1	26,022	-
25XX	Non-current liabilities		<u>4,421,754</u>	<u>41</u>	<u>3,527,881</u>	<u>37</u>	<u>3,304,903</u>	<u>38</u>
2XXX	Total Liabilities		<u>6,003,890</u>	<u>56</u>	<u>5,442,654</u>	<u>57</u>	<u>4,836,036</u>	<u>55</u>
Equity								
	Share capital	6(16)						
3110	Share capital - common stock		1,740,737	16	1,726,280	18	1,726,280	20
	Capital surplus	6(17)						
3200	Capital surplus		1,823,102	17	1,380,185	14	1,380,185	15
	Retained earnings	6(18)						
3310	Legal reserve		278,330	3	229,140	3	229,140	3
3350	Unappropriated retained earnings		883,949	8	781,001	8	581,166	7
3XXX	Total equity		<u>4,726,118</u>	<u>44</u>	<u>4,116,606</u>	<u>43</u>	<u>3,916,771</u>	<u>45</u>
Significant Contingent Liabilities 9 and Unrecognised Contract Commitments								
3X2X	Total liabilities and equity		<u>\$ 10,730,008</u>	<u>100</u>	<u>\$ 9,559,260</u>	<u>100</u>	<u>\$ 8,752,807</u>	<u>100</u>

The accompanying notes are an integral part of these financial statements.

PHOENIX SILICON INTERNATIONAL CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Three months ended September 30				Nine months ended September 30			
			2025		2024		2025		2024	
Items	Notes		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(19)	\$ 1,163,869	100	\$ 938,146	100	\$ 3,290,294	100	\$ 2,501,649	100
5000	Operating costs	6(5)(24)(25)	(774,751)	(66)	(640,715)	(68)	(2,162,954)	(65)	(1,842,360)	(74)
5950	Gross profit from operations		<u>389,118</u>	<u>34</u>	<u>297,431</u>	<u>32</u>	<u>1,127,340</u>	<u>35</u>	<u>659,289</u>	<u>26</u>
	Operating expenses	6(24)(25)								
6100	Selling expenses		(16,856)	(2)	(10,460)	(1)	(51,078)	(2)	(29,404)	(1)
6200	Administrative expenses		(103,321)	(9)	(96,758)	(10)	(295,115)	(9)	(261,764)	(10)
6300	Research and development expenses		(26,112)	(2)	(17,088)	(2)	(73,371)	(2)	(44,055)	(2)
6000	Total operating expenses		(146,289)	(13)	(124,306)	(13)	(419,564)	(13)	(335,223)	(13)
6900	Operating profit		<u>242,829</u>	<u>21</u>	<u>173,125</u>	<u>19</u>	<u>707,776</u>	<u>22</u>	<u>324,066</u>	<u>13</u>
	Non-operating income and expenses									
7100	Interest income	6(20)	1,305	-	4,580	-	11,587	-	16,039	1
7010	Other income	6(21)	1,681	-	1,984	-	6,113	-	5,266	-
7020	Other gains and losses	6(22)	9,294	1	(23,190)	(2)	(65,026)	(2)	32,087	1
7050	Finance costs	6(23)	(14,988)	(2)	(14,480)	(2)	(45,685)	(1)	(46,296)	(2)
7000	Total non-operating income and expenses		(2,708)	(1)	(31,106)	(4)	(93,011)	(3)	7,096	-
7900	Profit before income tax		240,121	20	142,019	15	614,765	19	331,162	13
7950	Income tax expense	6(26)	(38,583)	(3)	(16,286)	(2)	(82,845)	(3)	(39,095)	(1)
8200	Profit for the period		<u>\$ 201,538</u>	<u>17</u>	<u>\$ 125,733</u>	<u>13</u>	<u>\$ 531,920</u>	<u>16</u>	<u>\$ 292,067</u>	<u>12</u>
8300	Total other comprehensive income for the period		<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
8500	Total comprehensive income for the period		<u>\$ 201,538</u>	<u>17</u>	<u>\$ 125,733</u>	<u>13</u>	<u>\$ 531,920</u>	<u>16</u>	<u>\$ 292,067</u>	<u>12</u>
	Basic earnings per share	6(27)								
9750	Total basic earnings per share		<u>\$ 1.17</u>		<u>\$ 0.73</u>		<u>\$ 3.08</u>		<u>\$ 1.69</u>	
	Diluted earnings per share	6(27)								
9850	Total diluted earnings per share		<u>\$ 1.10</u>		<u>\$ 0.73</u>		<u>\$ 2.94</u>		<u>\$ 1.69</u>	

The accompanying notes are an integral part of these financial statements.

PHOENIX SILICON INTERNATIONAL CORPORATION
STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital surplus	Retained Earnings		Total equity
				Legal reserve	Unappropriated retained earnings	
<u>Nine months ended September 30, 2024</u>						
Balance at January 1, 2024		\$ 1,726,280	\$ 1,449,236	\$ 197,755	\$ 562,163	\$ 3,935,434
Profit for the period		-	-	-	292,067	292,067
Total comprehensive income		-	-	-	292,067	292,067
Distribution of 2023 earnings:	6(18)					
Legal reserve		-	-	31,385	(31,385)	-
Cash dividends		-	-	-	(241,679)	(241,679)
Cash dividends from capital surplus	6(17)	-	(69,051)	-	-	(69,051)
Balance at September 30, 2024		<u>\$ 1,726,280</u>	<u>\$ 1,380,185</u>	<u>\$ 229,140</u>	<u>\$ 581,166</u>	<u>\$ 3,916,771</u>
<u>Nine months ended September 30, 2025</u>						
Balance at January 1, 2025		\$ 1,726,280	\$ 1,380,185	\$ 229,140	\$ 781,001	\$ 4,116,606
Profit for the period		-	-	-	531,920	531,920
Total comprehensive income		-	-	-	531,920	531,920
Distribution of 2024 earnings:	6(18)					
Legal reserve		-	-	49,190	(49,190)	-
Cash dividends		-	-	-	(379,782)	(379,782)
Issuance of convertible bonds	6(12)(17)	-	276,864	-	-	276,864
Convertible bonds	6(12)(16)(17)	14,457	166,053	-	-	180,510
Balance at September 30, 2025		<u>\$ 1,740,737</u>	<u>\$ 1,823,102</u>	<u>\$ 278,330</u>	<u>\$ 883,949</u>	<u>\$ 4,726,118</u>

The accompanying notes are an integral part of these financial statements.

PHOENIX SILICON INTERNATIONAL CORPORATION
STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30 2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 614,765	\$ 331,162
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	694,842	627,247
Amortization	6(24)	7,894	11,096
Net (gain) loss on financial assets at fair value through profit or loss	6(22)	(10,657)	201
Interest expense	6(23)	45,685	46,296
Interest income	6(20)	(11,587)	(16,039)
Gain on disposals of property, plant and equipment	6(22)	(20)	(19,888)
Gain on disposals of non-current assets held for sale	6(10)(22)	-	(25,522)
Impairment loss on non-financial assets	6(10)(22)	-	23,494
Changes in operating assets and liabilities			
Changes in operating assets			
Financial asset at fair value through profit or loss, mandatorily measured at fair value - current		1,170	1,212
Contract assets - current		(382,183)	159,331
Accounts receivable		39,715	(77,186)
Other receivables		(17,669)	(11,117)
Inventories		3,910	27,589
Prepayments		(1,498)	(7,829)
Other current assets		(37)	1,484
Other non-current assets		(298)	(71)
Changes in operating liabilities			
Financial liabilities held for trading		-	(1,396)
Accounts payable		33,833	10,197
Other payables		80,755	16,293
Other current liabilities		(97)	(127)
Net defined benefit liability		(5,506)	(651)
Long-term payables		1,547	2,029
Cash inflow generated from operations		1,094,564	1,097,805
Interest received		11,892	15,117
Interest paid		(18,180)	(44,462)
Income taxes paid		(97,342)	(26,497)
Net cash flows from operating activities		990,934	1,041,963

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PHOENIX SILICON INTERNATIONAL CORPORATION
STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>Nine months ended September 30</u>	
		<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortized cost		(\$ 12,000)	\$ -
Proceeds from disposal of financial assets at amortized cost		10,500	-
Acquisition of property, plant and equipment	6(28)	(2,021,107)	(801,959)
Proceeds from disposal of property, plant and equipment		82	20,128
Proceeds from disposal of non-current assets held for sale	6(10)	-	40,493
Acquisition of intangible assets	6(28)	(4,860)	(1,154)
Capitalisation of interest paid	6(6)	(25,890)	(13,903)
Increase in refundable deposits		(340)	(1,251)
Decrease in refundable deposits		-	1,435
Net cash flows used in investing activities		(2,053,615)	(756,211)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from issuance of convertible bonds	6(29)	2,069,002	-
Increase in long-term borrowings	6(29)	1,126,800	-
Repayment of long-term borrowings	6(29)	(2,317,243)	(510,007)
Increase in guarantee deposits received	6(29)	114	63
Decrease in guarantee deposits received	6(29)	(92)	(71)
Repayment of principal portion of lease liabilities	6(29)	(13,350)	(13,486)
Cash dividends paid	6(17)(18)	(379,782)	(310,730)
Net cash flows from (used in) financing activities		485,449	(834,231)
Net decrease in cash and cash equivalents		(577,232)	(548,479)
Cash and cash equivalents at beginning of period	6(1)	1,287,357	1,551,126
Cash and cash equivalents at end of period	6(1)	<u>\$ 710,125</u>	<u>\$ 1,002,647</u>

The accompanying notes are an integral part of these financial statements.

PHOENIX SILICON INTERNATIONAL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Phoenix Silicon International Corporation (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C) in March 1997 and has begun operations in June 1998. The Company is primarily engaged in the research, development, manufacture and sale of regenerative wafers, test wafers, product wafers, solar cells, energy storage lithium batteries and the import and export trade related to the Company’s business.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These financial statements were authorised for issuance by the Board of Directors on November 6, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2026

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment:

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.
- B. These financial statements are to be read in conjunction with the financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. Except for the following items, the financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Convertible bonds payable

Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company’s common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Company classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognised initially at net fair value as ‘financial assets or financial liabilities at fair value through profit or loss’. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as ‘gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss’.

- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to ‘finance costs’ over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in ‘capital surplus—share options’ at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and ‘financial assets or financial liabilities at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total carrying amount of the abovementioned liability component and ‘capital surplus—share options’.

(4) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

There was no significant change in the reporting period. Please refer to Note 5 in the financial statements for the year ended December 31, 2024.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and petty cash	\$ 70	\$ 70	\$ 70
Demand deposits	607,567	1,004,507	609,377
Time deposits	102,488	282,780	393,200
Total	<u>\$ 710,125</u>	<u>\$ 1,287,357</u>	<u>\$ 1,002,647</u>

- A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The Company has no cash and cash equivalents pledged to others. For pledged time deposits that were accounted as financial assets at amortised cost, please refer to Notes 6(3) and 8.

(2) Financial assets at fair value through profit or loss

Items	September 30, 2025	December 31, 2024	September 30, 2024
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Derivative instruments	\$ -	\$ -	\$ 1,304
Call options of convertible bonds	5,402	-	-
Valuation adjustment	8,642	-	-
Total	<u>\$ 14,044</u>	<u>\$ -</u>	<u>\$ 1,304</u>

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Three months ended September 30,	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Derivative instruments	\$ -	\$ 1,304
Call options of convertible bonds	5,887	-
Total	<u>\$ 5,887</u>	<u>\$ 1,304</u>

	Nine months ended September 30,	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Derivative instruments	\$ 2,609	\$ 1,195
Call options of convertible bonds	9,487	-
Total	<u>\$ 12,096</u>	<u>\$ 1,195</u>

B. The Company entered into forward foreign exchange contracts to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. The Company entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

September 30, 2025 and December 31, 2024: None.

	September 30, 2024	
	Contract amount	
Non-hedging derivative financial assets	(notional principal)	Contract period
Current items:		
Forward foreign exchange contracts	<u>USD 3,000</u>	2024.09.15~2024.10.01

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

Items	September 30, 2025	December 31, 2024	September 30, 2024
Non-current items :			
Pledged time deposits	\$ 15,055	\$ 13,555	\$ 13,555

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three months ended September 30,	
	2025	2024
Interest income	\$ 44	\$ 36
	Nine months ended September 30,	
	2025	2024
Interest income	\$ 128	\$ 103

B. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Company's investments in certificates of deposit are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(4) Accounts receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	\$ 441,904	\$ 481,619	\$ 456,549
Less: Allowance for uncollectible accounts	-	-	-
	\$ 441,904	\$ 481,619	\$ 456,549

A. The ageing analysis of accounts receivable that was past due but not impaired is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	Accounts receivable	Accounts receivable	Accounts receivable
Not past due	\$ 426,900	\$ 481,018	\$ 435,220
Up to 30 days	14,587	582	21,324
31 to 90 days	417	19	5
	\$ 441,904	\$ 481,619	\$ 456,549

The above ageing analysis was based on past due date.

B. As of September 30, 2025, December 31, 2024 and September 30, 2024, accounts receivable was all from contracts with customers. As of January 1, 2024, the balance of receivables from contracts with customers amounted to \$379,363.

C. The Company has no accounts receivable pledged to others as collateral.

D. As of September 30, 2025, December 31, 2024 and September 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable were \$441,904, \$481,619 and \$456,549, respectively.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

September 30, 2025			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 271,090	(\$ 108,991)	\$ 162,099
Work in progress	1,769	(566)	1,203
Finished goods	12,929	(3,609)	9,320
Total	<u>\$ 285,788</u>	<u>(\$ 113,166)</u>	<u>\$ 172,622</u>
December 31, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 269,210	(\$ 93,778)	\$ 175,432
Work in progress	970	(10)	960
Finished goods	253	(113)	140
Total	<u>\$ 270,433</u>	<u>(\$ 93,901)</u>	<u>\$ 176,532</u>
September 30, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 266,037	(\$ 87,280)	\$ 178,757
Work in progress	1,645	(6)	1,639
Finished goods	4,808	(1,205)	3,603
Total	<u>\$ 272,490</u>	<u>(\$ 88,491)</u>	<u>\$ 183,999</u>

The cost of inventories recognised as expense for the period:

	Three months ended September 30,	
	2025	2024
Cost of goods sold	\$ 770,572	\$ 637,724
Loss on decline in market value	6,001	8,237
Revenue from sales of scraps	(30)	(44)
Others	(1,792)	(5,202)
	<u>\$ 774,751</u>	<u>\$ 640,715</u>
	Nine months ended September 30,	
	2025	2024
Cost of goods sold	\$ 2,150,469	\$ 1,851,391
Loss on decline in market value	19,265	2,998
Revenue from sales of scraps	(82)	(98)
Others	(6,698)	(11,931)
	<u>\$ 2,162,954</u>	<u>\$ 1,842,360</u>

(6) Property, plant and equipment

2025

	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total
At January 1							
Cost	\$ 2,630,084	\$ 6,918,737	\$ 5,908	\$ 36,615	\$ 78,092	\$ 903,732	\$ 10,573,168
Accumulated depreciation	(825,908)	(3,164,257)	(4,650)	(13,700)	(47,535)	-	(4,056,050)
	<u>\$ 1,804,176</u>	<u>\$ 3,754,480</u>	<u>\$ 1,258</u>	<u>\$ 22,915</u>	<u>\$ 30,557</u>	<u>\$ 903,732</u>	<u>\$ 6,517,118</u>
At January 1	\$ 1,804,176	\$ 3,754,480	\$ 1,258	\$ 22,915	\$ 30,557	\$ 903,732	\$ 6,517,118
Additions	132,677	278,999	690	6,120	1,769	1,608,047	2,028,302
Disposals	-	(62)	-	-	-	-	(62)
Reclassifications (transfers)	337,905	239,435	-	-	-	(577,340)	-
Depreciation charge	(185,122)	(484,260)	(447)	(5,132)	(6,877)	-	(681,838)
At September 30	<u>\$ 2,089,636</u>	<u>\$ 3,788,592</u>	<u>\$ 1,501</u>	<u>\$ 23,903</u>	<u>\$ 25,449</u>	<u>\$ 1,934,439</u>	<u>\$ 7,863,520</u>
At September 30							
Cost	\$ 3,100,666	\$ 7,428,821	\$ 6,598	\$ 42,735	\$ 79,222	\$ 1,934,439	\$ 12,592,481
Accumulated depreciation and impairment	(1,011,030)	(3,640,229)	(5,097)	(18,832)	(53,773)	-	(4,728,961)
	<u>\$ 2,089,636</u>	<u>\$ 3,788,592</u>	<u>\$ 1,501</u>	<u>\$ 23,903</u>	<u>\$ 25,449</u>	<u>\$ 1,934,439</u>	<u>\$ 7,863,520</u>

2024

	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total
At January 1							
Cost	\$ 2,519,688	\$ 5,966,522	\$ 6,363	\$ 37,274	\$ 68,523	\$ 766,203	\$ 9,364,573
Accumulated depreciation	(727,730)	(2,730,956)	(4,091)	(11,794)	(40,257)	-	(3,514,828)
	<u>\$ 1,791,958</u>	<u>\$ 3,235,566</u>	<u>\$ 2,272</u>	<u>\$ 25,480</u>	<u>\$ 28,266</u>	<u>\$ 766,203</u>	<u>\$ 5,849,745</u>
At January 1	\$ 1,791,958	\$ 3,235,566	\$ 2,272	\$ 25,480	\$ 28,266	\$ 766,203	\$ 5,849,745
Additions	56,525	78,840	-	4,255	6,271	736,882	882,773
Disposals	-	(240)	-	-	-	-	(240)
Reclassifications (transfers)(Note)	139,331	329,304	-	-	7,929	(451,459)	25,105
Depreciation charge	(176,347)	(421,797)	(847)	(5,204)	(9,562)	-	(613,757)
At September 30	<u>\$ 1,811,467</u>	<u>\$ 3,221,673</u>	<u>\$ 1,425</u>	<u>\$ 24,531</u>	<u>\$ 32,904</u>	<u>\$ 1,051,626</u>	<u>\$ 6,143,626</u>
At September 30							
Cost	\$ 2,578,180	\$ 6,238,511	\$ 5,908	\$ 36,515	\$ 77,122	\$ 1,051,626	\$ 9,987,862
Accumulated depreciation	(766,713)	(3,016,838)	(4,483)	(11,984)	(44,218)	-	(3,844,236)
	<u>\$ 1,811,467</u>	<u>\$ 3,221,673</u>	<u>\$ 1,425</u>	<u>\$ 24,531</u>	<u>\$ 32,904</u>	<u>\$ 1,051,626</u>	<u>\$ 6,143,626</u>

Note: It pertained to the reclassification of the assets held for sale to machinery and equipment of \$57,360. An impairment loss of \$7,643 and unfinished construction transferred to prepayments for business facilities of \$24,612 were recognized.

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	Nine months ended September 30,	
	2025	2024
Amount capitalised	\$ 25,890	\$ 13,903
Range of the interest rates for capitalisation	1.67%~2.06%	1.65%~1.92%

B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(7) Leasing arrangements — lessee

- A. The Company leases various assets including land, buildings and business vehicles. Rental contracts are typically made for periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise employees' dorms, parking lots and warehouse. Low-value assets comprise of furniture and fixtures and other equipment.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 288,318	\$ 305,050	\$ 307,923
Buildings	9,886	14,537	16,087
Transportation equipment (Business vehicles)	-	-	-
	<u>\$ 298,204</u>	<u>\$ 319,587</u>	<u>\$ 324,010</u>

	<u>Three months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 2,784	\$ 2,873
Buildings	1,551	1,551
Transportation equipment (Business vehicles)	-	-
	<u>\$ 4,335</u>	<u>\$ 4,424</u>

	<u>Nine months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 8,353	\$ 8,620
Buildings	4,651	4,651
Transportation equipment (Business vehicles)	-	219
	<u>\$ 13,004</u>	<u>\$ 13,490</u>

- D. For the nine months ended September 30, 2025 and 2024, the additions to right-of-use assets were \$0 and \$11,806, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Three months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 976	\$ 1,068
Expense on short-term lease contracts	\$ 1,032	\$ 520
Expense on leases of low-value assets	\$ 183	\$ 210

	Nine months ended September 30,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,977	\$ 3,256
Expense on short-term lease contracts	\$ 2,239	\$ 1,357
Expense on leases of low-value assets	\$ 598	\$ 598

F. For the nine months ended September 30, 2025 and 2024, the Company's total cash outflow for leases were \$19,164 and \$18,697, respectively.

G. Extension and termination options

In determining the lease term, the Company takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(8) Leasing arrangements — lessor

A. The Company leases various assets including buildings. Rental contracts are typically made for periods of 3 and 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.

B. For the three months and nine months ended September 30, 2025 and 2024, the Company recognised rent income in the amounts of \$307, \$352, \$1,088 and \$1,139, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	September 30, 2025		December 31, 2024		September 30, 2024
2025	\$ 383	2025	\$ 611	2024	\$ 429
2026	1,134	2026	150	2025	604
2027	1,127	2027	150	2026	150
2028	1,127	2028	150	2027	150
After 2029	3,119	After 2029	2,025	After 2028	2,175
Total	\$ 6,890	Total	\$ 3,086	Total	\$ 3,508

(9) Other non-current assets

	September 30, 2025	December 31, 2024	September 30, 2024
Prepayments for equipment	\$ 276,312	\$ 239,672	\$ 173,803
Prepayments for intangible assets	675	-	-
Refundable deposits	3,372	3,372	3,372
Others	360	62	125
Total	\$ 280,719	\$ 243,106	\$ 177,300

(10) Non-current assets held for sale

A. The assets related to machinery equipment and other equipment have been reclassified as disposal groups held for sale following the approval of the Company's Board of Directors on November 6, 2023 to sell machinery equipment and other equipment. The non-current assets held for sale as at September 30, 2025, December 31, 2024 and September 30, 2024 are as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Machinery and equipment	\$ -	\$ -	\$ 13,640
Other facilities	-	-	1,000
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,640</u>

B. The Company disposed non-current assets held for sale in the first quarter of 2024. The disposal proceeds was \$40,493 and the cumulative gains on disposal was \$25,522.

C. As a result of the remeasurement of the disposal group held for sale at the lower of its carrying amount or expected fair value less costs to sell, the Company had recognized impairment loss of \$0 and \$15,851, respectively, for the three months ended and nine months ended September 30, 2024, which was recognized in other gains and losses.

D. To meet the needs for the research and development of new products, the Board of Directors of the Company during their meeting on August 9, 2024 resolved to reclassify assets held for sale of \$57,360 to machinery and equipment, and recognized impairment loss of \$7,643, which was recognized in other gains and losses.

(11) Other payables

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Payable on machinery and equipment	\$ 253,177	\$ 235,232	\$ 133,109
Employees' compensation and directors' remuneration payable	194,298	128,185	88,723
Wages and salaries payable	147,096	134,626	107,358
Payable on repair expenses	52,369	41,869	36,403
Other accrued expenses	80,292	89,685	71,242
Total	<u>\$ 727,232</u>	<u>\$ 629,597</u>	<u>\$ 436,835</u>

(12) Bonds payable

	<u>September 30, 2025</u>
Second domestic unsecured convertible bonds	\$ 1,800,500
Less: Discount on bonds payable	(157,748)
	<u>\$ 1,642,752</u>

A. The issuance of the second domestic convertible bonds

(a) The terms of the second domestic unsecured convertible bonds issued by the Company are as follows:

- i. The Company issued \$2,000,000, 0% second domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature five years from the issue date (January 22, 2025 ~ January 22, 2030) and will be redeemed in cash at face value

at the maturity date. The bonds were listed on the Taipei Exchange on January 22, 2025.

- ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three month of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted.
- iv. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% (including 30%) for 30 consecutive trading days during the period from the date after one month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
- v. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

(b) As of September 30, 2025, the convertible bonds of \$199,500 was converted into common shares amounting to 1,445,644 shares.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$276,864 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32.

The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 0.18%.

(13) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2025
Plant loan	2020.07.24~2035.07.24 Repayment by installments and installments over the agreed period	Floating rate	Buildings and structures	\$ 122,652
Mid-term secured syndicated loan (Note 1)	2022.06.15~2029.04.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	676,592
Mid-term secured loan	2020.07.15~2027.12.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	796,886
Medium-term unsecured syndicated loan (Note 1)	2024.12.16~2029.04.15 Repayment by installments and installments over the agreed period	Floating rate	None	105,306
Unsecured borrowings	2024.12.04~2028.07.08 Repayment by installments and installments over the agreed period	Floating rate	None	500,000
Unsecured borrowings	2025.06.03~2030.06.15 Repayment by installments and installments over the agreed period	Floating rate	None	826,800
				<hr/> 3,028,236
Less: Current portion				(574,903)
Less: Arrangement fee for the syndicated loan				(3,100)
				<hr/> \$ 2,450,233
Annual interest rate range				<hr/> <hr/> 1.43%~2.05%

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
Plant syndicated loan (Note 1)	2022.04.15~2029.04.15 Repayment by installments and installments over the agreed period	Floating rate	Buildings and structures	\$ 385,600
Plant loan	2020.07.24~2035.07.24 Repayment by installments and installments over the agreed period	Floating rate	Buildings and structures	137,975
Mid-term secured syndicated loan (Note 1)	2022.06.15~2029.06.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	1,887,400
Mid-term secured loan	2020.07.15~2027.12.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	1,082,148
Medium-term unsecured syndicated loan (Note 1)	2024.12.16~2029.04.15 Repayment by installments and installments over the agreed period	Floating rate	None	120,000
Unsecured borrowings	2022.08.23~2026.12.04 Repayment by installments and installments over the agreed period	Floating rate	None	550,000
Unsecured borrowings (Note 1)	2023.02.07~2026.02.07 Repayment by installments and installments over the agreed period	Floating rate	None	55,556
				<hr/> 4,218,679
Less: Current portion				(1,039,576)
Less: Arrangement fee for the syndicated loan				(3,693)
				<hr/> \$ 3,175,410
Annual interest rate range				<hr/> 1.43%~2.34%

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2024
Plant syndicated loan (Note 1)	2022.04.15~2029.04.15 Repayment by installments and installments over the agreed period	Floating rate	Buildings and structures	\$ 385,600
Plant loan	2020.07.24~2035.07.24 Repayment by installments and installments over the agreed period	Floating rate	Buildings and structures	141,408
Mid-term secured syndicated loan (Note 1)	2022.06.15~2029.06.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	1,887,400
Mid-term secured loan	2020.07.15~2027.12.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	1,148,677
Unsecured borrowings	2021.12.28~2025.11.15 Repayment by installments and installments over the agreed period	Floating rate	None	207,500
Unsecured borrowings (Note 1)	2023.02.07~2026.02.07 Repayment by installments and installments over the agreed period	Floating rate	None	66,667
				<hr/> 3,837,252
Less: Current portion				(886,467)
Less: Arrangement fee for the syndicated loan				(3,957)
				<hr/> \$ 2,946,828
Annual interest rate range				<hr/> 1.43%~2.34%

A. Taking into consideration financial planning, the medium-term and long-term borrowing agreements maturing on April 15, 2029 and February 7, 2026 have been subsequently repaid in advance in the first quarter and second quarter of 2025.

B. As of September 30, 2025, the Company's unamortised arrangement fee for the syndicated loan amounting to \$3,100 was recorded as a deduction amount of initial measurement of long-term secured borrowings and amortised as interest expense over the borrowing period.

C. Details of the collateral for long-term borrowings are provided in Note 8.

Note 1: According to the agreement, the Company should maintain a specific current ratio, debt ratio, interest coverage ratio and shareholders' equity amount every year during the loan period.

(14) Pensions

- A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method; to the employees expected to be qualify for retirement in the following year, the Company will make contributions for the deficit by next March.
- (b) The Company recognised pension costs of \$19, \$52, \$57 and \$157 for the three months and nine months ended September 30, 2025 and 2024, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2025 amount to \$7,343.
- B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The pension costs under defined contribution pension plan of the Company for the three months and nine months ended September 30, 2025 and 2024, were \$7,554, \$6,752, \$21,563 and \$20,010, respectively.

(15) Provisions

	Decommissioning liabilities
2025	
At January 1	\$ 23,227
Unwinding of discount	1,410
At September 30	<u>\$ 24,637</u>
	Decommissioning liabilities
2024	
At January 1	\$ 21,472
Unwinding of discount	1,303
At September 30	<u>\$ 22,775</u>

Analysis of total provisions:

	September 30, 2025	December 31, 2024	September 30, 2024
Non-current	<u>\$ 24,637</u>	<u>\$ 23,227</u>	<u>\$ 22,775</u>

Decommissioning liabilities

According to the policy published, applicable agreement or the law/regulation requirement, the Company bears dismantling, removing the asset and restoring the site obligations for certain property, plant and equipment and right-of-use assets in the future. A provision is recognised for the present value of costs to be incurred for dismantling, removing the asset and restoring the site. It is expected that the provision will start to be used within the next 23 to 37 years.

(16) Share capital

- A. As of September 30, 2025, the Company's authorised capital was \$4,000,000, consisting of 400,000 thousand shares of ordinary stock (including 40,000 thousand shares reserved for employee stock options), and the paid-in capital was \$1,740,737 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. The Company applied for the registration for changes in capital with the competent authority on a quarterly basis, based on the situation that the shareholders convert convertible bonds. The shareholders converted 1,446 thousand convertible bond shares for the nine months ended September 30, 2025, of which 2 thousand shares had their effective date set as August 15, 2025, for the capital increase, and the registration for the capital increase was completed on September 2, 2025. Additionally, the remaining 1,444 thousand shares have not yet completed the registration for changes in capital as of November 6, 2025.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2025	Unit: share 2024
At January 1	172,628,033	172,628,033
Conversion of convertible bonds	1,445,644	-
At September 30	174,073,677	172,628,033

(17) Capital surplus

- A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2025			
	Changes in ownership interests			
	Share premium	in subsidiaries	Options	Total
At January 1	\$ 1,378,443	\$ 1,742	\$ -	\$ 1,380,185
Issuance of convertible bonds	-	-	276,864	276,864
Conversion of convertible bonds	193,670	-	(27,617)	166,053
At September 30	\$ 1,572,113	\$ 1,742	\$ 249,247	\$ 1,823,102

	2024			
	Changes in ownership interests			
	Share premium	in subsidiaries	Total	
At January 1	\$ 1,378,443	\$ 70,793	\$	1,449,236
Cash dividends from capital surplus	-	(69,051)	(	69,051)
At September 30	\$ 1,378,443	\$ 1,742	\$	1,380,185

- B. On April 16, 2024, the Company's Board of Directors resolved the cash dividends from capital surplus amounting to \$69,051 at \$0.4 (in dollars) per share and reported to the shareholders' annual meeting in 2024.

(18) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's profit after tax, if any, shall first be used to offset accumulated operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the authorised capital. In addition, after setting aside or reversing special reserve, the remainder along with the beginning unappropriated earnings shall be proposed by the Board of Directors as dividends and submitted to the shareholders for resolution.

Dividends and bonuses or legal reserve and capital surplus distributed in the form of cash shall be authorised to be resolved by the Board of Directors with a majority vote at its meeting attended by two-thirds of the total number of directors and reported to the shareholders' meeting and are not subject to the aforementioned regulations of resolutions from the shareholders.

- B. The Company's dividend distribution policy aligns with the current and future development plan by taking into account of factors such as investment environment, capital needs, domestic and overseas competition, along with the consideration of shareholders' interest. Each year, at least 10% of the Company's distributable earnings shall be appropriated as dividends and bonuses, and cash dividends and bonuses shall account for at least 50% of the total dividends and bonuses distributed.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. The appropriations of 2024 and 2023 earnings as resolved by shareholders on May 26, 2025 and May 28, 2024, respectively, were as follows:

	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 49,190		\$ 31,385	
Cash dividends	379,782	\$ 2.20	241,679	\$ 1.40
Total	<u>\$ 428,972</u>		<u>\$ 273,064</u>	

(19) Operating revenue

	Three months ended September 30,	
	2025	2024
Revenue from contracts with customers	<u>\$ 1,163,869</u>	<u>\$ 938,146</u>
	Nine months ended September 30,	
	2025	2024
Revenue from contracts with customers	<u>\$ 3,290,294</u>	<u>\$ 2,501,649</u>

A. Disaggregation of revenue from contracts with customers

		Three months ended September 30,	
		2025	2024
Timing of revenue recognition			
At a point in time	\$	7,885	\$ 10,109
Over time		1,155,984	928,037
	\$	<u>1,163,869</u>	<u>\$ 938,146</u>
		Nine months ended September 30,	
		2025	2024
Timing of revenue recognition			
At a point in time	\$	24,354	\$ 29,670
Over time		3,265,940	2,471,979
	\$	<u>3,290,294</u>	<u>\$ 2,501,649</u>

B. Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities:

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Contract assets	<u>\$ 811,559</u>	<u>\$ 429,376</u>	<u>\$ 338,351</u>	<u>\$ 497,682</u>
Contract liabilities				
- advance sales receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79</u>	<u>\$ 79</u>

		Three months ended September 30,	
		2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the period		\$ -	\$ -
		Nine months ended September 30,	
		2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the period		\$ -	\$ -

(20) Interest income

	Three months ended September 30,	
	2025	2024
Interest income from bank deposits	\$ 1,018	\$ 4,544
Interest income from financial assets measured at amortised cost	44	35
Other interest income	243	1
	<u>\$ 1,305</u>	<u>\$ 4,580</u>
	Nine months ended September 30,	
	2025	2024
Interest income from bank deposits	\$ 11,215	\$ 15,934
Interest income from financial assets measured at amortised cost	128	102
Other interest income	244	3
	<u>\$ 11,587</u>	<u>\$ 16,039</u>

(21) Other income

	Three months ended September 30,	
	2025	2024
Rent income	\$ 307	\$ 352
Other income, others	1,374	1,632
	<u>\$ 1,681</u>	<u>\$ 1,984</u>
	Nine months ended September 30,	
	2025	2024
Rent income	\$ 1,088	\$ 1,139
Other income, others	5,025	4,127
	<u>\$ 6,113</u>	<u>\$ 5,266</u>

(22) Other gains and losses

	Three months ended September 30,	
	2025	2024
Gains on disposals of property, plant and equipment	\$ -	\$ 100
Impairment loss recognised in profit or loss, property, plant and equipment	- (	7,643)
Impairment loss recognised in profit or loss, non-current asset or disposal groups held for sale	-	-
Gains on disposals of non-current assets held for sale	-	-
Net foreign exchange gains (losses)	4,846 (	16,951)
Gains on financial assets (liabilities) at fair value through profit or loss	4,448	1,304
	<u>\$ 9,294</u>	<u>(\$ 23,190)</u>
	Nine months ended September 30,	
	2025	2024
Gains on disposals of property, plant and equipment	\$ 20	\$ 19,888
Impairment loss recognised in profit or loss, property, plant and equipment	- (	7,643)
Impairment loss recognised in profit or loss, non-current asset or disposal groups held for sale	- (	15,851)
Gains on disposals of non-current assets held for sale	-	25,522
Net foreign exchange (losses) gains	(75,703)	10,372
Gains (losses) on financial assets (liabilities) at fair value through profit or loss	10,657 (	201)
	<u>(\$ 65,026)</u>	<u>\$ 32,087</u>

(23) Finance costs

	Three months ended September 30,	
	2025	2024
Borrowings from financial institutions	\$ 3,915	\$ 12,966
Bonds payable	9,618	-
Lease liabilities	976	1,068
Provisions - unwinding of discount	479	443
Other financial cost	-	3
	<u>\$ 14,988</u>	<u>\$ 14,480</u>

	Nine months ended September 30,	
	2025	2024
Borrowings from financial institutions	\$ 14,730	\$ 41,734
Bonds payable	26,567	-
Lease liabilities	2,977	3,256
Provisions - unwinding of discount	1,410	1,303
Other financial cost	1	3
	<u>\$ 45,685</u>	<u>\$ 46,296</u>

(24) Expenses by nature

	Three months ended September 30,	
	2025	2024
Employee benefit expense	\$ 271,218	\$ 221,087
Depreciation charges	\$ 236,519	\$ 206,592
Amortisation charges on intangible assets	\$ 2,132	\$ 3,410

	Nine months ended September 30,	
	2025	2024
Employee benefit expense	\$ 768,399	\$ 633,532
Depreciation charges	\$ 694,842	\$ 627,247
Amortisation charges on intangible assets	\$ 7,894	\$ 11,096

(25) Employee benefit expense

	Three months ended September 30,	
	2025	2024
Wages and salaries	\$ 229,287	\$ 186,120
Labour and health insurance fees	18,976	15,992
Pension costs	7,573	6,804
Other personnel expenses	15,382	12,171
	<u>\$ 271,218</u>	<u>\$ 221,087</u>

	Nine months ended September 30,	
	2025	2024
Wages and salaries	\$ 648,239	\$ 528,182
Labour and health insurance fees	54,425	47,496
Pension costs	21,620	20,167
Other personnel expenses	44,115	37,687
	<u>\$ 768,399</u>	<u>\$ 633,532</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 10%~15% for employees' compensation and shall not be higher than 2% for directors' remuneration.

B. For the three months and nine months ended September 30, 2025 and 2024, employees' compensation were accrued at \$43,395, \$25,063, \$111,102 and \$46,209, respectively; while directors' remuneration were accrued at \$5,786, \$3,472, \$14,814 and \$7,701, respectively. The aforementioned amounts were recognised in salary expenses. For the nine months ended September 30, 2025, the employees' compensation and directors' remuneration were estimated and accrued based on 15% and 2% of distributable profit of current year as of the end of reporting period.

Employees' compensation and directors' remuneration of 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 financial statements.

C. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended September 30,	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 34,517	\$ 19,096
Prior year income tax under estimation	-	-
Total current tax	34,517	19,096
Deferred tax:		
Origination and reversal of temporary differences	4,066	(2,810)
Total deferred tax	4,066	(2,810)
Income tax expense	\$ 38,583	\$ 16,286
	Nine months ended September 30,	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 90,067	\$ 41,230
Prior year income tax under estimation	7,899	212
Total current tax	97,966	41,442
Deferred tax:		
Origination and reversal of temporary differences	(15,121)	(2,347)
Total deferred tax	(15,121)	(2,347)
Income tax expense	\$ 82,845	\$ 39,095

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows: None.

(c) The income tax charged/(credited) to equity during the period is as follows: None.

B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(27) Earnings per share

Three months ended September 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 201,538	172,744	\$ 1.17
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 201,538	172,744	
Assumed conversion of all dilutive potential ordinary shares			
Bonds payable	2,985	13,047	
Employees' compensation	-	617	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 204,523	186,408	\$ 1.10
Three months ended September 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 125,733	172,628	\$ 0.73
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 125,733	172,628	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	368	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 125,733	172,996	\$ 0.73

Nine months ended September 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 531,920	172,667	\$ 3.08
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 531,920	172,667	
Assumed conversion of all dilutive potential ordinary shares			
Bonds payable	13,664	12,043	
Employees' compensation	-	734	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 545,584	185,444	\$ 2.94
Nine months ended September 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 292,067	172,628	\$ 1.69
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 292,067	172,628	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	551	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 292,067	173,179	\$ 1.69

(28) Supplemental cash flow information

A. Investing activities with partial cash payments:

		Nine months ended September 30,	
		2025	2024
Purchase of property, plant and equipment	\$	2,028,302	\$ 882,773
Add: Opening balance of payable on machinery and equipment		235,232	80,847
Add: Ending balance of prepayments for equipment		276,312	173,803
Less: Ending balance of payable on machinery and equipment	(	253,177)	(133,109)
Less: Opening balance of prepayments for equipment	(	239,672)	(163,840)
Less: Unfinished construction reclassified to prepayments for business facilities		-	(24,612)
Less: Capitalisation of interest	(	25,890)	(13,903)
Cash paid during the period	\$	2,021,107	\$ 801,959

		Nine months ended September 30,	
		2025	2024
Purchase of intangible assets	\$	4,185	\$ 2,774
Add: Ending balance of prepayments		675	-
Less: Opening balance of prepayments		-	(1,620)
Cash paid during the period	\$	4,860	\$ 1,154

B. Financing activities with no cash flow effects

		Nine months ended September 30,	
		2025	2024
Convertible bonds being converted to capital stocks	\$	208,126	\$ -

(29) Changes in liabilities from financing activities

		2025				
		Long-term borrowings	Bonds payable	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	\$	4,214,986	\$ -	\$ 319,000	\$ 982	\$ 4,534,968
Changes in cash flow from financing activities	(	1,190,443)	2,069,002	(13,350)	22	865,231
Interest paid on lease liabilities	-	-	-	(2,977)	-	(2,977)
Changes non-cash items	593	(426,250)	(5,402)	-	-	(431,059)
At September 30	\$	3,025,136	\$ 1,642,752	\$ 297,271	\$ 1,004	\$ 4,966,163

	2024			
	Long-term borrowings	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	\$ 4,342,709	\$ 325,134	\$ 999	\$ 4,668,842
Changes in cash flow from financing activities	(510,007)	(13,486)	(8)	(523,501)
Interest paid on lease liabilities	-	(3,256)	-	(3,256)
Changes non-cash items	593	15,062	-	15,655
At September 30	<u>\$ 3,833,295</u>	<u>\$ 323,454</u>	<u>\$ 991</u>	<u>\$ 4,157,740</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
All directors, president, vice presidents	Key management

(2) Significant related party transactions

None.

(3) Key management compensation

	Three months ended September 30,	
	2025	2024
Short-term employee benefits	\$ 21,098	\$ 13,778
Post-employment benefits	300	292
Total	<u>\$ 21,398</u>	<u>\$ 14,070</u>
	Nine months ended September 30,	
	2025	2024
Short-term employee benefits	\$ 52,680	\$ 29,630
Post-employment benefits	880	549
Total	<u>\$ 53,560</u>	<u>\$ 30,179</u>

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

Pledged asset	Book value			Purpose
	September 30, 2025	December 31, 2024	September 30, 2024	
Time deposits (shown as 'non-current financial assets at amortised cost')	\$ 4,500	\$ 3,000	\$ 3,000	Guarantee for duty paid after customs release
Time deposits (shown as 'non-current financial assets at amortised cost')	10,555	10,555	10,555	Guarantee for land lease in science park
Buildings and structures	1,617,058	1,312,492	1,307,277	Long-term borrowings
Machinery and equipment (including equipment pending acceptance)(Note)	2,698,564	1,862,207	1,934,273	Long-term borrowings
	<u>\$ 4,330,677</u>	<u>\$ 3,188,254</u>	<u>\$ 3,255,105</u>	

NOTE: The Company's long-term borrowings amounting to \$141,900 were repaid on July 15, 2025. The pledged machinery and equipment amounting to \$22,630 are currently undergoing the registration process for the cancellation of mortgage.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

To protect the shareholders' equity, the Company filed a lawsuit against an employee, with the surname Li, and Integrated Service Technology Inc., "INTEGRATED" who reproduced products and used the manufacturing process without obtaining authorization with the Hsinchu District Prosecutors Office in 2021 in accordance with Article 13-1, Paragraph 1, Subparagraph 2 and Article 13-4 of the Trade Secrets Act. After more than four years of trial, on June 30, 2025, the Hsinchu District Court rendered a criminal judgment and an ancillary civil judgment in the case prosecuted by the Hsinchu District Prosecutors Office against an employee with the surname Li and INTEGRATED for violating the Trade Secrets Act.

The Company is the complainant in the criminal litigation and the plaintiff in the ancillary civil litigation. This judgment is in favor of the Company in the case; however, the opposing party has filed an appeal, and the case is still pending judgment at the Hsinchu District Court.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	<u>\$ 4,099,708</u>	<u>\$ 1,289,719</u>	<u>\$ 1,639,543</u>

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

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 or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

During the year ended December 31, 2025, the Company's strategy, which was unchanged from 2024, was to maintain the gearing ratio at a reasonable level of risks and to adjust according to the future operating strategy. The gearing ratios at September 30, 2025, December 31, 2024 and September 30, 2024 were as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Total borrowings	\$ 4,667,888	\$ 4,214,986	\$ 3,833,295
Less: Cash and cash equivalents	(710,125)	(1,287,357)	(1,002,647)
Net debt	3,957,763	2,927,629	2,830,648
Total equity	4,726,118	4,116,606	3,916,771
Total capital	\$ 8,683,881	\$ 7,044,235	\$ 6,747,419
Gearing ratio	<u>45.58%</u>	<u>41.56%</u>	<u>41.95%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ <u>14,044</u>	\$ <u>-</u>	\$ <u>1,304</u>
Financial assets at amortised cost			
Cash and cash equivalents	\$ 710,125	\$ 1,287,357	\$ 1,002,647
Financial assets at amortised cost	15,055	13,555	13,555
Accounts receivable	441,904	481,619	456,549
Other receivables	20,273	2,909	15,044
Refundable deposits (including current portion)	<u>3,980</u>	<u>3,640</u>	<u>3,624</u>
	\$ <u>1,191,337</u>	\$ <u>1,789,080</u>	\$ <u>1,491,419</u>

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Accounts payable	\$ 194,640	\$ 160,807	\$ 149,722
Bonds payable	1,642,752	-	-
Other payables	727,232	629,597	436,835
Long-term borrowings (including current portion)	3,025,136	4,214,986	3,833,295
Guarantee deposits received	<u>1,004</u>	<u>982</u>	<u>991</u>
	<u>\$ 5,590,764</u>	<u>\$ 5,006,372</u>	<u>\$ 4,420,843</u>
Lease liabilities (including current portion)	<u>\$ 297,271</u>	<u>\$ 319,000</u>	<u>\$ 323,454</u>

B. Financial risk managements policies

No major changes in this period, please refer Note 12 in the financial statements for the year ended December 31, 2024.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. Management has set up a policy to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Company treasury. Exchange rate risk is measured through a forecast of highly probable USD expenditures.

Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.

- ii. The Company hedges foreign exchange rate by using forward exchange contracts. However, the Company does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).

- iii. The Company's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

September 30, 2025			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 23,825	30.44	\$ 725,242
JPY:NTD	689,668	0.2059	141,968
<u>Non-monetary items</u> : None			
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 4,401	30.44	\$ 133,966
JPY:NTD	16,598	0.2059	3,417
<u>Non-monetary items</u> : None			
December 31, 2024			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 36,320	32.78	\$ 1,190,578
JPY:NTD	15,101	0.2101	3,172
<u>Non-monetary items</u> : None			
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 11,019	32.78	\$ 361,203
JPY:NTD	122,238	0.2101	25,676
EUR:NTD	1,000	34.15	34,150
<u>Non-monetary items</u> : None			

September 30, 2024			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 34,558	31.65	\$ 1,093,754
JPY:NTD	225,148	0.2226	50,107
<u>Non-monetary items</u> : None			
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 3,061	31.65	\$ 96,869
JPY:NTD	61,427	0.2226	13,671
<u>Non-monetary items</u> : None			

- iv. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the three months and nine months ended September 30, 2025 and 2024, amounted to \$4,846, (\$16,951), (\$75,703) and \$10,372, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Nine months ended September 30, 2025				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	10%	\$ 72,524	\$	-
JPY:NTD	10%	14,197		-
<u>Non-monetary items</u> : None				
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	10%	(\$ 13,397)	\$	-
JPY:NTD	10%	(342)		-
<u>Non-monetary items</u> : None				

Nine months ended September 30, 2024				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	10%	\$	109,375	\$ -
JPY:NTD	10%		5,011	-
<u>Non-monetary items</u> : None				
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	10%	(\$	9,687)	\$ -
JPY:NTD	10%	(	1,367)	-
<u>Non-monetary items</u> : None				

Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. For the nine months ended September 30, 2025 and 2024, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars. Fixed-rate long-term bonds issued by the Company are not subject to interest rate risk or fair value interest rate risk.
 - ii. The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
 - iii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the nine months ended September 30, 2025 and 2024 would have increased/decreased by \$5,672 and \$7,187, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.
- (b) Credit risk
- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients and other counterparties on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost and at fair value through profit or loss.
 - ii. The Company regularly monitors and reviews its credit limits based on market conditions and the credit status of its counterparties and makes timely adjustments to manage credit risk. The Company only transacts with banks and financial institutions with high credit quality, so it does not expect to be exposed to credit risk.

- iii. The Company manages their credit risk taking into consideration the entire Company's concern. According to the Company's credit policy, each local unit in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iv. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days
- v. The Company adopts the following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- vi. The Company classifies customers' accounts receivable, contract assets and rents receivable in accordance with credit risk on trade. The Company applies the modified approach using loss rate methodology to estimate the expected credit loss.
- vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments.
- viii. The Company used the forecast ability to adjust historical and timely information to assess the default possibility of accounts receivable and contract assets. On September 30, 2025, December 31, 2024 and September 30, 2024, the loss rate methodology is as follows:

	Not past due and up to 90 days past due	91~180 days past due	181~270 days past due	271~360 days past due	Over 360 days past due	Total
<u>September 30, 2025</u>						
Expected loss rate	0~1%	25%	50%	75%	100%	
Total book value	\$ 1,253,463	\$ -	\$ -	\$ -	\$ -	\$ 1,253,463
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Not past due and up to 90 days past due	91~180 days past due	181~270 days past due	271~360 days past due	Over 360 days past due	Total
<u>December 31, 2024</u>						
Expected loss rate	0~1%	25%	50%	75%	100%	
Total book value	\$ 910,995	\$ -	\$ -	\$ -	\$ -	\$ 910,995
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Not past due and up to 90 days past due	91~180 days past due	181~270 days past due	271~360 days past due	Over 360 days past due	Total
September 30, 2024						
Expected loss rate	0~1%	25%	50%	75%	100%	
Total book value	\$ 794,900	\$ -	\$ -	\$ -	\$ -	\$ 794,900
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

- ix. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable and contract assets due from related parties and contract assets are as follows:

	2025	2024
	Accounts receivable	Accounts receivable
At January 1 / September 30	\$ -	\$ -

- x. For investments in debt instruments at amortised cost, the credit rating levels are presented below:

	September 30, 2025	December 31, 2024	September 30, 2024
	12 months	12 months	12 months
Financial assets at amortised cost	\$ 15,055	\$ 13,555	\$ 13,555

(c) Liquidity risk

- i. Cash flow forecasting is performed by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.
- ii. Company treasury invests surplus cash held by the Company over and above balance required for working capital management in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at September 30, 2025, December 31, 2024 and September 30, 2024, the Company held money market position of \$710,055, \$1,287,287 and \$1,002,577, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii The Company has the following undrawn borrowing facilities:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Floating rate:			
Expiring within one year	\$ 500,000	\$ 1,037,044	\$ 1,412,600
Expiring beyond one year	2,071,646	400,000	588,333
Fixed rate:			
Expiring within one year	-	-	-
Expiring beyond one year	-	-	-
	<u>\$ 2,571,646</u>	<u>\$ 1,437,044</u>	<u>\$ 2,000,933</u>

iv. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>September 30, 2025</u>	<u>Less than 6 months</u>	<u>Between 6 months and 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>
<u>Non-derivative financial liabilities:</u>				
Accounts payable	\$ 194,640	\$ -	\$ -	\$ -
Other payables	383,484	2,354	-	-
Lease liability	9,874	12,040	18,787	307,011
Bonds payable	-	-	-	1,800,500
Long-term borrowings (including current portion)	314,857	325,155	944,087	1,629,305
Guarantee deposits received	-	-	732	272
<u>Derivative financial liabilities: None</u>				

<u>December 31, 2024</u>	<u>Less than 6 months</u>	<u>Between 6 months and 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>
<u>Non-derivative financial liabilities:</u>				
Accounts payable	\$ 160,807	\$ -	\$ -	\$ -
Other payables	365,102	1,684	-	-
Lease liability	11,089	11,089	22,372	392,118
Long-term borrowings (including current portion)	504,174	605,310	1,364,370	1,902,007
Guarantee deposits received	-	-	741	242
<u>Derivative financial liabilities: None</u>				

September 30, 2024	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Over 2 years
<u>Non-derivative financial liabilities:</u>				
Accounts payable	\$ 149,722	\$ -	\$ -	\$ -
Other payables	239,786	483	483	-
Lease liability	10,040	12,099	22,324	334,711
Long-term borrowings (including current portion)	334,166	615,829	978,742	2,063,650
Guarantee deposits received	-	-	749	242
<u>Derivative financial liabilities:</u> None				

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in derivative instrument is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity instrument without active market is included in Level 3.

B. The carrying amounts of the Company's cash and cash equivalents, accounts receivable, other receivables, guarantee deposits paid, accounts payable, other payables, long-term borrowings, lease liabilities and guarantee deposits received are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at September 30, 2025, December 31, 2024 and September 30, 2024 are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

September 30, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Call options of convertible bonds	\$ -	\$ -	\$ 14,044	\$ 14,044

September 30, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Forward exchange contracts	\$ -	\$ 1,304	\$ -	\$ 1,304

Liabilities : None.

There was no such transactions on December 31, 2024.

- (b) The methods and assumptions the Company used to measure fair value are as follows:
- The fair value of financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.
 - Forward exchange contracts are usually valued based on the current forward exchange rate.
- D. For the nine months ended September 30, 2025 and 2024, there were no transfer between Level 1 and Level 2.
- E. The following chart is the movement of Level 3 for the nine months ended September 30, 2025 and 2024:

	<u>2025</u>
	<u>Convertible bonds</u>
At January 1	\$ -
Gains recognised in profit or loss	
Recorded as non-operating income and expenses	9,487
Issued in the period	6,000
Converted in the period	(1,443)
At September 30	<u>\$ 14,044</u>
Movement of unrealised gain or loss in profit or loss of assets and liabilities held as at September 30, 2025 (Note)	<u>\$ 9,487</u>

Note: Recorded as non-operating income and expenses.

For the nine months ended September 30, 2024 : None.

- F. Company treasury is in charge of valuation procedures for fair value measurements being categorised within Level 3 by the external valuer, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary

adjustments to the fair value.

- G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at September 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Call options of convertible bonds	\$ 14,044	Binary tree model	Risk-free interest rate	1.241%	The higher the risk-free interest rate, the lower the fair value
			Stock price	180	The higher the stock price, the higher the fair value
			Volatility	55.75%	The higher the stock price volatility, the higher the fair value

There were no such transactions on December 31, 2024 and September 30, 2024.

- H. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

		September 30, 2025					
		Recognised in profit or loss		Recognised in other comprehensive income			
		Favourable change	Unfavourable change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets	Input	Change					
Call options of convertible bonds	Risk-free interest rate	±20bp	\$ -	\$ -	\$ -	\$ -	-
	Stock price	±10%	130	(250)	-	-	-
	Volatility	±5%	110	(90)	-	-	-

There were no such transactions on December 31, 2024 and September 30, 2024.

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- F. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): None.

(3) Information on investments in Mainland China

None.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Company was identified as the single reportable segment.

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Nine months ended September 30,	
	2025	2024
Total segment revenue	\$ 3,290,294	\$ 2,501,649
Segment income	\$ 531,920	\$ 292,067
Segment assets	\$ 10,730,008	\$ 8,752,807

(3) Reconciliation for segment income (loss), assets and liabilities

The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.