

**TAIWAN SURFACE MOUNTING
TECHNOLOGY CORP.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS'
REPORT
DECEMBER 31, 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.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Taiwan Surface Mounting Technology Corp.

Opinion

We have audited the accompanying parent company only balance sheets of Taiwan Surface Mounting Technology Corp. (the "Company") as at December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Company's 2025 parent company only financial statements are stated as follows:

Existence of revenues of the newly top 10 significant customers

Description

Please refer to Note 4(25) for accounting policy on recognition of revenue and Note 6(18) for details of sales revenue.

Considering that the customers' demand has changed, the Company adjusted its product type. There were changes in sales customers resulting from changes in market demand and introduction of new products. As the sales revenue from the newly top 10 significant customers are significant to parent company only financial statements, we consider the existence of sales revenue from the newly top 10 significant customers a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures on the above key audit matter:

- A. Obtained the evaluation data of the newly top 10 significant customers, completed an understanding of the Company's transaction counterparties, and assessed new transaction counterparties based on the internal controls.
- B. Obtained detailed listing of sales revenue, performed detailed tests for the newly top significant customers and verified relevant evidences including customer sales invoices, purchase orders and delivery documents.

- C. Inspected contents and relevant evidences of the newly top 10 significant customers in relation to sales returns and discounts occurring subsequent to the reporting period and assessed the reasonableness of respective sales revenue recognised.

Valuation of allowance for inventory valuation losses

Description

For a description of the accounting policy on inventory valuation, please refer to Note 4(11); for accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5(2); and for information on the allowance for inventory valuation losses, please refer to Note 6(6).

As of December 31, 2025, the Company's inventories and allowance for inventory valuation losses amounted to NT\$951,179 thousand and NT\$154,081 thousand, respectively. The Company is primarily engaged in designing, processing, manufacturing and trading of TFT-LCD panels, general electronic information products and PCB surface mount packaging. In addition, the Company also manufactured made-to-order products. Taking into consideration that those products have short life spans and are affected by the fluctuating market price of TFT-LCD panels, there is a higher risk of inventory losses due to market value decline or obsolescence. Inventories are stated at the lower of cost and net realisable value. The net realisable value which was used in the individual identification and valuation of allowance for inventory valuation losses, involved subjective judgment and uncertainty of estimation. As the Company's inventory and allowance for inventory valuation losses are significant to financial statements, as well as being significant to the Company's subsidiaries, which are recognised as investments accounted for using equity method, we identified inventory valuation loss as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Discussed with management to determine whether the provision policy and procedure of allowance for inventory valuation loss is consistently applied for the comparative periods in the financial statements.

- B. Understood the Company's warehousing control procedures. Reviewed the annual physical inventory count plan and observed the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.
- C. Verified whether the inventory aging report that were used to assess obsolete and slow-moving inventories was correct, including changes in inventories being classified according to inventory aging.
- D. Checked the appropriateness of the estimation basis adopted by the Company for the evaluation of net realisable value, verified accuracy of inventory selling and purchase prices and recalculated and evaluated the reasonableness of allowance for inventory valuation losses.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Lin, Kuan-Hung

Wang, Fang-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2026

The accompanying parent company only 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 parent company only 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.

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,818,023	7	\$ 4,245,071	10
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	3,254	-
1136	Financial assets at amortised cost - current	6(4)	1,100,050	3	983,700	3
1170	Accounts receivable, net	6(5)	3,451,543	9	4,113,967	10
1180	Accounts receivable - related parties, net	7	40,331	-	33,075	-
1200	Other receivables		18,857	-	29,185	-
1210	Other receivables - related parties	7	1,349,138	3	1,075,348	3
1220	Current income tax assets		-	-	1,910	-
130X	Inventories	6(6)	797,098	2	883,105	2
1410	Prepayments		24,163	-	72,568	-
11XX	Total current assets		<u>9,599,203</u>	<u>24</u>	<u>11,441,183</u>	<u>28</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	69,073	-	118,526	-
1550	Investments accounted for using equity method	6(7)	28,772,470	71	28,183,662	68
1600	Property, plant and equipment	6(8)	1,552,097	4	1,448,143	3
1755	Right-of-use assets	6(9)	41,007	-	62,637	-
1840	Deferred income tax assets	6(25)	98,993	-	74,994	-
1920	Guarantee deposits paid		3,050	-	3,050	-
1990	Other non-current assets, others		181,798	1	251,694	1
15XX	Total non-current assets		<u>30,718,488</u>	<u>76</u>	<u>30,142,706</u>	<u>72</u>
1XXX	Total assets		<u>\$ 40,317,691</u>	<u>100</u>	<u>\$ 41,583,889</u>	<u>100</u>

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TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 2,492,402	6	\$ 2,907,888	7
2120	Financial liabilities at fair value through profit or loss - current	6(2)	3,520	-	-	-
2130	Contract liabilities - current	6(18)	110,600	-	211,194	-
2150	Notes payable		-	-	4,914	-
2170	Accounts payable		2,103,361	5	2,768,375	7
2180	Accounts payable - related parties	7	5,033,176	13	5,226,592	13
2200	Other payables		1,199,012	3	1,139,623	3
2220	Other payables - related parties	7	5,716	-	262	-
2230	Current income tax liabilities	6(25)	272,726	1	310,388	1
2280	Lease liabilities - current		17,863	-	21,160	-
2320	Long-term liabilities, current portion	6(13)	750,000	2	218,750	-
2399	Other current liabilities, others	6(12)	3,330,757	8	3,250,500	8
21XX	Total current liabilities		<u>15,319,133</u>	<u>38</u>	<u>16,059,646</u>	<u>39</u>
Non-current liabilities						
2540	Long-term borrowings	6(13)	1,000,000	3	1,750,000	4
2570	Deferred income tax liabilities	6(25)	822,008	2	972,759	3
2580	Lease liabilities - non-current		24,279	-	42,142	-
2640	Net defined benefit liability, non-current	6(14)	55,318	-	59,585	-
2645	Guarantee deposits received		30	-	30	-
2650	Credit balance of investments accounted for using equity method	6(7)	124,652	-	114,173	-
25XX	Total non-current liabilities		<u>2,026,287</u>	<u>5</u>	<u>2,938,689</u>	<u>7</u>
2XXX	Total liabilities		<u>17,345,420</u>	<u>43</u>	<u>18,998,335</u>	<u>46</u>
Equity						
	Share capital	6(15)				
3110	Common stock		2,923,984	7	2,923,984	7
	Capital surplus	6(16)				
3200	Capital surplus		2,505,974	6	2,505,943	6
	Retained earnings	6(17)				
3310	Legal reserve		3,117,868	8	2,827,534	7
3320	Special reserve		300,000	1	709,669	2
3350	Unappropriated retained earnings		13,957,031	35	12,702,029	30
	Other equity interest					
3400	Other equity interest		167,414	-	916,395	2
3XXX	Total equity		<u>22,972,271</u>	<u>57</u>	<u>22,585,554</u>	<u>54</u>
	Significant contingent liabilities and unrecorded contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 40,317,691</u>	<u>100</u>	<u>\$ 41,583,889</u>	<u>100</u>

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

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(18) and 7	\$ 14,636,523	100	\$ 11,643,526	100
5000	Operating costs	6(6)(23)(24) and 7	(13,441,652)	(92)	(10,166,415)	(87)
5900	Net operating margin		<u>1,194,871</u>	<u>8</u>	<u>1,477,111</u>	<u>13</u>
	Operating expenses	6(23)(24)				
6100	Selling expenses		(47,169)	-	(39,542)	-
6200	General and administrative expenses		(494,959)	(3)	(583,499)	(5)
6300	Research and development expenses		(102,850)	(1)	(88,750)	(1)
6000	Total operating expenses		(644,978)	(4)	(711,791)	(6)
6900	Operating profit		<u>549,893</u>	<u>4</u>	<u>765,320</u>	<u>7</u>
	Non-operating income and expenses					
7100	Interest income	6(19) and 7	150,207	1	242,005	2
7010	Other income	6(20) and 7	241,543	2	200,202	2
7020	Other gains and losses	6(21)	(76,878)	(1)	189,120	2
7050	Finance costs	6(22)	(85,644)	(1)	(99,774)	(1)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(7)				
			<u>2,148,007</u>	<u>15</u>	<u>1,807,073</u>	<u>15</u>
7000	Total non-operating income and expenses		<u>2,377,235</u>	<u>16</u>	<u>2,338,626</u>	<u>20</u>
7900	Profit before income tax		<u>2,927,128</u>	<u>20</u>	<u>3,103,946</u>	<u>27</u>
7950	Income tax expense	6(25)	(181,050)	(1)	(197,479)	(2)
8000	Profit for the year from continuing operations		<u>2,746,078</u>	<u>19</u>	<u>2,906,467</u>	<u>25</u>
8200	Profit for the year		<u>\$ 2,746,078</u>	<u>19</u>	<u>\$ 2,906,467</u>	<u>25</u>
	Other comprehensive (loss) income					
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
8311	Losses on remeasurements of defined	6(14)	(\$ 2,220)	-	(\$ 4,761)	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(49,453)	-	8,946	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(7)			1,634	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		(51,673)	-	5,819	-
	Components of other comprehensive (loss) income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(7)	(699,528)	(5)	1,317,119	11
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		(699,528)	(5)	1,317,119	11
8300	Other comprehensive (loss) income for the year		(\$ 751,201)	(5)	\$ 1,322,938	11
8500	Total comprehensive income for the year		<u>\$ 1,994,877</u>	<u>14</u>	<u>\$ 4,229,405</u>	<u>36</u>
	Basic earnings per share	6(26)				
9750	Total basic earnings per share		<u>\$ 9.39</u>		<u>\$ 9.94</u>	
	Diluted earnings per share	6(26)				
9850	Total diluted earnings per share		<u>\$ 9.32</u>		<u>\$ 9.87</u>	

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

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained earnings				Other equity interest			Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
Year 2024									
Balance at January 1, 2024		\$ 2,923,984	\$ 2,505,920	\$ 2,576,021	\$ 443,085	\$ 11,778,778	(\$ 217,732)	(\$ 191,938)	\$ 19,818,118
Profit for the year		-	-	-	-	2,906,467	-	-	2,906,467
Other comprehensive income (loss) for the year		-	-	-	-	(4,761)	1,317,119	10,580	1,322,938
Total comprehensive income		-	-	-	-	2,901,706	1,317,119	10,580	4,229,405
Unclaimed dividends past due	6(16)	-	23	-	-	-	-	-	23
Appropriation and distribution of 2023 retained earnings:	6(17)								
Legal reserve appropriated		-	-	251,513	-	(251,513)	-	-	-
Special reserve appropriated		-	-	-	266,584	(266,584)	-	-	-
Cash dividends of ordinary share		-	-	-	-	(1,461,992)	-	-	(1,461,992)
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	1,634	-	(1,634)	-
Balance at December 31, 2024		\$ 2,923,984	\$ 2,505,943	\$ 2,827,534	\$ 709,669	\$ 12,702,029	\$ 1,099,387	(\$ 182,992)	\$ 22,585,554
Year 2025									
Balance at January 1, 2025		\$ 2,923,984	\$ 2,505,943	\$ 2,827,534	\$ 709,669	\$ 12,702,029	\$ 1,099,387	(\$ 182,992)	\$ 22,585,554
Profit for the year		-	-	-	-	2,746,078	-	-	2,746,078
Other comprehensive loss for the year		-	-	-	-	(2,220)	(699,528)	(49,453)	(751,201)
Total comprehensive income (loss)		-	-	-	-	2,743,858	(699,528)	(49,453)	1,994,877
Unclaimed dividends past due	6(16)	-	31	-	-	-	-	-	31
Appropriation and distribution of 2024 retained earnings:	6(17)								
Legal reserve appropriated		-	-	290,334	-	(290,334)	-	-	-
Special reserve reversal		-	-	-	(409,669)	409,669	-	-	-
Cash dividends of ordinary share		-	-	-	-	(1,608,191)	-	-	(1,608,191)
Balance at December 31, 2025		\$ 2,923,984	\$ 2,505,974	\$ 3,117,868	\$ 300,000	\$ 13,957,031	\$ 399,859	(\$ 232,445)	\$ 22,972,271

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

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 2,927,128	\$ 3,103,946
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including right-of-use assets)	6(8)(9)(23)	238,489	213,167
Loss (gain) on financial assests or liabilities at fair value through profit or loss		3,520	(3,254)
Interest expense	6(22)	85,644	99,774
Interest income	6(19)	(150,207)	(242,005)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(7)		
Gain on disposal of property, plant and equipment	6(21)	(2,148,007)	(1,807,073)
Impairment loss on non-financial assets	6(11)(21)	(190)	-
		27,760	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		-	201
Accounts receivable, net		662,424	(1,234,214)
Accounts receivable - related parties, net		(7,256)	17,667
Other receivables		13,956	7,597
Other receivables - related parties		134,800	1,634,967
Inventories		86,007	(76,944)
Prepayments		48,405	(22,834)
Changes in operating liabilities			
Contract liabilities - current		(100,594)	96,684
Notes payable		(4,914)	(1,757)
Accounts payable		(665,014)	92,850
Accounts payable - related parties		(193,416)	(1,670,909)
Other payables		54,434	30,454
Other payables - related parties		5,454	256
Other current liabilities, others		80,257	734
Net defined benefit liabilities - non-current		(6,487)	(11,887)
Cash inflow generated from operations		1,092,193	227,420
Interest received		146,579	256,914
Dividends received	6(7)	870,150	1,046,157
Interest paid		(84,561)	(99,989)
Income taxes paid		(391,552)	(381,556)
Net cash flows from operating activities		<u>1,632,809</u>	<u>1,048,946</u>

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TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets/liabilities at fair value through profit or loss		\$ 3,254	(\$ 5,129)
Acquisition of financial assets at amortised cost		(3,934,450)	(5,065,260)
Proceeds from repayments of financial asset at amortised cost		3,818,100	7,306,110
Increase in other receivables - related parties	7	(408,590)	-
Acquisition of investments accounted for using equity method	6(7)	-	(31,788)
Proceeds from disposal of investments accounted for using equity method	6(7)	-	488,250
Acquisition of property, plant and equipment	6(27)	(163,765)	(43,654)
Proceeds from disposal of property, plant and equipment	6(8)	21,956	39,955
Increase in guarantee deposits paid		-	(1,420)
Increase in other non-current assets		(132,806)	(113,785)
Net cash flows (used in) from investing activities		(796,301)	2,573,279
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans	6(28)	8,696,357	12,077,888
Decrease in short-term loans	6(28)	(9,111,843)	(13,540,000)
Proceeds from long-term debt	6(28)	-	2,250,000
Repayments of long-term debt	6(28)	(218,750)	(2,031,250)
Repayments of lease liabilities	6(28)	(21,160)	(15,585)
Cash dividends paid	6(17)	(1,608,191)	(1,461,992)
Unclaimed dividends past due	6(16)	31	23
Net cash flows used in financing activities		(2,263,556)	(2,720,916)
Net (decrease) increase in cash and cash equivalents		(1,427,048)	901,309
Cash and cash equivalents at beginning of year	6(1)	4,245,071	3,343,762
Cash and cash equivalents at end of year	6(1)	<u>\$ 2,818,023</u>	<u>\$ 4,245,071</u>

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

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

1. History and Organization

A. Taiwan Surface Mounting Technology Corp. (the “Company”) was incorporated as a company in March 1990. The Company is primarily engaged in design, processing, manufacturing and trading of TFT-LCD panels, general electronic information products and PCB surface mount packaging.

B. On March 12, 2004, the Company’s common stock was officially listed on the Taipei Exchange approved by the Financial Supervisory Commission. In July 2010, the Company’s common stock was officially listed on the Taiwan Stock Exchange Corporation approved by the Financial Supervisory Commission. The Company has officially terminated trading on the Taipei Exchange, and was listed on the Taiwan Stock Exchange Corporation since August 24, 2010.

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

These parent company only financial statements were authorised for issuance by the Board of Directors on March 10, 2026.

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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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
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 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 Accounting Standards 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
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	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. The quantitative impact will be disclosed when the assessment is complete.

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 applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) 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) Foreign currency translation

The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within ‘other gains and losses’.

B. Translation of foreign operations

- (a) The operating results and financial position of all the company entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
 - (b) Assets that are held primarily for the purpose of trading;
 - (c) Assets that are expected to be realised within twelve months after the reporting period;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled in the normal operating cycle;
 - (b) Liabilities that are held primarily for the purpose of trading;
 - (c) Liabilities that are due to be settled within twelve months after the reporting period;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:
The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts receivable

- A. Accounts receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For debt instruments measured at financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the standard cost method. Variances are recorded to show the difference between the expected and actual costs, which will be allocated to operating cost and ending inventory at end of year. Allocated actual cost is approaching the actual cost assessed under weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Investments accounted for using equity method – subsidiaries

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealised gains or losses on transactions between the company and subsidiaries have been eliminated. The accounting policies of the subsidiaries are consistent with the policies adopted by the company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. If changes in the Company's shares in subsidiaries do not result in loss in control (transactions with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owner. Difference of adjustment of non-control interest and fair value of consideration paid or received is recognised in equity.
- E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
- F. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the parent company only financial statements. Owners' equity in the parent company only financial statements shall be equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	20~50 years
Machinery and equipment	2~10 years
Other facilities	5~10 years

(15) Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable;
- (b) Variable lease payments that depend on an index or a rate;
- (c) Amounts expected to be payable by the lessee under residual value guarantees;
- (d) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- (e) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date;
 - (c) Any initial direct costs incurred by the lessee; and
 - (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(16) Intangible assets

Intangible assets are computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 2 years.

(17) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(18) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(19) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges, or financial liabilities at fair value through profit or loss.

B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(21) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' and directors' remuneration

Employees' and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(23) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(24) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(25) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(26) Revenue recognition

- A. The Company manufactures and sells products in relation to TFT-LCD panels and PCB surface mount packaging on general electronic information products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- B. Sales revenue is measured at the contract price taking into account of business tax, sales returns and discounts. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. No element of financing is deemed present as the sales are made with a credit term of 30 days to 120 days when control of the products has been transferred, which is consistent with market practice.

C. A receivable is recognised when control of the products has been transferred to the customer. As this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company’s accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The related information is addressed below:

(1) Critical judgements in applying the Company’s accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2025, the carrying amount of inventories was \$797,098.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and petty cash	\$ 248	\$ 286
Checking accounts and demand deposits	2,817,775	2,933,185
Time deposits	-	1,311,600
	<u>\$ 2,818,023</u>	<u>\$ 4,245,071</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.

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

<u>Assets Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Cross currency swap	\$ -	\$ 3,254
<u>Liabilities Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>

Current items:		
Financial liabilities mandatorily measured at fair value through profit or loss		
Cross currency swap	\$ 3,520	\$ -

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

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Cross currency swap—settled gain or loss	\$ 3,849	\$ 4,339
Cross currency swap—valuation gain or loss	(3,520)	3,254
Forward foreign exchange contracts -settled gain or loss	2,360	-
Financial liabilities mandatorily measured at fair value through profit or loss		
Cross currency swap—settled gain or loss	1,253	-
	<u>\$ 3,942</u>	<u>\$ 7,593</u>

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

Derivative financial instruments	December 31, 2025	
	Contract amount (notional principal)	Contract period
Current items:		
Cross currency swap	\$ 134,598	2025.12.09~2026.01.09
Cross currency swap	189,252	2025.12.17~2026.03.17
Cross currency swap	188,028	2025.12.24~2026.06.29
	<u>\$ 511,878</u>	

Derivative financial instruments	December 31, 2024	
	Contract amount (notional principal)	Contract period
Current items:		
Cross currency swap	\$ 97,500	2024.12.04~2025.01.06
Cross currency swap	97,500	2024.12.04~2025.02.06
Cross currency swap	97,500	2024.12.04~2025.03.06
	<u>\$ 292,500</u>	

The Company entered into cross currency swap contracts relating to derivative financial instruments to hedge exchange rate risk of foreign currency assets. However, these cross currency swap contracts derivative instruments are not accounted for under hedge accounting.

C. The Company has no financial assets at fair value through profit or loss pledged to others as collateral.

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 fair value through other comprehensive income

Items	December 31, 2025	December 31, 2024
Non-current items:		
Equity instruments		
Listed stocks	\$ 290,896	\$ 290,896
Unlisted stocks	7,500	7,500
Valuation adjustment	(229,323)	(179,870)
	<u>\$ 69,073</u>	<u>\$ 118,526</u>

A. The Company has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$69,073 and \$118,526 as at December 31, 2025 and 2024, respectively.

- B. For the years ended December 31, 2025 and 2024, the Company recognised financial assets at fair value through other comprehensive income in comprehensive (loss) income amounting to (\$49,453) and \$8,946, respectively.
- C. As at December 31, 2025 and 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 financial assets at fair value through other comprehensive income held by the Company was \$69,073 and \$118,526, respectively.
- D. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.
- E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Financial assets at amortised cost

Items	December 31, 2025	December 31, 2024
Current items:		
Time deposits with maturity over 3 months	\$ 1,100,050	\$ 983,700

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

	2025	2024
Interest income	\$ 57,548	\$ 123,381

- B. As at December 31, 2025 and 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 financial assets at amortised cost held by the Company was \$1,100,050 and \$983,700, respectively.
- C. The Company has no financial assets at amortised cost pledged to others as collateral.
- D. 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.

(5) Accounts receivable

	December 31, 2025	December 31, 2024
Accounts receivable	\$ 3,454,480	\$ 4,116,904
Less: Allowance for bad debts	(2,937)	(2,937)
	\$ 3,451,543	\$ 4,113,967

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Not past due	\$ 3,423,759	\$ 4,057,016
Up to 90 days	28,246	59,888
91 to 180 days	1,855	-
181 to 365 days	620	-
	<u>\$ 3,454,480</u>	<u>\$ 4,116,904</u>

The above ageing analysis was based on past due date.

- B. As at December 31, 2025 and 2024, accounts receivable was all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to \$2,882,891.
- C. The Company has no notes and accounts receivable pledged to others as collateral.
- D. As at December 31, 2025 and 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 was \$3,451,543 and \$4,113,967, respectively.
- E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Inventories

	<u>December 31, 2025</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 883,573	(\$ 146,123)	\$ 737,450
Work in progress	14,031	-	14,031
Finished goods	53,575	(7,958)	45,617
	<u>\$ 951,179</u>	<u>(\$ 154,081)</u>	<u>\$ 797,098</u>
	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 1,000,272	(\$ 186,767)	\$ 813,505
Work in progress	2,587	-	2,587
Finished goods	90,252	(23,239)	67,013
	<u>\$ 1,093,111</u>	<u>(\$ 210,006)</u>	<u>\$ 883,105</u>

The cost of inventories recognised as expense for the year:

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Cost of goods sold	\$ 13,488,863	\$ 10,201,203
Gain on reversal of decline in market value	(55,925)	(53,405)
Scrap loss	8,925	18,692
Gain on scrapping sales	(211)	(75)
	<u>\$ 13,441,652</u>	<u>\$ 10,166,415</u>

Reversal of inventory valuation loss for the years ended December 31, 2025 and 2024 was mainly due to the selling of inventory which was previously recognized in the allowance of obsolescence loss as inventory level increased due to market slow down.

(7) Investment accounted for using equity method

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiaries:		
Taiwan Surface Mounting Technology (B.V.I.) Co. Limited	\$ 27,145,263	\$ 26,255,699
Taiwan Surface Mounting Technology Co., Ltd	3,989	3,980
High-Toned Opto Technology Corp	93,702	99,617
Bai Hung Investment Corp. Ltd.	8,308	2,894
Fitivision Technology Inc.	(124,652)	(114,173)
TSMT Technology (Singapore) Pte. Ltd.	1,329,134	1,632,651
Tele System Communications Pte Ltd.	166,959	157,140
Taiwan Surface Mounting Technology (U.S.A.) Co., Ltd.	25,115	31,681
	<u>28,647,818</u>	<u>28,069,489</u>
Transferred to “other non-current liabilities-credit balance of investments accounted for using equity method”	124,652	114,173
	<u>\$ 28,772,470</u>	<u>\$ 28,183,662</u>
	<u>2025</u>	<u>2024</u>
At January 1	\$ 28,069,489	\$ 26,446,282
Addition of investments accounted for using equity method	-	31,788
Share of profit of subsidiaries and associates accounted for using equity method	2,148,007	1,807,073
Proceeds from disposal of investments accounted for using equity method.	-	(488,250)
Earnings distribution of investments accounted for using equity method	(870,150)	(1,046,157)
Changes in other equity-exchange differences on translation of foreign financial statements	(699,528)	1,317,119
Changes in other equity-unrealised gains (losses) on financial assets at fair value through other comprehensive income	-	1,634
	<u>28,647,818</u>	<u>28,069,489</u>
Transferred to “other non-current liabilities-credit balance of investments accounted for using equity method”	124,652	114,173
At December 31	<u>\$ 28,772,470</u>	<u>\$ 28,183,662</u>

Details of the subsidiaries are provided in Note 4(3) in the Company's consolidated financial statements as of and for the year ended December 31, 2025.

(8) Property, plant and equipment

	2025					
	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Other facilities</u>	<u>Construction in progress</u>	<u>Total</u>
<u>At January 1</u>						
Cost	\$ 248,841	\$ 430,288	\$ 1,510,450	\$ 209,312	\$ 394	\$2,399,285
Accumulated depreciation and impairment	-	(154,302)	(694,693)	(102,147)	-	(951,142)
	<u>\$ 248,841</u>	<u>\$ 275,986</u>	<u>\$ 815,757</u>	<u>\$ 107,165</u>	<u>\$ 394</u>	<u>\$1,448,143</u>
Opening net book amount as at January 1	\$ 248,841	\$ 275,986	\$ 815,757	\$ 107,165	\$ 394	\$1,448,143
Additions	-	3,560	151,479	12,468	130	167,637
Transfer	-	394	186,970	15,732	(394)	202,702
Disposals	-	-	(21,766)	-	-	(21,766)
Depreciation charge	-	(15,993)	(163,306)	(37,560)	-	(216,859)
Impairment loss	-	-	(27,760)	-	-	(27,760)
Closing net book amount as at December 31	<u>\$ 248,841</u>	<u>\$ 263,947</u>	<u>\$ 941,374</u>	<u>\$ 97,805</u>	<u>\$ 130</u>	<u>\$1,552,097</u>
<u>At December 31</u>						
Cost	\$ 248,841	\$ 431,085	\$ 1,784,952	\$ 227,114	\$ 130	\$2,692,122
Accumulated depreciation and impairment	-	(167,138)	(843,578)	(129,309)	-	(1,140,025)
	<u>\$ 248,841</u>	<u>\$ 263,947</u>	<u>\$ 941,374</u>	<u>\$ 97,805</u>	<u>\$ 130</u>	<u>\$1,552,097</u>
	2024					
	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Other facilities</u>	<u>Construction in progress</u>	<u>Total</u>
<u>At January 1</u>						
Cost	\$ 248,841	\$ 427,484	\$ 1,559,644	\$ 199,489	\$ 2,089	\$2,437,547
Accumulated depreciation and impairment	-	(141,424)	(586,083)	(69,704)	-	(797,211)
	<u>\$ 248,841</u>	<u>\$ 286,060</u>	<u>\$ 973,561</u>	<u>\$ 129,785</u>	<u>\$ 2,089</u>	<u>\$1,640,336</u>
Opening net book amount as at January 1	\$ 248,841	\$ 286,060	\$ 973,561	\$ 129,785	\$ 2,089	\$1,640,336
Additions	-	3,825	25,644	12,089	394	41,952
Transfer	-	2,089	2,840	-	(2,089)	2,840
Disposals	-	-	(39,955)	-	-	(39,955)
Depreciation charge	-	(15,988)	(146,333)	(34,709)	-	(197,030)
Closing net book amount as at December 31	<u>\$ 248,841</u>	<u>\$ 275,986</u>	<u>\$ 815,757</u>	<u>\$ 107,165</u>	<u>\$ 394</u>	<u>\$1,448,143</u>
<u>At December 31</u>						
Cost	\$ 248,841	\$ 430,288	\$ 1,510,450	\$ 209,312	\$ 394	\$2,399,285
Accumulated depreciation and impairment	-	(154,302)	(694,693)	(102,147)	-	(951,142)
	<u>\$ 248,841</u>	<u>\$ 275,986</u>	<u>\$ 815,757</u>	<u>\$ 107,165</u>	<u>\$ 394</u>	<u>\$1,448,143</u>

A. Impairment information about the property, plant and equipment is provided in Note 6(10).

B. The Company has no property, plant and equipment pledged to others as collateral.

(9) Leasing arrangements – lessee

A. The Company leases various assets including buildings, business vehicles and other equipment. Rental contracts are typically made for periods of 3 to 5 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. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Carrying amount	Carrying amount
Buildings	\$ 28,255	\$ 42,006
Transportation equipment (Business vehicles)	12,752	20,583
Other equipment	-	48
	<u>\$ 41,007</u>	<u>\$ 62,637</u>
	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
	Depreciation charge	Depreciation charge
Buildings	\$ 13,751	\$ 13,062
Transportation equipment (Business vehicles)	7,831	2,959
Other equipment	48	116
	<u>\$ 21,630</u>	<u>\$ 16,137</u>

C. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$0 and \$62,246, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,347	\$ 1,236
Expense on short-term lease contracts	-	80

E. For the years ended December 31, 2025 and 2024, the Company's total cash outflow for leases were \$22,507 and \$16,901, respectively.

(10) Impairment of non-financial assets

A. The Company recognised impairment loss for the years ended December 31, 2025 and 2024 amounting to \$27,760 and \$0, respectively. Details of such loss are as follows:

	<u>Year ended December 31, 2025</u>		<u>Year ended December 31, 2024</u>	
	Recognised in		Recognised in	
	<u>Recognised in profit or loss</u>	<u>other comprehensive income</u>	<u>Recognised in profit or loss</u>	<u>other comprehensive income</u>
Impairment loss:				
Property, plant and equipment	\$ <u>27,760</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

B. Considering future operating plans, the Company expects that certain assets do not generate future cash inflows, resulting in the recoverable amount being lower than the carrying amount. Therefore, for the years ended December 31, 2025 and 2024, the Company recognised impairment loss amounting to \$27,760 and \$0, respectively, which was accounted as other gains and losses.

(11) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured borrowings	\$ <u>2,492,402</u>	1.77%~1.89%	None

<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured borrowings	\$ <u>2,907,888</u>	1.75%~1.99%	None

(12) Other current liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fund collected for purchase of equipment on behalf of others	\$ 3,317,026	\$ 3,237,357
Others	13,731	13,143
	\$ <u>3,330,757</u>	\$ <u>3,250,500</u>

(13) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Installment-repayment borrowings				
Bank unsecured borrowings	Principal is repayable from April 30, 2024 to March 1, 2027 at maturity.	1.85%	None	\$ 500,000
Bank unsecured borrowings	Principal is repayable from February 29, 2024 to December 31, 2026 at maturity; principal is repayable in 3 installments from January 5, 2026.	1.83%	None	400,000
Bank unsecured borrowings	Principal is repayable from March 29, 2024 to December 31, 2026 at maturity; principal is repayable in 3 installments from January 5, 2026.	1.83%	None	350,000
Bank unsecured borrowings	Principal is repayable from July 5, 2024 to July 5, 2027 at maturity.	1.83%	None	500,000
Less: Current portion				(750,000)
				<u>\$ 1,000,000</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Installment-repayment borrowings				
Bank unsecured borrowings	Principal is repayable from April 30, 2024 to March 1, 2027 at maturity.	1.80%	None	\$ 500,000
Bank unsecured borrowings	Principal is repayable from February 29, 2024 to December 31, 2026 at maturity; principal is repayable in 3 installments from January 5, 2026.	1.82%	None	400,000
Bank unsecured borrowings	Principal is repayable from March 29, 2024 to December 31, 2026 at maturity; principal is repayable in 3 installments from January 5, 2026.	1.82%	None	350,000
Bank unsecured borrowings	Borrowing period is from November 21, 2022 to November 21, 2025; principal is repayable in 3 installments from November 21, 2024.	1.82%	None	218,750
Bank unsecured borrowings	Principal is repayable from July 5, 2024 to July 5, 2027 at maturity.	1.80%	None	500,000
Less: Current portion				(218,750)
				<u>\$ 1,750,000</u>

(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 qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 117,005	\$ 111,582
Fair value of plan assets	(61,687)	(51,997)
Net defined benefit liability	<u>\$ 55,318</u>	<u>\$ 59,585</u>

(c) Movements in net defined benefit liabilities are as follows:

	<u>2025</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
At January 1	\$ 111,582	(\$ 51,997)	\$ 59,585
Current service cost	161	-	161
Interest expense (income)	1,785	(832)	953
	<u>113,528</u>	<u>(52,829)</u>	<u>60,699</u>
Remeasurements:			
Return on plan asset (excluding amounts included in interest income or expense)	-	(3,314)	(3,314)
Change in financial assumptions	2,423	-	2,423
Experience adjustments	3,111	-	3,111
	<u>5,534</u>	<u>(3,314)</u>	<u>2,220</u>
Pension fund contribution	-	(7,601)	(7,601)
Paid pension	(2,057)	2,057	-
At December 31	<u>\$ 117,005</u>	<u>(\$ 61,687)</u>	<u>\$ 55,318</u>

	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	\$ 102,166	(\$ 35,455)	\$ 66,711
Current service cost	160	-	160
Interest expense (income)	1,226	(426)	800
	<u>103,552</u>	<u>(35,881)</u>	<u>67,671</u>
Remeasurements:			
Return on plan asset (excluding amounts included in interest income or expense)		- (3,269)	(3,269)
Change in financial assumptions	(3,525)	-	(3,525)
Experience adjustments	11,555	-	11,555
	<u>8,030</u>	<u>(3,269)</u>	<u>4,761</u>
Pension fund contribution	-	(12,847)	(12,847)
Paid pension	-	-	-
At December 31	<u>\$ 111,582</u>	<u>(\$ 51,997)</u>	<u>\$ 59,585</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2025	2024
Discount rate	1.30%	1.60%
Future salary increases	4.00%	4.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
<u>December 31, 2025</u>				
Effect on present value of defined benefit obligation	(\$ 2,026)	\$ 2,094	\$ 1,819	(\$ 1,773)
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(\$ 2,106)	\$ 2,180	\$ 1,916	(\$ 1,864)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. Many assumptions in practice is likely linked. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2026 amount to \$1,114.
- (g) As of December 31, 2025, the weighted average duration of the retirement plan is 8 years.

The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	34,792
1-2 year(s)		6,487
3-5 years		11,738
6-10 years		26,735
	\$	<u>79,752</u>

- 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 plans of the Company for the years ended December 31, 2025 and 2024 were \$21,685 and \$22,231, respectively.

(15) Share capital

- A. As of December 31, 2025, the Company's authorised capital was \$5,000,000, consisting of 500,000 thousand shares of ordinary stock (including 20,000 thousand shares reserved for employee stock options and 20 thousand shares reserved for convertible bonds issued by the Company), and the paid-in capital was \$2,923,984 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. For the years ended December 31, 2025 and 2024, numbers of the Company's ordinary shares outstanding at beginning and end of year have no change.
- B. On December 29, 2025, the Company's Board of Directors resolved to repurchase 10,000 thousand treasury shares at a price between NT\$66.5 (in dollars) to NT\$148 (in dollars) per share which will be transferred to employees. However, the Company can continually repurchase the shares if the price is lower than the price range. As of December 31, 2025, the Company's treasury shares have not yet been repurchased.

Note: As of March 10, 2026, the Company repurchased a total of 3,413 thousand shares, and the carrying amount was \$328,214.

- (a) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (b) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(16) 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. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. Changes in capital surplus are provided as follows:

2025						
	Share premium	Treasury share transactions	Employee restricted shares	Changes in investees' capital not recognised by shareholding percentage using equity method	Others	Total
At January 1	\$ 2,353,508	\$ 13,360	\$ 147,951	(\$ 9,262)	\$ 386	\$ 2,505,943
Unclaimed dividends that were past due	-	-	-	-	31	31
At December 31	<u>\$ 2,353,508</u>	<u>\$ 13,360</u>	<u>\$ 147,951</u>	<u>(\$ 9,262)</u>	<u>\$ 417</u>	<u>\$ 2,505,974</u>
2024						
	Share premium	Treasury share transactions	Employee restricted shares	Changes in investees' capital not recognised by shareholding percentage using equity method	Others	Total
At January 1	\$ 2,353,508	\$ 13,360	\$ 147,951	(\$ 9,262)	\$ 363	\$ 2,505,920
Unclaimed dividends that were past due	-	-	-	-	23	23
At December 31	<u>\$ 2,353,508</u>	<u>\$ 13,360</u>	<u>\$ 147,951</u>	<u>(\$ 9,262)</u>	<u>\$ 386</u>	<u>\$ 2,505,943</u>

(17) Retained earnings

A. The current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses, then 10% of the remaining amount shall be set aside as legal reserve. After setting aside or reversing a special reserve in accordance with related laws and competent authority, the appropriation of the remaining earnings, along with the accumulated unappropriated earnings, shall be proposed by the Board of Directors and resolved by the shareholders.

The Company's Board of Directors is authorised to distribute dividends, capital surplus and legal reserve, in whole or in part, which may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors and reported to the shareholders which the aforementioned regulation of requiring resolution from the shareholders is not applicable.

The Company's dividend policy is residual dividend policy. Taking into consideration the Company's future operation plan, business development, budget of capital expenditure and capital requirement, the Board of Directors proposed the appropriation of unappropriated retained earnings at the shareholders' meeting for approval based on the Company's actual profit and capital conditions. Dividends can be distributed by cash or stocks, however, cash dividend shall be more than 20% of total dividends.

- B. 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.
- C. 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.
- D. The appropriations of earnings of years 2024 and 2023 as resolved by the shareholders at their meetings on June 19, 2025 and June 21, 2024, respectively, are as follows:

	Years ended December 31,			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 290,334		\$ 251,513	
Special reserve (reversed) /appropriated	(409,669)		266,584	
Cash dividend	1,608,191	\$ 5.5	1,461,992	\$ 5.0

The abovementioned distribution of earnings for the year of 2024 was in agreement with those amounts proposed by the Board of Directors on March 10, 2025. Information about the appropriations of earnings will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(18) Operating revenue

- A. The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	Years ended December 31,	
	2025	2024
Revenue from contracts with customers:		
TFT-LCD panels	\$ 8,498,710	\$ 6,070,613
Memory module	2,880,237	1,973,317
Automotive module	2,453,505	2,968,319
General electronic information products	804,071	631,277
	<u>\$ 14,636,523</u>	<u>\$ 11,643,526</u>

B. Contract assets and liabilities

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract liabilities	\$ 110,600	\$ 211,194	\$ 114,510

(a) Significant changes in contract assets and liabilities

None.

(b) Revenue recognised that was included in the contract liability balance at the beginning of the period

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ 141,491	\$ 705

(19) Interest income

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ 88,113	\$ 118,624
Interest income from financial assets measured at amortised cost	57,548	123,381
Other interest income	4,546	-
	<u>\$ 150,207</u>	<u>\$ 242,005</u>

(20) Other income

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Administration services	\$ 16,416	\$ 20,406
Royalties income	4,684	9,285
Rent income	1,296	1,296
Other income	219,147	169,215
	<u>\$ 241,543</u>	<u>\$ 200,202</u>

(21) Other gains and losses

	Years ended December 31,	
	2025	2024
Gains on financial assets/liabilities at fair value through profit or loss	\$ 3,942	\$ 7,593
Gain on disposal of property, plant and equipment	190	-
Impairment loss on property, plant and equipment	(27,760)	-
Foreign exchange (losses) gains	(53,802)	181,190
Miscellaneous disbursements	552	337
	<u>(\$ 76,878)</u>	<u>\$ 189,120</u>

(22) Finance costs

	Years ended December 31,	
	2025	2024
Interest expenses:		
Bank borrowings	\$ 84,297	\$ 98,538
Lease liabilities	1,347	1,236
	<u>\$ 85,644</u>	<u>\$ 99,774</u>

(23) Expenses by nature

	Years ended December 31,	
	2025	2024
Change in inventory of finished goods	\$ 36,677	(\$ 45,702)
Raw materials and supplies used	3,781,975	3,222,634
Employee benefit expense	809,382	756,692
Depreciation charges on property, plant and equipment	216,859	197,030
Other expenses	9,241,737	6,747,552
Operating cost and operating expenses	<u>\$ 14,086,630</u>	<u>\$ 10,878,206</u>

(24) Employee benefit expense

	Years ended December 31,	
	2025	2024
Salary expenses	\$ 702,930	\$ 650,614
Labour and health insurance fees	55,227	54,695
Pension costs	22,799	23,191
Other personnel expenses	28,426	28,192
	<u>\$ 809,382</u>	<u>\$ 756,692</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of profit before tax without deducting employees' remuneration and directors' remuneration of the current year, after covering accumulated losses, shall be distributed as employees' remuneration and directors' remuneration. The ratio shall not be lower than 5% for employees' remuneration and shall not be higher than 1% for directors' remuneration. The employees' compensation shall be distributed no less than 10% as aside for entry-level employees' compensation.

B. For the years ended December 31, 2025 and 2024, employees' compensation was accrued at \$182,200 and \$185,000, respectively; while directors' remuneration was accrued at \$30,800 and \$28,000, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on the ratio specified in the Company's Articles of Incorporation for the year ended December 31, 2025. Employees' compensation and directors' remuneration as resolved by the Board of Directors on March 10, 2026 were \$182,200 and \$30,800, respectively. The employees' remuneration will be distributed in the form of cash.

Employees' remuneration and directors' remuneration of 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the profit or loss of 2024.

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

(25) Income tax

A. Income tax expense

Components of income tax expense:

	Years ended December 31,	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 274,856	\$ 411,946
Tax on undistributed surplus earnings	70,724	26,752
Prior year income tax underestimation (overestimation)	10,220	(76,413)
Total current tax	<u>355,800</u>	<u>362,285</u>
Deferred tax:		
Origination and reversal of temporary differences	(174,750)	(164,806)
Income tax expense	<u>\$ 181,050</u>	<u>\$ 197,479</u>

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate	\$ 585,426	\$ 620,789
Effect of amount not allowed to recognise under regulations	(485,320)	(373,649)
Tax on undistributed surplus earnings	70,724	26,752
Prior year income tax underestimation (overestimation)	10,220	(76,413)
Income tax expense	<u>\$ 181,050</u>	<u>\$ 197,479</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2025		
	January 1	Recognised in profit or loss	December 31
Deferred income tax assets			
-Temporary differences:			
Reserve for inventory obsolescence and market price decline	\$ 42,001	(\$ 11,185)	\$ 30,816
Bad debt expense	588	-	588
Unrealised foreign exchange loss	12,487	23,678	36,165
Employees' unused compensated absences	3,274	4,600	7,874
Impairment of assets	1,905	5,552	7,457
Others	14,739	1,354	16,093
	<u>74,994</u>	<u>23,999</u>	<u>98,993</u>
-Deferred tax liabilities:			
Unrealised gain on investments	(972,759)	150,751	(822,008)
	<u>(\$ 897,765)</u>	<u>\$ 174,750</u>	<u>(\$ 723,015)</u>

	2024		
	January 1	Recognised in profit or loss	December 31
Deferred income tax assets			
-Temporary differences:			
Reserve for inventory obsolescence and market price decline	\$ 52,682	(\$ 10,681)	\$ 42,001
Bad debt expense	588	-	588
Unrealised foreign exchange loss	-	12,487	12,487
Employees' unused compensated absences	3,274	-	3,274
Impairment of assets	1,905	-	1,905
Others	16,324	(1,585)	14,739
	<u>74,773</u>	<u>221</u>	<u>74,994</u>
-Deferred tax liabilities:			
Unrealised gain on investments	(1,105,959)	133,200	(972,759)
Unrealised foreign exchange gain	(31,385)	31,385	-
	<u>(\$ 1,137,344)</u>	<u>\$ 164,585</u>	<u>(972,759)</u>
	<u>(\$ 1,062,571)</u>	<u>\$ 164,806</u>	<u>(\$ 897,765)</u>

D. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2025	December 31, 2024
Deductible temporary differences	(\$ 399,859)	(\$ 1,099,387)

E. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(26) Earnings per share

	<u>Year ended December 31, 2025</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 2,746,078</u>	<u>292,398</u>	<u>\$ 9.39</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	2,746,078	292,398	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>2,325</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 2,746,078</u>	<u>294,723</u>	<u>\$ 9.32</u>
	<u>Year ended December 31, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 2,906,467</u>	<u>292,398</u>	<u>\$ 9.94</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	2,906,467	292,398	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>2,146</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 2,906,467</u>	<u>294,544</u>	<u>\$ 9.87</u>

(27) Supplemental cash flow information

A. Investing activities with partial cash payments

	Years ended December 31,	
	2025	2024
Purchase of property, plant and equipment	\$ 167,637	\$ 41,952
Add: Opening balance of payable on equipment	394	2,096
Less: Ending balance of payable on equipment	(4,266)	(394)
Cash paid during the year	<u>\$ 163,765</u>	<u>\$ 43,654</u>

B. Financing activities with no cash flow effects

	Years ended December 31,	
	2025	2024
Prepayments for business facilities and prepayments transferred to property, plant and equipment	<u>\$ 202,702</u>	<u>\$ 2,840</u>

(28) Changes in liabilities from financing activities

	2025			
	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 2,907,888	\$ 1,968,750	\$ 63,302	\$ 4,939,940
Changes in cash flow from financing activities	(415,486)	(218,750)	(21,160)	(655,396)
Interest expense paid (Note)	-	-	(1,347)	(1,347)
Interest expense (Note)	-	-	1,347	1,347
At December 31	<u>\$ 2,492,402</u>	<u>\$ 1,750,000</u>	<u>\$ 42,142</u>	<u>\$ 4,284,544</u>

Note: Shown as operating cash flows.

	2024			
	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 4,370,000	\$ 1,750,000	\$ 16,641	\$ 6,136,641
Changes in cash flow from financing activities	(1,462,112)	218,750	(15,585)	(1,258,947)
Interest expense paid (Note)	-	-	1,236	1,236
Interest expense (Note)	-	-	(1,236)	(1,236)
Changes in other non-cash items	-	-	62,246	62,246
At December 31	<u>\$ 2,907,888</u>	<u>\$ 1,968,750</u>	<u>\$ 63,302</u>	<u>\$ 4,939,940</u>

Note: Shown as operating cash flows.

7. Related Party Transactions

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Taiwan Surface Mounting Technology Co., Ltd.	Subsidiary
Taiwan Surface Mounting Technology (B.V.I.) Co. Limited (Note 3)	"
High-Toned Opto Technology Corp	"
Bai Hung Investment Corp. Ltd.	"
Fitivision Technology Inc.	"
Taiwan Surface Mounting Technology (Singapore) Pte. Ltd.	"
Tele System Communications Pte Ltd.	"
TSMT Vietnam Co., Ltd. (Note 2)	Subsidiary of Taiwan Surface Mounting Technology (Singapore) Pte. Ltd
Regent Manner International Holdings Limited	Second-tier subsidiary
Taiwan Surface Mounting Technology (U.S.A) Co., Ltd. (Note 3)	"
Taiwan Surface Mounting Technology (India) Pvt. Ltd.	"
Taiwan Surface Mounting Technology Electronics (India) Privated Limited (Note 4)	"
RMIH Technology (India) Pvt. Ltd.	"
TSMT Mexico, S.A. DE C.V.	"
Regent Manner (B.V.I.) Limited	Third-tier subsidiary
Regent Manner Limited	Subsidiary of Regent Manner (B.V.I.)
Regent Electron (Suzhou) Co., Ltd.	Subsidiary of Regent Manner Limited
Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	"
Regent Electron (Ningbo) Co., Ltd.	"
Regent Electron (Xiamen) Co., Ltd.	"
Regent Electron (Chengdu) Co., Ltd.	"
Regent Electron (Dongguan) Co., Ltd.	"
Ningbo Yongfu Trade Co., Ltd.	"
Regent Electron (He Fei) Co., Ltd.	"
Regent Electron (Chong Qing) Co., Ltd.	"
Tai Ming Green Power Co., Ltd.	Subsidiary of Bai Hung Investment Corp. Ltd.
Dongguan Zuefu Electron Co., Ltd.	Subsidiary of Ningbo Yongfu Trade Co., Ltd.
Regent Electron (Xianyang) Co., Ltd.	Subsidiary of Regent Electron (Suzhou) Co., Ltd.
Tele System Communications De Mexico, S.A. DE C.V. (Note 1)	Subsidiary of Tele System Communications Pte Ltd.
TSC Electronic Pte. Ltd.	"
Directors, general managers and key management	Key management personnel of the Company

Note 1: Tele System Communications DE Mexico, S.A. DE C.V. was liquidated and deregistered in August 2024.

Note 2: The Company transferred all the shares of TSMT Vietnam Co., Ltd. to be directly held by TSMT Technology (Singapore) Pte. Ltd. on April 30, 2024.

Note 3: Taiwan Surface Mounting Technology (B.V.I.) Co. Limited transferred all the shares of Taiwan Surface Mounting Technology (U.S.A.) Co., Ltd. to be directly held by Taiwan Surface Mounting Technology Co., Ltd. in January 2024.

Note 4: In February 2025, Taiwan Surface Mounting Technology Electronics (India) Privated Limited was invested and established by TSMT Technology (Singapore) Pte. Ltd. and was included in consolidated subsidiaries.

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2025	2024
Sales of goods:		
Subsidiaries	\$ 46,257	\$ 20,420
Associates	7,329	12,145
	<u>\$ 53,586</u>	<u>\$ 32,565</u>

Aforementioned sales revenue arises from the Company's entrusted manufacturing and processing business by related parties, and the price is determined by the pricing model in mutual agreement. In 2025 and 2024, the collection terms are 90 days to 120 days after monthly billing that would be available to third parties.

B. Purchases

	Years ended December 31,	
	2025	2024
Purchases of goods:		
Regent Electron (Suzhou) Co., Ltd	\$ 4,996,086	\$ 4,753,137
Regent Electron (He Fei) Co., Ltd	2,658,931	418,271
Associates	468,956	526,800
Subsidiaries	14,612	51,072
	<u>\$ 8,138,585</u>	<u>\$ 5,749,280</u>

Raw materials and finished goods are purchased from subsidiaries and associates. Purchases are negotiated with related parties, and the payment terms are 90 days to 120 days after monthly billing that would be available to third parties.

C. Receivables from related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Tele System Communications Pte Ltd.	\$ 39,901	\$ 10,838
Fitivision Technology Inc.	283	21,456
Regent Electron (Suzhou) Co., Ltd	147	743
Associates	-	38
	<u>\$ 40,331</u>	<u>\$ 33,075</u>

The receivables from related parties arise mainly from sales of goods. The receivables are unsecured in nature and bear no interest.

D. Other receivables (excluding the principal portion of loans to others)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
TSMT Vietnam Co., Ltd.	\$ 798,787	\$ 323,276
Regent Electron (Suzhou) Co., Ltd	86,836	715,388
Associates	50,269	36,414
Subsidiaries	4,656	270
	<u>\$ 940,548</u>	<u>\$ 1,075,348</u>

(a) The above other receivables comprise of purchasing raw materials and equipment based on the purchase contracts and patent royalties receivables. Please refer to Notes 7(2) H and 13(1) for more information.

(b) Information on loans to related parties is provided in Note 7(2) I.

E. Payables to related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Regent Electron (Suzhou) Co., Ltd	\$ 3,807,828	\$ 4,237,418
Regent Electron (He Fei) Co., Ltd.	1,066,932	765,674
Associates	150,931	168,781
Subsidiaries	7,485	54,719
	<u>\$ 5,033,176</u>	<u>\$ 5,226,592</u>

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

F. Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other payables - others:		
Ningbo Yongfu Trade Co., Ltd.	\$ 4,374	\$ 115
Regent Manner Limited	904	89
Tele System Communications Pte Ltd.	438	50
Subsidiaries	-	8
	<u>\$ 5,716</u>	<u>\$ 262</u>

G. Property transactions

(a) Acquisition of property, plant and equipment

	Years ended December 31,	
	2025	2024
Associates	\$ 4,168	\$ 10,764

(b) Disposal of property, plant and equipment

	Years ended December 31,			
	2025		2024	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Subsidiaries	\$ 21,708	\$ -	\$ 39,955	\$ -

(c) Acquisition of financial assets: (For the year ended December 31, 2025: None)

	Accounts	No. of shares	Objects	Year ended
				December 31, 2024
Taiwan Surface Mounting Technology (U.S.A.) Co., Ltd.	Investment accounted for using equity method	1,000,000	Common Shares	\$ 31,788

(d) Disposal of financial assets: (For the year ended December 31, 2025: None)

On April 30, 2024, the Company transferred its shares in TSMT Vietnam Co, Ltd to Taiwan Surface Mounting Technology (Singapore) Pte. Ltd. for \$488,250.

H. Raw materials purchased on behalf of others /Other income

- (a) For the years ended December 31, 2025 and 2024, the Company purchased raw material on behalf of associates amounting to \$2,201,319 and \$2,272,467, respectively, based on the purchase contracts under Taiwanese suppliers' requirement. For the years ended December 31, 2025 and 2024, revenue from raw material purchased on behalf of others amounted to \$196,878 and \$122,694, respectively, which was recognised in miscellaneous income. The transactions of raw materials purchased on behalf of others are not included in the Company's sales revenue and purchases. The payment terms are 90 days to 120 days after monthly billing, and they were recognised in "other receivables - related parties" and "accounts payable".
- (b) For the years ended December 31, 2025 and 2024, the Company received patent royalties from Regent Manner Limited amounting to \$4,684 and \$9,285, respectively, and those amounts were recognised in "other income". The collection terms are 90 days to 120 days after monthly billing. As of December 31, 2025 and 2024, receivables both amounted to \$0, and were recognised in "other receivables - related parties".
- (c) For the years ended December 31, 2025 and 2024, the Company's revenue from providing Regent Manner Limited with management service was \$16,416 and \$20,406, respectively, which was shown as 'other income'. The collection term was 90 to 120 days after monthly billings. As of December 31, 2025 and 2024, the Company's receivables both amounted to \$0, which were shown as 'other receivables due from related parties'.

I. Loans to related parties

Loans to related parties (For the year ended December 31, 2024: None)

(a) Outstanding balance

	<u>December 31, 2025</u>
Taiwan Surface Mounting Technology (Singapore) Pte. Ltd.	<u>\$ 408,590</u>

(b) Interest income

	<u>Year ended December 31, 2025</u>
Taiwan Surface Mounting Technology (Singapore) Pte. Ltd.	<u>\$ 4,546</u>

The loans to subsidiaries are repayable in accordance with the contracts and carry interest at 4.17187% per annum for the year ended December 31, 2025.

J. Endorsements and guarantees provided to related parties:

Details of endorsements and guarantees provided to related parties are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Party being endorsed/guaranteed</u>		
Subsidiaries	<u>\$ 2,200,100</u>	<u>\$ 1,475,550</u>

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	<u>\$ 101,827</u>	<u>\$ 85,762</u>

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

Information on endorsements and guarantees provided to subsidiaries is provided in Note 7(2) J.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

On March 10, 2026, the Board of Directors proposed that cash dividends for the distribution of earnings for the year 2025 was \$1,608,191 at 5.5 (in dollars) per share. As of March 10, 2026, the distribution of earnings for the year 2025 has not been approved by the shareholders.

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). Total capital is calculated as 'equity' as shown in the balance sheet.

The gearing ratios at December 31, 2025 and 2024 were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total borrowings	\$ 4,242,402	\$ 4,876,638
Total equity	\$ 22,972,271	\$ 22,585,554
Gearing ratio	18%	22%

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 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	\$ -	\$ 3,254
Financial assets at amortised cost		
Cash and cash equivalents	2,818,023	4,245,071
Financial assets at amortised cost	1,100,050	983,700
Accounts receivable	3,491,874	4,147,042
Other receivables	1,367,995	1,104,533
Guarantee deposits paid	3,050	3,050
	<u>\$ 8,780,992</u>	<u>\$ 10,486,650</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 3,520	\$ -
Financial liabilities at amortised cost		
Short-term borrowings	2,492,402	2,907,888
Notes payable	-	4,914
Accounts payable	7,136,537	7,994,967
Other payables	1,204,728	1,139,885
Long-term borrowings (including current portion)	1,750,000	1,968,750
Guarantee deposits received	30	30
	<u>\$ 12,587,217</u>	<u>\$ 14,016,434</u>
Lease liability	<u>\$ 42,142</u>	<u>\$ 63,302</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are used to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.
- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.
- (c) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

- ii. Management has set up a policy to require companies 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 and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.
- iii. 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).
- iv. 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:

December 31, 2025			
	Foreign currency amount		Book value (NTD)
	(In thousands)	Exchange rate	
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 350,738	31.43	\$ 11,023,695
JPY:NTD	54,056	0.201	10,865
EUR:NTD	215	36.90	7,934
RMB:NTD	5,542	4.472	24,784
<u>Non-monetary items</u>			
USD:NTD	847,356	31.43	26,632,399
HKD:NTD	1,035	4.038	4,179
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 217,460	31.43	\$ 6,834,768
RMB:NTD	65,990	4.472	295,107

December 31, 2024			
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 240,948	32.79	\$ 7,900,685
JPY:NTD	16,413	0.210	3,447
EUR:NTD	964	34.14	32,911
RMB:NTD	277	4.562	1,264
<u>Non-monetary items</u>			
USD:NTD	810,169	32.79	26,565,442
HKD:NTD	1,033	4.222	4,361
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 234,830	32.79	\$ 7,700,076
RMB:NTD	34,614	4.562	157,909

- v. The total exchange (loss) gain arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2025 and 2024, amounted to (\$53,802) and \$181,190, respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2025			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 110,237	\$ -
JPY:NTD	1%	109	-
EUR:NTD	1%	79	-
RMB:NTD	1%	248	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 68,348	\$ -
RMB:NTD	1%	2,951	-

Year ended December 31, 2024

Sensitivity analysis

	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 79,007	\$ -
JPY:NTD	1%	34	-
EUR:NTD	1%	329	-
RMB:NTD	1%	13	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 77,001	\$ -
RMB:NTD	1%	1,579	-

Price risk

- i. The Company's equity securities, which are exposed to price risk, is the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$691 and \$1,185, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk mainly arising from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During 2025 and 2024, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars.
- ii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 1% with all other variables held constant, profit before tax for the years ended December 31, 2025 and 2024 would have increased/decreased by \$17,500 and \$19,688, 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 or counterparties of financial instruments 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, at fair value through profit or loss and at fair value through other comprehensive income, and the contract cash flows of investments reclassified as debt instruments at fair value through other comprehensive income.
- ii. The Company manages their credit risk taking into consideration the entire company's concern. According to the Company's credit policy, each local entity 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.
- iii. The Company adopts 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.
- 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 classifies customers' accounts receivable in accordance with credit rating of customer. The Company applies the simplified approach using loss rate methodology to estimate expected credit loss under the provision matrix basis.
- vi. The Company used the forecast ability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2025 and 2024, the loss rate methodology is as follows:

<u>December 31, 2025</u>	<u>Individual A</u>	<u>Group A</u>	<u>Total</u>
Expected loss rate	100%	0%	
Total book value	\$ 620	\$ 3,453,860	\$ 3,454,480
Loss allowance	620	2,317	2,937
<u>December 31, 2024</u>	<u>Individual A</u>	<u>Group A</u>	<u>Total</u>
Expected loss rate	100%	0.03%	
Total book value	\$ -	\$ 4,116,904	\$ 4,116,904
Loss allowance	-	2,937	2,937

Group A: Customers had no payments that were past due over 90 days.

- vii. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	<u>2025</u>
At January 1	\$ 2,937
Provision for impairment	-
Write-offs	-
At December 31	<u>\$ 2,937</u>
	<u>2024</u>
At January 1	\$ 2,937
Provision for impairment	-
Write-offs	-
At December 31	<u>\$ 2,937</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration of the compliance with balance sheet ratio targets and external regulatory and legal requirements.
- ii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>Non-derivative financial liabilities</u>		Between 1	
December 31, 2025	<u>Within 1 year</u>	<u>and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 2,536,518	\$ -	\$ -
Accounts payable	7,136,537	-	-
Other payables	1,204,728	-	-
Lease liability	18,690	24,854	-
Long-term borrowings (including current portion)	779,571	1,006,184	-

<u>Non-derivative financial liabilities</u>		Between 1	
December 31, 2024	<u>Within 1 year</u>	<u>and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 2,958,776	\$ -	\$ -
Notes payable	4,914	-	-
Accounts payable	7,994,967	-	-
Other payables	1,139,885	-	-
Lease liability	22,507	43,544	-
Long-term borrowings (including current portion)	253,690	1,785,212	-

- iii. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(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. The fair value of the company's investment in listed stocks is included in Level 1.

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 most derivative instruments is included in Level 2.

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

- B. 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 December 31, 2025 and 2024 are as follows:

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

<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 69,073	\$ -	\$ -	\$ 69,073
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Cross currency swap	\$ -	\$ 3,520	\$ -	\$ 3,520
<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 118,526	\$ -	\$ -	\$ 118,526
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Cross currency swap	\$ -	\$ 3,254	\$ -	\$ 3,254

- (b) The methods and assumptions the Company used to measure fair value are as follows:
- i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

Market quoted price	<u>Listed shares</u> Closing price
---------------------	---------------------------------------

- ii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iii. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

C. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Significant inter-company transactions during the reporting periods (individual transactions not exceeding \$10,000 are not disclosed; corresponding transactions from the other side are not disclosed.): Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 8.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China, and price, payment terms, unreleased income/loss and other related information relating to investments in Mainland China:
 - (a) Purchase amount and percentage and ending balance and percentage of payables: Please refer to table 4.
 - (b) Sales amount and percentage and ending balance and percentage of receivables: Please refer to table 4.
 - (c) Property transaction amounts and gains and loss arising from them: None.
 - (d) Balance and purpose of provision of endorsements/guarantees or collaterals: Please refer to table 2.
 - (e) Maximum balance, ending balance and interest rate range: Please refer to table 1.
 - (f) Other significant transactions that affected the gains and losses or financial status for the period, i.e. rendering/receiving of service:
 - i. In 2025, processing fee arising from the electronic information products circuit board manufactured by Regent Electron (Suzhou) Co., Ltd appointed by the Company's indirectly held subsidiary, Regent Manner Limited, amounted to HKD 304,050 thousand. The prices are made under mutual agreement, and the payment terms are 90 days to 120 days after monthly billings.

- ii. For the year ended December 31, 2025, raw materials purchased on behalf of indirectly held associate, amounted to \$2,201,319 and the received processing income amounted to \$196,878.
- iii. For the year ended December 31, 2025, the Company's indirectly held subsidiaries, Regent Manner Limited raw materials purchased on behalf of others and received the processing income as follows:

Counterparties	Raw material purchased on behalf of others			Received processing income
Taiwan Surface Mounting Technology Corp.	HKD	4,839	thousand	-
Regent Electron (Chongqing) Co., Ltd	HKD	203,140	thousand	-
TSMT Vietnam Co., Ltd.	HKD	94,692	thousand	-
Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	HKD	44,880	thousand	-
Regent Electron (Hefei) Co.,Ltd.	HKD	40,102	thousand	-
Regent Electron (Suzhou) Co., Ltd	HKD	20,817	thousand	-
Regent Electron (Xiamen) Co., Ltd.	HKD	13,767	thousand	-

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. Segment Information

Not applicable.

Taiwan Surface Mounting Technology Corp. and subsidiaries

Loans to others

Year ended December 31, 2025

Table 1

Expressed in thousands of NTD

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2025	Balance at December 31, 2025	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single part	Ceiling on total loans granted	Footnote
													Item	Value			
0	Taiwan Surface Mounting Technology Corp.	TSMT Technology (Singapore) Pte. Ltd.	Other receivables	Y	\$ 408,590	408,590	408,590	4.17187% (Based on the contract terms)	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 5,743,068	\$ 9,188,908	
1	TSMT Technology (Singapore) Pte. Ltd.	TSMT Vietnam Co., Ltd.	Other receivables	Y	166,050	-	-	4.77238% (Based on the contract terms)	2	-	Additional operating capital	-	None	-	1,329,134	1,329,134	
1	TSMT Technology (Singapore) Pte. Ltd.	TSMT Vietnam Co., Ltd.	Other receivables	Y	332,100	314,300	314,300	4.69594% (Based on the contract terms)	2	-	Additional operating capital	-	None	-	1,329,134	1,329,134	
1	TSMT Technology (Singapore) Pte. Ltd.	TSMT Vietnam Co., Ltd.	Other receivables	Y	314,300	314,300	314,300	4.69594% (Based on the contract terms)	2	-	Additional operating capital	-	None	-	1,329,134	1,329,134	
2	Regent Manner Limited	Fitivision Technology Inc.	Other receivables	Y	100,000	-	-	2.20%	2	-	Additional operating capital	-	None	-	6,774,463	10,839,140	
2	Regent Manner Limited	TSMT Mexico, S.A. DE C.V.	Other receivables	Y	166,050	-	-	5.30%	2	-	Additional operating capital	-	None	-	6,774,463	10,839,140	
2	Regent Manner Limited	Fitivision Technology Inc.	Other receivables	Y	150,000	150,000	150,000	2.50%	2	-	Additional operating capital	-	None	-	6,774,463	10,839,140	
3	Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	Regent Electron (Hefei) Co., Ltd.	Other receivables	Y	231,325	223,580	223,580	2.10%	2	-	Additional operating capital	-	None	-	2,687,532	2,687,532	
4	Regent Electron (Ningbo) Co., Ltd.	Regent Electron (Hefei) Co., Ltd.	Other receivables	Y	268,296	268,296	268,296	2.00%	2	-	Additional operating capital	-	None	-	345,308	345,308	

Note 1: The numbers filled in for the nature of loans are as follows:

Business association is labeled as "1"

Short-term financing is labeled as "2".

Note 2: Limit on the Company's and subsidiaries' loans granted to others as prescribed in "Procedures for Provision of Loans" are as follows:

(1) Nature of the loan is related to business transactions: 25% of the Company's net worth or the amount of business transactions between the creditor and borrower.

(2) Nature of loan is for short-term financing: ceiling on loans granted to a single party is lower than 25% of the borrower's net worth.

(3) Limit on TSMT Technology (Singapore) Pte. Ltd. loans granted to others:

A. Nature of loan is for short-term financing: ceiling on loans granted to a single party is lower than 40% of the borrower's net worth.

The Company loan which the parent company holds directly and indirectly 100% voting share's foreign companies, if there is a loan classified as short-term financing, the limit of individual borrower shall be lower than 100% of the Company's net worth.

Note 3: The facility approved by the Board of Directors was consistent with the actual loaned facility.

Taiwan Surface Mounting Technology Corp. and subsidiaries

Provision of endorsements and guarantees to others

Year ended December 31, 2025

Table 2

Expressed in thousands of NTD

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2025	Outstanding endorsement/ guarantee amount at December 31, 2025	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company(%)	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 1)											
0	The Company	TSMT Technology (Singapore) Pte. Ltd.	2	\$ 11,486,136	\$ 498,150	\$ 471,450	\$ -	\$ -	2.05	\$ 22,972,271	Y	N	N	
0	The Company	TSMT Technology (India) Pvt. Ltd	2	11,486,136	498,150	471,450	471,450	-	2.05	22,972,271	Y	N	N	
0	The Company	TSMT Vietnam Co., Ltd.	2	11,486,136	163,450	-	-	-	-	22,972,271	Y	N	N	
0	The Company	TSMT Mexico, S.A. DE C.V.	2	11,486,136	332,100	314,300	314,300	-	1.37	22,972,271	Y	N	N	
0	The Company	TSMT Technology (Singapore) Pte. Ltd.	2	11,486,136	664,200	628,600	565,740	-	2.74	22,972,271	Y	N	N	
0	The Company	TSMT Technology (India) Pvt. Ltd	2	11,486,136	332,100	314,300	314,300	-	1.37	22,972,271	Y	N	N	

Note 1: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 2: Limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees are as follows:

- (1) Ceiling on total amount of endorsements/guarantees shall be lower than the Company's net worth.
- (2) Limit on endorsements/guarantees provided for a single party shall be lower than 50% of the Company's net worth.
- (3) Ceiling on total amount of endorsements/guarantees that the determination was authorised to chairman shall be lower than 10% of the Company's net worth.

Net worth was determined based on the financial statements that are audited or reviewed by CPA.

Taiwan Surface Mounting Technology Corp. and subsidiaries
Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
Year ended December 31, 2025

Table 3

Expressed in thousands of NTD

As of December 31, 2025								
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares (in thousand shares)	Book value	Ownership (%)	Fair value	Footnote
Taiwan Surface Mounting Technology Corp.	Stocks-LED ONE Distribution, Inc.	None	Financial assets at fair value through other comprehensive income-non-current	180	\$ -	18.00	\$ -	None
Taiwan Surface Mounting Technology Corp.	Stocks-Uniflex Technology Inc.	None	Financial assets at fair value through other comprehensive income-non-current	4,075	69,073	4.73	69,073	None
Bai Hung Investment Corp. Ltd.	Yun yun AI Baby camera Co.,Ltd.	None	Financial assets at fair value through other comprehensive income-non-current	250	-	0.06	-	None
Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	CCB Suzhou Branch Unit RMB Customized Structured Deposits-32299760020250815013	None	Financial assets at fair value through profit or loss-current		178,864		178,864	None
Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	CCB Suzhou Branch Unit RMB Customized Structured Deposits-32299760020250919005	None	Financial assets at fair value through profit or loss-current		134,148		134,148	None
Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	CCB Suzhou Branch Unit RMB Customized Structured Deposits-32299760020251113001	None	Financial assets at fair value through profit or loss-current		178,864	-	178,864	None
Dongguan Zuefu Electron Co., Ltd.	E.SUN Bank (China) structured EURUSD depositsF01A01202507002	None	Financial assets at fair value through profit or loss-current		178,864		178,864	None
Dongguan Zuefu Electron Co., Ltd.	E.SUN Bank (China) structured EURUSD depositsF01A01202508002	None	Financial assets at fair value through profit or loss-current		178,864		178,864	None
Dongguan Zuefu Electron Co., Ltd.	E.SUN Bank (China) structured EURUSD depositsF01A01202509003	None	Financial assets at fair value through profit or loss-current		178,864		178,864	None
Dongguan Zuefu Electron Co., Ltd.	E.SUN Bank (China) structured EURUSD depositsF01A01202509004	None	Financial assets at fair value through profit or loss-current		178,864		178,864	None
Dongguan Zuefu Electron Co., Ltd.	E.SUN Bank (China) structured EURUSD depositsF01A01202508005	None	Financial assets at fair value through profit or loss-current		67,074		67,074	None
Dongguan Zuefu Electron Co., Ltd.	E.SUN Bank (China) structured EURUSD depositsF01A01202510001	None	Financial assets at fair value through profit or loss-current		178,864		178,864	None
Dongguan Zuefu Electron Co., Ltd.	E.SUN Bank (China) structured EURUSD depositsF01A01202510003	None	Financial assets at fair value through profit or loss-current		178,864		178,864	None
Dongguan Zuefu Electron Co., Ltd.	E.SUN Bank (China) structured EURUSD depositsF01A01202511001	None	Financial assets at fair value through profit or loss-current		44,716		44,716	None
Dongguan Zuefu Electron Co., Ltd.	E.SUN Bank (China) structured EURUSD depositsF01A01202511002	None	Financial assets at fair value through profit or loss-current		178,864		178,864	None
Dongguan Zuefu Electron Co., Ltd.	E.SUN Bank (China) structured EURUSD depositsF01A01202512002	None	Financial assets at fair value through profit or loss-current		89,432		89,432	None

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares (in thousand shares)	Book value	Ownership (%)	Fair value	Footnote
Dongguan Zuefu Electron Co., Ltd.	E.SUN Bank (China) structured EURUSD deposits F01A01202512003	None	Financial assets at fair value through profit or loss-current		\$ 178,864		\$ 178,864	None
Regent Electron (Xiamen) Co., Ltd.	Fubon Bank (China) structured products-SDCNYC20254810	None	Financial assets at fair value through profit or loss-current		26,830		26,830	None
Regent Electron (Xiamen) Co., Ltd.	Fubon Bank (China) structured products-SDCNYC20254809	None	Financial assets at fair value through profit or loss-current		26,830		26,830	None
Regent Electron (Xiamen) Co., Ltd.	Fubon Bank (China) structured products-SDCNYC20254808	None	Financial assets at fair value through profit or loss-current		31,300		31,300	None
Regent Electron (Xiamen) Co., Ltd.	Fubon Bank (China) structured products-SDCNYC20254812	None	Financial assets at fair value through profit or loss-current		26,830		26,830	None
Regent Electron(Dongguan) Co.,Ltd	Fubon Bank (China) structured products-SDCNYC20254841	None	Financial assets at fair value through profit or loss-current		26,830		26,830	None
Regent Electron(Dongguan) Co.,Ltd	CCB Guangdong Branch Unit RMB Customized Structured Deposits-4407700002025122527006	None	Financial assets at fair value through profit or loss-current		44,716		44,716	None
Ningbo Yongfu Trade Co., Ltd.	Fubon Bank (China) structured products-SDCNYC20254844	None	Financial assets at fair value through profit or loss-current		156,506		156,506	None
Regent Electron (Xianyang) Co.,Ltd.	Industrial Bank Co., LTD. structured deposits CC45250707000-00000000	None	Financial assets at fair value through profit or loss-current		178,864		178,864	None
Regent Electron (Xianyang) Co.,Ltd.	Industrial Bank Co., LTD. structured deposits CC45250915000-00000000	None	Financial assets at fair value through profit or loss-current		178,864		178,864	None
Regent Electron (Xianyang) Co.,Ltd.	Industrial Bank Co., LTD. structured deposits CC45250915001-00000000	None	Financial assets at fair value through profit or loss-current		89,432		89,432	None
Regent Electron (Xianyang) Co.,Ltd.	Industrial Bank Co., LTD. structured deposits CC45251119000-00000000	None	Financial assets at fair value through profit or loss-current		178,864		178,864	None
Regent Electron (Xianyang) Co.,Ltd.	Industrial Bank Co., LTD. structured deposits CC45251218000-00000000	None	Financial assets at fair value through profit or loss-current		178,864		178,864	None

Taiwan Surface Mounting Technology Corp. and subsidiaries
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2025

Table 4

Expressed in thousands of NTD

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Difference in transaction terms compared to third party transactions		Notes/accounts receivable (payable)	Percentage of total notes/accounts receivable (payable)	Footnote
						Credit term	Unit price			
Taiwan Surface Mounting Technology Corp.	Regent Electron (Suzhou) Co., Ltd.	The Company is the company's fifth-tier subsidiary	Purchase	\$ 4,996,086 thousand	31%	90~120 days after monthly billings	-	(\$ 3,807,828 thousand)	(53%)	-
Regent Electron (Suzhou) Co., Ltd.	Taiwan Surface Mounting Technology Corp.	The Company is the company's ultimate parent company	(sales)	(RMB 1,141,935 thousand)	(34%)	"	-	RMB 851,558 thousand	60%	-
Taiwan Surface Mounting Technology Corp.	Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	The Company is the company's fifth-tier subsidiary	Purchase	\$ 441,667 thousand	3%	"	-	(\$ 132,839 thousand)	(2%)	-
Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	Taiwan Surface Mounting Technology Corp.	The Company is the company's ultimate parent company	(sales)	(RMB 99,706 thousand)	(12%)	"	-	RMB 29,707 thousand	7%	-
Taiwan Surface Mounting Technology Corp.	Regent Electron (Hefei) Co., Ltd.	The Company is the company's fifth-tier subsidiary	Purchase	\$ 2,658,931 thousand	16%	"	-	(\$ 1,066,932 thousand)	(15%)	-
Regent Electron (Hefei) Co., Ltd.	Taiwan Surface Mounting Technology Corp.	The Company is the company's ultimate parent company	(sales)	(RMB 602,985 thousand)	(30%)	"	-	RMB 238,602 thousand	30%	-
Regent Manner Limited	Regent Electron (Chongqing) Co., Ltd.	Affiliate	Purchase	HKD 562,580 thousand	19%	"	-	(HKD 371,992 thousand)	(32%)	-
Regent Electron (Chongqing) Co., Ltd.	Regent Manner Limited	Affiliate	(sales)	(RMB 515,564 thousand)	(53%)	"	-	RMB 335,919 thousand	73%	-
Regent Manner Limited	Regent Electron (Xiamen) Co., Ltd.	Affiliate	Purchase	HKD 133,417 thousand	5%	"	-	(HKD 36,701 thousand)	(3%)	-
Regent Electron (Xiamen) Co., Ltd.	Regent Manner Limited	Affiliate	(sales)	(RMB 122,268 thousand)	(20%)	"	-	RMB 33,142 thousand	14%	-
Regent Manner Limited	Regent Electron (Suzhou) Co., Ltd.	Affiliate	Purchase	HKD 756,917 thousand	26%	"	-	(HKD 281,033 thousand)	(24%)	-
Regent Electron (Suzhou) Co., Ltd.	Regent Manner Limited	Affiliate	(sales)	(RMB 693,660 thousand)	(20%)	"	-	RMB 255,625 thousand	18%	-
Regent Manner Limited	Regent Electron (Hefei) Co., Ltd.	Affiliate	Purchase	HKD 130,997 thousand	5%	"	-	(HKD 22,233 thousand)	(2%)	-
Regent Electron (Hefei) Co., Ltd.	Regent Manner Limited	Affiliate	(sales)	(RMB 120,049 thousand)	(6%)	"	-	RMB 20,077 thousand	3%	-
Regent Manner Limited	Ningbo Yongfu Trade Co., Ltd.	Affiliate	Purchase	HKD 47,128 thousand	2%	"	-	(HKD 4,477 thousand)	(0%)	-
Ningbo Yongfu Trade Co., Ltd.	Regent Manner Limited	Affiliate	(sales)	(RMB 43,189 thousand)	(11%)	"	-	RMB 4,042 thousand	4%	-

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction		Difference in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote
				Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Regent Manner Limited	TSMT Vietnam Co., Ltd.	Affiliate	Purchase	HKD 65,302 thousand	2%	"	-	-	(HKD 30,523 thousand)	(3%)	-
TSMT Vietnam Co., Ltd.	Regent Manner Limited	Affiliate	(sales)	(VND 216,945,353 thousand)	(22%)	"	-	-	VND 102,306,676 thousand	27%	-
Ningbo Yongfu Trade Co., Ltd.	Regent Manner Limited	Affiliate	Purchase	RMB 320,139 thousand	88%	"	-	-	(RMB 88,847 thousand)	(95%)	-
Regent Manner Limited	Ningbo Yongfu Trade Co., Ltd.	Affiliate	(sales)	(HKD 348,307 thousand)	(14%)	"	-	-	HKD 98,388 thousand	11%	-
Ningbo Yongfu Trade Co., Ltd.	Regent Electron (Chongqing) Co., Ltd.	Affiliate	Purchase	RMB 41,185 thousand	11%	"	-	-	(RMB 1,901 thousand)	(2%)	-
Regent Electron (Chongqing) Co., Ltd.	Ningbo Yongfu Trade Co., Ltd.	Affiliate	(sales)	(RMB 41,185 thousand)	(4%)	"	-	-	RMB 1,901 thousand	0%	-

Taiwan Surface Mounting Technology Corp. and subsidiaries
Receivables from related parties reaching NTS100 million or 20% of paid-in capital or more
Year ended December 31, 2025

Table 5

Expressed in thousands of NTD

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2025	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Taiwan Surface Mounting Technology Corp.	TSMT Technology (Singapore) Pte. Ltd.	The Company's subsidiary	Other receivables NTD 413,136 thousand (Note 2)	-	-	-	NTD 0 thousand	-
Taiwan Surface Mounting Technology Corp.	TSMT Vietnam Co., Ltd.	The Company's second-tier subsidiary	Other receivables NTD 798,787 thousand (Note 4)	-	-	-	NTD 60,247 thousand	-
Regent Manner Limited	Regent Electron (Chongqing) Co., Ltd.	The Company's subsidiary	Other receivables HKD 88,937 thousand (Note 4)	-	-	-	HKD 28,865 thousand	-
Regent Manner Limited	TSMT Vietnam Co., Ltd.	Affiliate	Other receivables HKD 83,961 thousand (Note 4)	-	-	-	HKD 40,847 thousand	-
Regent Manner Limited	Fitivision Technology Inc.	"	Other receivables HKD 37,147 thousand (Note 2)	-	-	-	HKD 0 thousand	-
Regent Manner Limited	Regent Electron (Suzhou) Co., Ltd.	The Company's subsidiary	Other receivables HKD 49,458 thousand (Note 4)	-	-	-	HKD 2,949 thousand	-
Regent Manner Limited	Regent Electron (Hefei) Co., Ltd.	The Company's subsidiary	Other receivables HKD 55,240 thousand (Note 4)	-	-	-	HKD 1,466 thousand	-
Regent Manner Limited	Tele System Communications Pte Ltd.	Affiliate	Accounts receivable HKD 46,179 thousand (Note 3)	-	-	-	HKD 18 thousand	-
Regent Manner Limited	Ningbo Yongfu Trade Co., Ltd.	The Company's subsidiary	Accounts receivable HKD 98,388 thousand (Note 3)	-	-	-	HKD 81,525 thousand	-
Regent Electron (Ningbo) Co., Ltd.	Regent Electron (Hefei) Co., Ltd.	Affiliate	Other receivables RMB 60,000 thousand (Note 2)	-	-	-	RMB 0 thousand	-
Regent Electron (Chongqing) Co., Ltd.	Regent Manner Limited	The Company's parent company	Accounts receivable RMB 335,919 thousand (Note 3)	-	-	-	RMB 52,310 thousand	-
Regent Electron (Xiamen) Co., Ltd.	Regent Manner Limited	"	Accounts receivable RMB 33,142 thousand (Note 3)	-	-	-	RMB 19,985 thousand	-
Regent Electron (Hefei) Co., Ltd.	Taiwan Surface Mounting Technology Corp.	The Company is the company's ultimate parent company	Accounts receivable RMB 238,602 thousand (Note 3)	-	-	-	RMB 96,936 thousand	-
Regent Electron (Suzhou) Co., Ltd.	Taiwan Surface Mounting Technology Corp.	"	Accounts receivable RMB 851,558 thousand (Note 3)	-	-	-	RMB 332,284 thousand	-
Regent Electron (Suzhou) Co., Ltd.	Regent Manner Limited	The Company's parent company	Accounts receivable RMB 255,625 thousand (Note 1 and 3)	-	-	-	RMB 83,643 thousand	-
Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	Taiwan Surface Mounting Technology Corp.	The Company is the company's ultimate parent company	Accounts receivable RMB 29,707 thousand (Note 3)	-	-	-	RMB 14,436 thousand	-
Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	Regent Electron (Hefei) Co., Ltd.	Affiliate	Other receivables RMB 50,000 thousand (Note 2)	-	-	-	RMB 0 thousand	-
TSMT Technology (Singapore) Pte. Ltd.	TSMT Vietnam Co., Ltd.	The Company's subsidiary	Other receivables USD 20,454 thousand (Note 2)	-	-	-	USD 1,250 thousand	-
TSMT Vietnam Co., Ltd.	Regent Manner Limited	Affiliate	Accounts receivable VND 102,306,676 thousand (Note 3)	-	-	-	VND 80,316,557 thousand	-

Note 1: It was a receivable arising from processing on behalf of associates

Note 2: It was a receivable arising from loans to others.

Note 3: It was a receivable arising from finished goods sold.

Note 4: It was a receivable arising from materials/machinery and equipment purchased on behalf of others.

Note 5: It was a receivable arising from machinery and equipment sold.

Taiwan Surface Mounting Technology Corp. and subsidiaries
Significant inter-company transactions during the reporting periods
Year ended December 31, 2025

Table 6

Expressed in thousands of NTD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Taiwan Surface Mounting Technology Corp.	Regent Electron (Suzhou) Co., Ltd.	1	Other receivables	\$ 86,836		0%
0	"	Tele System Communications Pte Ltd.	"	Accounts receivable	39,901		0%
0	"	Tele System Communications Pte Ltd.	"	Sales revenue	40,297	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	0%
0	"	Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	"	Other receivables	40,502		0%
0	"	TSMT Vietnam Co., Ltd.	"	Other receivables	798,787		2%
0	"	TSMT Technology (Singapore) Pte. Ltd.	"	Other receivables	413,136		1%
0	"	Regent Manner Limited	"	Other income	21,100	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	0%
1	Regent Manner Limited	Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	3	Other receivables	61,856		0%
1	"	Regent Electron (Suzhou) Co., Ltd.	"	Sales revenue	36,250	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	0%
1	"	"	"	Other receivables	199,711		0%
1	"	Regent Electron (Xiamen) Co., Ltd.	"	Other receivables	38,420		0%
1	"	Regent Electron (Hefei) Co., Ltd.	"	Other receivables	223,059		0%
1	"	Regent Electron (Chongqing) Co., Ltd.	"	Other receivables	359,124		1%
1	"	"	"	Sales revenue	11,271	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	0%
1	"	Fitivision Technology Inc.	"	Other receivables	150,000		0%
1	"	Tele System Communications Pte Ltd.	"	Accounts receivable	186,471		0%
1	"	Ningbo Yongfu Trade Co., Ltd.	"	Sales revenue	1,393,227	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	3%
1	"	"	"	Accounts receivable	397,290		1%
1	"	TSMT Vietnam Co.,Ltd.	"	Other receivables	339,033		1%

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
2	Regent Electron (Suzhou) Co., Ltd.	Regent Manner Limited	3	Accounts receivable	\$ 1,143,060		2%
2	"	"	"	Sales revenue	1,625,330	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	3%
2	"	"	"	Processing fees revenue	1,220,291	"	2%
2	"	"	"	Other operating revenue	182,049	"	0%
2	"	Taiwan Surface Mounting Technology Corp.	2	Sales revenue	4,996,086	"	10%
2	"	"	"	Accounts receivable	3,807,828		7%
2	"	Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	3	Other receivables	10,941		0%
3	Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	Regent Electron (Suzhou) Co., Ltd.	"	Other receivables	17,914		0%
3	"	"	"	Other income	81,693	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	0%
3	"	Taiwan Surface Mounting Technology Corp.	2	Sales revenue	441,667	"	1%
3	"	"	"	Accounts receivable	132,839		0%
3	"	Regent Manner Limited	3	Sales revenue	50,687	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	0%
3	"	"	"	Accounts receivable	12,229		0%
3	"	Regent Electron (Hefei) Co., Ltd.	"	Other receivables	223,581		0%
4	Regent Electron (Xiamen) Co., Ltd.	Regent Manner Limited	"	Accounts receivable	148,198		0%
4	"	"	"	Sales revenue	533,670	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	1%
4	"	Taiwan Surface Mounting Technology Corp.	2	Sales revenue	25,517	"	0%
4	"	"	"	Accounts receivable	13,905		0%
5	Regent Electron(Dongguan) Co., Ltd.	Dongguan Zuefu Electron Co., Ltd.	3	Other income	30,534	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	0%
6	Regent Electron (Chongqing) Co., Ltd.	Regent Manner Limited	"	Accounts receivable	1,502,103		3%
6	"	"	"	Sales revenue	2,250,319	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	5%
6	"	Regent Electron (Hefei) Co., Ltd.	"	Sales revenue	89,745	"	0%
6	"	Ningbo Yongfu Trade Co., Ltd.	"	Other operating revenue	179,765	"	0%
6	"	Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	"	Other receivables	13,713		0%

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
7	Ningbo Yongfu Trade Co., Ltd.	Regent Manner Limited	3	Sales revenue	\$ 188,511	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	0%
7	"	"	"	Accounts receivable	18,077		0%
8	Regent Electron (Hefei) Co., Ltd.	Regent Manner Limited	"	Accounts receivable	89,778		0%
8	"	"	"	Sales revenue	523,988	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	1%
8	"	Taiwan Surface Mounting Technology Corp.	2	Accounts receivable	1,066,932		2%
8	"	"	"	Sales revenue	2,658,931	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	5%
8	"	Regent Electron (Chongqing) Co., Ltd.	3	Other operating revenue	19,365	"	0%
9	Dongguan Zuefu Electron Co., Ltd.	Tai Ming Green Power Co., Ltd.	"	Sales revenue	20,772	"	0%
9	"	"	"	Accounts receivable	10,515		0%
10	TSM Technology (Singapore) Pte. Ltd.	TSM Vietnam Co., Ltd.	"	Other receivables	642,867		1%
10	"	"	"	Interest revenue	26,132	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	0%
11	TSM Vietnam Co.,Ltd.	Regent Manner Limited	"	Accounts receivable	123,252		0%
11	"	"	"	Sales revenue	262,138	Price is made based on mutual agreement, and collection term is 90~120 days after monthly billings	1%
12	Fitivision Technology Inc.	Taiwan Surface Mounting Technology Corp.	2	Other operating revenue	23,727	"	0%
13	Tele System Communications Pte Ltd.	"	"	Other operating revenue	16,079	"	0%
13	"	Regent Manner Limited	3	Other operating revenue	34,715	"	0%
13	"	"	"	Accounts receivable	35,053		0%
14	Regent Electron (Ningbo) Co., Ltd.	Regent Electron (Hefei) Co., Ltd.	"	Other receivables	268,298		1%

Note: Individual transactions not exceeding \$10,000 will not be disclosed as well as according related-party transactions.

Taiwan Surface Mounting Technology Corp. and subsidiaries

Information on investees

Year ended December 31, 2025

Table 7

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss)	Investment	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares (in thousand shares)	Ownership (%)	Book value	of the investee for the year ended December 31, 2025	income(loss) recognised by the Company for the year ended December 31, 2025	
Taiwan Surface Mounting Technology Corp.	Taiwan Surface Mounting Technology Co., LTD	Hong Kong	Rendering service for specific contract items	\$ 42	\$ 42	10	99.99	\$ 3,989	\$ 9	\$ 9	Subsidiary
Taiwan Surface Mounting Technology Corp.	Taiwan Surface Mounting Technology (BVI) Co Limited	British Virgin Islands	Holding company	3,145,743	3,145,743	104,000	100.00	27,145,263	2,417,674	2,417,674	Subsidiary
Taiwan Surface Mounting Technology Corp.	High-Toned Opto Technology Corp	Taiwan	Manufacture and assembling of LED products	79,223	79,223	7,927	85.24	93,702	14,449	12,317	Subsidiary
Taiwan Surface Mounting Technology Corp.	Fitivision Technology Inc.	Taiwan	Digital security monitor and wireless communication device	50,000	50,000	5,000	100.00	(124,652)	(10,479)	(10,479)	Subsidiary
Taiwan Surface Mounting Technology Corp.	Bai Hung Investment Corp. Ltd.	Taiwan	Investment company	109,990	109,990	10,999	99.99	8,308	5,416	5,416	Subsidiary
Taiwan Surface Mounting Technology Corp.	TSMT Technology (Singapore) Pte. Ltd.	Singapore	Holding company	2,813,564	2,813,564	90,000	100.00	1,329,134	(284,566)	(281,623)	Subsidiary
Taiwan Surface Mounting Technology Corp.	Tele System Communications Pte Ltd.	Taiwan	Design and manufacture of wired communication equipment and apparatus and channel KU of Satellite TV	94,513	94,513	9,485	94.85	166,959	10,441	9,903	Subsidiary
Taiwan Surface Mounting Technology Corp.	TSMT-USA	U.S.A	Processing and manufacturing of computer motherboard and interface card of peripheral devices	31,788	31,788	1,000	100.00	25,115	(5,210)	(5,210)	Subsidiary (Note 2)
TSMT Technology (Singapore) Pte. Ltd.	TSMT Technology (India) Pvt. Ltd.	India	Processing and manufacturing of computer motherboard and interface card of peripheral devices	1,049,065	559,502	1,630	100.00	(38,944)	(239,800)	-	Second-tier subsidiary
TSMT Technology (Singapore) Pte. Ltd.	RMIH Technology (India) Pvt. Ltd.	India	Processing and manufacturing of computer motherboard and interface card of peripheral devices	174,844	174,844	735	100.00	166,981	(2,585)	-	Second-tier subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income(loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares (in thousand shares)	Ownership (%)	Book value			
TSMT Technology (Singapore) Pte. Ltd.	TSMT Mexico, S.A. DE C.V.	Mexico	Processing and manufacturing of computer motherboard and interface card of peripheral devices	\$ 697,995	\$ 697,995	400	100.00	\$ 613,485	640	\$ -	Second-tier subsidiary
TSMT Technology (Singapore) Pte. Ltd.	TSMT Vietnam Co.,Ltd.	Vietnam	Processing and manufacturing of computer motherboard and interface card of peripheral devices	452,040	452,040	-	100.00	294,103	(49,017)	-	Second-tier subsidiary (Note 3)
TSMT Technology (Singapore) Pte. Ltd.	TSMT Electronics (India) Private Limited	India	Processing and manufacturing of computer motherboard and interface card of peripheral devices	524,532	-	1,405	99.99	524,022	(526)	-	Second-tier subsidiary (Note 4)
Taiwan Surface Mounting Technology (B.V.I) Co Limited	Regent Manner International Holdings Limited	Cayman Islands	Holding company	3,746,121	3,746,121	2,149,822	100.00	27,099,793	2,417,497	-	Second-tier subsidiary
Taiwan Surface Mounting Technology (B.V.I) Co Limited	TSMT-USA	U.S.A	Processing and manufacturing of computer motherboard and interface card of peripheral devices	-	-	-	-	-	-	-	Second-tier subsidiary (Note 2)
Bai Hung Investment Corp. Ltd.	Tai Ming Green Power Co., Ltd.	Taiwan	Sales of LED application products	50,000	50,000	5,000	100.00	(962)	5,165	-	Second-tier subsidiary
Bai Hung Investment Corp. Ltd.	Tele System Communications Pte Ltd.	Taiwan	Design and manufacture of wired communication equipment and apparatus and channel KU of Satellite TV	2,500	2,500	250	2.50	4,401	10,441	-	Second-tier subsidiary
Regent Manner International Holdings Limited	Regent Manner (BVI) Limited	British Virgin Islands	Holding company	2,299,694	2,299,694	34,631	100.00	27,097,851	2,419,101	-	Third-tier subsidiary
Regent Manner (BVI) Limited	Regent Manner Limited	Hong Kong	Design, processing, manufacture and sales of PCB surface mount packaging in TFT-LCD panels and general electronic information products	2,299,694	2,299,694	573,996	100.00	27,097,851	2,419,101	-	Fourth-tier subsidiary
Tele System Communications Pte Ltd.	Tele System Communications DE Mexico, S.A. DE C.V.	Mexico	Sales of wired communication equipment and apparatus and channel KU of Satellite TV	-	-	-	-	-	-	-	Second-tier subsidiary (Note 1)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income(loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares (in thousand shares)	Ownership (%)	Book value			
Tele System Communications Pte Ltd.	TSC Electronic Pte. Ltd.	Singapore	Sales of wired communication equipment and apparatus and channel KU of Satellite TV	\$ 1,488	\$ 1,488	50	100.00	\$ 1,932	(\$ 102)	\$ -	Second-tier subsidiary

Note 1: Tele System Communications DE Mexico, S.A. DE C.V. was liquidated and deregistered in August 2024.

Note 2: Taiwan Surface Mounting Technology (B.V.I.) Co. Limited transferred all the shares of Taiwan Surface Mounting Technology (U.S.A.) Co., Ltd. to be directly held by TSMT in January 2024.

Note 3: Taiwan Surface Mounting Technology Corp. transferred all the shares of TSMT Vietnam Co., Ltd. to be directly held by TSMT Technology (Singapore) Pte. Ltd. on April 30, 2024.

Note 4: In February 2025, TSMT Electronics (India) Private Limited was invested and established by TSMT Technology (Singapore) Pte. Ltd. and was included in consolidated subsidiaries.

Taiwan Surface Mounting Technology Corp. and subsidiaries

Information on investments in Mainland China

Year ended December 31, 2025

Table 8

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended		Accumulated	Net income of investee as of December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 4)	Book value of investments in Mainland China as of December 31, 2025	Accumulated	Footnote
				amount of remittance from Taiwan to Mainland China as of January 1, 2025	Remitted to Mainland China	Remitted back to Taiwan	amount of remittance from Taiwan to Mainland China as of December 31, 2025					amount of investment income remitted back to Taiwan as of December 31, 2025	
Regent Electron (Suzhou) Co., Ltd	Processing and manufacturing of computer motherboard and interface card of peripheral devices	\$ 2,907,275	Reinvested in Mainland China companies through investing in existing companies in the third area	\$ 1,576,572	\$ -	\$ -	\$ 1,576,572	\$ 730,853	100	\$ 730,853	\$ 11,056,216	\$ 1,566,468	Note 1
Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	1,100,050	Reinvested in Mainland China companies through investing in existing companies in the third area	843,969	-	-	843,969	237,178	100	237,178	2,687,532	872,075	Note 1
Regent Electron (Ningbo) Co., LTD.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	157,150	Reinvested in Mainland China companies through investing in existing companies in the third area	1,693,265	-	-	1,693,265	1,470	100	1,470	345,308	954,814	Note 1
Regent Electron (Xiamen) Co., Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	628,600	Reinvested in Mainland China companies through investing in existing companies in the third area	1,197,702	-	-	1,197,702	114,646	100	114,646	1,248,830	1,550,194	Note 1
Regent Electron (Chengdu) Co., Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	377,160	Reinvested in Mainland China companies through investing in existing companies in the third area	403,208	-	-	403,208	1,904	100	1,904	330,825	-	Note 1
Regent Electron (Dongguan) Co.,Ltd	Processing and manufacturing of computer motherboard and interface card of peripheral devices	628,600	Reinvested in Mainland China companies through investing in existing companies in the third area	702,374	-	-	702,374	3,473	100	3,473	589,653	-	Note 1
Ningbo Yongfu Trade Co., Ltd.	Sales of computer motherboard and interface card of peripheral devices	88,004	Reinvested in Mainland China companies through investing in existing companies in the third area	152,311	-	-	152,311	247,654	100	247,654	2,481,613	-	Note 1
Regent Electron (Hefei) Co., Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	754,320	Reinvested in Mainland China companies through investing in existing companies in the third area	487,729	-	-	487,729	842,350	100	842,350	4,064,568	-	Note 1
Regent Electron (Chongqing) Co., Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	691,460	Reinvested in Mainland China companies through investing in existing companies in the third area	695,575	-	-	695,575	63,607	100	63,607	2,179,794	-	Note 1
Dongguan Zuefu Electron Co., Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	223,580	Investment in subsidiaries of Mainland China companies through reinvestment via companies established in third jurisdictions	-	-	-	-	218,217	100	218,217	2,115,981	-	Note 2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China	Net income of investee as of December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 4)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to	Footnote
				as of January 1, 2025	Remitted to Mainland China	Remitted back to Taiwan	as of December 31, 2025					Taiwan as of December 31, 2025	
Regent Electron (Xianyang) Co., Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	\$ 223,580	Investment in subsidiaries of Mainland China companies through reinvestment via companies established in third jurisdictions	\$ -	\$ -	\$ -	-	\$ 115,366	100	\$ 115,366	\$ 1,923,294	\$ -	Note 2

Note 1: It was reinvested by its third-tier subsidiary, Regent Manner Limited, by cash through its subsidiary in the third area, Taiwan Surface Mounting Technology (B.V.I.) Co. LIMITED. Those investments all had been approved by the MOEA.

Note 2: The company was reinvested by the Company's Mainland China investees approved by the MOEA, no need to submit an additional application for the reinvestments to the MOEA in accordance with the regulations, therefore, the investments would not be included in the calculation of the Company's ceiling on investments in Mainland China.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Taiwan Surface Mounting Technology Corp.	\$ 7,320,477	\$ 10,987,259	(Note 3)

Note 3: The Company met the scope of operation made by the headquarter, thus, no limit was applicable on the Company's investments in Mainland China in accordance with "Regulations Governing the Permission of Investment or Technical Cooperation in Mainland Area" effective August 1, 2008.

Note 4: Companies' investment income (loss) were recognised based on the financial statements that are audited and attested by R.O.C. parent company's CPA.

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
DETAILS OF CASH
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 1

Item	Description	Amount
Cash on hand and petty cash		\$ 248
Demand deposits		
-NTD		266,507
-Checking accounts		2,531
-Foreign exchange deposits	USD \$79,895 thousand, conversion rate \$31.43	2,511,112
	RMB \$5,542 thousand, conversion rate \$4.472	24,782
	JPY \$53,807 thousand, conversion rate \$0.201	10,805
	EUR \$55 thousand, conversion rate \$36.90	2,038
		<u>\$ 2,818,023</u>

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
DETAILS OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 2

<u>Client Name</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Non-related parties:			
F Company		\$ 1,707,525	
D Company		1,009,433	
I Company		241,703	
Others		495,819	Balance of each customer has not exceeded 5% of total accounts receivable
		<u>3,454,480</u>	
Less: Allowance for uncollectible accounts		(2,937)	
		<u>\$ 3,451,543</u>	

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
DETAILS OF INVENTORIES
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 3

Item	Amount		Note
	Cost	Market price	
Raw materials	\$ 883,573	\$ 887,720	
Work in progress	14,031	14,031	
Finished goods	53,575	64,891	
	951,179	\$ 966,642	
Less: Allowance for inventory valuation losses	(154,081)		
	<u>\$ 797,098</u>		

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
DETAILS OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 4

Name	Balance at January 1, 2025		Addition (Note 1)		Reductions (Note 2)		Balance at December 31, 2025			Market value or value per share		Pledged to others as collateral	Note
	Number of shares (per thousand share)	Amount	Number of shares (per share)	Amount	Number of shares (per thousand share)	Amount	Number of shares (per thousand share)	% Interest held	Amount	Price (in dollar)	Total price		
Taiwan Surface Mounting Technology Co., Ltd.	10	\$ 3,980	-	\$ 9	-	\$ -	10	99.99%	\$ 3,989	399	\$ 3,989	None	
Taiwan Surface Mounting Technology (B.V.I.) Co. Limited	104,000	26,255,699	-	2,417,674	-	(1,528,110)	104,000	100.00%	27,145,263	261	27,145,263	None	
Bai Hung Investment Corp. Ltd.	10,999	2,894	-	5,416	-	(2)	10,999	99.99%	8,308	1	8,308	None	
High-Toned Opto Technology Corp.	7,927	99,617	-	12,317	-	(18,232)	7,927	85.24%	93,702	12	93,702	None	
Fitivision Technology Inc.	5,000	(114,173)	-	-	-	(10,479)	5,000	100.00%	(124,652)	(25)	(124,652)	None	
TSMT Technology (Singapore) Pte. Ltd.	90,000	1,632,651	-	2,942	-	(306,459)	90,000	100.00%	1,329,134	15	1,329,134	None	
Tele System Communciations Pte Ltd.	9,485	157,140	-	9,903	-	(84)	9,485	94.85%	166,959	18	166,959	None	
Taiwan Surface Mounting Technology (U.S.A.) Co., Ltd.	1,000	31,681	-	-	-	(6,566)	1,000	100.00%	25,115	25	25,115	None	
		<u>\$ 28,069,489</u>		<u>\$ 2,448,261</u>		<u>(\$1,869,932)</u>			<u>\$ 28,647,818</u>				
Add: Transferred to "other non-current liabilities-credit balance of investments accounted for using equity method".		<u>114,173</u>							<u>124,652</u>				
		<u>\$ 28,183,662</u>							<u>\$ 28,772,470</u>				

Note 1: It arose from investment income, cumulative translation adjustments and additional investments.

Note 2: It arose from investment losses, cash dividends received, cumulative translation adjustments and unrealised gains and losses on financial instruments.

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
DETAILS OF SHORT-TERM BORROWINGS
DECEMBER 31, 2025
 (Expressed in thousands of New Taiwan dollars)

Table 5

<u>Type of borrowings</u>	<u>Balance at December 31, 2025</u>	<u>Contract period</u>	<u>Interest rate range</u>	<u>Financing line</u>	<u>Collateral</u>	<u>Note</u>
Financial institutions borrowings						
Unsecured borrowings	\$ <u>2,492,402</u>	2025.07.07~2026.06.22	1.77%~1.89%	Comprehensive facilities of \$4,900,050	None	

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
DETAILS OF ACCOUNTS PAYABLE
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 6

Name of suppliers	Summary	Amount	Note
Non-related parties			
A Company		\$ 504,292	
B Company		244,213	
C Company		126,971	
Others		1,227,885	None of the balances of any supplier is greater than 5% of this account balance
		<u>\$ 2,103,361</u>	

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
DETAILS OF LONG-TERM BORROWINGS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 7

Creditor	Description	Amount	Contract Period	Interest Rate	Collateral
Yuanta Bank	General medium to long-term unsecured borrowings	\$ 500,000	2024/04/30-2027/03/01	1.85%	None
KGI Bank	"	400,000	2024/02/29-2026/12/31	1.83%	"
KGI Bank	"	350,000	2024/02/29-2026/12/31	1.83%	"
DBS Bank	"	500,000	2024/07/05-2027/07/05	1.83%	"
Less: Current portion		(750,000)			
		<u>\$ 1,000,000</u>			

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
DETAILS OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 8

Item	Quantity	Amount	Note
Total sales revenue			
TFT-LCD panels	24,242 thousand PCS	\$ 8,547,765	
Memory module	13,973 thousand PCS	2,880,316	
Automotive module	5,392 thousand PCS	2,456,999	
Others		832,189	
		14,717,269	
Less: Sales returns		(1,386)	
Sales discounts and allowances		(79,360)	
Total operating revenue		\$ 14,636,523	

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
DETAILS OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 9

Item	Amount
Direct materials	
Beginning balance of raw materials	\$ 1,000,272
Add: Purchase	3,825,331
Less: Ending balance of raw materials	(883,573)
Reclassified as expenses	(1,851)
Raw materials retirement losses	(4,500)
Raw materials sold	(153,705)
Raw materials used	3,781,974
Direct labor	206,325
Manufacturing overhead	1,204,603
Manufacturing cost	5,192,902
Add: Beginning balance of work in progress	2,587
Less: Ending balance of work in progress	(14,031)
Cost of finished goods	5,181,458
Add: Beginning balance of finished goods	90,252
Purchases	8,124,353
Less: Ending balance of finished goods	(53,575)
Finished goods retirement losses	(4,425)
Reclassified as expenses	(2,905)
Production and marketing cost	13,335,158
Add: Cost of materials sales	153,705
Cost of goods sold	13,488,863
Less: Gain on scrapping sales	(211)
Scrap loss	8,925
Resnersal gain on decline in market value	(55,925)
Total operating costs	<u>\$ 13,441,652</u>

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
DETAILS OF MANUFACTURING OVERHEAD
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 10

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Processing fees		\$ 600,505	
Depreciation expense		152,997	
Wages and salaries		117,861	
Consumption		66,429	
Utilities expense		58,272	
Others		208,539	The balance of each expense account has not exceeded 5% of the manufacturing overhead
		<u>\$ 1,204,603</u>	

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
DETAILS OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 11

Item	Summary	Amount	Note
Wages and salaries		\$ 18,588	
freight expense		11,313	
Travel expense		4,848	
Sample expense		2,776	
Others		9,644	Balance of each expense account has not exceeded 5% of the total selling expenses
		<u>\$ 47,169</u>	

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
DETAILS OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 12

Item	Summary	Amount	Note
Employees' bonus		\$ 182,200	
Wages and salaries		112,259	
Depreciation expense		37,493	
Directors' remuneration		30,800	
Miscellaneous disbursements		24,863	
Others		107,344	The balance of each expense account has not exceeded 5% of the administrative expenses
		<u>\$ 494,959</u>	

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
CURRENT EMPLOYEE BENEFITS, DEPRECIATION, AND AMORTISATION EXPENSES SUMMARIZED BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 13

By Nature \ By Function	Year ended December 31, 2025			Year ended December 31, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense						
Wages and salaries	\$ 317,821	\$ 354,309	\$ 672,130	\$ 270,880	\$ 351,734	\$ 622,614
Labour and health insurance fees	44,182	11,045	55,227	43,756	10,939	54,695
Pension costs	12,229	10,570	22,799	12,815	10,376	23,191
Directors' remuneration	-	30,800	30,800	-	28,000	28,000
Other employee benefit expense	17,348	11,078	28,426	17,235	10,957	28,192
Depreciation charge (including right-of-use assets)	166,748	71,741	238,489	152,417	60,750	213,167

Note:

- A. As at December 31, 2025 and 2024, the Company had 782 and 807 employees, including 8 and 7 non-employee directors, respectively.
- B. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information:
- (a) Average employee benefit expense in current year was \$1,006 ((Total employee benefit expense in current year–Total directors' compensation in current year) / (Number of employees in current year–Number of non-employee directors in current year)).
Average employee benefit expense in previous year was \$911 ((Total employee benefit expense in previous year–Total directors' compensation in previous year) / (Number of employees in previous year – Number of non-employee directors in previous year)).
- (b) Average employee salaries in current year were \$868 (Total employee salaries in current year / (Number of employees in current year–Number of non-employee directors in current year)).
Average employee salaries in previous year was \$778 (Total employee salaries in previous year / (Number of employees in previous year–Number of non-employee directors in previous year)).
- (c) Adjustments of average employee salaries was 12% ((Average employee salaries in current year–Average employee salaries in previous year) / Average employee salaries in previous year).

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
CURRENT EMPLOYEE BENEFITS, DEPRECIATION, AND AMORTISATION EXPENSES SUMMARIZED BY FUNCTION (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 13

(d) The Company's salary and remuneration policy (including directors, supervisors, managers and employees)

Under the Company's Articles of Incorporation, the current year's earnings, if any, shall appropriate more than 5% and under 1% as employees' compensation and directors' remuneration, respectively. Aside from minimum wage, employees' compensation also includes bonus which is distributed corresponding the Company's operating condition in order to encourage employees and retain talent employees. Annual salary raise plan takes into consideration employees' job grade, performance assessment and the Company's operating result for the current year to decide the adjusted items and amount. Remunerations to directors and managers shall be proposed by the remuneration committee and then submitted to the Board of Directors for discussion.