

**TAIWAN SURFACE MOUNTING
TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED 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.

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES
Declaration of Consolidated Financial Statements of Affiliated Enterprises

In connection with the Consolidated Financial Statements of Affiliated Enterprises of TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2025 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10. Additionally, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES do not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES

By

Wu, Kai-Yun, Chairman

March 10, 2026

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 consolidated balance sheets of Taiwan Surface Mounting Technology Corp. and subsidiaries (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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 consolidated financial statements* section of our report. We are independent of the Group 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 Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Existence of revenues of the newly top 10 significant customers

Description

Please refer to Note 4(26) for accounting policy on recognition of revenue and Note 6(18) for details of sales revenue.

Considering that the customers' demand has changed, the Group 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 the consolidated 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 Group'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 10 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(13); 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(7).

As of December 31, 2025, the Group's inventories and allowance for inventory valuation losses amounted to NT\$4,021,106 thousand and NT\$418,907 thousand, respectively. The Group 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 Group 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. The Group's inventory and allowance for inventory valuation losses are significant to the consolidated financial statements. Thus, we identified the valuation of allowance for 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 Group’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 Group 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.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Taiwan Surface Mounting Technology Corp. as at and for the years ended December 31, 2025 and 2024.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, 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 consolidated 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 consolidated 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 consolidated 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. AND SUBSIDIARIES
CONSOLIDATED 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)	\$ 10,601,890	21	\$ 9,297,301	18
1110	Financial assets at fair value through profit or loss - current	6(2)	3,268,740	6	4,409,678	9
1136	Financial assets at amortised cost - current	6(4)	2,931,927	6	3,519,379	7
1150	Notes receivable, net	6(5)	57,260	-	79,351	-
1170	Accounts receivable, net	6(5)	15,671,167	30	15,846,221	30
1200	Other receivables		76,049	-	93,533	-
1220	Current income tax assets		6,888	-	2,512	-
130X	Inventories	6(7)	3,602,199	7	4,065,190	8
1410	Prepayments		525,544	1	638,253	1
1479	Other current assets, others		313	-	84	-
11XX	Total current assets		<u>36,741,977</u>	<u>71</u>	<u>37,951,502</u>	<u>73</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non- current	6(3)	69,073	-	118,526	-
1600	Property, plant and equipment	6(8)	12,792,716	25	11,926,367	23
1755	Right-of-use assets	6(9)	945,079	2	899,163	2
1840	Deferred income tax assets	6(25)	188,262	-	171,057	-
1915	Prepayments for business facilities		404,495	1	687,717	1
1990	Other non-current assets, others		511,857	1	441,963	1
15XX	Total non-current assets		<u>14,911,482</u>	<u>29</u>	<u>14,244,793</u>	<u>27</u>
1XXX	Total assets		<u>\$ 51,653,459</u>	<u>100</u>	<u>\$ 52,196,295</u>	<u>100</u>

(Continued)

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED 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)	\$ 3,572,767	7	\$ 4,503,856	9
2120	Financial liabilities at fair value through profit or loss - current	6(2)	3,520	-	418	-
2130	Contract liabilities - current	6(18)	165,893	-	226,568	-
2150	Notes payable		56	-	4,969	-
2170	Accounts payable		14,249,513	27	15,097,280	29
2200	Other payables	6(12)	2,983,642	6	2,759,817	5
2230	Current income tax liabilities		1,006,948	2	834,743	2
2280	Lease liabilities - current		24,119	-	31,544	-
2320	Long-term liabilities, current portion	6(13)	1,064,149	2	218,750	-
2399	Other current liabilities, others		1,023,919	2	995,159	2
21XX	Total current liabilities		<u>24,094,526</u>	<u>46</u>	<u>24,673,104</u>	<u>47</u>
	Non-current liabilities					
2540	Long-term borrowings	6(13)	2,351,641	5	2,569,750	5
2570	Deferred income tax liabilities	6(25)	2,092,160	4	2,196,453	5
2580	Lease liabilities - non-current		32,424	-	59,400	-
2600	Other non-current liabilities		87,035	-	87,883	-
25XX	Total non-current liabilities		<u>4,563,260</u>	<u>9</u>	<u>4,913,486</u>	<u>10</u>
2XXX	Total liabilities		<u>28,657,786</u>	<u>55</u>	<u>29,586,590</u>	<u>57</u>
	Equity attributable to owners of parent					
	Share capital	6(15)				
3110	Common stock		2,923,984	6	2,923,984	6
	Capital surplus	6(16)				
3200	Capital surplus		2,505,974	5	2,505,943	5
	Retained earnings	6(17)				
3310	Legal reserve		3,117,868	6	2,827,534	5
3320	Special reserve		300,000	1	709,669	1
3350	Unappropriated retained earnings		13,957,031	27	12,702,029	24
	Other equity interest					
3400	Other equity interest		167,414	-	916,395	2
31XX	Total equity attributable to owners of the parent		<u>22,972,271</u>	<u>45</u>	<u>22,585,554</u>	<u>43</u>
36XX	Non-controlling interest		23,402	-	24,151	-
3XXX	Total equity		<u>22,995,673</u>	<u>45</u>	<u>22,609,705</u>	<u>43</u>
	Significant contingent liabilities and unrecorded contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 51,653,459</u>	<u>100</u>	<u>\$ 52,196,295</u>	<u>100</u>

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

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED 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)	\$ 49,877,415	100	\$ 45,287,887	100
5000	Operating costs	6(7)(23)(24)	(43,491,424)	(87)	(39,236,290)	(86)
5900	Net operating margin		<u>6,385,991</u>	<u>13</u>	<u>6,051,597</u>	<u>14</u>
	Operating expenses	6(23)(24)				
6100	Selling expenses		(309,490)	(1)	(349,314)	(1)
6200	General and administrative expenses		(1,740,755)	(3)	(1,884,632)	(4)
6300	Research and development expenses		(772,066)	(2)	(769,633)	(2)
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(59,049)	-	(38,615)	-
6000	Total operating expenses		<u>(2,881,360)</u>	<u>(6)</u>	<u>(3,042,194)</u>	<u>(7)</u>
6900	Operating profit		<u>3,504,631</u>	<u>7</u>	<u>3,009,403</u>	<u>7</u>
	Non-operating income and expenses					
7100	Interest income	6(19)	306,893	-	458,362	1
7010	Other income	6(20)	313,067	1	363,045	1
7020	Other gains and losses	6(21)	(425,485)	(1)	(39,776)	-
7050	Finance costs	6(22)	(187,574)	-	(176,843)	(1)
7000	Total non-operating income and expenses		<u>6,901</u>	<u>-</u>	<u>604,788</u>	<u>1</u>
7900	Profit before income tax		<u>3,511,532</u>	<u>7</u>	<u>3,614,191</u>	<u>8</u>
7950	Income tax expense	6(25)	(763,044)	(1)	(701,845)	(2)
8000	Profit for the year from continuing operations		<u>2,748,488</u>	<u>6</u>	<u>2,912,346</u>	<u>6</u>
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
8311	Losses on remeasurements of defined benefit plan	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)	-	10,580	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		<u>(51,673)</u>	<u>-</u>	<u>5,819</u>	<u>-</u>
	Components of other comprehensive (loss) income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(699,529)	(2)	1,315,140	3
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		<u>(699,529)</u>	<u>(2)</u>	<u>1,315,140</u>	<u>3</u>
8300	Other comprehensive (loss) income for the year		<u>(\$ 751,202)</u>	<u>(2)</u>	<u>\$ 1,320,959</u>	<u>3</u>
8500	Total comprehensive income for the year		<u>\$ 1,997,286</u>	<u>4</u>	<u>\$ 4,233,305</u>	<u>9</u>
	Profit, attributable to:					
8610	Owners of the parent		\$ 2,746,078	6	\$ 2,906,467	6
8620	Non-controlling interest		<u>2,410</u>	<u>-</u>	<u>5,879</u>	<u>-</u>
			<u>\$ 2,748,488</u>	<u>6</u>	<u>\$ 2,912,346</u>	<u>6</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 1,994,877	4	\$ 4,229,405	9
8720	Non-controlling interest		<u>2,409</u>	<u>-</u>	<u>3,900</u>	<u>-</u>
			<u>\$ 1,997,286</u>	<u>4</u>	<u>\$ 4,233,305</u>	<u>9</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 consolidated financial statements.

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

	Equity attributable to owners of the parent										
	Notes	Retained earnings					Other equity interest			Non-controlling 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	Total		
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	\$ 20,251	\$ 19,838,369
Profit for the year		-	-	-	-	2,906,467	-	-	2,906,467	5,879	2,912,346
Other comprehensive income (loss) for the year		-	-	-	-	(4,761)	1,317,119	10,580	1,322,938	(1,979)	1,320,959
Total comprehensive income		-	-	-	-	2,901,706	1,317,119	10,580	4,229,405	3,900	4,233,305
Unclaimed dividends past due	6(16)	-	23	-	-	-	-	-	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)	-	(1,461,992)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)	-	-	-	-	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	\$ 24,151	\$ 22,609,705
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	\$ 24,151	\$ 22,609,705
Profit for the year		-	-	-	-	2,746,078	-	-	2,746,078	2,410	2,748,488
Other comprehensive loss for the year		-	-	-	-	(2,220)	(699,528)	(49,453)	(751,201)	(1)	(751,202)
Total comprehensive income (loss)		-	-	-	-	2,743,858	(699,528)	(49,453)	1,994,877	2,409	1,997,286
Unclaimed dividends past due	6(16)	-	31	-	-	-	-	-	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)	-	(1,608,191)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	(3,158)	(3,158)
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	\$ 23,402	\$ 22,995,673

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

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED 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		\$ 3,511,532	\$ 3,614,191
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including right-of-use assets)	6(8)(9)(23)	1,855,333	1,711,323
Expected credit loss	6(23) and 12(2)	59,049	38,615
Loss (gain) on financial assests or liabilities at fair value through profit or loss	6(2)	3,520	(2,836)
Interest expense	6(22)	187,574	176,843
Interest income	6(19)	(306,893)	(458,362)
Loss on disposals of property, plant and equipment	6(21)	74,233	122,623
Impairment loss (gain on reversal of loss) on non-financial assets	6(8)(10)(21)	107,230	(1,014)
Gain on disposals of right-of-use assets	6(9)(21)	-	(1,752)
Loss (profit) from lease modification	6(9)(21)	516	(329)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		22,091	(77,298)
Accounts receivable, net		135,783	(1,194,391)
Other receivables		12,183	25,881
Inventories		377,104	(1,258,090)
Prepayments		112,709	(245,386)
Other current assets,others		(229)	148
Changes in operating liabilities			
Contract liabilities - current		(60,675)	80,965
Notes payable		(4,913)	(1,702)
Accounts payable		(847,767)	1,095,317
Other payables		71,566	162,338
Other current liabilities, others		28,760	53,865
Cash inflow generated from operations		5,338,706	3,840,949
Interest received		312,194	481,161
Interest paid		(185,439)	(172,055)
Income taxes paid		(654,627)	(1,098,110)
Net cash flows from operating activities		<u>4,810,834</u>	<u>3,051,945</u>

(Continued)

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED 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		\$ 1,140,520	\$ 426,617
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	-	8,276
Acquisition of financial assets at amortised cost		(8,820,048)	(11,134,472)
Proceeds from repayments of financial assets at amortised cost		9,262,470	13,563,154
Acquisition of property, plant and equipment	6(27)	(2,617,179)	(1,670,459)
Proceeds from disposal of property, plant and equipment	6(8)	31,602	36,270
Acquisition of right-of-use assets		(139,940)	(124,410)
Proceeds from disposal of right-of-use assets	6(9)	-	53,824
Increase in prepayments for business facilities		(468,729)	(548,296)
(Increase) decrease in other non-current assets		(63,573)	77,541
Decrease (increase) in refundable deposits		4,231	(7,212)
Net cash flows (used in) from investing activities		(1,670,646)	680,833
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans	6(28)	11,404,505	15,573,450
Decrease in short-term loans	6(28)	(12,291,633)	(16,437,858)
Proceeds from long-term debt	6(28)	873,040	2,571,123
Repayments of long-term debt	6(28)	(218,750)	(2,031,250)
Decrease in other non-current liabilities	6(28)	(6,487)	(11,887)
Unclaimed dividends past due	6(16)	31	23
Repayments of lease liabilities	6(28)	(33,238)	(25,674)
Increase in guarantee deposits received	6(28)	3,419	10,060
Cash dividends paid	6(17)	(1,608,191)	(1,461,992)
Subsidiary's cash dividends paid to non-controlling interest		(3,144)	-
Net cash flows used in financing activities		(1,880,448)	(1,814,005)
Effect of exchange rate changes on cash and cash equivalents		44,849	598,607
Net increase in cash and cash equivalents		1,304,589	2,517,380
Cash and cash equivalents at beginning of year	6(1)	9,297,301	6,779,921
Cash and cash equivalents at end of year	6(1)	\$ 10,601,890	\$ 9,297,301

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

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED 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”) and its subsidiaries (collectively referred herein as the “Group”) were 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 consolidated 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:

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

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

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 Group’s financial condition and financial performance based on the Group’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 Group’s financial condition and financial performance based on the Group’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 consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, 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”).

(2) Basis of preparation

A. Except for the following items, the consolidated 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 IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group 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. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group 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 Group loses control of a subsidiary, all gains or losses previously recognised 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.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
Taiwan Surface Mounting Technology Corp.	Taiwan Surface Mounting Technology (B.V.I.) Co. Limited	Investment holding company	100.00	100.00	
"	Taiwan Surface Mounting Technology Co., Ltd.	Rendering service for specific contract items	99.99	99.99	
"	High-Toned Opto Technology Corp	Manufacture and assembling of LED products	85.24	85.24	
"	Bai Hung Investment Corp. Ltd.	Investment holding company	99.99	99.99	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
Taiwan Surface Mounting Technology Corp.	Fitivision Technology Inc.	Digital security monitor and wireless communication device	100.00	100.00	
"	TSMT Technology (Singapore) Pte. Ltd	Investment holding company	100.00	100.00	
"	Tele System Communication Pte Ltd.	Design and manufacture of wired communication equipment and apparatus and channel KU of Satellite TV	94.85	94.85	
"	TSMT Vietnam Co.,Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	0.00	0.00	Note 2
Taiwan Surface Mounting Technology Corp.	Taiwan Surface Mounting Technology(U.S.A) Co., Ltd	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	Note 3

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
Taiwan Surface Mounting Technology (B.V.I.) Co. Limited	Regent Manner Int'l Holdings Limited	Investment holding company	100.00	100.00	
"	Taiwan Surface Mounting Technology(U.S.A) Co., Ltd	Processing and manufacturing of computer motherboard and interface card of peripheral devices	0.00	0.00	Note 3
Regent Manner Int'l Holdings Limited	Regent Manner (BVI) Limited	Investment holding company	100.00	100.00	
Regent Manner (BVI) Limited	Regent Manner Limited	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	
Regent Manner Limited	Regent Electron (Suzhou) Co., Ltd	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
Regent Manner Limited	Taiwan Surface Mounting Technology (Suzhou) Co., Ltd	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	
"	Regent Electron (Ningbo) Co., Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	
"	Regent Electron (Xiamen) Co., Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	
"	Regent Electron (Chengdu) Co.,Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
Regent Manner Limited	Regent Electron (Dongguan) Co., Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	
"	Regent Electron (Hefei) Co., Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	
"	Regent Electron (Chongqing) Co., Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	
"	Ningbo Yongfu Trade Co., Ltd.	Sales of computer motherboard and interface card of peripheral devices	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
Ningbo Yongfu Trade Co., Ltd	Dongguan Zuefu Electron Co., Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	
Regent Electron (Suzhou) Co., Ltd	Regent Electron (Xianyang) Co., Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	
Bai Hung Investment Corp. Ltd.	Tai Ming Green Power Co.,Ltd.	Sales of LED application products	100.00	100.00	
"	Tele System Communication Pte Ltd.	Design and manufacture of wired communication equipment and apparatus and channel KU of Satellite TV	2.50	2.50	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
TSMT Technology (Singapore) Pte. Ltd.	TSMT Technology (India) Pvt. Ltd	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	
TSMT Technology (Singapore) Pte. Ltd.	RMIH Technology (India) Pvt. Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	
"	TSMT Mexico, S.A. DE C.V.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	
"	TSMT Vietnam Co., Ltd.	Processing and manufacturing of computer motherboard and interface card of peripheral devices	100.00	100.00	Note 2

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
TSMT Technology (Singapore) Pte. Ltd.	TSMT Electronics (India) Private Limited	Processing and manufacturing of computer motherboard and interface card of peripheral devices	99.99	0.00	Note 4
Tele System Communication Pte Ltd.	Tele System Communication De Mexico, S.A. DE C.V.	Sales of wired communication equipment and apparatus and channel KU of Satellite TV	0.00	0.00	Note 1
"	TSC Electronic Pte. Ltd.	Sales of wired communication equipment and apparatus and channel KU of Satellite TV	100.00	100.00	

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

Note 2: TSMT transferred all of shares to TSMT Technology (Singapore) Pte. Ltd. for direct holding 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 TSMT in January 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.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation 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 or joint arrangement, 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 Group retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, 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 Group 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.

(5) 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.

(6) 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.

(7) 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 Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognizes the dividends income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) 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 Group 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 Group measures the financial assets at fair value plus transaction costs. The Group 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 Group and the amount of the dividend can be measured reliably.

(9) 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 Group'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 Group 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 Group'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.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- C. The Group's operating pattern of accounts receivable that are expected to be factored is for the purpose of selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognised in profit or loss.

(11) Impairment of financial assets

For debt instruments measured at financial assets at amortised cost, at each reporting date, the Group 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 Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group 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 Group 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 Group has not retained control of the financial asset.

(13) 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 labour, 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.

(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 Group 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	20~35 years
Machinery and equipment	5~10 years
Other facilities	3~10 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 Group. 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 Group 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 Group 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 Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group 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 Group 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 Group 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 Group'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 Group 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 Group 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 consolidated 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 Group 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 Group manufactures and sells the 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 Group has objective evidence that all criteria for acceptance have been satisfied.
- B. Sale 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.

(27) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group'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 Group'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 Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group 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 \$3,602,199.

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	\$ 3,895	\$ 2,084
Checking accounts and demand deposits	9,446,347	7,066,293
Time deposits	1,151,648	2,228,924
	<u>\$ 10,601,890</u>	<u>\$ 9,297,301</u>

A. The Group 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 Group 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		
Capital guarantee financial products	\$ 3,268,740	\$ 4,406,424
Cross currency swap	-	3,254
	<u>\$ 3,268,740</u>	<u>\$ 4,409,678</u>
<u>Liabilities Items</u>		
Current items:		
Financial liabilities mandatorily measured at fair value through profit or loss		
Forward foreign exchange contracts	\$ -	\$ 418
Cross currency swap	3,520	-
	<u>\$ 3,520</u>	<u>\$ 418</u>

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		
Capital guarantee financial products	\$ 68,632	\$ 112,652
Cross currency swap - valuation gain or loss	-	3,254
Cross currency swap - settled gain or loss	3,849	-
Forward foreign exchange contracts		
- settled gain or loss	3,539	-
or loss		
Financial liabilities mandatorily measured at fair value through profit or loss		
Cross currency swap - valuation gain or loss	(3,520)	-
Cross currency swap - settled gain or loss	1,253	4,339
Forward foreign exchange contracts		
- valuation gain or loss	-	(418)
Forward foreign exchange contracts		
- settled gain or loss	(152)	(601)
	<u>\$ 73,601</u>	<u>\$ 119,226</u>

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

December 31, 2025		
Derivative financial instruments	Contract amount (notional principal)	Contract period
Current items:		
Cross currency swap	\$ 134,598	2025.12.09~2026.01.29
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>	
December 31, 2024		
Derivative financial instruments	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
Forward foreign exchange contracts	9,837	2024.12.12~2025.02.18
Forward foreign exchange contracts	9,837	2024.12.13~2025.02.18
Forward foreign exchange contracts	13,116	2024.12.20~2025.02.25
	<u>\$ 325,290</u>	

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

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

D. Information relating to credit risk of financial assets/liabilities 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
Current items:		
Equity instruments		
Listed stocks	\$ 290,896	\$ 290,896
Unlisted stocks	10,622	10,622
Valuation adjustment	(232,445)	(182,992)
	<u>\$ 69,073</u>	<u>\$ 118,526</u>

A. The Group has elected to classify equity securities investments 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. The group sold Chuzhou Bichen Technology Co., Ltd. in February of the 2024 for operational considerations. The fair value of the sale was \$8,276, and the accumulated disposal gain was \$1,634.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 49,453)	\$ 10,580
Cumulative gains reclassified to retained earnings due to derecognition	\$ -	\$ 1,634

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 financial assets at fair value through other comprehensive income held by the Group was \$69,073 and \$118,526, respectively.

E. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

F. 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	\$ 2,914,935	\$ 3,502,045
Drawing restricted time deposits	16,992	17,334
	<u>\$ 2,931,927</u>	<u>\$ 3,519,379</u>

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

	Years ended December 31,	
	2025	2024
Interest income	\$ 149,763	\$ 230,093

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 Group was \$2,931,927 and \$3,519,379, respectively.

C. The Group 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 Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ 57,260	\$ 79,351
Accounts receivable	\$ 16,102,820	\$ 16,239,184
Less: Allowance for bad debts	(431,653)	(392,963)
	<u>\$ 15,671,167</u>	<u>\$ 15,846,221</u>

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>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 15,240,407	\$ 57,260	\$ 15,531,269	\$ 79,351
Up to 90 days	88,082	-	351,383	-
91 to 180 days	90,401	-	147,448	-
181 to 365 days	609,052	-	126,849	-
Over 1 year	74,878	-	82,235	-
	<u>\$ 16,102,820</u>	<u>\$ 57,260</u>	<u>\$ 16,239,184</u>	<u>\$ 79,351</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2025 and 2024, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to \$15,051,426.
- C. Details of the Group's notes and accounts receivable pledged to others as collateral are provided in Note 8.
- D. As of December 31, 2025 and 2024, the Group had outstanding discounted notes receivable amounting to \$52,779 and 77,249, respectively. The Group has payment obligation when the drawers of the notes refuse to pay for the notes at maturity. However, in general, the Group does not expect that the drawers of the notes would refuse to pay for the notes at maturity. The liabilities arising on discounted notes receivable were presented as short-term borrowings, refer to Note 6(11) for more details.
- E. 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 Group's notes and accounts receivable was \$57,260 and \$79,351; \$15,671,167 and \$15,846,221, respectively.
- F. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2).

(6) Transfer of financial assets

Certain notes receivable that were discounted to banks meet the requirements of derecognition as financial assets. The Group retains the obligation to pay as endorser only when the issuer or acceptor of a note refuses to pay at maturity; however, the credit rating of issuers or acceptors of the aforementioned notes is very high.

The Group derecognised the transferred notes receivable, and the related information is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discounted to banks	\$ 83,835	\$ 98,044

(7) Inventories

	<u>December 31, 2025</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 2,966,782	(\$ 324,864)	\$ 2,641,918
Work in progress	91,626	-	91,626
Finished goods	962,698	(94,043)	868,655
	<u>\$ 4,021,106</u>	<u>(\$ 418,907)</u>	<u>\$ 3,602,199</u>

	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 3,460,309	(\$ 397,723)	\$ 3,062,586
Work in progress	45,482	-	45,482
Finished goods	1,088,901	(131,779)	957,122
	<u>\$ 4,594,692</u>	<u>(\$ 529,502)</u>	<u>\$ 4,065,190</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	\$ 43,455,851	\$ 38,708,383
Gain on reversal of decline market value	(103,387)	(53,479)
Scrap loss	8,925	18,692
Others	130,035	562,694
	<u>\$ 43,491,424</u>	<u>\$ 39,236,290</u>

The Group reversed a previous inventory write-down and accounted for as reduction of cost of goods sold because inventories were subsequently scrapped or sold for the years ended December 31, 2025 and 2024.

(8) Property, plant and equipment

	2025					
	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Construction in progress</u>	<u>Other facilities</u>	<u>Total</u>
<u>At January 1</u>						
Cost	\$ 403,267	\$ 7,177,747	\$ 12,349,090	\$ 406,979	\$ 1,646,592	\$ 21,983,675
Accumulated depreciation and impairment	-	(2,471,518)	(6,734,697)	-	(851,093)	(10,057,308)
	<u>\$ 403,267</u>	<u>\$ 4,706,229</u>	<u>\$ 5,614,393</u>	<u>\$ 406,979</u>	<u>\$ 795,499</u>	<u>\$ 11,926,367</u>
Opening net book amount as at January 1	\$ 403,267	\$ 4,706,229	\$ 5,614,393	\$ 406,979	\$ 795,499	\$ 11,926,367
Additions	659	16,327	1,534,632	637,212	581,617	2,770,447
Transfer	-	394	365,234	(394)	412,743	777,977
Disposals	-	-	(72,006)	(13,386)	(20,443)	(105,835)
Depreciation charge	-	(353,257)	(994,065)	-	(459,401)	(1,806,723)
Impairment loss	-	-	(101,481)	-	(5,749)	(107,230)
Net exchange differences	14,964	(116,216)	(458,355)	(31,541)	(71,139)	(662,287)
Closing net book amount as at December 31	<u>\$ 418,890</u>	<u>\$ 4,253,477</u>	<u>\$ 5,888,352</u>	<u>\$ 998,870</u>	<u>\$ 1,233,127</u>	<u>\$ 12,792,716</u>
<u>At December 31</u>						
Cost	\$ 418,890	\$ 7,023,155	\$ 12,487,278	\$ 998,870	\$ 2,366,690	\$ 23,294,883
Accumulated depreciation and impairment	-	(2,769,678)	(6,598,926)	-	(1,133,563)	(10,502,167)
	<u>\$ 418,890</u>	<u>\$ 4,253,477</u>	<u>\$ 5,888,352</u>	<u>\$ 998,870</u>	<u>\$ 1,233,127</u>	<u>\$ 12,792,716</u>

	2024					
	Land	Buildings and structures	Machinery and equipment	Construction in progress	Other facilities	Total
<u>At January 1</u>						
Cost	\$ 416,465	\$ 5,783,289	\$ 11,828,424	\$ 926,342	\$ 1,607,087	\$ 20,561,607
Accumulated depreciation and impairment	-	(2,045,767)	(6,321,802)	-	(869,902)	(9,237,471)
	<u>\$ 416,465</u>	<u>\$ 3,737,522</u>	<u>\$ 5,506,622</u>	<u>\$ 926,342</u>	<u>\$ 737,185</u>	<u>\$ 11,324,136</u>
Opening net book amount as at January 1	\$ 416,465	\$ 3,737,522	\$ 5,506,622	\$ 926,342	\$ 737,185	\$ 11,324,136
Additions	8,624	296,866	738,212	310,797	294,390	1,648,889
Transfer	-	875,738	88,006	(841,608)	10,369	132,505
Disposals	-	-	(102,704)	-	(56,189)	(158,893)
Depreciation charge	-	(316,387)	(1,062,879)	-	(292,018)	(1,671,284)
Reversal of impairment	-	-	1,014	-	-	1,014
Net exchange differences	(21,822)	112,490	446,122	11,448	101,762	650,000
Closing net book amount as at December 31	<u>\$ 403,267</u>	<u>\$ 4,706,229</u>	<u>\$ 5,614,393</u>	<u>\$ 406,979</u>	<u>\$ 795,499</u>	<u>\$ 11,926,367</u>
<u>At December 31</u>						
Cost	\$ 403,267	\$ 7,177,747	\$ 12,349,090	\$ 406,979	\$ 1,646,592	\$ 21,983,675
Accumulated depreciation and impairment	-	(2,471,518)	(6,734,697)	-	(851,093)	(10,057,308)
	<u>\$ 403,267</u>	<u>\$ 4,706,229</u>	<u>\$ 5,614,393</u>	<u>\$ 406,979</u>	<u>\$ 795,499</u>	<u>\$ 11,926,367</u>

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

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

(9) Leasing arrangements – lessee

A. The Group leases various assets including land, buildings, business vehicles and others. Except for land use right with a term of 45 to 94 years, rental contracts are typically made for periods of 2 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	
Land	\$	889,315	\$	809,035
Buildings		43,012		69,497
Transportation equipment (Business vehicles)		12,752		20,583
Others		-		48
	\$	<u>945,079</u>	\$	<u>899,163</u>

	<u>Years ended December 31,</u>		<u>Years ended December 31,</u>	
	2025		2024	
	Depreciation charge		Depreciation charge	
Land	\$	15,893	\$	13,469
Buildings		24,838		23,495
Transportation equipment (Business vehicles)		7,831		2,959
Others		48		116
	\$	<u>48,610</u>	\$	<u>40,039</u>

C. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$148,373 and \$200,272, respectively.

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

	<u>Years ended December 31,</u>		<u>Years ended December 31,</u>	
	2025		2024	
<u>Items affecting profit or loss</u>				
Interest expense on lease liabilities	\$	2,206	\$	2,124
Expense on short-term lease contracts		18,890		22,501
Gain or (loss) on lease modification		516	(329)

E. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$54,334 and \$50,299, respectively.

F. On February 6, 2024, Taiwan Surface Mounting Technology (Suzhou) Co., Ltd. followed local government's plan and entered into a contract with Wujiang Economic and Technological Development Zone's Committee and transferred the right-of-use of land, the contract price was \$53,824 with gains on disposal of \$1,752.

(10) Impairment of non-financial assets

- A. The Group recognised (impairment loss) gain on reversal of impairment loss for the years ended December 31, 2025 and 2024 amounting to (\$107,230) and \$1,014, respectively. Details of such loss are as follows:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in profit or loss	Recognised in other comprehensive income
(Impairment loss)/reversal of impairment loss :				
Property, plant and equipment	(\$ 107,230)	\$ -	\$ 1,014	\$ -

- B. Considering future operating plans, the Group 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 Group recognised impairment loss amounting to \$108,863 and \$0, respectively, which was accounted as other gains and losses.
- C. For the years ended December 31, 2025 and 2024, the Group recognised gains on reversal of impairment loss which was accounted as other gains and losses as the Group sold some machinery and equipment whereby the prior years' impairment loss of assets was written-off \$1,633 and \$1,014, respectively.

(11) Short-term borrowings

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Unsecured borrowings	\$ 3,519,988	1.77%~2.20%	None
Discounted notes receivable liability	52,779	0.68%~1.80%	Note 8
	<u>\$ 3,572,767</u>		
Type of borrowings	December 31, 2024	Interest rate range	Collateral
Unsecured borrowings	\$ 4,426,607	1.75%~7.18%	None
Discounted notes receivable liability	77,249	0.71%~2.65%	Note 8
	<u>\$ 4,503,856</u>		

Discounted notes receivable liabilities were arising from discounted notes receivable which did not meet the derecognition criteria. Please refer to Note 6(5) for details. As of December 31, 2025 and 2024, the interest expense recognised in profit or loss amounted to \$971 and 884, respectively.

(12) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Directors' remuneration and employees' compensation payables	\$ 929,929	\$ 812,075
Salary and bonus payable	549,381	635,149
Payables for machinery and equipment	307,504	154,236
Others	1,196,828	1,158,357
	<u>\$ 2,983,642</u>	<u>\$ 2,759,817</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 USD borrowings	Borrowings period for the payment of US\$15 million is from August 2, 2023 to February 2, 2029 at maturity; and the principal is repayable in 13 installments starting from February 2, 2026.	4.39%	None	\$ 471,450
Bank unsecured USD borrowings	Borrowings period for the payment of US\$5 million is from April 15, 2024 to April 13, 2029; and the principal is repayable in 13 installments starting from April 15, 2026.	4.47%	None	157,150
Bank unsecured USD borrowings	Borrowings period for the payment of US\$5 million is from October 22, 2024 to April 13, 2029; and the principal is repayable in 13 installments starting from April 15, 2026.	4.29%	None	157,150
Bank unsecured USD borrowings	Borrowings period for the payment of US\$5.5 million is from March 24, 2025 to March 17, 2028; and the principal is repayable in 8 installments starting from June 17, 2026.	4.39%	None	172,865
Bank unsecured USD borrowings	The principal of US\$0.5 million is repayable from March 24, 2025 to March 17, 2028 at maturity.	4.39%	None	15,715
Bank unsecured USD borrowings	Borrowings period for the payment of US\$10 million is from April 8, 2025 to October 8, 2030 at maturity; and the principal is repayable in 13 installments starting from October 8, 2027.	4.54%	None	314,300
Bank unsecured USD borrowings	Borrowings period for the payment of US\$11 million is from August 20, 2025 to March 17, 2028 at maturity; and the principal is repayable in 8 installments starting from June 17, 2026.	4.59%	None	345,730
Bank unsecured USD borrowings	The principal of US\$1 million is repayable from August 20, 2025 to March 17, 2028 at maturity.	4.59%	None	31,430

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2025
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	Borrowing period is from February 29, 2024 to December 31, 2026; principal is repayable in 3 installments from January 5, 2026.	1.83%	None	400,000
Bank unsecured borrowings	Borrowing period is from March 29, 2024 to December 31, 2026; 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				(1,064,149)
				<u>\$ 2,351,641</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
Installment-repayment borrowings				
Bank unsecured USD borrowings	Borrowings period for the payment of US\$15 million is from August 2, 2023 to February 2, 2029 at maturity.	5.05%	None	\$ 491,850
Bank unsecured USD borrowings	Borrowings period for the payment of US\$5 million is from April 15, 2024 to April 13, 2029; and the principal is repayable in 13 installments starting from April 15, 2026.	5.25%	None	163,950
Bank unsecured USD borrowings	Borrowings period for the payment of US\$5 million is from October 22, 2024 to April 13, 2029; and the principal is repayable in 11 installments starting from April 15, 2026.	5.04%	None	163,950
Bank unsecured borrowings	Principal is repayable from April 30, 2024 to March 1, 2027 at maturity.	1.80%	None	500,000
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	Borrowing period is from February 29, 2024 to December 31, 2026; principal is repayable in 3 installments from January 5, 2026.	1.82%	None	400,000
Bank unsecured borrowings	Borrowing period is from March 29, 2024 to December 31, 2026; principal is repayable in 3 installments from January 5, 2026.	1.82%	None	350,000
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>\$ 2,569,750</u>

(14) Pensions

A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, 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 Pension 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 and its domestic subsidiaries contribute 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 and its domestic subsidiaries 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 and its domestic subsidiaries 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)	<u>1,785</u>	<u>(832)</u>	<u>953</u>
	<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	<u>3,111</u>	<u>-</u>	<u>3,111</u>
	<u>5,534</u>	<u>(3,314)</u>	<u>2,220</u>
Pension fund contribution	-	(7,601)	(7,601)
Paid pension	<u>(2,057)</u>	<u>2,057</u>	<u>-</u>
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 and domestic subsidiaries' 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 is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are 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:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<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 Group 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 and domestic subsidiaries have 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 and domestic subsidiaries 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 Company's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (c) The Company's other overseas subsidiaries have a defined contribution plan. Contributions to local pension management business in accordance with the local pension regulations are based on certain percentage of employees' monthly salaries and wages.
- (d) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024 were \$192,169 and \$183,735, respectively.

(15) Share capital

1. 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.
2. 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 ownership interests in subsidiaries	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 ownership interests in subsidiaries	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 appropriated			266,584	
/(reversed)	(409,669)			
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 will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(18) Operating revenue

- A. The Group 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	\$ 29,790,166	\$ 28,354,629
General electronic information products	20,087,249	16,933,258
	<u>\$ 49,877,415</u>	<u>\$ 45,287,887</u>

B. Contract assets and liabilities

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

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities	<u>\$ 165,893</u>	<u>\$ 226,568</u>	<u>\$ 145,603</u>

(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

	Years ended December 31,	
	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ 144,019	\$ 49,986

(19) Interest income

	Years ended December 31,	
	2025	2024
Interest income from bank deposits	\$ 157,130	\$ 228,269
Interest income from financial assets measured at amortised cost	149,763	230,093
	\$ 306,893	\$ 458,362

(20) Other income

	Years ended December 31,	
	2025	2024
Rent income	\$ 66,983	\$ 39,539
Other income	246,084	323,506
	\$ 313,067	\$ 363,045

(21) Other gains and losses

	Years ended December 31,	
	2025	2024
Gains on financial assets/ liabilities at fair value through profit or loss	\$ 73,601	\$ 119,226
Gains on disposals of right-of-use assets	-	1,752
(Losses) gains from lease modification	(516)	329
Losses on disposals of property, plant and equipment	(74,233)	(122,623)
(Impairment losses) reversal of impairment loss recognised in profit or loss, property, plant and equipment	(107,230)	1,014
Foreign exchange losses	(264,616)	(1,801)
Miscellaneous disbursements	(52,491)	(37,673)
	\$ 425,485	\$ 39,776

(22) Finance costs

	Years ended December 31,	
	2025	2024
Interest expenses:		
Bank borrowings	\$ 184,397	\$ 173,835
Lease liabilities	2,206	2,124
Discounted notes	971	884
	<u>\$ 187,574</u>	<u>\$ 176,843</u>

(23) Expenses by nature

	Years ended December 31,	
	2025	2024
Change in inventory of finished goods	\$ 126,203	(\$ 420,161)
Raw materials and supplies used	37,443,217	34,197,489
Employee benefit expense	3,591,208	3,487,638
Depreciation charges on property, plant and equipment	1,806,723	1,671,284
Other expenses	3,346,384	3,303,619
Expected credit loss	59,049	38,615
Operating cost and operating expenses	<u>\$ 46,372,784</u>	<u>\$ 42,278,484</u>

(24) Employee benefit expense

	Years ended December 31,	
	2025	2024
Salary expenses	\$ 2,995,435	\$ 2,907,371
Labour and health insurance fees	156,037	152,173
Pension costs	193,283	184,695
Other personnel expenses	246,453	243,399
	<u>\$ 3,591,208</u>	<u>\$ 3,487,638</u>

A. In accordance with the amendment of the Company's Articles of Incorporation, a ratio of profit before tax without deducting employees' compensation and directors' remuneration of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 5% for employees' compensation 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 in March 10, 2026 were \$182,200 and \$30,800, respectively. The employees' compensation will be distributed in the form of cash.

Employees' compensation 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' compensation 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	\$ 784,863	\$ 1,421,167
Tax on undistributed surplus earnings	71,263	29,205
Prior year income tax overestimation	(30,281)	(157,792)
Total current tax	<u>825,845</u>	<u>1,292,580</u>
Deferred tax:		
Origination and reversal of temporary differences	(121,498)	(443,856)
Effect of foreign exchange	58,697	(146,879)
Income tax expense	<u>\$ 763,044</u>	<u>\$ 701,845</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 (Note)	\$ 1,486,360	\$ 1,465,267
Effect of amount not allowed to recognise under regulations	(759,327)	(623,887)
Prior year taxable loss not recognised as deferred tax assets	(4,971)	(10,948)
Prior year income tax overestimation	(30,281)	(157,792)
Tax on undistributed surplus earnings	71,263	29,205
Income tax expense	<u>\$ 763,044</u>	<u>\$ 701,845</u>

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

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	\$ 95,378	(\$ 8,448)	\$ 86,930
Bad debt expense	588	-	588
Others	75,091	25,653	100,744
	<u>171,057</u>	<u>17,205</u>	<u>188,262</u>
-Deferred tax liabilities:			
Unrealised gain on investments	(1,458,662)	127,951	(1,330,711)
Others	(737,791)	(23,658)	(761,449)
	<u>(2,196,453)</u>	<u>104,293</u>	<u>(2,092,160)</u>
	<u>(\$ 2,025,396)</u>	<u>\$ 121,498</u>	<u>(\$ 1,903,898)</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	\$ 105,355	(\$ 9,977)	\$ 95,378
Bad debt expense	588	-	588
Tax losses	131,570	(131,570)	-
Others	45,051	30,040	75,091
	<u>282,564</u>	<u>(111,507)</u>	<u>171,057</u>
-Deferred tax liabilities:			
Unrealised gain on investments	(1,687,625)	228,963	(1,458,662)
Others	(1,064,191)	326,400	(737,791)
	<u>(2,751,816)</u>	<u>555,363</u>	<u>(2,196,453)</u>
	<u>(\$ 2,469,252)</u>	<u>\$ 443,856</u>	<u>(\$ 2,025,396)</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the Company's subsidiaries are as follows:

December 31, 2025				
<u>Year incurred</u>	<u>Amount filed/ assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2015~2025	\$ 988,072	\$ 827,267	\$ 827,267	2025-2035

December 31, 2024				
<u>Year incurred</u>	<u>Amount filed/ assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2014~2024	\$ 1,156,712	\$ 950,521	\$ 950,521	2024~2034

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

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

F. 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	\$ 2,746,078	292,398	\$ 9.39
<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	-	2,325	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,746,078	294,723	\$ 9.32

	Year ended December 31, 2024		
	<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	\$ 2,906,467	292,398	\$ 9.94
<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	-	2,146	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,906,467	294,544	\$ 9.87

(27) Supplemental cash flow information

A. Investing activities with partial cash payments

	Years ended December 31,	
	<u>2025</u>	<u>2024</u>
Purchase of property, plant and equipment	\$ 2,770,447	\$ 1,648,889
Add: Opening balance of payable on equipment	154,236	175,806
Less: Ending balance of payable on equipment	(307,504)	(154,236)
Cash paid during the year	\$ 2,617,179	\$ 1,670,459

B. Financing activities with no cash flow effects

	Years ended December 31,	
	<u>2025</u>	<u>2024</u>
Prepayments for business facilities and prepayments transferred to property, plant and equipment	\$ 777,977	\$ 132,505

(28) Changes in liabilities from financing activities

	2025					
	Short-term borrowings	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other non-current liabilities	Liabilities from financing activities-gross
At January 1	\$ 4,503,856	\$ 2,788,500	\$ 90,944	\$ 28,298	\$ 59,585	\$ 7,471,183
Changes in cash flow from financing activities	(887,128)	654,290	(33,238)	3,419	(6,487)	(269,144)
Interest expense paid (Note)	-	-	(2,206)	-	-	(2,206)
Interest expense (Note)	-	-	2,206	-	-	2,206
Impact of changes in foreign exchange rate	(43,961)	(27,000)	(1,133)	-	-	(72,094)
Changes in other non-cash items	-	-	(30)	-	2,220	2,190
At December 31	<u>\$ 3,572,767</u>	<u>\$ 3,415,790</u>	<u>\$ 56,543</u>	<u>\$ 31,717</u>	<u>\$ 55,318</u>	<u>\$ 7,132,135</u>

Note: Shown as operating cash flows.

	2024					
	Short-term borrowings	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other non-current liabilities	Liabilities from financing activities-gross
At January 1	\$ 5,317,534	\$ 2,210,650	\$ 48,813	\$ 18,238	\$ 66,711	\$ 7,661,946
Changes in cash flow from financing activities	(864,408)	539,873	(25,674)	10,060	(11,887)	(352,036)
Interest expense paid (Note)	-	-	(2,124)	-	-	(2,124)
Interest expense (Note)	-	-	2,124	-	-	2,124
Impact of changes in foreign exchange rate	50,730	37,977	1,031	-	-	89,738
Changes in other non-cash items	-	-	66,774	-	4,761	71,535
At December 31	<u>\$ 4,503,856</u>	<u>\$ 2,788,500</u>	<u>\$ 90,944</u>	<u>\$ 28,298</u>	<u>\$ 59,585</u>	<u>\$ 7,471,183</u>

Note: Shown as operating cash flows.

7. Related Party Transactions

(1) Key management compensation

	Years ended December 31,	
	2025	2024
Short-term employee benefits	<u>\$ 149,345</u>	<u>\$ 127,878</u>

8. Pledged Assets

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

Pledged asset	Book value		Purpose
	December 31, 2025	December 31, 2024	
Restricted time deposits (Current financial assets measured at amortized cost)	\$ 16,992	\$ 17,334	Guarantees for expedited customs clearance
Notes receivable	52,779	77,249	Discounted notes
	<u>\$ 69,771</u>	<u>\$ 94,583</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

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

	December 31, 2025	December 31, 2024
Property, plant and equipment	<u>\$ 807,316</u>	<u>\$ 924,422</u>

B. Information on endorsement/guarantee provided to consolidated subsidiaries is provided in Note 13.

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 Group's objectives when managing capital are to safeguard the Group'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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group 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 consolidated balance sheet. Total capital is calculated as 'equity' as shown in the consolidated 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	\$ 6,988,557	\$ 7,292,356
Total equity	\$ 22,972,271	\$ 22,585,554
Gearing ratio	30%	32%

(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	\$ 3,268,740	\$ 4,409,678
Financial assets at fair value through other comprehensive income	69,073	118,526
Financial assets at amortised cost		
Cash and cash equivalents	10,601,890	9,297,301
Financial assets at amortised cost	2,931,927	3,519,379
Notes receivable	57,260	79,351
Accounts receivable	15,671,167	15,846,221
Other receivables	76,049	93,533
Guarantee deposits paid	31,428	35,659
	<u>\$ 32,707,534</u>	<u>\$ 33,399,648</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	\$ 418
Short-term borrowings	3,572,767	4,503,856
Notes payable	56	4,969
Accounts payable	14,249,513	15,097,280
Other payables	2,983,642	2,759,817
Long-term borrowings (including current portion)	3,415,790	2,788,500
Guarantee deposits received	31,717	28,298
	<u>\$ 24,257,005</u>	<u>\$ 25,183,138</u>
Lease liabilities	<u>\$ 56,543</u>	<u>\$ 90,944</u>

B. Financial risk management policies

- (a) The Group'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 Group, 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 (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates, and hedges financial risks in close co-operation with the Group'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 Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group 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 Group 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 Group hedges foreign exchange rate by using forward exchange contracts. However, the Group 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 Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). 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		Book value (NTD)
	amount (In thousands)	Exchange rate	
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 382,100	31.43	\$ 12,009,403
RMB:NTD	5,898	4.4716	26,373
JPY:NTD	54,056	0.2008	10,854
RMB:USD	651,433	0.142	2,912,948
HKD:USD	4,235	0.128	17,101
INR:USD	2,053,938	0.011	718,262
VND:USD	40,024,300	0.00004	52,032
USD:RMB	24,138	7.029	758,657
USD:MXN	3,057	18.011	96,082
<u>Non-monetary items</u>			
USD:NTD	\$ 848,176	31.43	\$ 26,658,172
RMB:USD	1,385,740	0.142	6,169,475
INR:USD	4,441,365	0.011	1,553,145
VND:USD	849,416,458	0.00004	1,104,241
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 100,827	31.43	\$ 3,168,993
RMB:NTD	180,960	4.4716	809,181
RMB:USD	722,693	0.142	3,231,594
HKD:USD	6,321	0.128	25,524
INR:USD	109,074	0.011	38,143
VND:USD	37,723,221	0.00004	49,040
USD:RMB	56,936	7.029	1,789,498
USD:MXN	10,000	18.011	314,300
<u>Non-monetary items</u>			
RMB:USD	\$ 22,970	0.142	\$ 102,713
HKD:USD	135,683	0.128	547,888

December 31, 2024

	Foreign currency		Book value (NTD)
	amount (In thousands)	Exchange rate	
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 413,264	32.79	\$ 13,550,927
EUR:NTD	966	34.14	32,979
RMB:USD	847,685	0.139	3,866,715
INR:USD	1,408,772	0.012	539,560
VND:USD	33,215,612	0.00004	43,180
USD:RMB	6,425	7.188	210,676
USD:MXN	6,644	20.68	217,857
<u>Non-monetary items</u>			
USD:NTD	\$ 811,206	32.79	\$ 26,599,445
RMB:USD	1,440,602	0.139	6,571,306
INR:USD	3,130,075	0.012	1,198,819
VND:USD	739,397,900	0.00004	961,217
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 125,220	32.79	\$ 4,105,964
RMB:NTD	34,663	4.562	158,115
RMB:USD	752,423	0.139	3,432,178
HKD:USD	6,133	0.129	25,984
INR:USD	102,884	0.012	39,405
VND:USD	56,855,810	0.00004	73,913
USD:RMB	56,971	7.188	1,868,079
USD:MXN	10,002	20.68	327,966
<u>Non-monetary items</u>			
RMB:USD	\$ 46,777	0.139	\$ 213,373
HKD:USD	135,683	0.129	572,854

Note: The functional currencies of certain subsidiaries belonging to the Group are not NTD, thus, this information has to be considered when reporting.

- v. The total exchange loss arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024, amounted to (\$264,616) and (\$1,801), 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%	\$ 120,094	\$ -
RMB:NTD	1%	264	-
JPY:NTD	1%	109	-
RMB:USD	1%	29,129	-
HKD:USD	1%	171	-
INR:USD	1%	7,183	-
VND:USD	1%	520	-
USD:RMB	1%	7,587	-
USD:MXN	1%	961	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 31,690	\$ -
RMB:NTD	1%	8,092	-
RMB:USD	1%	32,316	-
HKD:USD	1%	255	-
INR:USD	1%	381	-
VND:USD	1%	490	-
USD:RMB	1%	17,895	-
USD:MXN	1%	3,143	-

		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%	\$ 135,509	\$ -
	EUR:NTD	1%	330	-
	RMB:USD	1%	38,667	-
	INR:USD	1%	5,396	-
	VND:USD	1%	432	-
	USD:RMB	1%	2,107	-
	USD:MXN	1%	2,179	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 41,060	\$ -
	RMB:NTD	1%	1,581	-
	RMB:USD	1%	34,322	-
	HKD:USD	1%	259	-
	INR:USD	1%	394	-
	VND:USD	1%	739	-
	USD:RMB	1%	18,681	-
	USD:MXN	1%	3,280	-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group'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, other components of equity 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 on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value Interest rate risk

- i. The Group's interest rate risk mainly arising from long-term borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During 2025 and 2024, the Group'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.
- iii. If the borrowing interest rate of US dollars had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2025 and 2024 would have increased/decreased by \$16,658 and \$8,198, 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.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. 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 Group 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 Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- v. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss under the provision matrix basis.
- vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. As of December 31, 2025 and 2024, the Group's written-off financial assets that are still under recourse procedures amounted to \$34,524 and \$27,252, respectively.

vii. The Group 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:

December 31, 2025

	<u>Individual A</u>	<u>Individual B</u>	<u>Group A</u>	<u>Total</u>
Expected loss rate	100%	75%~90%	0.03%	
Total book value	\$ 6,722	\$ 475,581	\$ 15,620,517	\$ 16,102,820
Loss allowance	6,722	420,245	4,686	431,653

December 31, 2024

	<u>Individual A</u>	<u>Individual B</u>	<u>Group A</u>	<u>Total</u>
Expected loss rate	100%	75%~90%	0.03%	
Total book value	\$ 7,236	\$ 445,979	\$ 15,785,969	\$ 16,239,184
Loss allowance	7,236	380,991	4,736	392,963

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

viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable, overdue receivable and other receivables are as follows:

	<u>2025</u>
	<u>Accounts receivable and overdue receivable</u>
At January 1	\$ 494,218
Provision for impairment	59,049
Write-offs	(7,272)
Effect of foreign exchange	(19,778)
At December 31	<u>\$ 526,217</u>
	<u>2024</u>
	<u>Accounts receivable and overdue receivable</u>
At January 1	\$ 424,517
Provision for impairment	38,615
Effect of foreign exchange	31,086
At December 31	<u>\$ 494,218</u>

Loss allowance provided for overdue receivables as of December 31, 2025 and 2024 amounted to \$94,564 and \$101,255, respectively.

- ix. As of December 31, 2025, other receivables which are determined as assets of credit loss amounting to \$25,125 were measured at an amount equal to lifetime expected credit losses. The provision for impairment was \$25,125, reversal of impairment loss of \$0 was recognised for the year ended December 31, 2025.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group'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 Group'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 2	
December 31, 2025	<u>Within 1 year</u>	<u>and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 3,638,885	\$ -	\$ -
Notes payable	56	-	-
Accounts payable	14,249,513	-	-
Other payables	2,983,642	-	-
Lease liability	25,621	33,522	-
Long-term borrowings (including current portion)	1,162,987	2,464,209	-

<u>Non-derivative financial liabilities</u>		Between 2	
December 31, 2024	<u>Within 1 year</u>	<u>and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 4,593,061	\$ -	\$ -
Notes payable	4,969	-	-
Accounts payable	15,097,280	-	-
Other payables	2,759,817	-	-
Lease liability	33,894	62,216	-
Long-term borrowings (including current portion)	294,233	2,690,496	-

- iii. The Group 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 Group's investment in certain derivative instruments and equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of the Group's cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits, short-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at 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 profit or loss				
Capital guarantee financial products	\$ -	\$ 3,268,740	\$ -	\$ 3,268,740
Financial assets at fair value through other comprehensive income				
Equity securities	69,073	-	-	69,073
Total	<u>\$ 69,073</u>	<u>\$ 3,268,740</u>	<u>\$ -</u>	<u>\$ 3,337,813</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Cross currency swap	\$ -	\$ 3,520	\$ -	\$ 3,520

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Capital guarantee financial products	\$ -	\$ 4,406,424	\$ -	\$ 4,406,424
Cross currency swap	-	3,254	-	3,254
Financial assets at fair value through other comprehensive income				
Equity securities	118,526	-	-	118,526
Total	\$ 118,526	\$ 4,409,678	\$ -	\$ 4,528,204

Liabilities

Recurring fair value measurements

Financial liabilities at fair value through profit or loss

Forward foreign exchange contracts	\$ -	\$ 418	\$ -	\$ 418
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(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

Market quoted price	Listed shares Closing price
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- 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 Group 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 Group 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 Group's credit quality.

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

E. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	2025	2024
	Equity instruments	Equity instruments
At January 1	\$ -	\$ 6,504
Disposed in the year	-	(6,504)
At December 31	\$ -	\$ -

- F. For the years ended December 31, 2025 and 2024, there was no transfer into or out from Level 3.
- G. Group treasury is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

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 areas, 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 at December 31, 2025: Please refer to table 2.

- (e) Maximum balance, ending balance and interest rate range during the year ended and at December 31, 2025: 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 price is 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, the Company purchased raw material on behalf of associates amounting 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 subsidiary, Regent Manner Limited, purchased raw material on behalf of the Company and subsidiaries 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	-

14. Segment Information

(1) General information

The Group operates business only in a single industry. The Board of Directors, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Measurement of segment information

The chief operating decision-maker evaluates each operating segment by their operating profit.

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

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

	Years ended December 31,	
	2025	2024
Revenue from external customers	\$ 49,877,415	\$ 45,287,887
Segment income	\$ 3,504,631	\$ 3,009,403

(4) Reconciliation for segment income (loss)

The segment income (loss) reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. The Group did not provide the total assets and total liabilities amounts to the chief operating decision-maker. A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations is provided as follows:

	Years ended December 31,	
	2025	2024
Reportable segments income	\$ 3,504,631	\$ 3,009,403
Unappropriated amount:		
Non-operating income	6,901	604,788
Net income before tax from continuing operations	<u>\$ 3,511,532</u>	<u>\$ 3,614,191</u>

(5) Information on products and services

The Group is primarily engaged in design, processing, manufacture, and sales of PCB surface mount packaging in TFT-LCD panels and general electronic information products, which are deemed as a single product.

(6) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

Areas	Years ended December 31,			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Asia	\$ 44,571,530	\$ 12,033,725	\$ 42,420,551	\$ 11,340,982
Taiwan	4,563,484	1,884,430	1,966,125	1,901,502
U.S.A	424,951	735,992	601,468	712,726
Europe	317,430	-	299,743	-
Others	20	-	-	-
	<u>\$ 49,877,415</u>	<u>\$ 14,654,147</u>	<u>\$ 45,287,887</u>	<u>\$ 13,955,210</u>

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2025 and 2024 is as follows:

	Years ended December 31,			
	2025		2024	
	Revenue	Ratio	Revenue	Ratio
C	\$ 7,751,746	16%	\$ 5,319,528	12%
A	5,985,728	12%	7,243,344	16%

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
		Relationship with the endorser/ guarantor (Note 1)	Company name											
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	TSMC Technology (Singapore) Pte. Ltd.	TSMC 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	TSMC 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 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 (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 Taiwan as of December 31, 2025	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	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.