Stock Code : 6168

# Harvatek Corporation

## Consolidated Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

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

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Representation Letter of Consolidated Financial Statements of the Affiliates

The entities that are required to be included in the combined financial statements of Harvatek Corporation as of and for the year ended December 31, 2025, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Harvatek Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours

Harvatek Corporation

Chairman: Wang, Ping-Lung

March 27, 2026

## Independent Auditors' Reports

The Board of Directors and Shareholders
Harvatek Corporation

### Auditors' Opinions

We have audited the accompanying financial statements of Harvatek Corporation (collectively referred to as the "Company") and subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, the consolidated statements of comprehensive income, consolidated changes in equity, and consolidated cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China ("ROC").

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant 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 judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
The description of the key audit matter of the Group's consolidated financial statements for the year ended December 31, 2025, is as follows:

Recognition of Revenue from Sales

In the fiscal year 2025, the main source of revenue for Harvatek Corporation and its subsidiaries is sales revenue from goods. Due to the decrease in demand in the light-emitting diode (LED) market in fiscal year 2025, the sales revenue from customers with high gross profit is identified as a potential source of significant fraud risk that could have a material impact on the consolidated financial statements. Therefore, the auditor categorized the recognition of this revenue as a key audit matter and performed the following audit procedures in response to the risks associated with these customers:

1. We reviewed and tested the relevant internal control systems and operating procedures of the sales transaction cycle to confirm and assess the effectiveness of internal controls when conducting sales transactions.
2. For the sales transactions involving the potentially risky sales entities identified above, we selected samples for testing and conducted sampling audits. We examined customer and external supporting documents to confirm the authenticity of sales revenue. Additionally, we investigated whether there were any abnormalities in the collection of payments from these sales entities after the period ended.

Other Matters

The Company has prepared the parent company only financial statements for the years 2025 and 2024. These have been audited by us, the accountants, and we have issued an unqualified opinion in our audit report, which is available for reference.

**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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 members of 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2025, 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.

Deloitte & Touche

Accountant: Fang Su-lie

Accountant: Zhang Ya-Yun

Financial Supervisory Commission Approved-certified No.:
Tai-Cai-Zheng-Liu-Certificate No. 0940161384

Financial Supervisory Commission Approved-certified No.:
Jin-Guan-Certificate No. 1110348898

March 27, 2026

Harvatek Corporation And Subsidiaries

# CONSOLIDATED BALANCE SHEETS
## DECEMBER 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

| CODE | ASSETS | December 31, 2025 AMOUNT | % | December 31, 2024 AMOUNT | % |
|---|---|---|---|---|---|
| | CURRENT ASSETS | | | | |
| 1100 | Cash and cash equivalents (Note 4, 6 and 31) | $ 307,440 | 8 | $ 573,197 | 14 |
| 1110 | Financial assets at fair value through profit or loss (Note 4, 7 and 31) | 39,236 | 1 | 14,251 | 1 |
| 1120 | Financial assets at fair value through other comprehensive income (Note 4, 8 and 31) | 174,599 | 5 | 166,100 | 4 |
| 1136 | Financial assets at amortized cost (Note 4, 9 and 31) | 746,491 | 20 | 776,576 | 19 |
| 1170 | Accounts receivables, net (Note 4, 5, 10, 23 and 31) | 464,117 | 12 | 409,893 | 10 |
| 1180 | Accounts receivables – related parties, net (Note 4, 5, 10, 23, 31 and 32) | 12,785 | - | 21,325 | 1 |
| 1200 | Other receivables (Note 4, 5, 10 and 31) | 12,722 | - | 9,933 | - |
| 1210 | Other receivables – related parties (Note 4, 5, 10, 31 and 32) | 10,000 | - | 10,021 | - |
| 1220 | Current tax assets (Note 4 and 25) | 2,881 | - | 3,003 | - |
| 130X | Inventories (Note 4, 5 and 11) | 405,214 | 11 | 372,389 | 9 |
| 1470 | Other current assets (Note 18 and 23) | 40,318 | 1 | 34,868 | 1 |
| 11XX | TOTAL CURRENT ASSETS | 2,215,803 | 58 | 2,391,556 | 59 |
| | NON-CURRENT ASSETS | | | | |
| 1510 | Financial assets at fair value through profit or loss (Note 4, 7 and 31) | 74,384 | 2 | 77,417 | 2 |
| 1517 | Financial assets at fair value through other comprehensive income (Note 4, 8 and 31) | 466,896 | 12 | 452,200 | 11 |
| 1535 | Financial assets at amortized cost (Note 4, 9, 31 and 33) | 9,378 | - | 8,358 | - |
| 1550 | Investments accounted for using equity method (Note 4 and 13) | 109,776 | 3 | 142,361 | 3 |
| 1600 | Property, plant and equipment (Note 4, 14 and 32) | 665,261 | 18 | 718,418 | 18 |
| 1755 | Right-of-use assets (Note 4 and 15) | 91,544 | 2 | 98,657 | 2 |
| 1760 | Investment properties (Note 4 and 16) | 62,533 | 2 | 65,646 | 2 |
| 1780 | Intangible assets (Note 4 and 17) | 22,307 | 1 | 24,994 | 1 |
| 1840 | Deferred tax assets (Note 4 and 25) | 36,980 | 1 | 40,649 | 1 |
| 1940 | Long-term installments receivables – related parties (Note 4, 31 and 32) | - | - | 3,782 | - |
| 1990 | Other non-current assets (Note 4, 18, 31 and 32) | 52,623 | 1 | 42,577 | 1 |
| 15XX | TOTAL NON-CURRENT ASSETS | 1,591,682 | 42 | 1,675,059 | 41 |
| 1XXX | TOTAL ASSETS | $ 3,807,485 | 100 | $ 4,066,615 | 100 |

| CODE | LIABILITIES AND EQUITY | December 31, 2025 AMOUNT | % | December 31, 2024 AMOUNT | % |
|---|---|---|---|---|---|
| | CURRENT LIABILITIES | | | | |
| 2100 | Short-term borrowings (Note 19 and 31) | $ 16,168 | - | $ 41,198 | 1 |
| 2130 | Contract liabilities – current (Note 23) | 35,595 | 1 | 70,980 | 2 |
| 2170 | Notes and accounts payables (Note 31) | 223,347 | 6 | 282,085 | 7 |
| 2180 | Notes and accounts payables – related parties (Note 31 and 32) | 14,435 | - | 14,923 | - |
| 2219 | Other payables (Note 20, 31 and 32) | 179,273 | 5 | 185,494 | 5 |
| 2230 | Current tax liabilities (Note 4 and 25) | 12,148 | - | 1,047 | - |
| 2280 | Lease liabilities – current (Note 4, 15 and 31) | 5,689 | - | 5,429 | - |
| 2322 | Current portion of long-term borrowings (Note 31) | - | - | 146,431 | 4 |
| 2324 | Current portion of long-term notes and accounts payables – related parties (Note 31 and 32) | 81,035 | 2 | - | - |
| 2399 | Other current liabilities (Note 20) | 19,837 | 1 | 17,276 | - |
| 21XX | TOTAL CURRENT LIABILITIES | 587,527 | 15 | 764,863 | 19 |
| | NON-CURRENT LIABILITIES | | | | |
| 2542 | Long-term notes payables – related parties (Note 31 and 32) | - | - | 79,531 | 2 |
| 2570 | Deferred tax liabilities (Note 4 and 25) | 1,542 | - | 4,158 | - |
| 2580 | Lease liabilities – non-current (Note 15 and 31) | 44,178 | 1 | 49,836 | 1 |
| 2640 | Net defined benefit liabilities (Note 4 and 21) | 4,007 | - | 8,301 | - |
| 2645 | Guaranteed deposits received (Note 31) | 6,604 | 1 | 6,722 | - |
| 25XX | TOTAL NON-CURRENT LIABILITIES | 56,331 | 2 | 148,548 | 3 |
| 2XXX | TOTAL LIABILITIES | 643,858 | 17 | 913,411 | 22 |
| | EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY (Note 4 and 22) | | | | |
| | Share capital | | | | |
| 3110 | Share capital of ordinary shares | 2,060,698 | 54 | 2,060,698 | 51 |
| 3200 | Capital surplus | 481,008 | 13 | 490,863 | 12 |
| | Retained earnings | | | | |
| 3310 | Legal reserve | 150,290 | 4 | 148,863 | 4 |
| 3350 | Unappropriated earnings | 89,931 | 2 | 101,975 | 2 |
| 3400 | Other equity | 243,260 | 6 | 211,149 | 5 |
| 3500 | Treasury shares | ( 5,521 ) | - | ( 5,521 ) | - |
| 31XX | TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY | 3,019,666 | 79 | 3,008,027 | 74 |
| 36XX | NON-CONTROLLING INTERESTS (Note 4 and 22) | 143,961 | 4 | 145,177 | 4 |
| 3XXX | TOTAL EQUITY | 3,163,627 | 83 | 3,153,204 | 78 |
| | TOTAL LIABILITIES AND EQUITY | $ 3,807,485 | 100 | $ 4,066,615 | 100 |

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

Chairman: Wang, Ping-Lung  Manager: Wang, Ping-Lung  Accounting Supervisor: Su Yu-Hui

Harvatek Corporation And Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024

(In Thousands of New Taiwan Dollars, Except Earnings(Loss) Per Share is 1 Dollar Per Share)

| CODE | | 2025 Amount | 2025 % | 2024 Amount | 2024 % |
|---|---|---|---|---|---|
| 4000 | NET OPERATING REVENUE (Note 4, 23, 32 and 37 ) | $ 2,070,429 | 100 | $ 1,960,579 | 100 |
| 5000 | OPERATING COSTS (Note 4, 11, 24 and 32 ) | 1,548,194 | 75 | 1,463,255 | 75 |
| 5900 | GROSS PROFIT | 522,235 | 25 | 497,324 | 25 |
| 5910 | Unrealized sales loss (Note 4) | 931 | - | 931 | - |
| 5950 | Realized gross profit from operations | 523,166 | 25 | 498,255 | 25 |
| | OPERATING EXPENSES (Note 24, 32) | | | | |
| 6100 | Selling and marketing expenses | 138,178 | 7 | 149,857 | 8 |
| 6200 | General and administrative expenses | 177,653 | 9 | 172,325 | 9 |
| 6300 | Research and development expenses | 238,315 | 11 | 246,145 | 12 |
| 6450 | expected credit impairment loss (Note 10) | 9,659 | - | 2,454 | - |
| 6000 | Total operating expenses | 563,805 | 27 | 570,781 | 29 |
| 6900 | NET OPERATING LOSS | ( 40,639 ) | ( 2 ) | ( 72,526 ) | ( 4 ) |
| | ON-OPERATING INCOME AND EXPENSES(Note 24 and 32) | | | | |
| 7100 | Interest income | 19,019 | 1 | 21,686 | 1 |
| 7010 | Other income | 59,626 | 3 | 46,634 | 2 |
| 7020 | Other gains and losses | 11,316 | 1 | 18,234 | 1 |
| 7050 | Finance costs | ( 4,084 ) | - | ( 3,093 ) | - |
| 7060 | Share of profit (loss) of associates accounted for using equity method, net(Note 4 ) | ( 30,826 ) | ( 2 ) | ( 29,244 ) | ( 1 ) |
| 7000 | Total non-operating income and expenses | 55,051 | 3 | 54,217 | 3 |
| 7900 | NET PROFIT (LOSS) BEFORE INCOME TAX | 14,412 | 1 | ( 18,309 ) | ( 1 ) |
| 7950 | INCOME TAX EXPENSE (Note 4 and 25) | 16,286 | 1 | 1,845 | - |
| 8200 | NET LOSS FOR THE YEAR | ( 1,874 ) | - | ( 20,154 ) | ( 1 ) |

( Continued )

（Continued）

| CODE | | 2025 Amount | 2025 % | 2024 Amount | 2024 % |
|---|---|---|---|---|---|
| | OTHER COMPREHENSIVE INCOME (LOSS) | | | | |
| 8310 | Items not reclassified to profit or loss: | | | | |
| 8311 | Remeasurement of defined benefit plans(note 21) | $ 2,287 | - | $ 6,467 | - |
| 8316 | Unrealized gains and losses on equity instruments measured at fair value through other comprehensive income (Note 22) | 25,998 | 1 | ( 21,772 ) | ( 1 ) |
| 8349 | Income taxes related to items not reclassified | ( 457 ) | - | ( 1,293 ) | - |
| | Items that may be reclassified subsequently to profit or loss: | | | | |
| 8361 | Exchange differences in translation of financial statements of foreign operations (Notes 4 and 22) | ( 2,974 ) | - | 7,078 | - |
| 8300 | Other comprehensive income for the year (net of tax) | 24,854 | 1 | ( 9,520 ) | ( 1 ) |
| 8500 | TOTAL COMPREHENSIVE INCOME | $ 22,980 | 1 | ( $ 29,674 ) | ( 2 ) |
| | Net profit (loss) attributable to: | | | | |
| 8610 | Owner of the Company | $ 11,289 | 1 | $ 5,860 | - |
| 8620 | Non-controlling equity | ( 13,163 ) | ( 1 ) | ( 26,014 ) | ( 1 ) |
| 8600 | | ( $ 1,874 ) | - | ( $ 20,154 ) | ( 1 ) |
| | Total comprehensive income attributable to: | | | | |
| 8710 | Owner of the Company | $ 21,494 | 1 | ( $ 10,391 ) | ( 1 ) |
| 8720 | Non-controlling equity | 1,486 | - | ( 19,283 ) | ( 1 ) |
| 8700 | | $ 22,980 | 1 | ( $ 29,674 ) | ( 2 ) |
| | EARNINGS PER SHARE（Note 26） | | | | |
| 9710 | Basic | $ 0.05 | | $ 0.03 | |
| 9810 | Dilution | $ 0.05 | | $ 0.03 | |

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

Chairman: Wang, Ping-Lung Manager: Wang, Ping-Lung Accounting Supervisor: Su Yu-Hui

Harvatek Corporation And Subsidiaries

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| Code | | Equity attributable to the owners of the company | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Capital | | | Retained earnings | | Other equity | | | | | |
| | | Share(thousands ) | Amount | Capital surplus | Legal reserve | Undistributed earnings | Exchange from differences arising translation of foreign operations | Unrealized gains or losses on equity instruments at fair value through other comprehensive income | Treasury stock | Total | Non-controlling equity | Total equity |
| A1 | Balance on January 1, 2024 | 206,070 | $ 2,060,698 | $ 489,514 | $ 138,410 | $ 201,042 | ( $ 110 ) | $ 235,917 | ( $ 5,521 ) | $ 3,119,950 | $ 159,685 | $ 3,279,635 |
| | Appropriation of 2023 earnings | | | | | | | | | | | |
| B1 | Legal Reserve | - | - | - | 10,453 | ( 10,453 ) | - | - | - | - | - | - |
| B5 | Shareholder's Stock Dividend | - | - | - | - | ( 102,881 ) | - | - | - | ( 102,881 ) | - | ( 102,881 ) |
| D1 | 2024 Net profit | - | - | - | - | 5,860 | - | - | - | 5,860 | ( 26,014 ) | ( 20,154 ) |
| D3 | 2024 Other comprehensive income, net of tax | - | - | - | - | 5,174 | 7,092 | ( 28,517 ) | - | ( 16,251 ) | 6,731 | ( 9,520 ) |
| D5 | 2024 Total comprehensive income | - | - | - | - | 11,034 | 7,092 | ( 28,517 ) | - | ( 10,391 ) | ( 19,283 ) | ( 29,674 ) |
| Q1 | Disposal of equity instruments measured at fair value through other comprehensive income | - | - | - | - | 3,233 | - | ( 3,233 ) | - | - | - | - |
| M7 | Changes in ownership interests in subsidiaries and others | - | - | 1,349 | - | - | - | - | - | 1,349 | 25 | 1,374 |
| O1 | Increase in non-controlling interests | - | - | - | - | - | - | - | - | - | 4,750 | 4,750 |
| Z1 | Balance on December 31, 2024 | 206,070 | 2,060,698 | 490,863 | 148,863 | 101,975 | 6,982 | 204,167 | ( 5,521 ) | 3,008,027 | 145,177 | 3,153,204 |
| | Appropriation of 2024 earnings | | | | | | | | | | | |
| B1 | Legal Reserve | - | - | - | 1,427 | ( 1,427 ) | - | - | - | - | - | - |
| D1 | 2025 Net profit | - | - | - | - | 11,289 | - | - | - | 11,289 | ( 13,163 ) | ( 1,874 ) |
| D3 | 2025 Other comprehensive income, net of tax | - | - | - | - | 1,830 | ( 3,030 ) | 11,405 | - | 10,205 | 14,649 | 24,854 |
| D5 | 2025 Total comprehensive income | - | - | - | - | 13,119 | ( 3,030 ) | 11,405 | - | 21,494 | 1,486 | 22,980 |
| M3 | Disposal of investments accounted for using equity method | - | - | ( 75 ) | - | - | - | - | - | ( 75 ) | - | ( 75 ) |
| M7 | Changes in ownership interests in subsidiaries and others | - | - | ( 9,780 ) | - | - | - | - | - | ( 9,780 ) | ( 3,143 ) | ( 12,923 ) |
| O1 | Increase in non-controlling interests | - | - | - | - | - | - | - | - | - | 441 | 441 |
| Q1 | Disposal of equity instruments measured at fair value through other comprehensive income | - | - | - | - | ( 23,736 ) | - | 23,736 | - | - | - | - |
| Z1 | Balance on December 31, 2025 | 206,070 | $ 2,060,698 | $ 481,008 | $ 150,290 | $ 89,931 | $ 3,952 | $ 239,308 | ( $ 5,521 ) | $ 3,019,666 | $ 143,961 | $ 3,163,627 |

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

Chairman: Wang, Ping-Lung  Manager: Wang, Ping-Lung  Accounting Supervisor: Su Yu-Hui

Harvatek Corporation And Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

| CODE | | 2025 | 2024 |
|---|---|---|---|
| | CASH FLOWS FROM OPERATING ACTIVITIES | | |
| A10000 | Profit before income tax | $ 14,412 | ($ 18,309) |
| A20010 | Adjustments for: | | |
| A20100 | Depreciation expenses | 121,923 | 134,319 |
| A20200 | Amortization expenses | 10,949 | 10,993 |
| A20300 | Reversal of expected credit losses | 9,659 | 2,454 |
| A20400 | Net losses on financial assets and liabilities at fair value through profit or loss | 6,986 | 11,718 |
| A20900 | Interest expenses | 4,084 | 3,093 |
| A21200 | Interest income | ( 19,019) | ( 21,686) |
| A21300 | Dividend income | ( 32,008) | ( 22,831) |
| A21900 | Share-based payment compensation cost | 575 | 1,374 |
| A22300 | Share of profit of subsidiary recognized using equity method. | 30,826 | 29,244 |
| A22500 | Gains on disposal of property, plant, and equipment | ( 5,978) | ( 95) |
| A23900 | Unrealized sales profit | ( 931) | ( 931) |
| A24100 | Unrealized foreign exchange gain | ( 2,471) | ( 13,757) |
| A29900 | Lease modification loss | 1,380 | - |
| A30000 | Changes in operating assets and liabilities | | |
| A31150 | Accounts receivable (including related parties) | ( 45,309) | 41,942 |
| A31180 | Other receivables (including related parties) | 3,053 | 5,018 |
| A31200 | Inventory | ( 48,513) | ( 66,105) |
| A31240 | Other current assets | ( 5,450) | ( 17,417) |
| A32125 | Contract liabilities | ( 35,385) | ( 3,026) |
| A32150 | Notes and accounts payable (including related parties) | ( 62,944) | 15,797 |
| A32180 | Other payables | ( 5,751) | 378 |
| A32230 | Other current liabilities | 2,561 | 9,975 |
| A32240 | Net defined benefit liabilities | ( 2,007) | ( 3,147) |
| A33000 | Cash generated from operations | ( 59,358) | 99,001 |
| A33100 | Interest received | 17,370 | 21,364 |
| A33300 | Interest paid | ( 3,186) | ( 2,122) |
| A33500 | Income tax paid | ( 10,434) | ( 21,506) |
| AAAA | Net cash generated from (used in) operating activities | ( 55,608) | 96,737 |

（Continued）

（Continued）

| CODE | | 2025 | 2024 |
|---|---|---|---|
| | CASH FLOWS FROM INVESTING ACTIVITIES | | |
| B00010 | Acquisitions of financial assets measured at fair value through other comprehensive income | $ - | ($ 38,443) |
| B00020 | Disposals of financial assets measured at fair value through other comprehensive income | 2,804 | 38,733 |
| B00040 | Acquisitions of financial assets measured at amortized cost | ( 1,020) | ( 165,072) |
| B00060 | Repayment of principal at maturity of financial assets at amortized cost | 30,085 | - |
| B00100 | Acquisitions of financial assets measured at fair value through profit or loss | ( 36,616) | ( 30,190) |
| B00200 | Disposals of financial assets measured at fair value through profit or loss | 7,678 | 18,209 |
| B01900 | Disposals of investments in long-term equity accounted for using equity method | 1,982 | - |
| B02700 | Acquisitions of property, plant, and equipment | ( 44,725) | ( 59,101) |
| B02800 | Disposals of property, plant, and equipment | 5,978 | 103 |
| B03800 | Increase in refundable deposits | ( 19,297) | ( 2,260) |
| B04500 | Acquisitions of intangible assets | ( 8,582) | ( 4,655) |
| B02200 | Net cash outflow on acquisition of subsidiaries | - | ( 7,698) |
| B07600 | Receipt of dividends | 32,008 | 22,831 |
| BBBB | Net cash used in investing activities | ( 29,705) | ( 227,543) |
| | CASH FLOWS FROM FINANCING ACTIVITIES | | |
| C01700 | Repayment of long-term borrowings | ( 146,431) | - |
| C00200 | Decrease in short-term borrowings | ( 25,815) | - |
| C03000 | Increase in deposits received | - | 2,970 |
| C03100 | Decrease in deposits received | ( 118) | - |
| C04020 | Repayment of lease principal | ( 7,675) | ( 7,886) |
| C04500 | Payment of cash dividends | - | ( 102,881) |
| C05800 | Changes in non-controlling equity | 441 | 4,750 |
| CCCC | Net cash used in financing activities | ( 179,598) | ( 103,047) |
| DDDD | EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | ( 846) | 651 |
| EEEE | NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS | ( 265,757) | ( 233,202) |
| E00100 | CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 573,197 | 806,399 |
| E00200 | CASH AND CASH EQUIVALENTS AT THE ENDING OF THE YEAR | $ 307,440 | $ 573,197 |

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

Chairman: Wang, Ping-Lung Manager: Wang, Ping-Lung Accounting Supervisor: Su Yu-Hui

1. COMPANY HISTORY

Harvatek Corporation (hereinafter referred to as "the Group") was organized and registered on March 21, 1995, in accordance with the provisions of the Company Act of the Republic of China, and primarily engaged in the research, development, design, manufacturing, testing, and import-export trade of light-emitting diode packaging.

The Group's shares have been listed and traded on the Taiwan Stock Exchange since August 25, 2003.

The consolidated financial statement is presented in New Taiwan Dollars (TWD), which is the functional currency of the Group.

2. APPROVAL DATE AND PROCEDURES OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors and authorized for issue on March 11, 2026.

3. NEW STANDARDS, AMENDMENTS, AND INTERPRETATIONS ADOPTED:

(1) IFRSs endorsed by the Financial Supervisory Commission (FSC) with an effective date starting 2026.

| Interpretations (the "New IFRSs") | Effective Date Announced by IASB |
|---|---|
| Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments" | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity" | January 1, 2026 |
| Annual Improvements to IFRS Accounting Standards - Volume 11 | January 1, 2026 |
| IFRS 17 "Insurance Contracts" (including the amendments in 2020 and 2021) | January 1, 2023 |

A. Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

(A) Concerning the amendments to application guidance for the classification of financial assets

The amendments primarily amend the requirements for the classification of financial assets, which include:

(a) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial

instrument with identical contractual terms, but without such a contingent feature.

(b) The amendments address that a financial asset has non-recourse features if an entity's contractual right to receive cash flows is limited to the cash flows generated by specified assets.

(c) The amendments clarify that the prioritization of payments of contractually linked instruments to holders of these tranches is established through a waterfall payments structure. That payment structure creates concentration of credit risk and results in a disproportionate allocation of losses between the holders of different tranches.

(B) Concerning the amendments to application guidance for the derecognition of financial liabilities

The amendments primarily address that an entity is permitted to deem a financial liability that will be settled with cash using an electronic payment system to be discharged before the settlement date, if and only if,

- The entity has no ability to withdraw, stop or cancel the payment instruction;
- The entity has no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payments system is insignificant.

The Group shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

Apart from the impact mentioned above, as of the date the consolidated financial statements were authorized for issue, the Group assessed the amendments to other standards will not have significant impact on the Group's financial position and financial performance.

(2) The IFRSs issued by IASB in issue but not yet endorsed and issued into effect by the FSC

| New, Amended, or Revised Standards and Interpretations | Effective Date Announced by IASB (Note 1) |
|---|---|
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | To be determined |
| IFRS 18 "Presentation and Disclosure in Financial Statements" | January 1, 2027 (Note 2) |
| IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the amendments in 2025) | January 1, 2027 |
| Amendments to IAS21 "Translation to a Hyperinflationary Presentation Currency" | January 1, 2027 |

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The FSC has declared on September 25, 2025 that entities in Taiwan shall apply IFRS 18 since January 1, 2028, or elect to apply in advance after FSC endorses IFRS 18.

A. Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

These amendments stipulate that when the Group sells or contributes assets to an associate, or when the Group loses control of a subsidiary but retains significant influence over that subsidiary, if the aforementioned assets or

former subsidiary meet the definition of a "business" under IFRS 3 "Business Combinations," the Group shall recognize the full amount of gains or losses arising from such transactions.

Furthermore, when the Group sells or contributes assets to an associate, or when the Group loses control of a subsidiary in a transaction with an associate but retains significant influence over that subsidiary, if the aforementioned assets or former subsidiary do not meet the definition of a "business" under IFRS 3, the Group shall recognize the gains or losses arising from such transactions only to the extent of unrelated investors' interests in the associate, meaning that the portion attributable to the Group's share of the gain or loss should be eliminated.

B. IFRS 18 "Presentation and Disclosure in Financial Statements" and relevant supporting measures

IFRS 18 will replace IAS 1 "Presentation of Financial Statements." The main changes include:

- The Company shall evaluate whether it invests in particular type of assets and provides financing to customers as a specific main business activity, and classify items in the statement of profit or loss into categories: operating, investing, financing, income taxes and discontinued operations accordingly.
- The income statement should present operating profit or loss, profit or loss before financing and income tax, as well as subtotals and totals of profit or loss.
- Guidance is provided to strengthen aggregation and disaggregation requirements: The Group must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. The Group shall label such items as "other" only when it cannot find a more informative label.
- Enhanced disclosure of management-defined performance measures: When the Group communicates publicly outside financial statements and communicates management's view of an aspect of the Group's overall financial performance to financial statement users, the Group shall disclose information about management-defined performance measures in a single note to the financial statements, including a description of the measure, how it is calculated, its reconciliation to subtotals or totals specified by IFRS Standards, and the income tax and non-controlling interest effects of reconciling items.

In addition, IAS 7 “Statement of Cash Flows” was amended by the supporting measures:

- When the Company prepare the cash flows from operating activities by indirect method, operating profit or loss shall be used as the starting point.
- The Company shall classify interests and dividends received to investing activities, and interests and dividends paid to financing activities. If the Company has specified main operating activities after assessment, the types of dividend income, interest income and interest expenses in the statement of profit or loss shall be considered, to determine the categories of the dividends received, interests received, and interests paid in the statement of cash flows. However, the aforementioned each cash flow can be classified in a single activity in the statement of cash flows separately.

Apart from the impact mentioned above, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

(2) Basis of preparation

In addition to financial instruments measured at fair value, investment properties, and net defined benefit liabilities recognized by deducting the fair value of plan assets, this consolidated financial report is prepared on a historical cost basis.

Fair value measurements are categorized into Level 1 to Level 3 based on the degree of observability and significance of relevant inputs:

(1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

(2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

(3) Level 3 inputs are unobservable inputs for an asset or liability.

(3) Classification of current and non-current assets and liabilities Current assets include:

(1) Assets held primarily for the purpose of trading;

(2) Assets expected to be realized within 12 months after the reporting period; and

(3) Cash and cash equivalents unless the assets are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

(1) Liabilities held primarily for the purpose of trading;

(2) Liabilities due to be settled within 12 months after the reporting period; and

(3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Items not classified as current assets or current liabilities are categorized as non-current assets or non-current liabilities.

(4) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-company transactions, balances, income, and expenses are eliminated in full upon consolidation. The total comprehensive income of subsidiaries is attributed to the owners of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Refer to Notes 12 and 36 for detailed information, percentage of ownership, and main businesses of subsidiaries.

(5) Foreign currency

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

In preparing the consolidated financial statements, assets and liabilities of foreign operations (including subsidiaries and affiliated entities operating in countries or using currencies different from the Group) are translated into New Taiwan Dollars at the exchange rates prevailing on each balance sheet date. Income and expenses are translated at the average exchange rates for the period, and the resulting exchange differences are recognized in other comprehensive income (and separately attributed to the owners of the Group and non-controlling equities).

(6) Inventory

Inventory includes raw materials, materials, finished goods, and work in progress. Inventory is measured at the lower of cost and net realizable value. When comparing cost and net realizable value, individual items are considered except for inventories of the same category. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventory is calculated using the weighted average method.

An associate refers to an entity over which the Group has significant influence but is not a subsidiary or a joint venture.

(7) Investment in associates

An associate refers to an entity over which the Group has significant influence but is not a subsidiary or a joint venture.
The Group accounts for investments in associates using the equity method.
Under the equity method, investments in associates are initially recognized at cost, and subsequently adjusted to reflect the Group's share of the associates' profits or losses and other comprehensive income. Additionally, changes in the equity of associates are recognized based on the Group's ownership percentage.
Any excess of the cost of acquisition over the Group's share of the identifiable net assets of the associate at the acquisition date is recognized as goodwill, which is included in the carrying amount of the investment and not amortized. Any excess of the Group's share of the identifiable net assets of the associate over the cost of acquisition is recognized in profit or loss.
When associates issue new shares and the Group does not subscribe to them in proportion to its ownership interest, resulting in changes in the equity of the investment, the adjustment to the investment and the related change in equity of the associates are recorded in capital surplus - equity method adjustments and the investment accounted for using the equity method. However, if the Group's ownership interest decreases due to not subscribing to or acquiring shares, any amounts recognized in other comprehensive income related to the associate are reclassified proportionally to the decrease. The accounting treatment follows the same basis as if the associate were to directly dispose of the assets or liabilities concerned. If an adjustment is required to be credited to capital surplus, and the capital surplus balance generated by investments accounted for using the equity method is insufficient, the difference is credited to retained earnings.
When the Group's share of losses in an associate equals or exceeds its interest in that associate (including the carrying amount of the investment in the associate accounted for using the equity method and any other long-term interests that form part of the Group's net investment in the associate), further losses are not recognized. The Group only recognizes additional losses and liabilities within the scope of legal obligations, constructive obligations, or payments already made on behalf of the associate.
When assessing impairment, the Group compares the carrying amount of the investment (including goodwill) to the recoverable amount of the investment as a single asset. Any impairment loss recognized is not allocated to any assets that form part of the carrying amount of the investment, including goodwill. Any reversals of impairment losses are recognized to the extent that the recoverable amount of the investment increases subsequently.
When the Group ceases to use the equity method for an investment, the retained interest in the former associate is measured at fair value. The difference between the fair value and the carrying amount of the investment on the date the equity method ceases is recognized in profit or loss. Additionally, any amounts recognized in other comprehensive income related to the former associate are accounted for on the same basis as if the former associate were to directly dispose of the assets or liabilities concerned.
Profits and losses resulting from transactions between the Group and its associates are recognized in the consolidated financial statements only to the extent that they do not relate to the Group's interest in the associates' equity.

(8) Property, plant, and equipment

Property, plant, and equipment are recognized based on cost, and their value is subsequently measured by deducting accumulated depreciation and accumulated impairment losses from the cost.
Except for land held for own use, depreciation on other property, plant, and equipment is recognized on a straight-line basis over their estimated useful lives, with each significant component depreciated separately. The Group reviews the estimated useful lives, residual values, and depreciation methods at least annually and defers the effects of changes in accounting estimates.
When property, plant, and equipment are disposed of, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit and loss.

(9) Investment properties

Investment properties are properties held for earning rental income, capital appreciation, or both.

Owned investment property is initially measured at cost, which includes transaction costs. Subsequently, it is measured at cost less accumulated depreciation and accumulated impairment losses.

Investment properties are depreciated on a straight-line basis.

When investment properties are disposed of, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit and loss.

(10) Goodwill

The goodwill acquired through business combinations is initially recognized at the acquisition date as the amount of goodwill. Subsequently, it is measured at cost less accumulated impairment losses.

For impairment testing purposes, goodwill is allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the combination.

Each CGU containing goodwill is tested for impairment annually (or whenever there are indicators that it may be impaired) by comparing the carrying amount of the CGU, including the goodwill, with its recoverable amount. If the goodwill allocated to a CGU was acquired in the current year's business combination, the CGU should be tested for impairment before the end of the current year. If the recoverable amount of a CGU containing allocated goodwill is less than its carrying amount, the impairment loss is first allocated to reduce the carrying amount of the goodwill allocated to the CGU, and then proportionally to reduce the carrying amounts of the other assets within the CGU. Any impairment loss is recognized directly in profit or loss. Impairment losses on goodwill cannot be reversed in subsequent periods.

(11) Intangible assets

1. Separately acquired

Intangible assets with separately acquired finite useful lives are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives. The Group reviews the estimated useful lives, residual values, and amortization methods at least annually and adjusts for the effects of any changes in accounting estimates.

2. Derecognition

When an intangible asset is derecognized, any difference between the net disposal proceeds and the carrying amount of the asset is recognized in the current period's income statement.

(12) Impairment of property, plant and equipment, right-of-use assets, investment property, and intangible assets (excluding goodwill)

The Group evaluates at each balance sheet date whether there are any indications that property, plant and equipment, right-of-use assets, investment property, and intangible assets (excluding goodwill) may be impaired. If any indication of impairment exists, the estimated recoverable amount of the asset is determined. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. Shared assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating

unit is reduced to its recoverable amount, and an impairment loss is recognized in the income statement.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, not exceeding the carrying amount that would have been determined had no impairment loss been recognized in prior years (net of amortization or depreciation). The reversal of an impairment loss is recognized in the income statement.

(13) Financial instruments

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

When initially recognizing financial assets or financial liabilities that are not measured at fair value through profit or loss, their carrying amounts are measured at fair value plus transaction costs directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs are directly attributable to the acquisition or issue of financial assets or financial liabilities measured at fair value through profit or loss and are recognized in profit or loss immediately.

1. Financial assets

Conventional transactions of financial assets are recognized and derecognized on a trade date basis.

(1) Measurement categories

Financial assets of the Group are classified as financial assets at FVTPL, financial assets measured at amortized cost, and equity instrument investments at FVTOCI.

A. Financial asset at FVTPL

A financial asset is classified as at FVTPL when the financial asset is mandatorily classified or it is designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments that are not designated as at FVTOCI.

Financial assets at FVTPL are measured at fair value with any resulting benefits or losses (including any dividends or interest) recognized in other gains and losses. For the determination of fair value, please refer to Note 30.

B. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b. The contractual terms of the financial assets give rise on a specified date to cash flow that is solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost (including cash and cash equivalents, financial assets at amortized cost, accounts receivable (including those from related parties), other receivables (including those from related parties), and refundable deposits) are subsequently measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Except for the following two cases, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset:

a. Purchased or originated credit-impaired financial assets: for those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
b. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets: for those financial assets, the Group shall apply the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Impairment of financial assets refers to the occurrence of significant financial difficulties, default, or a high likelihood of bankruptcy or another financial restructuring on the part of the issuer or debtor, or the disappearance of an active market for the financial asset due to financial difficulties.

Cash equivalents include highly liquid deposits with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, and are used to meet short-term cash commitments.

C. Equity investments measured at fair value through other comprehensive income

Upon initial recognition, the Group has an irrevocable option to designate equity investments that are neither held for trading nor held for purposes of an association with another business entity as measured at fair value through other comprehensive income.

Equity investments measured at fair value through other comprehensive income are initially and subsequently measured at fair value, with subsequent fair value changes recognized in other comprehensive income and accumulated in other equity. Upon disposal of the investment, the cumulative gain or loss is reclassified directly to retained earnings and not reclassified to profit or loss.

Dividends from equity investments measured at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive payment is established unless the dividend represents a recovery of part of the investment's cost.

(2) Impairment of financial assets

At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable).

Accounts receivables are assessed for expected credit losses based on the period over which they are expected to be outstanding. For other financial assets, the Group first assesses whether the credit risk has significantly increased since initial recognition. If there is no significant increase, expected credit losses are recognized based on a 12-month expected credit loss. If there is a significant increase, expected credit losses are recognized based on the period over which they are expected to be outstanding.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

The impairment loss for all financial assets is recognized by adjusting their carrying amounts through the allowance accounts.

(3) Derecognition of financial assets

The Group only derecognizes financial assets when the contractual rights to receive cash flows from the financial assets have expired or when it has transferred the financial assets and has transferred substantially all the risks and rewards of ownership to another entity.

When a financial asset measured at amortized cost is derecognized in its entirety, any difference between the carrying amount and the consideration received is recognized in profit or loss. When equity investments measured at fair value through other comprehensive income are derecognized in their entirety, the cumulative gain or loss is reclassified directly to retained earnings and not reclassified to profit or loss.

2. Equity instruments

The equity instruments issued by the Group are classified as equity in accordance with the substance of the contractual arrangements and the definition of equity instruments.

The equity instruments issued by the Group are recognized at the amount received, net of directly attributable issuance costs.

The repurchase of the Group's equity instruments is recognized and deducted from equity, and the carrying amount is calculated as the weighted average of the type of shares. Purchases, sales, issuances, or cancellations of the Group's equity instruments are not recognized in the profit or loss.

3. Financial liabilities

(1) Subsequent measurement

The effective interest method is used to measure all financial liabilities at amortized cost.

(2) De-recognition of financial liabilities

When financial liabilities are derecognized, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the profit or loss.

(14) Provisions

The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation as of the balance sheet date, taking into account the risks and uncertainties associated with the obligation. Provisions are measured at the present value of the estimated cash flows required to settle the obligation.

1. Warranty:
   The obligation to provide warranty for products to ensure compliance with agreed specifications is recognized based on management's best estimate of the expenditure required to settle the Group's obligation, at the time the related goods are recognized as revenue.

(15) Revenue recognition

After identifying performance obligations in customer contracts, the Company allocates transaction prices to each performance obligation and recognizes revenue when the performance obligations are satisfied.

If multiple contracts are signed almost simultaneously with the same customer (or related parties of the customer), and the goods or services promised in these contracts constitute a single performance obligation, the Group accounts for them as a single contract.

For contracts where goods or services are transferred and consideration is received within a period of one year or less, significant financing components of the transaction price are not adjusted.

1. Revenue from the sale of goods
   The revenue from the sale of light-emitting diode (LED) products is recognized when the products are delivered to the customer's specified location or point of shipment (depending on the terms of the contract). Customers have already established pricing and the right to use the products, assuming primary responsibility for resale and bearing the risk of obsolescence. At that point, the Group recognizes revenue and accounts receivable.
2. Labor revenue
   The service provided by the Group primarily involves accepting customer commissions to provide product processing services. According to the contract agreement, ownership of the in-process products belongs to the customer. The Group enhances the in-process products during the processing process, and control is transferred to the customer upon enhancement, constituting service revenue that is recognized over time as performance obligations are gradually fulfilled.
   The majority of the contractual agreements of the Group involve receiving consideration based on the payment terms specified in the contract. When the services have been transferred to the customer but the unconditional right to receive consideration has not yet been established, contract assets are recognized. Contract assets are also subject to impairment assessment in accordance with IFRS 9, based on the expected credit loss amount over the expected life of the asset. However, for some contracts, where partial consideration is received from the customer at the time of signing and the Group still has an obligation to provide services thereafter, such consideration is recognized as contract liabilities.
   The period for which the aforementioned contract liabilities are recognized as revenue typically does not exceed one year and does not result in significant financial compositional changes.

3. Engineering revenue

The engineering revenue of the Group primarily involves providing integrated product services upon customer commission. The contract entails the integration of hardware equipment engineering and software services. Due to limitations imposed by hardware specifications and on-site conditions, these hardware and software integration services are highly interrelated. The Group cannot fulfill its commitments by independently transferring each product or service. Therefore, all products and services promised in the contract are treated as a single performance obligation. Regarding warranties for engineering quality provided within a specified period, the Group recognizes a liability provision in accordance with IAS 37.

The Group recognizes accounts receivable when the engineering project is completed, accepted, control is transferred, and there is an unconditional right to receive consideration. These accounts receivable typically have short durations and do not constitute significant financial components. If partial consideration has been received from customers for engineering contracts but there is still an obligation to provide goods or services thereafter, the Group recognizes contract liabilities, which are subsequently transferred to revenue upon fulfilling the performance obligation. When costs directly relate to specific contracts, and it is expected that these costs will be recoverable and used to fulfill future performance obligations, the company recognizes these costs as contract fulfillment costs under assets. Revenue and costs are recognized when control is transferred to the customer to fulfill the performance obligation.

(16) Leases

At the inception of a contract, the Group assesses whether the contract is, or contains a lease.

1. The Group as lessor

Leases that transfer substantially all the risks and rewards incidentally to ownership of an asset to the lessee are classified as finance leases, while all other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. The initial direct costs incurred due to obtaining operating leases are added to the carrying amount of the leased asset and recognized as expenses on a straight-line basis over the lease term.

2. The Group as lessee

Except for leases of low-value assets and short-term leases that qualify for recognition exemptions, lease payments for other leases are recognized on a straight-line basis over the lease term as expenses, and the right-of-use assets and lease liabilities are recognized at the commencement date of the lease.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any re-measurement of the lease liabilities. The right-of-use assets are presented separately in the consolidated balance sheet.

The right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life or the end of the lease term.

The lease liability is initially measured at the present value of lease payments. If the implicit rate in the lease is readily determinable, the lease

payments are discounted at that rate. If the implicit rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, the lease liability is measured using the effective interest method based on the amortized cost, and interest expense is recognized over the lease term. If changes in estimates for lease term, expected payments under residual value guarantees, assessment of purchase options for the leased asset, or changes in indices or rates used to determine lease payments result in changes to future lease payments, the Group reassesses the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset has been reduced to zero, any remaining adjustment is recognized in profit or loss. Lease liabilities are separately presented in the consolidated balance sheet.

(17) Borrowing Costs

The borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets until such time as substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

Except for the above, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

(18) Employee benefits

1. Short-term employee benefits

The short-term employee benefits liability is measured by the non-discounted amount expected to be paid in exchange for services rendered by employees.

2. Retirement benefits

The retirement benefits payable under the defined benefit retirement plan are recognized as an expense during the period in which the employees provide service, in the amount of the retirement benefits that are expected to be provided.

The defined benefit obligation (including service cost, net interest, and remeasurement) is determined using the projected unit credit method. The service cost and the net defined benefit liability (asset) net interest are recognized as employee benefit expenses when they occur, either upon plan amendments or curtailments, or upon settlement. Remeasurement amounts (including actuarial gains and losses, changes in the asset ceiling, and the return on plan assets, excluding interest) are recognized in other comprehensive income when they occur and are subsequently not reclassified to profit or loss.

The net defined benefit liability (asset) represents the deficit (surplus) in the defined benefit retirement plan's funding. The net defined benefit asset may not exceed the present value of the refunds from the plan or the reductions in future contributions.

(19) Income tax

The income tax expense represents the sum of the tax currently payable and deferred tax.

1. Current tax

The current income tax (expense) is calculated based on the current income (loss) determined in accordance with the tax regulations of the tax jurisdiction where the Group operates, which is used to calculate the payable (recoverable) income tax.

The income tax on retained earnings calculated in accordance with the Income Tax Act of Republic of China is recognized annually based on the resolution of the shareholders' meeting.

Adjustments for prior-year income taxes payable are included in the current year's income tax expense.

2. Deferred tax

Deferred income tax is calculated based on the temporary differences that arise from the carrying amount of assets and liabilities and the taxable basis for calculating taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized when it is probable that taxable income will be available against which the deductible temporary differences or tax loss carryforwards can be utilized, such as for deductible temporary differences or tax loss carryforwards that can be utilized against future taxable income.

For temporary differences related to investments in subsidiaries and associated companies, deferred tax liabilities are recognized, except when the Group can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deductible temporary differences related to such investments are recognized as deferred tax assets only when it is probable that there will be sufficient taxable income available to realize the temporary difference and within the scope of expected reversal in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized are also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

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

3. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In adopting accounting policies, the management of the Group must make judgments, estimates, and assumptions based on historical experience and other relevant factors when relevant information is not readily available from other sources. The actual results may differ from the estimates.
When developing significant accounting estimates, the Group incorporates the potential impacts into consideration. The Management will continually review the estimates and underlying assumptions.
Key Sources of Estimation and Uncertainty

(1) Impairment of Financial Assets

The estimated impairment of accounts receivable is based on the Group's assumptions regarding probability of default and loss given default. The Group considers historical experience, current market conditions, and forward-looking information to make assumptions and select inputs for impairment assessment. Significant impairment losses may arise if actual cash flows in the future are less than the Group's expectations.

(2) Impairment of Inventory

The net realizable value of inventory is estimated as the estimated selling price in the ordinary course of business, less the estimated costs to complete and the estimated costs necessary to make the sale, based on current market conditions and historical sales experience of similar products. Changes in market conditions may significantly affect these estimates.

6. CASH AND CASH EQUIVALENTS

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Inventory cash and working fund | $ 266 | $ 403 |
| Bank checks and current deposits | 193,063 | 221,661 |
| Cash equivalents (investments with original maturities of three months or less)） | | |
| Repurchase agreements | 66,072 | 213,377 |
| Bank fixed deposits | 48,039 | 137,756 |
| | $ 307,440 | $ 573,197 |

The interest rate range of the bank deposits as of the balance sheet date is as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Bank deposits | 0.01%~1.35% | 0.03%~1.35% |
| Fixed deposits | 1.23%~1.73% | 0.68%~1.76% |

7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Current financial assets | | |
| Mandatorily measured at FVTPL | | |
| Non-derivative financial assets | | |
| － Domestic unlisted stocks | $ 39,236 | $ 14,251 |
| Non-current financial assets | | |
| Mandatorily measured at FVTPL | | |
| Non-derivative financial assets | | |
| － Domestic unlisted stocks | $ 74,384 | $ 77,417 |

8. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Current | | |
| Domestic investment | | |
| Listed stocks | $174,599 | $166,100 |
| Non-current | | |
| Domestic investment | | |
| Listed stocks | $110,851 | $135,505 |
| Unlisted stocks | 356,045 | 316,695 |
| | $466,896 | $452,200 |

(1) The Group strategically invests in equity interests of domestic listed and unlisted companies with the expectation of long-term profitability. Management believes that recognizing short-term fair value fluctuations of these investments in the income statement would contradict the long-term investment strategy. Therefore, the Group chooses to designate these investments as measured at fair value through other comprehensive income.

(2) In the fiscal years 2025 and 2024, the Group recognized dividend income of NT$20,394 thousand and NT$22,507 thousand, respectively, from equity instruments measured at fair value through other comprehensive income.

9. FINANCIAL ASSETS AT AMORTIZED COST

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Current | | |
| Domestic investment | | |
| Fixed deposits with original maturities exceeding three months | $746,491 | $776,576 |
| Non-current | | |
| Domestic investment | | |
| Pledged fixed deposits (Note) | $ 9,378 | $ 8,358 |

Note: Information on financial assets pledged measured at amortized cost is provided in Note 33.

10. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Accounts receivables | | |
| Measured at amortized cost | | |
| Total carrying amount | $465,193 | $410,914 |
| Less: Loss allowance | ( 1,076) | ( 1,021) |
| | $464,117 | $409,893 |
| Accounts receivables - related parties | | |
| Measured at amortized cost | | |
| Total carrying amount | $ 24,502 | $ 23,107 |
| Less: Loss allowance | ( 11,717) | ( 1,782) |
| | $ 12,785 | $ 21,325 |
| Other receivables | | |
| Measured at amortized cost | | |
| Receivable tax refunds | $ 12,722 | $ 9,984 |
| Others | - | ( 51) |
| Less: Loss allowance | $ 12,722 | $ 9,933 |
| Other receivables - related parties | | |
| Measured at amortized cost | | |
| Total carrying amount | $ 10,000 | $ 10,021 |
| Less: Loss allowance | - | - |
| | $ 10,000 | $ 10,021 |

Accounts receivables

The Group's average credit period for sales of goods ranges from 31 to 120 days, based on credit standards determined according to the industry characteristics, business scale, and profitability of the trading partners. Interest is not charged on accounts receivable and notes receivable. Credit ratings are assessed using other publicly available financial information and historical transaction records of major customers. The Group continuously monitors credit exposures and the credit ratings of trading partners and diversifies the total amount among different customers with acceptable credit ratings. Additionally, annual credit limits for trading partners are managed by management through review and approval.

Expected credit losses on accounts receivable are recognized based on the expected loss over the remaining period. The expected credit losses over the remaining period are calculated using a provision matrix, considering the customer's past default records, current financial condition, industry economic conditions, as well as GDP forecasts, and industry outlooks. Since the historical credit loss experience of the Group indicates no significant differences among different customer groups, the provision matrix does not further distinguish between customer groups but only establishes expected credit loss rates based on the number of days past due for accounts receivable.

If evidence suggests that a trading partner is experiencing severe financial difficulties and the company cannot reasonably expect to recover the amount, such as when the trading partner is undergoing liquidation or the debt has been overdue for more than a year, the Group directly writes off the relevant accounts receivable. However, the Group continues its collection efforts, and any amounts recovered through the collection are recognized in the income statement.

The Group measures the allowance for doubtful accounts on accounts receivable according to the provision matrix as follows:

December 31, 2025

| | Not past due | Past due 1-4 months | Past due 5-12 months | Past due more than 1 year | Total |
|---|---|---|---|---|---|
| Total carrying amount | $ 455,804 | $ 9,057 | $ - | $ 332 | $ 465,193 |
| Loss allowance (Expected credit losses over the remaining period) | - | ( 744 ) | - | ( 332 ) | ( 1,076 ) |
| Amortized cost | $ 455,804 | $ 8,313 | $ - | $ - | $ 464,117 |

December 31, 2024

| | Not past due | Past due 1-4 months | Past due 5-12 months | Past due more than 1 year | Total |
|---|---|---|---|---|---|
| Total carrying amount | $ 404,483 | $ 2,960 | $ 3,140 | $ 331 | $ 410,914 |
| Loss allowance (Expected credit losses over the remaining period) | - | ( 77 ) | ( 613 ) | ( 331 ) | ( 1,021 ) |
| Amortized cost | $ 404,483 | $ 2,883 | $ 2,527 | $ - | $ 409,893 |

Changes in the loss allowance on accounts receivable are as follows:

| | 2025 | 2024 |
|---|---|---|
| Balance at January 1 | $ 1,021 | $ 396 |
| Add: Impairment loss provision for the year | - | 625 |
| Less: Reversal of impairment loss | ( 225) | - |
| Add: Foreign exchange translation difference | 280 | - |
| Balance at December 31 | $ 1,076 | $ 1,021 |

Changes in the loss allowance on accounts receivable – related parties are as follows：

| | 2025 | 2024 |
|---|---|---|
| Balance at January 1 | $ 1,782 | $ - |
| Add: Impairment loss provision for the year | 9,935 | 1,782 |
| Balance at December 31 | $ 11,717 | $ 1,782 |

Changes in the loss allowance on other receivables are as follows:

| | 2025 | 2024 |
|---|---|---|
| Balance at January 1 | $ 51 | $ 4 |
| Add: Impairment loss provision for the year | - | 47 |
| Less: Reversal of impairment loss for the year | ( 51) | - |
| Balance at December 31 | $ - | $ 51 |

## 11. INVENTORY

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Raw materials | $ 86,066 | $106,454 |
| Finished goods | 21,789 | 25,645 |
| Work in progress | 51,816 | 58,335 |
| Materials | 245,543 | 181,955 |
| | $405,214 | $372,389 |

Sales costs related to inventory for the years 2025 and 2024 are NT$ 1,548,194 thousand and NT$ 1,463,255 thousand, respectively. The cost of goods sold includes inventory impairment losses and gains from obsolescence reversals of NT$ 19,103 thousand and NT$ 1,262 thousand, respectively.

## 12. SUBSIDIARIES

(1) The consolidated entities were as follows:

| Investee | Subsidiary | Main Businesses | Percentage of Ownership December 31, 2025 | Percentage of Ownership December 31, 2024 | Description |
|---|---|---|---|---|---|
| Harvatek Corporation | Harvatek International (USA) Corp. | Sales of electronic components | 100.00% | 100.00% | — |
| | HONOR LIGHT LIMITED | Investment | 100.00% | 100.00% | — |
| | Hong-Cheng Investment Co., Ltd. | Investment | 41.60% | 41.60% | Note 1 |
| | Syntek Corporation Limited | Manufacturing and sales of electronic components | 70.00% | 70.00% | — |
| | Consentek Corporation | Manufacturing and sales of electronic components | 92.55% | 61.22% | Note 2 |

( Continued )

| Investee | Subsidiary | Main Businesses | Percentage of Ownership December 31, 2025 | Percentage of Ownership December 31, 2024 | Description |
|---|---|---|---|---|---|
| Harvatek Corporation | Starlight Display Corporation | Manufacturing and sales of electronic components | 63.13% | 63.13% | — |
| | iReach Corporation | Manufacturing and sales of electronic components | 10.30% | 10.32% | Note 3 |
| | Ownway Tech Corp. | Lighting equipment installation engineering industry | - | - | Note 4 |
| Hong-Cheng Investment Co., Ltd. | Consentek Corporation | Manufacturing and sales of electronic components | - | 31.33% | Note 2 |
| HONOR LIGHT LIMITED | Harvatek (HK) Limited | Investment | 100.00% | 100.00% | — |
| | Harvatek Europe GmbH | Sales of electronic components | 51.00% | 51.00% | — |
| | Harvatek(Guangzhou) Co., LTD | Manufacturing and sales of electronic components | 100.00% | 100.00% | — |
| | Giuhong Yi trading company, Limited | Sales of electronic components | 100.00% | 100.00% | — |
| | YoungTek (Xiamen) Electronics Corporation | Manufacturing and sales of electronic components | 100.00% | 100.00% | Note 5 |
| Consentek Corporation | iReach Corporation | Manufacturing and sales of electronic components | 44.93% | 45.05% | Note 3 |

Note 1: The Group holds 2,500,000 special shares of Hong-Cheng Investment Co., Ltd., representing 100% of the total issued special shares of the company. The holders of these special shares have the same voting and election rights as common shareholders at general meetings and have the right to be elected as directors and supervisors. The voting power ratio of these special shares converted to common shares is 41.60%. The Group considers that it has substantial control over the company.

Note 2: As the Group purchased all of the shares of Consentek Corporation held by the subsidiary, Hong-Cheng Investment Co., Ltd. in December 2025, the percentage of ownership increased to 92.55%.

Note 3: The comprehensive percentage of ownership of ordinary shares with voting rights of iReach Corporation by the Group is 51.94%, and the Group accounts for a majority of the seats of directors. The Group controls over the company.

Note 4: The Group acquired 100% equity of Ownway Tech Corp. in March 2024 and sold all shares in November 2024, resulting in the loss of control over the company.

Note 5: The Group acquired 100% equity of YoungTek (Xiamen) Electronics Corporation in November 2024, thus obtaining control over the company.

## 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

### Investment in associates

The details of the Group's investments accounted for using the equity method are as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Individually immaterial associates | | |
| Yangzhou YoungTek Electronics Ltd. | $108,620 | $138,195 |
| Cyans visual creative Co., Ltd. | 1,156 | 2,099 |
| Hong-Ruei Investment Co., Ltd. | - | 2,067 |
| | $109,776 | $142,361 |

| Name | Nature of business | Primary business location | Ownership shares and percentage of voting rights | | Note |
|---|---|---|---|---|---|
| | | | December 31, 2025 | December 31, 202 | |
| Hong-Ruei Investment Co., Ltd. | Investment | Taiwan | - | 35% | Note |
| Yangzhou YoungTek Electronics Ltd. | Manufacturing and sales of electronic components | China | 40% | 40% | - |
| Cyans visual creative Co., Ltd. | Design, sales, and leasing | Taiwan | 40% | 40% | - |

Note: Liquidation of Hong-Ruei Investment Co., Ltd. has been completed in August 2025.

The Group's investment in the aforementioned associate is not material and the aggregated financial information, based on the shares held, is as presented below:

| | 2025 | 2024 |
|---|---|---|
| The Company's share | ($ 30,826) | ($ 29,244) |
| Continuing operations unit's net loss for the year | ( 633) | 5,328 |
| Other comprehensive income | ($ 31,459) | ($ 23,916) |

## 14. PROPERTY, PLANT, AND EQUIPMENT

| | Land and improvement | Building structure | Machinery and equipment | Testing equipment | Transportation equipment | Other equipment | Leasehold improvement | Construction in Progress | Total |
|---|---|---|---|---|---|---|---|---|---|
| Cost | | | | | | | | | |
| 2025.1.1 balance | $ 104,320 | $ 719,697 | $ 3,485,382 | $ 2,614 | $ 61,075 | $ 247,923 | $ 62,322 | $ 7,644 | $ 4,690,977 |
| Additions | 10,435 | 3,572 | 35,125 | - | 2,330 | 5,386 | 265 | - | 57,113 |
| Disposals | - | - | ( 25,380) | - | ( 1,755) | ( 1,313) | - | - | ( 28,448) |
| Reclassifications | - | - | 5,048 | - | 375 | 1,795 | - | - | 7,218 |
| Net exchange differences | ( 616) | 182 | 2,716 | - | - | 72 | - | 23 | 2,377 |
| 2025.12.31 balance | 114,139 | 723,451 | 3,502,891 | 2,614 | 62,025 | 253,863 | 62,587 | 7,667 | 4,729,237 |
| Accumulated depreciation and impairment | | | | | | | | | |
| 2025.1.1 balance | 1,130 | 381,626 | 3,243,702 | 2,508 | 54,126 | 232,998 | 56,469 | - | 3,972,559 |
| Additions | - | 24,863 | 70,343 | 106 | 4,189 | 11,071 | 1,158 | - | 111,730 |
| Disposals | - | - | ( 25,380) | - | ( 1,755) | ( 1,313) | - | - | ( 28,448) |
| Reclassifications | - | - | 5,048 | - | - | - | - | - | 5,048 |
| Net exchange differences | - | 290 | 2,719 | - | - | 78 | - | - | 3,087 |
| 2025.12.31 balance | 1,130 | 406,779 | 3,296,432 | 2,614 | 56,560 | 242,834 | 57,627 | - | 4,063,976 |
| 2025.12.31 net | $ 113,009 | $ 316,672 | $ 206,459 | $ - | $ 5,465 | $ 11,029 | $ 4,960 | $ 7,667 | $ 665,261 |
| Cost | | | | | | | | | |
| 2024.1.1 balance | $ 103,397 | $ 506,051 | $ 2,542,184 | $ 2,773 | $ 58,788 | $ 215,966 | $ 62,322 | $ - | $ 3,491,481 |
| Acquisition through business combination | - | 213,632 | 923,610 | 31 | - | 26,438 | - | 7,663 | 1,171,374 |
| Additions | - | 2,725 | 34,578 | - | 2,287 | 9,640 | - | - | 49,230 |
| Disposals | - | - | ( 17,215) | ( 190) | - | ( 4,085) | - | - | ( 21,490) |
| Reclassifications | - | ( 2,750) | 3,929 | - | - | - | - | - | 1,179 |
| Net exchange differences | 923 | 39 | ( 1,704) | - | - | ( 36) | - | ( 19) | ( 797) |
| 2024.12.31 balance | 104,320 | 719,697 | 3,485,382 | 2,614 | 61,075 | 247,923 | 62,322 | 7,644 | 4,690,977 |
| Accumulated depreciation and impairment | | | | | | | | | |
| 2024.1.1 balance | 1,130 | 278,627 | 2,242,761 | 2,413 | 48,983 | 200,960 | 55,177 | - | 2,830,051 |
| Acquisition through business combination | - | 91,083 | 921,883 | 31 | - | 25,899 | - | - | 1,038,896 |
| Depreciation | - | 11,525 | 96,701 | 254 | 5,143 | 10,259 | 1,292 | - | 125,174 |
| Disposals | - | - | ( 17,215) | ( 190) | - | ( 4,077) | - | - | ( 21,482) |
| Reclassifications | - | 229 | 1,310 | - | - | - | - | - | 1,539 |
| Net exchange differences | - | 162 | ( 1,738) | - | - | ( 43) | - | - | ( 1,619) |
| 2024.12.31 balance | 1,130 | 381,626 | 3,243,702 | 2,508 | 54,126 | 232,998 | 56,469 | - | 3,972,559 |
| 2024.12.31 net | $ 103,190 | $ 338,071 | $ 241,680 | $ 106 | $ 6,949 | $ 14,925 | $ 5,853 | $ 7,644 | $ 718,418 |

The depreciation expense is recognized on a straight-line basis over the following useful lives:

| | |
|---|---|
| Building structure | 1 to 51 years |
| Machinery and equipment | 1 to 13 years |
| Transportation equipment | 3 to 10 years |
| Testing equipment | 1 to 9 years |
| Other equipment | 1 to 12 years |
| Leasehold improvement | 3 to 6 years |

15. LEASE AGREEMENT

(1) Right-of-use assets

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Carrying amount of lease liabilities | | |
| Land | $ 40,773 | $ 44,137 |
| Building | 49,625 | 51,973 |
| Transportation equipment | 1,146 | 2,547 |
| | $ 91,544 | $ 98,657 |

| | 2025 | 2024 |
|---|---|---|
| Additions to right-of-use assets | $ 1,379 | $ 5,874 |
| Depreciation expense of right-of-use assets | | |
| Land | $ 1,984 | $ 1,736 |
| Building | 3,743 | 2,371 |
| Machinery equipment | - | 546 |
| Transportation equipment | 1,401 | 1,565 |
| | $ 7,128 | $ 6,218 |

Apart from recognizing depreciation expenses, there were no significant subleasing or impairment events for the Group's right-of-use assets in the fiscal years 2025 and 2024.

(2) Lease liabilities

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Carrying amount of lease liabilities | | |
| Current | $ 5,689 | $ 5,429 |
| Noncurrent | $ 44,178 | $ 49,836 |

Ranges of discount rates for lease liabilities were as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Land | 1.55%~1.75% | 1.55%~1.75% |
| Building | 1.25%~3.25% | 1.25%~3.25% |
| Transportation equipment | 0.63%~2.88% | 0.63%~2.88% |

(3) Significant leasing activities and terms

Ranges of discount rates for lease liabilities were as follows:

The Company leases various land, buildings, and transportation equipment for operational use, with lease terms ranging from 2 to 50 years. Upon expiration of the lease terms, these agreements do not contain renewal or purchase options.

(4) Other lease information

| | 2025 | 2024 |
|---|---|---|
| Short-term lease expenses | $ 2,673 | $ 4,774 |
| Low-value asset lease expenses | $ 1,140 | $ 721 |
| Total cash outflow for leases | ($ 12,366) | ($ 14,352) |

The Group elects to apply the exemption for recognizing lease assets and lease liabilities for short-term leases of office equipment, computer equipment, and transportation equipment.

16. INVESTMENT PROPERTIES

The investment properties refer to the investment properties owned by the Group. The Group has entered into commercial property lease agreements for its investment properties, with lease terms ranging from 2019 to 2029.

| | Building |
|---|---|
| Cost | |
| 2025.1.1 balance | $ 87,483 |
| Impact of exchange rate fluctuations | ( 441) |
| 2025.12.31 balance | $ 87,042 |
| | |
| Accumulated depreciation and impairment | |
| 2025.1.1 balance | $ 21,837 |
| Depreciation expense | 3,065 |
| Impact of exchange rate fluctuations | ( 393) |
| 2025.12.31 balance | $ 24,509 |
| | |
| 2025.12.31 net | $ 62,533 |

| | Building |
|---|---|
| Cost | |
| 2024.1.1 balance | $ 84,071 |
| Reclassifications | 2,750 |
| Impact of exchange rate fluctuations | 662 |
| 2024.12.31 balance | $ 87,483 |
| | |
| Accumulated depreciation and impairment | |
| 2024.1.1 balance | $ 18,566 |
| Depreciation expense | 2,927 |
| Reclassifications | ( 229) |
| Impact of exchange rate fluctuations | 573 |
| 2024.12.31 balance | $ 21,837 |
| | |
| 2024.12.31 net | $ 65,646 |

The fair value of investment properties is determined by an independent valuation company as of each balance sheet date. The valuation is conducted using valuation models commonly used by market participants, with inputs measured at Level 3 inputs according to the fair value hierarchy. The valuation method employed is the discounted cash flow method. Key unobservable inputs used include discount rates. The fair values obtained from the valuation are as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Fair values | $ 72,169 | $ 72,169 |

Rental income from operating leases for investment properties:

| | 2025 | 2024 |
|---|---|---|
| Rental income from investment properties | $ 14,498 | $ 12,815 |

17. INTANGIBLE ASSETS

| | Patents and technology | Customer Relations | Software | Goodwill | Total |
|---|---|---|---|---|---|
| Cost | | | | | |
| 2025.1.1 balance | $ 247,951 | $ 11,000 | $ 123,594 | $ 9,868 | $ 392,413 |
| Additions | - | - | 8,263 | - | 8,263 |
| Impact of exchange rate fluctuations | - | - | ( 35 ) | - | ( 35 ) |
| 2025.12.31 balance | 247,951 | 11,000 | 131,822 | 9,868 | 400,641 |
| Accumulated amortization and impairment | | | | | |
| 2025.1.1 balance | 242,980 | 5,631 | 118,808 | - | 367,419 |
| Amortization | 1,329 | 1,571 | 8,049 | - | 10,949 |
| Impact of exchange rate fluctuations | - | - | ( 34 ) | - | ( 34 ) |
| 2025.12.31 balance | 244,309 | 7,202 | 126,823 | - | 378,334 |
| 2025.12.31 net | $ 3,642 | $ 3,798 | $ 4,999 | $ 9,868 | $ 22,307 |
| | | | | | |
| Cost | | | | | |
| 20243.1.1 balance | $ 247,351 | $ 11,000 | $ 116,803 | $ 9,868 | $ 385,022 |
| Acquired through business combinations | - | - | 1,127 | - | 1,127 |
| Additions | 600 | - | 5,666 | - | 6,266 |
| Impact of exchange rate fluctuations | - | - | ( 2 ) | - | ( 2 ) |
| 20243.12.31 balance | 247,951 | 11,000 | 123,594 | 9,868 | 392,413 |
| Accumulated amortization and impairment | | | | | |
| 2024.1.1 balance | 241,671 | 4,060 | 109,644 | - | 355,375 |
| Acquired through business combinations | - | - | 1,054 | - | 1,054 |
| Amortization | 1,309 | 1,571 | 8,113 | - | 10,993 |
| Impact of exchange rate fluctuations | - | - | ( 3 ) | - | ( 3 ) |
| 2024.12.31 balance | 242,980 | 5,631 | 118,808 | - | 367,419 |
| 2024.12.31 net | $ 4,971 | $ 5,369 | $ 4,786 | $ 9,868 | $ 24,994 |

The goodwill arising from the business combination of the merged companies is assessed based on the fair value determined by an external independent appraisal report.

Amortization expense is recognized on a straight-line basis over the following useful lives:

| | |
|---|---|
| Software | 1 to 5 years |

18. OTHER ASSETS

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Current | | |
| Prepayments | $ 36,635 | $ 30,674 |
| Costs to fulfil contracts | 3,653 | 4,155 |
| Others | 30 | 39 |
| | $ 40,318 | $ 34,868 |
| | | |
| Noncurrent | | |
| Prepayment for equipment | $ 27,926 | $ 37,496 |
| Refundable deposit | 24,378 | 5,081 |
| Others | 319 | - |
| | $ 52,623 | $ 42,577 |

19. LOANS

(1) Short-term loans

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Unsecured loans | | |
| Credit line loans | $ 16,168 | $ 41,198 |
| | | |
| Interest rate range | - | 3% |

(2) Long-term loans

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Secured loans | | |
| Bank loans (A) | $ - | $146,431 |
| Less: Current portion | - | ( 146,431 ) |
| Long-term loans | $ - | $ - |
| | | |
| Interest rate range | - | 2.32%~3.76% |

A. The bank loans are secured by time deposits of other related parties (see Note 33). The loans will mature in May and August 2025, and have been repaid in advance in February 2025. As of December 31, 2024, the effective interest rates ranged from 3.00% to 3.98%.

## 20. OTHER LIABILITIES

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Current | | |
| Other accounts payable | | |
| Accrued salaries and bonuses | $ 77,755 | $ 64,823 |
| Provision for expenses payable | 6,459 | 8,510 |
| Payables on equipment | 4,795 | 3,479 |
| Accrued employee bonuses | 3,720 | 12,200 |
| Accrued director remuneration | 280 | 70 |
| Other | 86,264 | 96,412 |
| | $179,273 | $185,494 |
| Other liabilities | | |
| Amounts due to others | $ 15,119 | $ 12,765 |
| Liability provision | 3,614 | 3,677 |
| Other | 1,104 | 834 |
| | $ 19,837 | $ 17,276 |

## 21. RETIREMENT BENEFIT PLANS

### (1) Defined contribution plan

The retirement pension system applicable to the Group falls under the Labor Pension Act and is a defined contribution retirement plan managed by the government. According to this system, 6% of the employee's monthly salary is contributed to the individual account of the Labor Insurance Bureau for retirement purposes.
The employees of the overseas subsidiaries of the Group have participated in a defined contribution plan administered by the local government, and retirement contributions are made to the local government on a monthly basis.
The retirement pension costs recognized by the Group for the fiscal years 2025 and 2024 were NT$ 21,273 thousand and NT$ 21,231 thousand, respectively.

### (2) Defined benefit plans

The Group operates a retirement benefit system in accordance with the Labor Standards Act, which falls under the government-regulated defined benefit retirement plan. The payment of employee retirement benefits is calculated based on years of service and the average salary for the six months prior to the approved retirement date. These companies allocate 2% of each employee's monthly salary to retirement benefits, which are deposited into a special account at the Taiwan Bank under the name of the Labor Pension Supervisory Committee. If it's estimated at the end of the year that the balance in the account is insufficient to cover the retirement benefits for employees who are expected to meet the retirement criteria in the following year, the shortfall will be allocated by the end of March of the next year. This account is managed by the Labor Fund Management Bureau of the Ministry of Labor, and the Group has no authority to influence investment management strategies.

The amount of the defined benefit plan included in the parent company only balance sheet is as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Defined benefit obligations | $ 21,704 | $ 30,318 |
| Fair value of the plan assets | ( 17,697) | ( 22,017) |
| Net defined benefit liability | $ 4,007 | $ 8,301 |

Net defined benefit liability changes are as follows:

| | Present value of defined benefit obligations | Fair value of the plan assets | Net defined benefit liability (asset) |
|---|---|---|---|
| 2024.1.1 balance | $ 45,507 | ($ 27,592) | $ 17,915 |
| Defined benefit cost | | | |
| Current service cost | 129 | - | 129 |
| Interest expense (Income) | 587 | ( 356) | 231 |
| Recognized in profit or loss | 716 | ( 356) | 360 |
| Remeasurements | | | |
| Changes due to demographic assumptions | $ 219 | $ - | $ 219 |
| Actuarial gain - experience adjustments | ( 1,629) | - | ( 1,629) |
| Actuarial gain - financial assumption adjustments | ( 2,730) | - | ( 2,730) |
| Remeasurement of defined benefit assets | - | ( 2,327) | ( 2,327) |
| Recognized in other comprehensive income | ( 4,140) | ( 2,327) | ( 6,467) |
| Employer contributions | - | ( 3,507) | ( 3,507) |
| Benefits paid | ( 11,765) | 11,765 | - |
| 2024.12.31 balance | 30,318 | ( 22,017) | 8,301 |
| Defined benefit cost | | | |
| Current service cost | 130 | - | 130 |
| Interest expense (Income) | 512 | ( 372) | 140 |
| Recognized in profit or loss | 642 | ( 372) | 270 |
| Remeasurements | | | |
| Changes due to demographic assumptions | - | - | - |
| Actuarial gain - experience adjustments | 611 | - | 611 |
| Actuarial gain - financial assumption adjustments | ( 1,253) | - | ( 1,253) |
| Remeasurement of defined benefit assets | - | ( 1,645) | ( 1,645) |
| Recognized in other comprehensive income | ( 642) | ( 1,645) | ( 2,287) |
| Employer contributions | - | ( 2,277) | ( 2,277) |
| Benefits paid | ( 8,614) | 8,614 | - |
| 2025.12.31 balance | $ 21,704 | ($ 17,697) | $ 4,007 |

The Group is exposed to the following risks under the retirement pension system governed by the Labor Standards Act:

1. Investment Risk: The Bureau of Labor Funds, MOL invests the labor retirement fund in domestic (foreign) equity securities, debt securities, and bank deposits through self-management and delegated management. However, the returns on the plan assets of the Company are calculated based on a yield not less than the local bank's 2-year fixed deposit interest rate.
2. Interest Rate Risk: A decrease in the interest rates of government bonds/corporate bonds will increase the present value of the defined benefit obligation. However, the return on debt investments of the plan assets will also increase, partially offsetting the impact on the net defined benefit liability.
3. Salary Risk: The calculation of the present value of the defined benefit obligation references the future salaries of plan members. Therefore, an increase in plan members' salaries will increase the present value of the defined benefit obligation.

The present value of the Group's defined benefit obligation is determined by an accredited actuary. The significant assumptions as of the measurement date are as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Discount rate | 1.44% | 1.69% |
| Salary growth rate | 3.00% | 3.00% |

If significant actuarial assumptions change reasonably, while all other assumptions remain constant, the amounts by which the present value of the defined benefit obligation would increase (decrease) are as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Discount rate | | |
| Increase by 0.25% | ($ 1,196) | ($ 1,893) |
| Decrease by 0.25% | $ 1,307 | $ 2,072 |
| Salary growth rate | | |
| Increase by 1.00% | $ 1,280 | $ 2,034 |
| Decrease by 1.00% | ($ 1,185) | ($ 1,878) |

Due to the potential interrelatedness of actuarial assumptions, it is unlikely that only a single assumption would change independently. Therefore, the sensitivity analysis mentioned above may not accurately reflect the actual changes in the present value of the defined benefit obligation.

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Expected contribution amount within 1 year | $ 19,100 | $ 26,975 |
| Average expected remaining service period for the defined benefit obligation | 12 years | 13 years |

22. EQUITY

(1) Capital Stock

1. Common shares

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Number of shares authorized (in thousands) | 300,000 | 300,000 |
| Shares authorized | $ 3,000,000 | $ 3,000,000 |
| Number of shares issued and fully paid (in thousands) | 206,070 | 206,077 |
| Shares issued | $ 2,060,698 | $ 2,060,698 |

The par value of our issued common stock is NT$ 10 per share, and each share has one voting right and the right to receive dividends.

(2) Capital surplus

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1) | | |
| Convertible bond premium | $353,769 | $353,769 |
| Expired stock options | 94,035 | 94,035 |
| Additional paid-in capital in excess of par - common stock | 20,878 | 20,878 |
| changes in ownership interests in subsidiaries and others | 12,326 | 22,181 |
| | $481,008 | $490,863 |

1. This type of capital surplus can be used to offset losses, or when the Company has no losses, it can be used to distribute cash or to increase capital. However, when using it to increase capital, it is limited to a certain percentage of the paid-in capital each year.

(3) Retained earnings and dividend policy

According to the Group's articles, the earnings from the annual closing, if any, shall be distributed in the following order.

1. Pay taxes.
2. Make up for deficits.
3. Appropriate 10% of the earnings as legal reserve.
4. Appropriate to, or reverse, special reserve in accordance with the law or the regulations of the competent authority.
5. The board of directors shall make an earnings distribution proposal for the remaining balance in accordance with the dividends policy; when distributing surplus earnings in the form of new shares to be issued by the Company, a resolution of shareholders' meeting shall be obtained prior to the distribution; if such surplus earning is distributed in the form of cash, it shall be distributed pursuant to a special resolution of the board meeting and shall be reported to the shareholders' meeting.

Please refer to Note 24(7) for information on the estimation basis and recognized amount of the compensation to employees and directors.

The Group's dividend policy takes into account current and future development plans, the investment environment, capital requirements, and domestic and international competition, as well as the interests of shareholders. Dividends may be distributed to shareholders in cash or shares, with cash dividends being no less than 20% of the total dividends.

In accordance with the Company Act, the legal reserve shall be appropriated until the total amount has reached the authorized capital. Legal reserve may be used to cover losses. Where the Group incurs no loss, the Group may distribute its legal reserve in excess of 25% of the paid-in capital in the form of new shares or cash in proportion to the shareholders' original shares.

The Company held shareholder meetings on June 25, 2025, and June 25, 2024, respectively, and resolved resolutions to approve the profit distribution for the years 2024 and 2023 as follows:

| | 2024 | 2023 |
|---|---|---|
| Legal reserve | $ 1,427 | $ 10,453 |
| Shareholders' dividends - cash | $ - | $102,881 |
| Shareholders' dividends - cash dividend per share (NTD) | $ - | $ 0.5 |

The Board of Directors proposed distribution of earnings for the year 2025 on March 11, 2026.

The proposal for distribution of earnings for the year 2025 is expected to be deliberated and decided upon at the shareholder meeting scheduled for June 26, 2026.

(4) Other equity items

1. Foreign operation financial statements translation exchange differences

| | 2025 | 2024 |
|---|---|---|
| Balance at January 1 | $ 6,982 | ($ 110) |
| Generated during the current fiscal year | | |
| Foreign operation translation exchange differences | ( 3,030) | 7,092 |
| Balance at December 31 | $ 3,952 | $ 6,982 |

2. Unrealized gains and losses on financial assets measured at fair value through other comprehensive income

| | 2025 | 2024 |
|---|---|---|
| Balance at January 1 | $204,167 | $235,917 |
| Generated during the current fiscal year | | |
| Unrealized gains and losses | | |
| Equity instruments | 11,405 | ( 28,517) |
| Accumulated gains and losses on disposal of equity instruments transferred to retained earnings | 23,736 | ( 3,233) |
| Balance at December 31 | $239,308 | $204,167 |

(5) Treasury stock

As of December 31, 2025, the Group holds treasury stocks with a value of NT$5,521 thousand, consisting of 308 thousand shares.

The Group's treasury shares cannot be pledged according to securities trading regulations, and they do not have the right to receive dividends or voting rights. The treatment of the subsidiary holding the Company's stock is similar to treasury stock, except for not participating in the Group's cash capital increase and lacking voting rights. Otherwise, the subsidiary enjoys the same rights as ordinary shareholders.

(6) Non-controlling equity

| | 2025 | 2024 |
|---|---|---|
| Balance at January 1 | $145,177 | $159,685 |
| Net loss attributable to non-controlling equity | ( 13,163) | ( 26,014) |
| Other comprehensive income attributable to non-controlling equity | | |
| Unrealized gains (losses) on equity instruments measured at fair value through other comprehensive income | 14,649 | 6,731 |
| Changes in equity of subsidiaries | ( 3,143) | 25 |
| Increase (decrease) attributable to non-controlling equity | 441 | 4,750 |
| Balance at December 31 | $143,961 | $145,177 |

## 23. REVENUE

### (1) Breakdown of revenue from customer contracts

For detailed revenue breakdown information, please refer to Note 37.

### (2) Contract balances

| | December 31, 2025 | December 31, 2024 | January 1, 2024 |
|---|---|---|---|
| Accounts receivable (including related party) (Note 10 | $ 476,902 | $ 431,218 | $ 443,327 |
| Contract liabilities | | | |
| Merchandise sales | $ 28,763 | $ 65,565 | $ 71,962 |
| Engineering revenue | 6,832 | 5,415 | 1,613 |
| | $ 35,595 | $ 70,980 | $ 73,575 |

The amount recognized as revenue from contract liabilities at the beginning of the year during the current fiscal year is as follows:

| | 2025 | 2024 |
|---|---|---|
| Arising from contract liabilities at the beginning of the year | $ 67,642 | $ 73,575 |

Changes in contract liabilities primarily arose from the differences of the time points of fulfilling performance obligation and the time points of payments made by customers.

### (3) Costs to fulfill contracts

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Costs to fulfill contracts - current | $ 3,653 | $ 4,155 |

## 24. CONTINUING OPERATIONS NET LOSS

### (1) Interest income

| | 2025 | 2024 |
|---|---|---|
| Interest income | $ 19,019 | $ 21,686 |

### (2) Other income

| | 2025 | 2024 |
|---|---|---|
| Dividend income | $ 32,008 | $ 19,797 |
| Rental income | 14,642 | 12,965 |
| Other | 12,976 | 13,872 |
| | $ 59,626 | $ 46,634 |

(3) Other gains (losses)

| | 2025 | 2024 |
|---|---|---|
| Gains on disposal of property, plant and equipment | $ 5,978 | $ 95 |
| Net foreign exchange gains | 12,611 | 30,067 |
| Gains on disposal of investments | 75 | 532 |
| Miscellaneous expenses | ( 362) | ( 742) |
| Losses on financial instruments at fair value through profit or loss | ( 6,986) | ( 11,718) |
| | $ 11,316 | $ 18,234 |

(4) Financial costs

| | 2025 | 2024 |
|---|---|---|
| Interest on bank borrowings | $ 1,702 | $ 647 |
| Amortization of discounts on long-term notes payables | 1,504 | 1,475 |
| Interest on lease liabilities | 878 | 971 |
| | $ 4,084 | $ 3,093 |

(5) Depreciation and amortization

| | 2025 | 2024 |
|---|---|---|
| Depreciation expense aggregated by function | | |
| Operating cost | $ 97,319 | $107,746 |
| Operating expenses | 24,604 | 26,573 |
| | $121,923 | $134,319 |
| Amortization expense of intangible assets aggregated by function | | |
| Operating expenses | $ 10,949 | $ 10,993 |

(6) Employee benefits expense

| | 2025 | 2024 |
|---|---|---|
| Retirement benefit(Note 21) | | |
| Defined contribution plans | $ 21,273 | $ 21,231 |
| Defined benefit plans | 270 | 360 |
| | 21,543 | 21,591 |
| Other employee benefits | 582,292 | 551,238 |
| Total employee benefits expense | $603,835 | $572,829 |
| Aggregated by function | | |
| Operating cost | $309,817 | $302,893 |
| Operating expenses | 294,018 | 269,936 |
| | $603,835 | $572,829 |

(7) Employee compensation and director remuneration

The Group allocates employee compensation and director remuneration in accordance with its articles of association based on the pre-tax profit for the year before deducting these allocations. Employee compensation is allocated at a rate not less than 6%, while director remuneration is allocated at a rate not exceeding 1%. The estimated allocations for employee compensation and director remuneration for the years 2025 and 2024 were respectively resolved by the board of directors on March 11, 2026, and March 7, 2025, as follows:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | Cash | Stock | Cash | Stock |
| Employee compensation | $ 2,720 | $ - | $ 1,000 | $ - |
| Director remuneration | 280 | - | 70 | - |

If there are still changes in the amounts after the publication date of the annual financial report, adjustments will be made in the next fiscal year according to accounting estimate changes. The actual distribution amounts of employee compensation and director remuneration for the 2024 and 2023 fiscal years do not differ from the amounts recognized in the financial reports for the 2024 and 2023 fiscal years.

Information on the earnings appropriation proposed by the Board of Directors and approved by the Group's shareholders is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(8) Foreign exchange (loss) gain

| | 2025 | 2024 |
|---|---|---|
| Total foreign exchange gain | $ 62,309 | $ 46,661 |
| Total foreign exchange loss | ( 49,698) | ( 16,594) |
| Net gains | $ 12,611 | $ 30,067 |

25. CONTINUING OPERATIONS INCOME TAX

(1) Income tax recognized in profit or loss

Major components of income tax expense are as follows:

| | 2025 | 2024 |
|---|---|---|
| Current tax | | |
| In respect of the current year | $ 16,526 | $ 8,609 |
| Adjustment of income tax from previous fiscal years in the current period | ( 836) | ( 4,570) |
| Deferred tax | | |
| Related to the origination and reversal of temporary differences | 596 | ( 2,194) |
| Income tax expense recognized in profit or loss | $ 16,286 | $ 1,845 |

A reconciliation of accounting profit and income tax expense is as follows:

| | 2025 | 2024 |
|---|---|---|
| Net profit before tax of continuing operations | $ 14,412 | ($ 18,309) |
| Income tax calculated at statutory tax rate on net profit before tax | $ 2,882 | ($ 3,662) |
| Effect of different tax rates applicable to consolidated entities | 2,747 | 1,399 |
| Expenses not deductible for tax purposes | 1,219 | 1,082 |
| Tax exempt income | ( 2,551) | - |
| Deductible temporary differences not recognized | 12,825 | 7,596 |
| Adjustment of income tax from previous fiscal years in the current period | ( 836) | ( 4,570) |
| Income tax expense recognized in profit or loss | $ 16,286 | $ 1,845 |

(2) Income tax recognized in other comprehensive income

| | 2025 | 2024 |
|---|---|---|
| Deferred income tax | | |
| Arising in the current year | | |
| －Remeasurement of defined benefit plans | $ 457 | $ 1,293 |
| Recognition of income tax loss (gain) in other comprehensive income | $ 457 | $ 1,293 |

(3) Current income tax asset and liability

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Current income tax liability | | |
| Income tax refund receivable | $ 2,881 | $ 3,003 |
| Current income tax liability | | |
| Income tax payable | $ 12,148 | $ 1,047 |

(4) Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

2025

| | Balance at January 1 | Recognized in Profit or Loss | Recognized in other comprehensive income | Balance at December 31 |
|---|---|---|---|---|
| Deferred tax assets | | | | |
| Temporary differences | | | | |
| Inventory impairment and obsolescence losses | $ 18,632 | ($ 4,153) | $ - | $ 14,479 |
| Gains (losses) on valuation of foreign investment targets | 13,959 | 607 | - | 14,566 |
| Other | 8,058 | 334 | ( 457) | 7,935 |
| | $ 40,649 | ($ 3,212) | ($ 457) | $ 36,980 |
| Deferred tax liabilities | | | | |
| Temporary differences | | | | |
| Deferred tax assets | | | | |
| Amortization of intangible assets | ($ 1,952) | $ 571 | $ - | ($ 1,381) |
| Other | ( 2,206) | 2,045 | - | ( 161) |
| | ($ 4,158) | $ 2,616 | $ - | ($ 1,542) |

2024

| | Balance at January 1 | Recognized in Profit or Loss | Recognized in other comprehensive income | Balance at December 31 |
|---|---|---|---|---|
| Deferred tax assets | | | | |
| Temporary differences | | | | |
| Inventory impairment and obsolescence losses | $ 18,786 | ( $ 154 ) | $ - | $ 18,632 |
| Gains (losses) on valuation of foreign investment targets | 11,161 | 2,798 | - | 13,959 |
| Other | 10,450 | ( 1,099 ) | ( 1,293 ) | 8,058 |
| | $ 40,397 | $ 1,545 | ( $ 1,293 ) | $ 40,649 |
| Deferred tax liabilities | | | | |
| Temporary differences | | | | |
| Deferred tax assets | | | | |
| Amortization of intangible assets | ( $ 2,523 ) | $ 571 | $ - | ( $ 1,952 ) |
| Other | ( 2,284 ) | 78 | - | ( 2,206 ) |
| | ( $ 4,807 ) | $ 649 | $ - | ( $ 4,158 ) |

(5) Amounts of deductible temporary differences not recognized as deferred tax assets in the balance sheets

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Deductible temporary differences | $ 61,811 | $ 55,073 |

(6) Income tax examination

The tax authorities have examined the income tax returns of the Company and domestic subsidiaries as follows:

| | Income tax declaration and assessment status |
|---|---|
| The Company | Assessed until the fiscal year 2023 |
| Subsidiary－Hong-Cheng Investment Co., Ltd. | Assessed until the fiscal year 2023 |
| Subsidiary－Syntek Corporation Limited | Assessed until the fiscal year 2023 |
| Subsidiary－Consentek Corporation | Assessed until the fiscal year 2023 |
| Subsidiary－Starlight Display Corporation | Assessed until the fiscal year 2023 |
| Subsidiary－iReach Corporation | Assessed until the fiscal year 2023 |

## 26. EARNINGS PER SHARE

| | 2025 | 2024 |
|---|---|---|
| Basic EPS | $ 0.05 | $ 0.03 |
| Diluted EPS | $ 0.05 | $ 0.03 |

The net profit for the current fiscal year and the weighted average number of outstanding ordinary shares used to calculate basic and diluted earnings per share are as follows:

Net profit for the current fiscal year

| | 2025 | 2024 |
|---|---|---|
| Net profit used to calculate basic and diluted earnings per share | $ 11,289 | $ 5,860 |

Shares

Unit: in thousands of shares

| | 2025 | 2024 |
|---|---|---|
| Weighted average number of common shares used to calculate basic earnings per share | 205,762 | 205,762 |
| Effect of dilutive potential common shares: | | |
| Employee remuneration | 163 | 124 |
| Weighted average number of common shares used to calculate diluted earnings per share | 205,925 | 205,886 |

## 27. SHARE-BASED PAYMENT ARRANGEMENTS

### (1) Subsidiary's share-based payment plan

iReach Corporation offers share-based payments to its employees as part of its compensation plan. Employees acquire equity instruments by providing services as consideration, and these transactions are equity-settled share-based payment transactions.

On March 7, 2023, iReach Corporation's board of directors decided to issue 2,000 units of employee stock options. Each unit entitles the holder to subscribe to 1,000 shares of Class A preferred stock issued by the company at an exercise price of NT$7 per share. The recipients of these options are employees of iReach Corporation who meet specific criteria. The options have a term of 6 years, and holders can exercise a certain proportion of the options granted starting from 2 years after the grant date. Upon expiry of the term, options not exercised by employees are considered forfeited, and holders relinquish any rights to these options.

Details of the employee stock options are as follows:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| Employee stock options | Unit (Thousands) | Weighted average exercise price (NT$) | Unit (Thousands) | Weighted average exercise price (NT$) |
| Beginning of the year outstanding | 1,875 | $ 7 | 2,000 | $ 7 |
| Exercised during the year | ( 63 ) | 7 | - | - |
| Expired during the year | ( 242 ) | 7 | ( 125 ) | 7 |
| End of year outstanding | 1,570 | 7 | 1,875 | 7 |
| End of year exercisable | 764 | | - | |
| Weighted average fair value of options granted during the year (NT$) | $ - | | $ - | |

The relevant information for outstanding employee stock options is as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Range of exercise prices (NT$) | $ 7 | $ 7 |
| Weighted average remaining contractual term (years) | 3.25 years | 4.25 years |

The input values used for the Black-Scholes valuation model for the employee stock options granted by iReach Corporation in the fiscal year 2023 are as follows:

| | 2023 |
|---|---|
| Expected volatility | 48.08%~50.72% |
| Duration of the term | 4~5 years |
| Expected dividend rate | 0.00% |
| Risk-free interest rate | 1.14%~1.15% |

The expected duration of the term is estimated based on historical data and current expectations, which may not necessarily reflect actual exercise behavior. The expected volatility assumes that the historical volatility over a period close to the term represents future trends, but this may not necessarily align with actual outcomes in the future.

The total recognized compensation costs for the fiscal years 2025 and 2024 are NT$575 thousand and NT$1,374 thousand, respectively.

## 28. BUSINESS COMBINATIONS

### (1) Acquisition of subsidiaries

| | Principal Operating | Acquisition Date | Ownership Interest with Voting Rights/Acquisition Ratio (%) | Consideration Transferred |
|---|---|---|---|---|
| Ownway Tech Corp. | Lighting equipment installation engineering | March 6, 2024 | 100 | $ 28,000 |
| YoungTek (Xiamen) Electronics Corporation | Research, production and processing of high-brightness light-emitting diodes and LED chip testing equipment, and provision of related technical consultation and services | November 30, 2024 | 100 | $ 10,310 |

### (2) Consideration Transferred

| | Ownway Tech Corp. | YoungTek (Xiamen) Electronics Corporation |
|---|---|---|
| Cash | $ 18,000 | $ 10,310 |
| Other payables | 10,000 | - |
| | $ 28,000 | $ 10,310 |

### (3) Assets acquired and liabilities assumed at the acquisition date

| | Ownway Tech Corp. | YoungTek (Xiamen) Electronics Corporation |
|---|---|---|
| Current assets | | |
| Cash and cash equivalents | $ 19,318 | $ 2,612 |
| Accounts receivable | 5,742 | 51 |
| Other receivable | - | 4,210 |
| Inventories | - | 1,821 |
| Other current assets | 2 | 274 |
| Non-current assets | | |
| Property, plant and equipment | - | 80,797 |
| Right-of-use assets | - | 19,590 |
| Intangible assets | - | 66 |
| Other non-current assets | 3,152 | - |
| Total assets | $ 28,214 | $109,421 |

| | Ownway Tech Corp. | YoungTek (Xiamen) Electronics Corporation |
|---|---|---|
| Current liabilities | | |
| Short-term borrowings | $ - | $ 25,077 |
| Contract liabilities - current | - | 430 |
| Notes and accounts payable | - | 164 |
| Other payables | - | 3,045 |
| Non-current liabilities | | |
| Long-term borrowings | - | 146,431 |
| Total liabilities | $ - | $175,147 |

(4) Net cash inflow from acquisition of subsidiaries

| | Ownway Tech Corp. | YoungTek (Xiamen) Electronics Corporation |
|---|---|---|
| Cash consideration paid | $ 18,000 | $ 10,310 |
| Less: Cash and cash equivalent balances acquired | ( 19,318) | ( 2,612) |
| | ($ 1,318) | $ 7,698 |

## 29. DISPOSAL OF SUBSIDIARIES

Ownway Tech Corp. was responsible for the operation of the consolidated company's lighting equipment installation engineering business. The consolidated company completed the disposal in November 2024 and lost control of this subsidiary.

(1) Consideration received

| | Ownway Tech Corp. |
|---|---|
| Cash and cash equivalents | $ 18,000 |
| Total consideration received | $ 18,000 |

## 30. CAPITAL RISKS MANAGEMENT

The Group's objective in capital management is to ensure the Group's ability to continue operating and growing while optimizing debt and equity adjustments to maximize shareholder equity.

The capital structure management strategy considers industry scale, growth prospects, product development plans, market share, and the corresponding capital expenditure and asset scale required for long-term development. Based on this, comprehensive planning is conducted. Finally, estimates are made regarding product gross profit margins, operating profit margins, and cash flows, considering the Group's product competitiveness and risk factors such as industry cyclicality and product life cycles, to determine the appropriate capital structure.

The management regularly reviews the capital structure, taking into account the costs and risks associated with different capital instruments. Generally, the Group adopts a prudent risk management strategy.

31. FINANCIAL INSTRUMENTS

(1) Fair value information - financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2025

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Fair value through profit or loss financial assets | | | | |
| Listed (OTC, ESB) stocks | $ 39,236 | $ - | $ - | $ 39,236 |
| Unlisted (OTC) stocks | - | - | 74,384 | 74,384 |
| | $ 39,236 | $ - | $ 74,384 | $ 113,620 |
| Financial assets measured at fair value through other comprehensive income | | | | |
| Equity instrument investments | | | | |
| －Listed (OTC) stocks | $ 285,450 | $ - | $ - | $ 285,450 |
| －Unlisted (OTC) stocks | - | - | 356,045 | 356,045 |
| | $ 285,450 | $ - | $ 356,045 | $ 641,495 |

December 31, 2024

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Fair value through profit or loss financial assets | | | | |
| Listed (OTC, ESB) stocks | $ 14,251 | $ - | $ - | $ 14,251 |
| Unlisted (OTC) stocks | - | - | 77,417 | 77,417 |
| | $ 14,251 | $ - | $ 77,417 | $ 91,668 |
| Financial assets measured at fair value through other comprehensive income | | | | |
| Equity instrument investments | | | | |
| －Listed (OTC) stocks | $ 301,605 | $ - | $ - | $ 301,605 |
| －Unlisted (OTC) stocks | - | - | 316,695 | 316,695 |
| | $ 301,605 | $ - | $ 316,695 | $ 618,300 |

There was no transfer between Level 1 and Level 2 fair value measurements in 2025 and 2024.

2. Adjustments to financial instruments measured at fair value using Level 3 inputs

| Financial assets - equity instruments | Equity instruments measured at fair value through comprehensive profit or loss | |
|---|---|---|
| | 2025 | 2024 |
| Beginning balance | $ 77,417 | $ 91,405 |
| Recognized in profit or loss | ( 3,033) | ( 13,988) |
| Ending balance | $ 74,384 | $ 77,417 |

| Financial assets - equity instruments | Equity instruments measured at fair value through comprehensive profit or loss | |
|---|---|---|
| | 2025 | 2024 |
| Beginning balance | $316,695 | $334,716 |
| Purchases | - | 16,115 |
| Disposals | ( 2,804) | - |
| Recognized in other comprehensive profit or loss | 42,154 | ( 34,136) |
| Ending balance | $356,045 | $316,695 |

3. Valuation techniques and inputs for Level 3 fair value measurement

(1) For certain domestic and foreign unlisted equity investments, the market approach is adopted. This approach relies on transaction prices of comparable assets. Based on the financial information of the target companies and their industry peers, market multiples such as price-to-earnings ratio, price-to-book ratio, price-to-sales ratio, or other financial ratios are used for analysis and valuation. Significant unobservable inputs are as follows: when the price-to-book ratio increases and liquidity discounts decrease, the fair value of these investments will increase.

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Price-Book Ratio | 1.30%~10.85% | 1.26%~52.98% |
| Liquidity discount | 22.29% | 20.31% |

(2) For some domestic and foreign unlisted equity investments, the net asset value method is adopted. In this method, the target company's net asset value approximates the fair value of the equity investment. The assessment of the target includes the total value of individual assets and liabilities, reflecting the overall value of the enterprise or business.

(2) Categories of financial instruments

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Financial assets | | |
| Measured at fair value through profit or loss | | |
| Designated as measured at fair value through profit or loss | $ 113,620 | $ 91,668 |
| Financial assets measured at amortized cost (Note 1) | 1,587,311 | 1,818,166 |
| Financial assets measured at fair value through other comprehensive income | | |
| Equity instrument investments | 641,495 | 618,300 |
| Financial liabilities | | |
| At amortized cost (Note 2) | 439,827 | 756,384 |

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), deposits paid, and other receivables from related parties.

Note 2: The balance includes financial liabilities measured at amortized cost, such as accounts payable and notes payable (including related parties), other payables, and deposits received.

(3) Financial risk management objectives and policies

The Group's financial risk management objective is to manage market risk, credit risk, and liquidity risk associated with its operating activities. To mitigate these financial risks, the Group focuses on identifying, evaluating, and avoiding market uncertainties to reduce the potential adverse impact of market fluctuations on its financial performance.

Key financial activities of the Group are reviewed by management in accordance with relevant regulations and internal control systems. During the execution of financial plans, the Group adheres to relevant financial operating procedures.

1. Market risk

The Group's main financial risks arising from its operating activities include foreign exchange rate risk (see below (1)), interest rate risk (see below (2)), and other price risks (see below (3)).

(1) Foreign exchange rate risk

The Group engages in sales and purchases transactions denominated in foreign currencies and has net investments in foreign operations, leading to exposure to foreign exchange rate fluctuations. The management of the Group's foreign exchange rate risk is conducted within the scope permitted by policies, using forward foreign exchange contracts to manage the risk. As the net investments in foreign operations are considered strategic investments, the Group does not hedge them.

Sensitivity analysis

The Group is primarily affected by fluctuations in the US dollar and Chinese yuan exchange rates.

Regarding sensitivity analysis of foreign exchange rate risk, it mainly focuses on currencies other than the functional currency at the end of the financial reporting period. The positive numbers in the table indicate the increase in profit before tax when the New Taiwan Dollar (functional currency) depreciates by 5% against the relevant foreign currencies. Conversely, when the New Taiwan Dollar depreciates by 5% against the relevant foreign currencies, the impact on profit before tax will be negative by the same amount. This sensitivity ratio is used by the Group when reporting exchange rate risk to management.

| | Impact of USD | | Impact of EUR | | Impact of CNY | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Net profit before tax | $ 16,376 | $ 16,420 | $ 1,053 | $ 607 | $ 23 | $ 35 |

(2) Interest rate risk

As the Group borrows funds at both fixed and floating interest rates, it is exposed to interest rate risk. The Group manages this risk by maintaining an appropriate mix of fixed and floating interest rate instruments. The financial assets and financial liabilities subject to interest rate risk on the balance sheet date are as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Fair value interest rate risk | | |
| Financial assets | $869,980 | $1,136,067 |
| Financial liabilities | 66,035 | 137,661 |
| Cash flow interest rate risk | | |
| Financial assets | $193,063 | $221,661 |
| Financial liabilities | - | 146,431 |

Sensitivity analysis

Regarding the sensitivity analysis of interest rate risk, it primarily focuses on the changes in cash flows of financial assets and liabilities with floating interest rates as of the end of the financial reporting period.

If interest rates rise/fall by 1%, the pre-tax profit for fiscal years 2025 and 2024 will decrease/increase by NT$1,931 thousand and NT$752 thousand, respectively.

(3) Other price risks

The Group is exposed to equity price risk due to its investments in listed equity securities. These equity investments are not held for trading but are strategic investments, and the Company does not actively trade them.

Sensitivity analysis

The following sensitivity analysis is based on price risk as of the balance sheet date.

Assuming a 1% increase/decrease in equity prices, the Group's pre-tax income for fiscal years 2025 and 2024 will increase/decrease by NT$1,136 thousand and NT$917 thousand, respectively, due to fair value changes in financial assets measured at fair value through profit or loss.

Assuming a 1% increase/decrease in equity prices, the Group's pre-tax other comprehensive income for fiscal years 2025 and 2024 will increase/decrease by NT$6,415 thousand and NT$6,183 thousand, respectively, due to fair value changes in financial assets measured at fair value through profit or loss.

2. Credit risk

Credit risk refers to the risk of financial loss incurred by the Group due to the counterparty's default on contractual obligations. The Group's credit risk mainly arises from receivables, bank deposits, and other financial instruments generated from its operating activities. Operational and financial credit risks are managed separately.

Operational Credit Risk

To maintain the quality of accounts receivable, the Group has established operational risk management procedures.

Individual customer risk assessment considers factors such as the customer's financial condition, credit ratings from rating agencies, internal credit ratings within the Group, historical transaction records, and current economic conditions. The Group also utilizes credit enhancement tools such as advance payments and increased collateralization at appropriate times to mitigate credit risk for specific customers.

Accounts receivables are spread across numerous customers in various industries and geographical regions. The Group continually evaluates the financial status of accounts receivable customers and may purchase credit insurance contracts when necessary.

As of December 31, 2025 and 2024, the receivables balance from the top ten customers accounted for 63% and 51%, respectively, of the total receivables (including related parties), indicating that the credit concentration risk of other receivables is not significant.

Financial credit risk

The credit risk associated with bank deposits and other financial instruments is measured and monitored by the Group's finance department. As the Group's counterparties and trading partners consist of reputable banks and financial institutions with good credit standings, there are no significant concerns regarding default risks, resulting in negligible credit risk.

3. Liquidity risk

The Group maintains sufficient cash positions to support its operations and mitigate the impact of cash flow volatility. The Company's management oversees the use of bank financing facilities and ensures compliance with the terms of loan contracts.

Bank borrowings are an important source of liquidity for the Company. The unused financing facilities are described in (2) below.

(1) Liquidity and interest rate risk table for non-derivative financial liabilities

The maturity analysis of non-derivative financial liabilities is based on the earliest date on which the Group could be required to repay the liability, using undiscounted cash flows (including principal and estimated interest). Therefore, bank borrowings that could be demanded repayment immediately are included in the earliest period in the table, without considering the probability of banks exercising this right. The maturity analysis of other non-derivative financial liabilities is based on the contractual repayment dates.

The undiscounted interest amount for interest cash flows paid at floating interest rates is derived based on the expected borrowing rates as of the balance sheet date.

December 31, 2025

| | On-demand or payable within 1 month | 1-3 months | 3 months to 1 year | 1-5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| Non-derivative financial liabilities | | | | | | |
| Interest-free liabilities | $ 139,417 | $ 134,336 | $ 143,302 | $ - | $ - | $ 417,055 |
| Lease liabilities | 619 | 878 | 4,192 | 10,392 | 33,786 | 49,867 |
| Floating rate instruments | - | - | 16,168 | - | - | 16,168 |
| Fixed-rate instruments | - | 81,035 | - | - | - | 81,035 |
| | $ 140,036 | $ 216,249 | $ 163,662 | $ 10,392 | $ 33,786 | $ 564,125 |

Further information regarding the maturity analysis of the financial liabilities is as follows:

| | Within 1 year | 1-5 years | 5-10 years | 10-15 years | 15-20 years | Over 20 years |
|---|---|---|---|---|---|---|
| Lease liabilities | $ 5,689 | $ 10,392 | $ 8,351 | $ 8,692 | $ 9,485 | $ 7,258 |

December 31, 2024

| | On-demand or payable within 1 month | 1-3 months | 3 months to 1 year | 1-5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| Non-derivative financial liabilities | | | | | | |
| Interest-free liabilities | $ 266,947 | $ 140,752 | $ 74,803 | $ - | $ - | $ 482,502 |
| Lease liabilities | 592 | 918 | 3,825 | 14,144 | 36,297 | 55,776 |
| Floating rate instruments | - | - | 187,629 | - | - | 187,629 |
| Fixed-rate instruments | - | - | - | 79,531 | - | 79,531 |
| | $ 267,539 | $ 141,670 | $ 266,257 | $ 93,675 | $ 36,297 | $ 805,438 |

Further information regarding the maturity analysis of the financial liabilities is as follows:

| | Within 1 year | 1-5 years | 5-10 years | 10-15 years | 15-20 years | Over 20 years |
|---|---|---|---|---|---|---|
| Lease liabilities | $ 5,335 | $ 14,144 | $ 8,140 | $ 8,883 | $ 9,694 | $ 9,580 |

(2) Financing limit

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Unsecured bank loan limit | | |
| －Amount utilized | $ 16,168 | $ 41,198 |
| －Amount not utilized | 807,000 | 824,199 |
| | $ 823,168 | $ 865,397 |
| Secured bank loan limit | | |
| －Amount utilized | $ - | $ 146,431 |
| －Amount not utilized | - | 6,717 |
| | $ - | $ 153,148 |

32. TRANSACTIONS WITH RELATED PARTIES

Transactions, account balances, income, and expenses between the Group (which are related parties of the Group) are eliminated in full upon consolidation, hence not disclosed in these notes. Except as disclosed in other notes, transactions between the consolidated company and other related parties are as follows:

(1) Names of related parties and their relationships

| Names of related parties | Relationship with the Company |
|---|---|
| YoungTek Electronics Corporation | Other related party |
| YTEC Holding (Samoa) Co., Ltd. | Other related party |
| Cyans visual creative Co., Ltd. | Associate |

(2) Operating revenue

| Accounting item | Type of related party | 2025 | 2024 |
|---|---|---|---|
| Operating revenue | Other related party | | |
| | YoungTek Electronics Corporation | $ 842 | $ 14 |

The sales price of goods sold to the above-mentioned related parties is negotiated by both parties with reference to market prices. The payment policy is equivalent to that of regular customers, with a payment period of 120 days from the end of the month.

(3) Purchases

| Type/Name of related party | 2025 | 2024 |
|---|---|---|
| Other related party | | |
| YoungTek Electronics Corporation | $ - | $ 4,667 |

The purchase prices from related parties are negotiated by both parties with reference to market conditions; the payment term is approximately 60 days after the end of the month, while the payment terms for general suppliers are approximately 60 to 120 days.

(4) Receivable to related parties

| Accounting item | Type/Name of related party | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| Accounts receivable – related parties | Associate | | |
| Net amount | YoungTek Electronics Corporation | $ 19 | $ - |
| | Cyans visual creative Co., Ltd. | 12,766 | 21,325 |
| | | $ 12,785 | $ 21,325 |

The outstanding receivables from related parties are not secured by any collateral, and allowance for doubtful accounts is recognized based on the impairment assessment of financial assets.

(5) Other receivables from related parties

| Accounting item | Type/Name of related party | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| Other receivables – related parties | Associate | | |
| | YoungTek Electronics Corporation | $ - | $ 21 |

Outstanding other receivables from related parties are without guarantee, and no bad debt expenses are provided.

(6) Long-term receivables from related parties for installment payments

| Accounting item | Type/Name of related party | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| Long-term receivables - related parties | Associate | | |
| | Cyans visual creative Co., Ltd. | $ - | $ 3,782 |

(7) Payables to related parties

| Accounting item | Type/Name of related party | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| Payables - net related parties | Other related party | | |
| | YoungTek Electronics Corporation | $ 14,435 | $ 14,923 |
| Payable for equipment - net related parties | Other related party | | |
| | YoungTek Electronics Corporation | $ - | $ 130 |

(8) Notes payables to related parties

| Accounting item | Type/Name of related party | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| Current portion of long-term notes payables – related parties, net | Other related party | | |
| | YoungTek Electronics Corporation | $ 81,035 | $ - |
| Long-term notes payables – related parties, net | Other related party | | |
| | YoungTek Electronics Corporation | $ - | $ 79,531 |

The Group entered into a contract with YoungTek Electronics in July 2022 to purchase a batch of needle-fixing machines totaling NT$155,000 thousand (exclusive of tax). According to the contract, the payment is scheduled to be made in installments. Before acceptance, 50% of the equipment payment was prepaid. The remaining 50% acceptance payment amounts to a total of NT$81,375 thousand (including tax). As per the contract, the Company issued a three-year promissory note due on March 31, 2026, for the remaining balance. The Company discounts the long-term notes payable using the incremental borrowing rate for the same period. As of December 31, 2025, current portion of the long-term notes payable to related parties amounted to NT$81,035 thousand, with interest expense amortized at NT$1,504 thousand.

(9) Acquisition of property, plant and equipment

| | Consideration of acquisition | |
|---|---|---|
| Type/Name of related party | 2025 | 2024 |
| Other related party | | |
| YoungTek Electronics Corporation | $ 1,194 | $ 1,800 |

(10) Disposal of property, plant, and equipment

| | Disposal proceeds | | Gain (loss) on disposal | |
|---|---|---|---|---|
| Type/Name of related party | 2025 | 2024 | 2025 | 2024 |
| Other related party | | | | |
| YoungTek Electronics Corporation | $ 398 | $ - | $ 398 | $ - |

(11) Lease agreement

Since November 2019, the Group has leased office space and a factory to YoungTek Electronics Corporation. The lease terms were initially from November 1, 2019, to October 31, 2024, and have been extended from November 1, 2024, to October 31, 2029. The rental income for the years 2025 and 2024 was NT$10,992 thousand and NT$10,800 thousand, respectively. The leasing price offered to YoungTek Electronics Corporation is determined based on market rates for similar properties. The monthly rent was NT$900 thousand and has been adjusted to NT$996 thousand starting from November 2024, payable monthly.

(12) Loans to related parties

| Type/name of related party | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Associate | | |
| Cyans visual creative Co., Ltd. | $ 10,000 | $ 10,000 |

Interest income

| Type/name of related party | 2025 | 2024 |
|---|---|---|
| Associate | | |
| Cyans visual creative Co., Ltd. (Note) | $ 230 | $ 230 |

Note: The loans to Cyans visual creative Co., Ltd. provided by the Group are unsecured loans. As of December 31, 2025 and 2024, the interest rates of the loans are both 2.3%. The loans are expected to be recovered within 1 year. After assessment, no expected credit loss shall be provided.

(13) Others

The transactions between the Group and indirectly held subsidiary companies are summarized as follows:

| Accounting item | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Manufacturing costs - Processing fees | $ 34,385 | $ 33,385 |
| Manufacturing expenses – Material costs | $ 354 | $ 334 |
| Manufacturing expenses - Repair expenses | $ 800 | $ 1,300 |
| Manufacturing expenses - Testing and experimental costs | $ 792 | $ 1,226 |
| Selling expenses - Miscellaneous expenses | $ - | $ 66 |
| Non-operating income - Other income | $ 830 | $ 20 |
| Non-operating Income - Rental Income | $ 11,952 | $ 10,992 |

The transactions between the Group and its associates are summarized as follows:

| Accounting item | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Non-operating income - Miscellaneous income | $ 120 | $ 120 |
| Non-operating Income - Rental Income | $ 24 | $ 24 |

(14) Endorsements/Guarantees

Endorsements/Guarantees Obtained

| Type/name of related party | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Other related party | | |
| YTEC Holding (Samoa) Co., Ltd. | | |
| Guaranteed Amount | $ - | $146,431 |
| Actual Amount Drawn (Recorded as Guaranteed Bank Loans) | - | ( 146,431) |
| | $ - | $ - |

(15) Remuneration of key management personnel

| | 2025 | 2024 |
|---|---|---|
| Short-term employee benefits | $ 35,776 | $ 37,913 |
| Share-based Payment | 188 | 376 |
| Retirement benefits | 1,323 | 1,329 |
| | $ 37,287 | $ 39,618 |

The remuneration of key management personnel is determined by the remuneration committee based on individual performance and market trends.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets are provided as collateral for financing loans and as security for customs duties on imported raw materials:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Pledged time deposits (financial assets measured at amortized cost – non-current) | $ 9,378 | $ 8,358 |

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The Company has signed a white light patent licensing agreement with OSRAM, a German company, under which it is obligated to pay licensing fees and royalties calculated based on the agreed percentage of future net sales of licensed products.

35. SIGNIFICANT SUBSEQUENT EVENTS:

The following information is expressed in foreign currencies other than the functional currency of the Group. The disclosed exchange rates represent the rates at which these foreign currencies are translated into functional currency. Significant foreign currency assets and liabilities are as follows:

December 31, 2025 (In thousands of respective foreign currencies)

| | Foreign currency | Exchange rate | Carrying amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| US dollar | $ 15,253 | 31.40 | $ 478,955 |
| Chinese yuan | 162 | 4.49 | 726 |
| Euro | 572 | 36.85 | 21,063 |
| Hong Kong dollar | 393 | 4.04 | 1,587 |
| Financial liabilities | | | |
| Monetary items | | | |
| US dollar | 4,823 | 31.40 | 151,431 |
| Chinese yuan | 59 | 4.49 | 263 |
| Japanese yen | 2,414 | 0.21 | 507 |

December 31, 2024 (In thousands of respective foreign currencies)

| | Foreign currency | Exchange rate | Carrying amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| US dollar | $ 14,619 | 32.78 | $ 479,212 |
| Chinese yuan | 1,085 | 4.48 | 4,862 |
| Euro | 355 | 34.15 | 12,139 |
| Hong Kong dollar | 298 | 4.23 | 1,260 |
| Financial liabilities | | | |
| Monetary items | | | |
| US dollar | 4,601 | 32.78 | 150,807 |
| Chinese yuan | 930 | 4.48 | 4,166 |
| Japanese yen | 4,612 | 0.21 | 969 |

In the fiscal years 2025 and 2024, the Group realized and unrealized foreign currency exchange gains (losses) of NT$12,611 thousand and NT$30,067 thousand, respectively. Due to the variety of functional currencies involved in foreign currency transactions, it is not feasible to disclose the exchange gains or losses separately for each significant foreign currency.

36. SEPARATELY DISCLOSED ITEMS

(1) Information about significant transactions:
   1. Financing provided to others: Table 1.
   2. Endorsements/guarantees provided: None.
   3. Information on year-end holdings of significant securities (excluding investments in subsidiaries, associates, and jointly controlled entities): Table 2.
   4. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
   5. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3.
   6. Information on investees: Table 4.

(2) Information on investees: Table 5.

(3) Information on investments in mainland China:
   1. Details of mainland China invested companies including their names, primary business activities, paid-in capital, investment methods, cash inflows and outflows, shareholding percentages, investment gains or losses, end-of-period investment book value, repatriated investment gains or losses, and investment limits for investments in mainland China: Table 6.
   2. Significant transactions with mainland China invested companies, whether directly or indirectly through third-party regions, including prices, payment terms, and unrealized gains or losses: None.

37. SEGMENT INFORMATION

(1) The Group's business and revenue mainly derive from products related to light-emitting diodes (LEDs). The Group's management oversees the overall operational results to formulate decisions regarding the allocation of group resources and evaluates the overall performance of the Group. Therefore, it is considered a single operating segment.

The accounting policies adopted by this segment are consistent with those described in Note 4 regarding significant accounting policies, with no significant discrepancies.

(2) Primary Products and Revenue

| | 2025 | 2024 |
|---|---|---|
| Primary Products | | |
| Light-emitting diodes | $ 2,060,359 | $ 1,930,729 |
| Engineering revenue | 10,070 | 29,850 |
| | $ 2,070,429 | $ 1,960,579 |
| | | |
| Customer Contract Revenue | | |
| Sales revenue from goods | $ 2,060,359 | $ 1,930,729 |
| Engineering revenue | 10,070 | 29,850 |
| | $ 2,070,429 | $ 1,960,579 |

(3) Region Information

Revenue from external customers:

| | 2025 | 2024 |
|---|---|---|
| Primary Geographic Markets | | |
| Taiwan | $ 597,100 | $ 553,052 |
| Mainland China | 973,485 | 945,112 |
| Asia | 238,133 | 249,125 |
| Other | 261,711 | 213,290 |
| | $ 2,070,429 | $ 1,960,579 |

Revenue information by region is categorized on the basis of the place of shipment

Non-current assets:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Taiwan | $716,565 | $757,919 |
| Mainland China (Hong Kong) | 162,840 | 179,768 |
| Other | 14,863 | 16,387 |
| Total | $894,268 | $954,074 |

Non-current assets do not include financial assets at amortized cost, investments accounted for using the equity method, financial instruments, and deferred tax assets.

(4) Information on important customers:

Information on external customers whose revenues accounted for 10% or more of the total consolidated revenues is as follows:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | Amount | Percentage (%) | Amount | Percentage (%) |
| Customer A | $ 420,060 | 20 | $ 422,655 | 23 |
| Customer B | NA (Note) | - | NA (Note) | - |

Note: Income does not exceed 10% of consolidated gross operating income.

Harvatek Corporation And Subsidiaries

Loaning funds to others

2025

Table 1

Unit: Unless otherwise specified, all amounts are in NTD thousands

| No. (Note 1) | Financing company | Borrower | Financial statements account | Related party | Max balance in the period | Ending balance | Amount actually drawn | Interest range | Financing nature (Note 3) | Transaction amount (Note 6) | Reasons for short-term financing | Allowance for bad debt | Collateral | | Financing limits for each borrowing company (Note 4) | Financing company's total financing amount limit (Note 5) | Remark |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Name | Value | | | |
| 0 | Harvatek Corporation | Harvatek(Guangzhou) Co., LTD | Other receivables | Y | $ 27,078 | $ 11,228 | $ 11,228 | Note 2 | 2 | $ - | Working capital | $ - | — | $ - | $ 603,933 | $1,207,866 | — |
| | | YoungTek (Xiamen) Electronics Corporation | Other receivables | Y | 205,785 | 202,095 | 188,622 | Note 2 | 2 | - | Working capital | - | — | - | 603,933 | 1,207,866 | — |
| | | Cyans visual creative Co., Ltd. | Other receivables | Y | 20,000 | 10,000 | 10,000 | Note 2 | 2 | - | Working capital | - | — | - | $ 603,933 | $1,207,866 | — |

Note 1: Explanation of the serial number column:

(1) Issuers should fill in 0.

(2) Invested companies should be sequentially numbered starting from 1 according to company type.

Note 2: Calculated based on the average loan interest rate of the Company's main banks.

Note 3: The nature of fund lending should be classified as follows:

(1) For entities with business dealings.

(2) For entities requiring short-term financing.

Note 4: The fund limit for individual entities should not exceed 20% of the Company's net worth.

Note 5: The total fund lending limit should not exceed 40% of the consolidated Company's net worth.

Note 6: Business dealings amount refers to the lending amount and the business dealings between the lending company and the borrowing entity in the most recent fiscal year.

Harvatek Corporation And Subsidiaries

Significant Marketable Securities Held at End of the Period
December 31, 2025

Table 2

Unit: Unless otherwise specified, all amounts are in NTD thousands

| Held Company Name | Type | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | December 31, 2025 | | | | Remark |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Shares/Units | Carrying Value | Percentage of Ownership (%) | Fair Value | |
| Harvatek Corporation | Stock | Hsieh-Yung Investment Co., Ltd. | None | Financial assets at fair value through other comprehensive income – non-current | 30,697,721 | $ 299,917 | 1.52% | $ 299,917 | |
| Hong-Cheng Investment Co., Ltd. | Stock | YoungTek Electronics Corporation | Other related party of Harvetek | Financial assets at fair value through other comprehensive income - current | 2,575,200 | 174,599 | 2.00% | 174,599 | |

Harvatek Corporation And Subsidiaries

Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital

December 31, 2025

Table 3

Unit: Unless otherwise specified, all amounts are in NTD thousands

| Company with receivables | Name of counterparty | Relationship | Balance of receivables from related parties (Note 1) | Turnover rate | Overdue receivables from related parties | | Receivables from related parties collected in subsequent period | Loss allowance provided |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount | Treatment | | |
| Recognized as other receivables from related parties | | | | | | | | |
| Harvatek Corporation | YoungTek (Xiamen) Electronics Corporation | Subsidiary indirectly held by the Company | $ 188,622 | - | $ - | — | $ - | $ - |

Harvatek Corporation And Subsidiaries

Intercompany relationships and significant intercompany transactions

2025

Table 4

Unit: Unless otherwise specified, all amounts are in NTD thousands

| No. (Note 1) | Name of the trading party | Trading counterparty | Name of relations (Note 2) | Intercompany Transaction | | | |
|---|---|---|---|---|---|---|---|
| | | | | Account | Amount | Transaction terms | Percentage of consolidated net revenue or total assets (Note 3) |
| 0 | Harvatek Corporation | YoungTek (Xiamen) Electronics Corporation | 2 | Other receivables | 188,622 | — | 4.96% |

Note 1: Intercompany transactions should be indicated in the numbered columns individually. The number is filled in as follows:

(1) Parent company is numbered 0.

(2) Subsidiaries are numbered sequentially according to company name from Arabic numeral 1.

Note 2: There are three types of relationships with counterparties, indicating the type suffices:

(1) Parent company to subsidiary.

(2) Parent company to sub-subsidiary.

(3) Subsidiary to subsidiary.

(4) Subsidiary to parent company.

Note 3: For the calculation of transaction amount as a percentage of consolidated net revenue or total assets, in the case of balance sheet accounts, ending balances are divided by consolidated total assets; in the case of income statement accounts, the cumulative amount in the period is divided by consolidated net revenue.

Harvatek Corporation And Subsidiaries

Information on Investees, Geographical Area, etc.
2025

Table 5

Unit: Unless otherwise specified, all amounts are in NTD/USD/HKD/EURO thousands

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | Shares Held at the End of the Period | | | Net Income (Loss) of the Investee | Share of Profit/Loss of Investee | Remark |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | End of the current period | End of the prior year | Number of shares | Ratio | Carrying amount | | | |
| Harvatek Corporation | Hong-Cheng Investment Co., Ltd. | Taiwan | Investment | $ 150,000 | $ 150,000 | 3,832,533 | 41.60% | $ 192,780 | $ 15,654 | $ 8,332 | — |
| | Hong-Ruei Investment Co., Ltd. | Taiwan | Investment | - | 27,450 | - | - | - | ( 27 ) | ( 10 ) | — |
| | Harvatek International (USA) Corp. | U.S | Sales of electronic components | 83,574 ( USD 2,600 thousand ) | 83,574 ( USD 2,600 thousand ) | 1,000,000 | 100% | 32,840 | 472 | 472 | — |
| | HONOR LIGHT LIMITED | Samoa | Investment | 370,975 ( USD 12,446 thousand ) | 370,975 ( USD 12,446 thousand ) | 12,446,236 | 100% | 125,136 | ( 60,485 ) | ( 60,485 ) | — |
| | Syntek Corporation Limited | Taiwan | Manufacturing and sales of electronic components | 7,000 | 7,000 | 700,000 | 70% | 667 | ( 187 ) | ( 131 ) | — |
| | Consentek Corporation | Taiwan | Manufacturing and sales of electronic components | 81,650 | 55,050 | 11,910,861 | 92.55% | 55,861 | ( 14,656 ) | ( 8,972 ) | — |
| | Starlight Display Corporation | Taiwan | Manufacturing and sales of electronic components | 26,250 | 26,250 | 2,625,000 | 63.13% | ( 383 ) | ( 13,380 ) | ( 8,447 ) | — |
| | Cyans visual creative Co., Ltd. | Taiwan | Design, sales, and leasing industry | 20,000 | 20,000 | 2,000,000 | 40% | 1,156 | ( 4,686 ) | ( 1,874 ) | — |
| | iReach Corporation | Taiwan | Manufacturing and sales of electronic components | 50,000 | 50,000 | 2,500,000 | 10.30% | 9,365 | ( 32,114 ) | ( 3,312 ) | — |
| Hong-Cheng Investment Co., Ltd. | Consentek Corporation | Taiwan | Manufacturing and sales of electronic components | - | 26,600 | - | - | - | ( 3,131 ) | Note 2 | — |
| HONOR LIGHT LIMITED | Harvatek (HK) Limited | Hong Kong | Investment | 68,491 ( USD 2,348 thousand ) | 68,491 ( USD 2,348 thousand ) | 2,348,000 | 100% | 32,276 | ( 84 ) | Note 2 | — |
| | Harvatek Europe GmbH | Germany | Sales of electronic components | 512 ( EUR13 thousand ) | 512 ( EUR13 thousand ) | 12,750 | 51% | 783 | ( 59 ) | Note 2 | — |
| Consentek Corporation | iReach Corporation | Taiwan | Manufacturing and sales of electronic components | 59,999 | 59,999 | 10,909,000 | 44.93% | 58,430 | ( 14,451 ) | Note 2 | — |

Note 1: Figures in this table are presented in NTD. For foreign-currency transactions, the USD, HKD, and EURO were translated into NTD using exchange rates of 31.40, 4.04, and 36.85 at the date of the financial statements, except for the historical exchange rates. The exchange rates of the USD, HKD, and EURO for profit and loss were translated into NTD based on the average exchange rates of 31.17, 4.00, and 35.19.

Note 2: Gains or losses on investments in these companies are included in the investment gain or loss of the subsidiaries, respectively.

Harvatek Corporation And Subsidiaries

Information on investment in mainland China

2025

Table 6

Unit: Unless otherwise specified, all amounts are in NTD thousands

| Name of investee in China | Main business and products | Paid-in capital | Method of investment | Accumulated outflow of investment from Taiwan at the beginning of the period | Investment outflow or inflow for the period | | Accumulated outflow of investment from Taiwan at the end of the period | Net income (losses) profit/loss in the period | Percentage of the company's direct or indirect shareholding ratio | Current recognition of net investment income (or loss)(Note 1) | Carrying amount at the end of the period | Accumulated inward remittance of investment gains at the end of the period | Remark |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Outflow | Inflow | | | | | | | |
| Guang Zhou Giuhong Yi trading company, Limited | Sales of electronic components | CNY 500 | Note 2 | $ 2,606 ( USD 83 thousand ) | $ - | $ - | $ 2,606 ( USD 83 thousand ) | $ 2,267 | 100% | $ 2,267 | $ 5,509 | $ - | — |
| Harvatek(Guangzhou) Co., LTD | Manufacturing and sales of electronic components | CNY 20,000 | Note 2 | 96,712 ( USD 3,080 thousand ) | - | - | 96,712 ( USD 3,080 thousand ) | 392 | 100% | 392 | ( 796 ) | - | — |
| Yangzhou YoungTek Electronics Ltd. | Manufacturing and sales of electronic components | CNY 67,887 | Note 2 | 125,600 ( USD 4,000 thousand ) | - | - | 125,600 ( USD 4,000 thousand ) | ( 72,354 ) | 40% | ( 28,942 ) | 108,620 | - | — |
| Xiamen YoungTek Electronics Corporation | Manufacturing and sales of electronic components | CNY 194,235 | Note 2 | 9,922 ( USD 316 thousand ) | - | | 9,922 (USD 316 thousand ) | ( 26,516 ) | 100% | ( 26,516 ) | ( 23,893 ) | - | — |

| Cumulative amount of investment from Taiwan to Mainland China as of the end of the current period | Approved investment amount by the Investment Commission of the Ministry of Economic Affairs | Investment limit to Mainland China as regulated by the Investment Commission of the Ministry of Economic Affairs (Note 3) |
|---|---|---|
| $234,841 (USD7,479 thousand) | $234,841 (USD7,479 thousand) | $1,811,799 |

Note 1: Calculated based on the financial statements audited by the auditors for the same period.

Note 2: The total investment amount is NTD 234,841 thousand (USD 7,479 thousand), of which NTD 234,841 thousand (USD 7,479 thousand) is invested indirectly in mainland China through third-party intermediaries.

Note 3: Calculated based on the investment limits specified in the amended Principles for Reviewing Investment or Technical Cooperation in Mainland China by the Investment Commission on August 29, 2008.

Note 4: Calculated based on the exchange rate as of December 31, 2025.