

**ASMEDIA TECHNOLOGY INC. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024**

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ASMEDIA TECHNOLOGY INC.

Opinion

We have audited the accompanying consolidated balance sheets of ASMEDIA TECHNOLOGY INC. and subsidiaries (the “Group”) as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants” and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the report of other auditors, 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 Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

Assessment of reasonableness of the allocation of acquisition price relative to the significant merger transaction

Description

The merger transaction is accounted for using the acquisition method. Refer to Note 4(30) for accounting policies on merger transaction, and Note 6(32) for details of merger transaction. This allocation of acquisition price is based on the report prepared by an external expert who was engaged by the management. As the price allocation involves management's judgment and the assets (including goodwill and intangible assets) and liabilities arising from the merger transaction are material to the financial statements, we considered the abovementioned merger transaction as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Evaluated the competency and objectivity of the external appraisal expert engaged by the management.
2. Reviewed the reasonableness of the original data and key assumptions adopted in the acquisition price allocation report issued by the external expert to measure the identifiable assets and liabilities. The auditor and the internal appraisal expert performed the following procedures:
 - (1) Reviewed the valuation methods and the calculation formulas used by the external appraisal experts.
 - (2) Reviewed the expected revenue growth rate and gross margin and compared with historical data, economic and industry forecasts.
 - (3) Reviewed the discount rate and compared with the rate of return from similar assets in the trade markets.
3. Reviewed the accounting treatment of this transaction and the presentation and disclosure in the financial statements.

Evaluation of inventories

Description

Refer to Note 4(12) for the accounting policies on the evaluation of inventories, Note 5 for the uncertainty of accounting estimations and assumptions for evaluation of inventories, and Note 6(5) for the details of inventory valuation.

The Group is primarily engaged in the design, development, production, manufacture and sales of high-speed analogue circuit products.

Due to the rapid technological innovations and competition within the industry, frequent releases of new products result in potential price fluctuations and product marginalization in the market. Additionally, it also affects the estimation of net realisable values of inventories.

In response to changing markets and its development strategies, the Group adjusts its inventory levels. The Group's primary product line is high-speed analogue/digital circuit products. As a result, the related inventory levels for the product line as mentioned above are significant. Management evaluates inventories stated at the lower of cost and net realisable value. Since the evaluation of inventories is subject to management's judgment and the accounting estimations will have significant influence on the inventory values, the evaluation of inventories has been identified as one of the key audit matters.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Assessed the policy on allowance for inventory valuation loss based on our understanding of the Group's operations and industry.
2. Tested whether the basis of market value used in calculating the net realisable value of inventory is the same as the Group's policy and validated the accuracy of net realisable value calculation of selected samples.
3. Inspected the management's individually identified out-of-date inventory list. Checked the related supporting documents and reconciled against the account.

Other matter – Reference to the audits of other auditor

We did not audit the financial statements of an investment accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of this associate, is based solely on the report of the other auditors. The balance of this investment accounted for under the equity method amounted to NT\$110,533 thousand and NT\$96,037 thousand, both constituting 0.27% of the consolidated total assets as at December 31, 2025 and 2024, and the comprehensive income recognised from associates and joint ventures accounted for under the equity method amounted to NT\$10,470 thousand and (NT\$22,904) thousand, constituting 0.32% and (0.48%) of the consolidated total comprehensive income for the year then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion with other matter paragraph on the parent company only financial statements of ASMEDIA TECHNOLOGY INC. as at and for the years ended December 31, 2025 and 2024.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

Yang, Huei-Tzu

Chang, Shu-Chiung

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 5, 2026

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

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

ASMEDIA TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 4,988,751	12	\$ 14,598,161	41
1110	Financial assets at fair value through profit or loss - current	6(2)	235,126	1	650,659	2
1120	Financial assets at fair value through other comprehensive income - current	6(7)	1,598,265	4	-	-
1170	Accounts receivable, net	6(4)	1,380,332	4	746,140	2
1180	Accounts receivable - related parties	6(4) and 7	63,997	-	173,615	-
1200	Other receivables		3,288	-	58,087	-
130X	Inventory	6(5)	1,763,247	4	492,541	1
1410	Prepayments		102,549	-	46,392	-
11XX	Total current assets		<u>10,135,555</u>	<u>25</u>	<u>16,765,595</u>	<u>46</u>
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	142,358	-	70,000	-
1517	Financial assets at fair value through other comprehensive income-non-current	6(7)	1,139,203	3	833,496	2
1550	Investments accounted for using equity method	6(6)	17,570,669	43	17,425,201	49
1600	Property, plant and equipment	6(8)	480,276	1	466,573	1
1755	Right-of-use assets	6(9)	69,427	-	26,274	-
1780	Intangible assets	6(10)	10,676,839	26	295,271	1
1840	Deferred income tax assets	6(28)	221,410	1	146,655	1
1975	Net defined benefit asset, non-current	6(15)	578	-	428	-
1990	Other non-current assets, others	6(11) and 8	354,762	1	26,046	-
15XX	Total non-current assets		<u>30,655,522</u>	<u>75</u>	<u>19,289,944</u>	<u>54</u>
1XXX	Total assets		<u>\$ 40,791,077</u>	<u>100</u>	<u>\$ 36,055,539</u>	<u>100</u>

(Continued)

ASMEDIA TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2120	Financial liabilities at fair value through profit or loss - current	6(13)	\$ -	-	\$ 27,047	-
2130	Current contract liabilities	6(21)	123,695	-	744	-
2170	Accounts payable		452,549	1	278,168	1
2200	Other payables	6(14) and 7	2,292,491	6	1,635,554	4
2230	Current income tax liabilities		428,645	1	311,448	1
2250	Current provisions		5,753	-	-	-
2280	Lease liabilities - current		35,748	-	21,517	-
2365	Current refund liabilities	6(17) and 7	457,123	1	361,485	1
2399	Other current liabilities		26,013	-	19,516	-
21XX	Total current liabilities		<u>3,822,017</u>	<u>9</u>	<u>2,655,479</u>	<u>7</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(28)	789,352	2	28	-
2580	Lease liabilities - non-current		32,407	-	5,489	-
2670	Other non-current liabilities, others		4,632	-	-	-
25XX	Total non-current liabilities		<u>826,391</u>	<u>2</u>	<u>5,517</u>	<u>-</u>
2XXX	Total liabilities		<u>4,648,408</u>	<u>11</u>	<u>2,660,996</u>	<u>7</u>
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(18)	747,771	2	746,622	2
Capital surplus						
3200	Capital surplus	6(19)	20,869,680	51	19,935,434	56
Retained earnings						
3310	Legal reserve	6(20)	1,931,610	5	1,461,652	4
3350	Unappropriated retained earnings		11,764,957	29	8,817,051	24
Other equity interest						
3400	Other equity interest		828,651	2	2,433,784	7
31XX	Equity attributable to owners of parent		<u>36,142,669</u>	<u>89</u>	<u>33,394,543</u>	<u>93</u>
3XXX	Total equity		<u>36,142,669</u>	<u>89</u>	<u>33,394,543</u>	<u>93</u>
Significant contingent liabilities and unrecorded contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 40,791,077</u>	<u>100</u>	<u>\$ 36,055,539</u>	<u>100</u>

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

ASMEDIA TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(21) and 7	\$ 13,414,563	100	\$ 8,081,071	100
5000	Operating costs	6(5)(26) and 7	(6,407,971)	(48)	(3,703,945)	(46)
5900	Gross profit		7,006,592	52	4,377,126	54
5910	Unrealised profit from sales		(9,220)	-	(8,065)	-
5920	Realised profit from sales		8,065	-	11,665	-
5950	Net operating margin		7,005,437	52	4,380,726	54
	Operating expenses	6(26) and 7				
6100	Selling expenses		(254,817)	(2)	(120,077)	(1)
6200	General and administrative expenses		(461,039)	(4)	(431,784)	(5)
6300	Research and development expenses		(2,330,561)	(17)	(1,495,577)	(19)
6000	Total operating expenses		(3,046,417)	(23)	(2,047,438)	(25)
6900	Operating profit		3,959,020	29	2,333,288	29
	Non-operating income and expenses					
7100	Interest income	6(22)	272,963	2	346,608	4
7010	Other income	6(23)	26,639	-	28,921	-
7020	Other gains and losses	6(24)	(132,434)	(1)	81,072	1
7050	Finance costs	6(25)	(4,328)	-	(1,402)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(6)				
			2,103,065	16	1,456,146	18
7000	Total non-operating income and expenses		2,265,905	17	1,911,345	23
7900	Profit before income tax		6,224,925	46	4,244,633	52
7950	Income tax expense	6(28)	(799,089)	(6)	(512,008)	(6)
8200	Profit for the year		\$ 5,425,836	40	\$ 3,732,625	46
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
8311	Actuarial gain on defined benefit plan	6(15)	\$ 142	-	\$ 531	-
8316	Unrealised gain on investments in equity instruments at fair value through other comprehensive income	6(7)	215,740	2	31,389	-
8317	Loss on hedging instrument that will not be reclassified to profit or loss	6(3)	(801,713)	(6)	-	-
8320	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(483,373)	(4)	117,329	2
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss		(1,069,204)	(8)	149,249	2
	Components of other comprehensive (loss) income that will be reclassified to profit or loss					
8361	Exchange differences on translation		139,656	1	-	-
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(1,258,723)	(9)	907,666	11
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		(1,119,067)	(8)	907,666	11
8300	Total other comprehensive (loss) income for the year		(\$ 2,188,271)	(16)	\$ 1,056,915	13
8500	Total comprehensive income for the year		\$ 3,237,565	24	\$ 4,789,540	59
	Earnings per share(in dollars)					
9750	Basic earnings per share	6(29)	\$ 72.70		\$ 51.57	
9850	Diluted earnings per share	6(29)	\$ 72.37		\$ 51.38	

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

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

	Notes	Equity attributable to owners of the parent									Total equity
		Common stock	Capital surplus, additional paid-in capital	Retained Earnings			Exchange differences on translation of foreign financial statements	Other Equity Interest			
				Legal reserve	Unappropriated retained earnings	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		Gains (losses) on remeasurements of defined benefit plan	Gains (losses) on hedging instruments	Other equity, others	
<u>Year ended December 31, 2024</u>											
Balance at January 1, 2024		\$ 693,635	\$ 9,613,449	\$ 1,237,694	\$ 5,728,699	\$ 217,180	\$ 2,128,402	(\$ 450)	\$ -	(\$ 32,820)	\$ 19,585,789
Profit for the year		-	-	-	3,732,625	-	-	-	-	-	3,732,625
Other comprehensive income (loss)		-	-	-	-	1,104,641	148,718	531	(196,975)	-	1,056,915
Total comprehensive income (loss)		-	-	-	3,732,625	1,104,641	148,718	531	(196,975)	-	4,789,540
Appropriations of 2023 retained earnings	6(20)										
Legal reserve		-	-	223,958	(223,958)	-	-	-	-	-	-
Cash dividends		-	-	-	(1,387,270)	-	-	-	-	-	(1,387,270)
Share-based payments	6(16)										
Compensation cost of employee restricted stocks		-	-	-	-	-	-	-	-	26,515	26,515
Retirement and reduction of employee restricted stocks		(13)	13	-	-	-	-	-	-	-	-
Issuance of new shares arising from global depository	6(18)	53,000	10,500,673	-	-	-	-	-	-	-	10,553,673
Changes in equity of associates and joint ventures accounted for using equity method	6(6)	-	(178,701)	-	-	-	-	-	-	4,997	(173,704)
Disposal of equity instrument measured at fair value through other comprehensive income by associates	6(7)	-	-	-	873,644	-	(873,644)	-	-	-	-
Disposal of equity instrument measured at fair value through other comprehensive income		-	-	-	93,311	-	(93,311)	-	-	-	-
Balance at December 31, 2024		\$ 746,622	\$ 19,935,434	\$ 1,461,652	\$ 8,817,051	\$ 1,321,821	\$ 1,310,165	\$ 81	(\$ 196,975)	(\$ 1,308)	\$ 33,394,543
<u>Year ended December 31, 2025</u>											
Balance at January 1, 2025		\$ 746,622	\$ 19,935,434	\$ 1,461,652	\$ 8,817,051	\$ 1,321,821	\$ 1,310,165	\$ 81	(\$ 196,975)	(\$ 1,308)	\$ 33,394,543
Profit for the year		-	-	-	5,425,836	-	-	-	-	-	5,425,836
Other comprehensive income (loss)		-	-	-	-	(1,119,067)	(267,633)	142	(801,713)	-	(2,188,271)
Total comprehensive income (loss)		-	-	-	5,425,836	(1,119,067)	(267,633)	142	(801,713)	-	3,237,565
Appropriations of 2024 retained earnings	6(20)										
Legal reserve		-	-	469,958	(469,958)	-	-	-	-	-	-
Cash dividends		-	-	-	(2,239,867)	-	-	-	-	-	(2,239,867)
Share-based payments	6(16)										
Issuance of employee restricted stocks		1,150	(1,150)	-	-	-	-	-	-	-	-
Compensation cost of employee restricted stocks		-	164,871	-	-	-	-	-	-	(133,755)	31,116
Retirement and reduction of employee restricted stocks		(1)	1	-	-	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	6(6)	-	770,524	-	-	-	-	-	-	147,075	917,599
Disposal of equity instrument measured at fair value through other comprehensive income by associates		-	-	-	133,995	-	(133,995)	-	-	-	-
Disposal of equity instrument measured at fair value through other comprehensive income	6(7)	-	-	-	97,900	-	(97,900)	-	-	-	-
Cost of reclassified non-financial assets	6(3)	-	-	-	-	-	-	-	801,713	-	801,713
Balance at December 31, 2025		\$ 747,771	\$ 20,869,680	\$ 1,931,610	\$ 11,764,957	\$ 202,754	\$ 810,637	\$ 223	(\$ 196,975)	\$ 12,012	\$ 36,142,669

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

ASMEDIA TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 6,224,925	\$ 4,244,633
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(26)	291,764	325,491
Amortisation	6(10)(26)	219,625	96,920
Net (gain) loss on financial assets at fair value through loss	6(2)(13)	(33,890)	18,440
Interest expense	6(9)(12)(25)	4,328	1,402
Interest income	6(22)	(272,963)	(346,608)
Dividend income	6(23) and 7	(16,000)	(16,000)
Share-based payments	6(16)	31,116	26,515
Share of profit of associates and joint ventures accounted for using equity method	6(6)	(2,103,065)	(1,456,146)
Unrealised (realised) profit from sales	6(6)	1,155	(3,600)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		420,017	(90,462)
Accounts receivable, net	(	( 632,220)	184,084
Accounts receivable - related parties	(	109,618	(40,257)
Inventory	(	( 840,277)	72,043
Other receivables	(	( 1,081)	(342)
Prepayments	(	5,439	66,781
Other non-current assets	(	( 13,755)	-
Other current assets	(	8	-
Changes in operating liabilities			
Contract liabilities - current		28,875	15,944
Accounts payable		124,317	14,383
Other payables		643,966	467,884
Current provisions		255	-
Unearned receipts		16,966	-
Other current liabilities		83,607	-
Current refund liabilities		95,638	99,637
Other current liabilities		-	126
Non-current net defined benefit liability		-	1
Cash inflow generated from operations		4,377,474	3,680,869
Income tax paid	(	( 622,668)	(434,240)
Interest received		319,711	290,083
Interest paid	(	( 4,328)	(1,585)
Net cash flows from operating activities		4,070,189	3,535,127
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income	(	( 1,906,132)	(49,091)
Acquisition of financial assets at fair value through profit or loss	(	70,000	-
Disposal of financial assets at fair value through other comprehensive income		182,705	114,911
Acquisition of investments accounted for using equity method		-	(112,998)
Dividends received	6(6)	1,147,945	355,555
Acquisition of subsidiary (net of cash acquired)	6(32)	(10,167,633)	-
Acquisition of property, plant and equipment	6(30)	(532,182)	(170,958)
Acquisition of intangible assets	6(30)	(132,557)	(139,338)
Increase in refundable deposits	(	( 3,018)	(5,325)
Net cash flows used in investing activities	(	( 11,480,872)	(7,244)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	6(31)	-	300,000
Payment of lease liabilities	6(31)	(39,742)	(26,875)
Decrease in deposits (Listed under other non-current liabilities)	(	( 25,490)	-
Issuance of new shares of global depository receipt	6(18)	-	10,682,701
Payment of issuance costs for new shares - global depository receipt	6(18)	-	(129,028)
Cash dividends paid	6(20)	(2,239,867)	(1,387,270)
Net cash flows (used in) from financing activities	(	( 2,305,099)	8,839,528
Effects due to changes in exchange rate		106,372	-
Net (decrease) increase in cash and cash equivalents	(	( 9,609,410)	12,367,411
Cash and cash equivalents at beginning of year		14,598,161	2,230,750
Cash and cash equivalents at end of year		\$ 4,988,751	\$ 14,598,161

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

ASMEDIA TECHNOLOGY INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

1. HISTORY AND ORGANISATION

ASMEDIA TECHNOLOGY INC. (the “Company”) was incorporated as a company limited by shares in March 2004. The Group has been listed on the Taiwan Stock Exchange since December 2012. The Group is primarily engaged in the design, development, production and manufacture of high-speed analogue circuit products. ASUSTEK COMPUTER INC. is the Company’s ultimate parent company and directly/indirectly holds a 42.50% equity interest in the Company.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These financial statements were authorised for issuance by the Board of Directors on March 5, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

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

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

A. Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’

These amendments require an entity to:

- (a) Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example, interest rates linked to ESG targets), non-recourse features and contractually-linked instruments.
- (b) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortised cost of financial liabilities subject to these contractual terms.
- (c) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met. The conditions for the exception are that the entity making the payment does not have:
 - i. the practical ability to withdraw, stop or cancel the payment instruction;

- ii. the practical ability to access the cash used for settlement; and
- iii. significant settlement risk.

(d) The amendments require an entity to update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027 (Note)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027

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

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(3) Basis of consolidation

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

- (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2025	Description
ASMEDIA TECHNOLOGY INC.	TECHPOINT, INC.	Research and Development, Production, and Sales	100%	(Note)
TECHPOINT, INC.	TECHPOINT JAPAN K.K.	Technical Services	100%	(Note)
TECHPOINT, INC.	TECHPOINT TECHNOLOGY (SHENZHEN) CO., LTD.	Technical Services	100%	(Note)

Note: In June 2025, the Company acquired all the equity interest of Techpoint, Inc. and its subsidiaries by cash. Accordingly, it became a wholly-owned subsidiary of the Company and has been included in the consolidated financial statements since the date of acquisition.

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in NTD.

A. Foreign currency transactions and balances

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

B. Translation of foreign operations

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

- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) The business volume and fair value adjustments of acquired foreign entities' assets and liabilities are recognised by considering the assets and liabilities of the acquired foreign entities, and are converted at the period-end exchange rate.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held primarily from trading activities;
 - (c) Assets that are expected to be realised within twelve months after the reporting period;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled in the normal operating cycle;
 - (b) Liabilities arising primarily from trading activities;
 - (c) Liabilities that are due to be settled within twelve months after the reporting period;
 - (d) Liabilities for which the repayment date cannot be deferred unconditionally for at least twelve months

(6) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

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

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. The perpetual inventory system is adopted for inventory recognition. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Investments accounted for using equity method - associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost. If the share in net fair value of the identifiable assets and liabilities of associates is higher than the acquisition cost at the acquisition date, the excess shall be recognised as gain after reassessment.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the 'Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. When the Group loses significant influence over an associate, the remaining investment in the former associate is remeasured at fair value, and the difference between the fair value and the carrying amount is recognised in the current profit or loss.

G. Upon loss of significant influence over an associate, all the amounts of other comprehensive income and capital surplus in relation to the associate are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts are reclassified to profit or loss proportionately.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Cost includes all expenses incurred before assets are made available for use.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Instruments and equipment	2 ~ 5 years
Office equipment	3 ~ 5 years
Leasehold improvements	1 ~ 5 years

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

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

- C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

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

(16) Intangible assets

- A. Customer relationship and acquired special technology

Customer relationship and acquired special technology acquired in a business combination are recognised at fair value at the acquisition date based on the appraisal report and are amortised on a straight-line basis over their estimated useful lives of 14~15 years.

- B. Technology authorisation and Computer software

Technology authorisation and computer software are stated at cost and amortised on a straight-line basis over their estimated useful lives of 3 years.

- C. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(17) Impairment of non-financial assets

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

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(18) Borrowings

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

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(19) Notes and accounts payable

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

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

(20) Derecognition of financial liabilities

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

(21) Non-hedging and embedded derivative

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(22) Hedge accounting

A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.

B. The Group designates the hedging relationship as Cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

C. Cash flow hedges

- (a) The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):
 - i. the cumulative gain or loss on the hedging instrument from inception of the hedge; and
 - ii. the cumulative change in fair value of the hedged item from inception of the hedge.
- (b) The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income. The gain or loss on the hedging instrument relating to the ineffective portion is recognised in profit or loss.
- (c) The amount that has been accumulated in the cash flow hedge reserve in accordance with (a) is accounted for as follows:
 - i. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.
 - ii. For cash flow hedges other than those covered by i. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.
 - iii. If that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.
- (d) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(23) Provisions

Provisions warranties are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(24) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and are recognised as expenses in the period in which the employees render service.

B. Pensions

(a) Defined contribution plan

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

(b) Defined benefit plan

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds.

ii. Remeasurements arising on the defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as other equity.

iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

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

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(25) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.
- B. For the cash-settled share-based payment arrangements, the employee services received and the liability incurred are measured at fair value of the liability to pay for those services, and are recognised as compensation cost and liability over the vesting period. The fair value of the liability shall be remeasured at each balance sheet date until settled at the settlement date, with any changes in fair value recognised in profit or loss.
- C. Restricted stocks:
- (a) The grant date of the employee stock option plan is determined as the date the Group notifies the employees of such plan.
 - (b) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.
 - (c) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.
 - (d) For restricted stocks where employees do not need to pay to acquire those stocks, if employees resign during the vesting period, they must return the stocks to the Group and the Group will redeem without consideration, in accordance with the terms of restricted stocks.

(26) Income taxes

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in which cases the tax is recognised in other comprehensive income or equity.

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

(27) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(28) Dividends

The Group distributes dividends to shareholders, and the treatment is as follows: Cash dividends are classified as liabilities and are recognised in the financial statements once the distribution of cash dividends is resolved by the Board of Directors. In addition, stock dividends are classified as stock dividends to be distributed and are recognised in the financial statements upon approval by the shareholders, and stock dividends will be reclassified as common shares at the effective date of the issuance of new shares.

(29) Revenue recognition

Sales of goods

- A. The Group manufactures and sells high-speed analogue/digital circuit products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the buyer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- B. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated business tax, sales returns and volume discounts. Products are often sold with volume discounts based on accumulated experience. A refund liability is recognised for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. No element of financing is deemed present as the control is transferred with a credit term of 30 to 60 days after delivery date, which is consistent with market practice.
- C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(30) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(31) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENT, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these financial statements does not require management to make critical judgements in applying the Group's accounting policies. The management makes critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Information on critical accounting estimates and assumptions uncertainty is as follows:

Critical accounting estimates and assumptions

The Group makes accounting estimates in applying reasonable expectation concerning future events. However, assumptions and estimates may differ from the actual results. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. As the technology rapidly changes, the life cycles of electronic products are short, and the inventory is easily affected by market price, there is a higher risk of inventory losing value or becoming obsolete. The Group reduces inventory cost to the net realisable value due to normal spoilage, obsolescence and inventory having no marketing value at the balance sheet date. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2025, the carrying amount of inventories was \$1,763,247.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand	\$ 90	\$ 90
Checking accounts and demand deposits	2,988,661	2,358,346
Time deposits	<u>2,000,000</u>	<u>12,239,725</u>
	<u>\$ 4,988,751</u>	<u>\$ 14,598,161</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group's restricted cash and cash equivalents were reclassified as other financial assets (shown as 'other non-current assets'). Refer to Note 8 for more information.

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

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Open-end fund	\$ 229,234	\$ 634,977
Valuation adjustments	<u>5,892</u>	<u>15,682</u>
	<u>\$ 235,126</u>	<u>\$ 650,659</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Private placement funds	\$ 140,000	\$ 70,000
Valuation adjustments	<u>2,358</u>	<u>-</u>
	<u>\$ 142,358</u>	<u>\$ 70,000</u>

A. Amounts recognised in profit or loss and other comprehensive income in relation to financial assets at fair value through profit or loss are as follows:

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Open-end funds	\$ 4,485	\$ 8,607
Private placement funds	<u>2,358</u>	<u>-</u>
	<u>\$ 6,843</u>	<u>\$ 8,607</u>

B. Information relating to credit risk is provided in Note 12(2).

(3) Hedging financial assets and liabilities

A. The Group adopts hedge accounting to eliminate the accounting inconsistency that arises when the hedged item and hedging instrument impact profit or loss in different periods, which otherwise prevents a faithful representation of the hedging effect under its risk management strategy.

The Group designates U.S. dollar bank deposits to hedge the expected U.S. dollar payment for signed acquisition transactions, thereby mitigating the risk caused by exchange rate fluctuations prior to the anticipated transaction.

B. Cash flow hedge:

	<u>2025</u>	<u>2024</u>
<u>Other equity - cash flow hedge reserve</u>		\$ -
At January 1	\$ -	-
Loss: Losses on hedge effectiveness-amount recognised in other comprehensive income	(801,713)	-
Add: Adjustments for cost of non-financial assets	801,713	-
At December 31	<u>\$ -</u>	<u>\$ -</u>

Exchange rate risk

The Group designates the foreign currency risk components of non-derivative financial assets, arising from anticipated business combinations, as hedging instruments to mitigate the impact of exchange rate risk. The hedging ratio is 1:1. Changes in the fair value of the hedging instruments that are effective are deferred and recognised under other comprehensive income as cash flow hedge reserves. When the hedged items are subsequently accounted for using the equity method, the related amounts are directly included in the acquisition cost.

(4) Accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable	\$ 1,380,477	\$ 746,285
Accounts receivable - related parties	63,997	173,615
Less: Allowance for uncollectible accounts	(145)	(145)
	<u>\$ 1,444,329</u>	<u>\$ 919,755</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Not past due	\$ 1,439,677	\$ 919,815
Up to 90 days	4,797	85
	<u>\$ 1,444,474</u>	<u>\$ 919,900</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2025, December 31, 2024 and January 1, 2024, the balances of receivables from contracts with customers amounted to \$1,444,474, \$919,900, and \$1,063,727, respectively.

C. No accounts receivable was pledged to others as collateral.

D. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was \$1,444,329 and \$919,755, respectively.

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

(5) Inventories

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Raw materials	\$ 160,888	\$ 47,169
Work in process	765,279	199,100
Finished goods	<u>837,080</u>	<u>246,272</u>
	<u>\$ 1,763,247</u>	<u>\$ 492,541</u>

The cost of inventories recognised as expense for the years ended December 31, 2025 and 2024 was \$6,407,971 and \$3,703,945, of which (\$156,738) and (\$47,000) pertain to the recovery in value of inventories for the years ended December 31, 2025 and 2024, respectively. The realizable value of inventory elevated was accounted for as reduction of cost of goods sold because some inventories with allowance for valuation loss were sold during the years ended December 31, 2025 and 2024.

(6) Investments accounted for using equity method

	<u>2025</u>	<u>2024</u>
At January 1	\$ 17,425,201	\$ 13,657,281
Increase in investments accounted for using equity method	-	1,796,438
Share of profit or loss of investments accounted for using equity method	2,103,065	1,456,146
(Unrealised) realised sales profit	(1,155)	3,600
Earnings distribution of investments accounted for using equity method	(1,131,945)	(339,555)
Changes in capital surplus	770,524	(178,701)
Changes in other equity items	<u>(1,595,021)</u>	<u>1,029,992</u>
At December 31	<u>\$ 17,570,669</u>	<u>\$ 17,425,201</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associate		
WT MICROELECTRONICS CO., LTD.	\$ 17,460,136	\$ 17,329,164
XINPAL PTE. LTD.	<u>110,533</u>	<u>96,037</u>
	<u>\$ 17,570,669</u>	<u>\$ 17,425,201</u>

Associate

A. The basic information of the associate that is material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio (Note)		Nature of relationship	Method of measurement
		December 31, 2025	December 31, 2024		
WT MICROELECTRONICS CO., LTD.	Taiwan	14.94%	16.90%	Has significant influence	Equity method

(a) On April 21, 2020, the Group issued new shares in exchange for 22.39% equity interest in WT MICROELECTRONICS CO., LTD. and obtained significant influence over the associate. Consequently, the Group recognised a gain arising from the bargain purchase transaction, which was determined based on a purchase price allocation report issued by an independent valuation Group.

Note: WT MICROELECTRONICS CO., LTD. issued convertible bonds in the subsequent period which resulted in a change in ownership. The Group did not hold any convertible bonds.

(b) The Group conducted a strategic cooperation with WT MICROELECTRONICS CO., LTD. to combine the strengths of both companies with the objective of enhancing the competitiveness of both parties, planning for next-generation high speed serial communication interface and custom-made chips as well as increasing its share in the PC market in China.

B. The summarised financial information of the associate that is material to the Group is as follows:

Balance sheet

	WT MICROELECTRONICS CO., LTD.	
	December 31, 2025	December 31, 2024
Current assets	\$ 464,077,827	\$ 351,986,234
Non-current assets	63,482,363	60,504,052
Current liabilities	(369,977,067)	(240,334,886)
Non-current liabilities	(39,644,816)	(68,292,128)
Total net assets	\$ 117,938,307	\$ 103,863,272
Fair value adjustment of other intangible net assets and tangible net assets	(821,933)	(577,257)
Total net assets after adjustment	\$ 117,116,374	\$ 103,286,015
Share in associate's net assets	\$ 17,461,291	\$ 17,325,565
(Unrealised) realised sales (loss) profit	(1,155)	3,599
Carrying amount of the associate	\$ 17,460,136	\$ 17,329,164

Statement of comprehensive income

	WT MICROELECTRONICS CO., LTD.	
	Year ended December 31	
	2025	2024
Revenue	\$ 1,177,948,907	\$ 959,431,897
Profit for the year from continuing operations	\$ 13,321,795	\$ 8,961,409
Other comprehensive (loss) income, net of tax	(12,140,237)	6,069,958
Total comprehensive income	<u>\$ 1,181,558</u>	<u>\$ 15,031,367</u>
Dividends received from associates	<u>\$ 1,131,945</u>	<u>\$ 339,555</u>

C. The Group's material associate, WT MICROELECTRONICS CO., LTD., has quoted market prices. As of December 31, 2025 and 2024, the fair value was \$25,854,698 and \$ 20,759,246, respectively.

D. The Group is the single largest shareholder of WT MICROELECTRONICS CO., LTD with a 14.94% equity interest as of December 31, 2025. Given that WT MICROELECTRONICS CO., LTD.'s other large shareholders hold more shares than the Group, which indicates that the Group has no current ability to direct the relevant activities of WT MICROELECTRONICS CO., LTD., the Group has no control, but only has significant influence, over the investee.

E. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

(a) The Group acquired a total of 30% equity interest in XINPAL PTE. LTD. for a total amount of \$112,998 in cash on April 26, 2024 and June 5, 2024, thereby gaining significant influence over the entity. As of December 31, 2025 and 2024, the Group held 29.7% and 30% equity interest in the company, respectively.

(b) As of December 31, 2025 and 2024, the carrying amount of the Group's individually immaterial associate amounted to \$110,533 and \$96,037, respectively.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total comprehensive income (loss)	\$ 10,470	(\$ 22,904)

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

Items	December 31, 2025	December 31, 2024
Current items:		
Debt instruments		
Government bonds	\$ 1,593,887	\$ -
Valuation adjustment	4,378	-
	\$ 1,598,265	\$ -
Non-current items:		
Debt instruments		
Government bonds	\$ 252,305	\$ -
Valuation adjustment	715	-
	253,020	-
Equity instruments		
Listed stocks	561,400	477,400
Unlisted stocks	194,031	338,091
Valuation adjustment	130,752	18,005
	886,183	833,496
	\$ 1,139,203	\$ 833,496

- A. The Group has elected to classify equity and debt investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$2,737,468 and \$833,496 as at December 31, 2025 and 2024 respectively.
- B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 210,647	\$ 31,389
Cumulative losses reclassified to retained earnings due to derecognition	(\$ 97,900)	(\$ 93,311)
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 5,093	\$ -

(8) Property, plant and equipment

	Instruments and equipment	Office equipment	Leasehold improvements	Construction in progress and equipment pending inspection	Total
<u>At January 1, 2025</u>					
Cost	\$ 1,000,545	\$ 31,672	\$ 1,810	\$ -	\$ 1,034,027
Accumulated depreciation and impairment	(558,831)	(7,893)	(730)	-	(567,454)
	<u>\$ 441,714</u>	<u>\$ 23,779</u>	<u>\$ 1,080</u>	<u>\$ -</u>	<u>\$ 466,573</u>
<u>2025</u>					
Opening net book amount as at January 1	\$ 441,714	\$ 23,779	\$ 1,080	\$ -	466,573
Business combination acquisitions	-	9,061	258	1,951	11,270
Additions	228,605	29,740	-	2,284	260,629
Reclassifications	-	-	-	(4,182)	(4,182)
Depreciation charge	(244,549)	(9,589)	(420)	-	(254,558)
Exchange rate effect	-	425	13	106	544
Closing net book amount as at December 31	<u>\$ 425,770</u>	<u>\$ 53,416</u>	<u>\$ 931</u>	<u>\$ 159</u>	<u>\$ 480,276</u>
<u>At December 31, 2025</u>					
Cost	\$ 923,359	\$ 148,458	\$ 4,987	\$ 152	\$ 1,076,956
Accumulated depreciation and impairment	(497,589)	(95,035)	(4,056)	-	(596,680)
	<u>\$ 425,770</u>	<u>\$ 53,423</u>	<u>\$ 931</u>	<u>\$ 152</u>	<u>\$ 480,276</u>
	Instruments and equipment	Office equipment	Leasehold improvements	Total	
<u>At January 1, 2024</u>					
Cost	\$ 1,011,853	\$ 24,958	\$ 3,608	\$ 1,040,419	
Accumulated depreciation and impairment	(458,415)	(9,024)	(2,226)	(469,665)	
	<u>\$ 553,438</u>	<u>\$ 15,934</u>	<u>\$ 1,382</u>	<u>\$ 570,754</u>	
<u>2024</u>					
Opening net book amount as at January 1	\$ 553,438	\$ 15,934	\$ 1,382	\$ 570,754	
Additions	183,453	11,354	-	194,807	
Depreciation charge	(295,177)	(3,509)	(302)	(298,988)	
Closing net book amount as at December 31	<u>\$ 441,714</u>	<u>\$ 23,779</u>	<u>\$ 1,080</u>	<u>\$ 466,573</u>	
<u>At December 31, 2024</u>					
Cost	\$ 1,000,545	\$ 31,672	\$ 1,810	\$ 1,034,027	
Accumulated depreciation and impairment	(558,831)	(7,893)	(730)	(567,454)	
	<u>\$ 441,714</u>	<u>\$ 23,779</u>	<u>\$ 1,080</u>	<u>\$ 466,573</u>	

The significant components of instruments and equipment include reticle masks and analytical instruments, which are depreciated over 2 and 2~5 years, respectively.

(9) Leasing arrangements - lessee

- A. The Group leases various assets including office spaces, vehicles and parking lots in buildings. Rental contracts are typically made for periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise warehouses and parking lots. On December 31, 2025 and 2024, payments of lease commitments for short-term leases amounted to \$17,124 and \$2,584, respectively.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 66,452	\$ 19,208
Transportation equipment (Business vehicles)	<u>2,975</u>	<u>7,066</u>
	<u>\$ 69,427</u>	<u>\$ 26,274</u>

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 33,115	\$ 20,549
Transportation equipment (Business vehicles)	<u>4,091</u>	<u>5,954</u>
	<u>\$ 37,206</u>	<u>\$ 26,503</u>

- D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$56,491 and \$8,420, respectively, and the additions arising from business combination acquisitions were \$22,816 and \$0, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended December 31</u>	
<u>Items affecting profit or loss</u>	<u>2025</u>	<u>2024</u>
Interest expense on lease liabilities	\$ 905	\$ 1,128
Expense on short-term lease contracts	2,877	2,584

- F. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$43,524 and \$30,588, respectively.

(10) Intangible assets

	<u>Software</u>	<u>Goodwill</u>	<u>Customer relationship</u>	<u>Acquired special technology</u>	<u>Total</u>
<u>At January 1, 2025</u>					
Cost	\$ 378,308	\$ -	\$ -	\$ -	\$ 378,308
Accumulated amortisation and impairment	(83,037)	-	-	-	(83,037)
	<u>\$ 295,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295,271</u>
<u>2025</u>					
Opening net book amount as at January 1	\$ 295,271	\$ -	\$ -	\$ -	\$ 295,271
Additions arising from business combination acquisitions	-	7,553,308	2,075,317	890,182	10,518,807
Additions arising from a separate acquisition	79,700	-	-	-	79,700
Amortisation charge	(131,259)	-	(67,562)	(20,804)	(219,625)
Exchange rate effect	-	-	-	2,686	2,686
Closing net book amount as at December 31	<u>\$ 243,712</u>	<u>\$ 7,553,308</u>	<u>\$ 2,007,755</u>	<u>\$ 872,064</u>	<u>\$ 10,676,839</u>
<u>At December 31, 2025</u>					
Cost	\$ 419,255	\$ 7,553,308	\$ 2,075,317	\$ 890,182	\$ 10,938,062
Accumulated amortisation and impairment	(175,543)	-	(67,562)	(18,118)	(261,223)
	<u>\$ 243,712</u>	<u>\$ 7,553,308</u>	<u>\$ 2,007,755</u>	<u>\$ 872,064</u>	<u>\$ 10,676,839</u>
	<u>Software</u>	<u>Total</u>			
<u>At January 1, 2024</u>					
Cost	\$ 239,638	\$ 239,638			
Accumulated amortisation and impairment	(171,206)	(171,206)			
	<u>\$ 68,432</u>	<u>\$ 68,432</u>			
<u>2024</u>					
Opening net book amount as at January 1	\$ 68,432	\$ 68,432			
Additions	323,759	323,759			
Amortisation charge	(96,920)	(96,920)			
Closing net book amount as at December 31	<u>\$ 295,271</u>	<u>\$ 326,201</u>			
<u>At December 31, 2024</u>					
Cost	\$ 378,308	\$ 378,308			
Accumulated amortisation and impairment	(83,037)	(83,037)			
	<u>\$ 295,271</u>	<u>\$ 295,271</u>			

- A. Software mainly refers to electronic design automation software for research and development.
- B. Information regarding the business combination is detailed in Note 6(32).
- C. As of December 31, 2025, the Group's goodwill arising from the acquisition of TECHPOINT, INC. and its subsidiary (referred herein as "TECHPOINT") amounted to \$7,708,814. Impairment assessment of goodwill is allocated to TECHPOINT's cash-generating units. The recoverable amount of the cash-generating units relating to the goodwill arising from acquisition of TECHPOINT has been determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by the management covering a five-year period.

Management determined budgeted gross margin based on past performance and their expectations of market development. The assumptions used for weighted average growth rates were based on past historical experience and expectations of industry. The discount rates used were post-tax and reflected specific risks relating to the relevant operating segments. The assumptions used in the main assessment as of December 31, 2025 are as follows:

	<u>Year ended December 31, 2025</u>
Gross margin	52%~54%
Revenue growth rate	2%~21%
Discount rate	11.9%

- D. Details of amortisation charges on intangible assets are as follows:

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Operating costs	\$ 5,590	\$ -
Selling expenses	5,445	13
Administrative expenses	9,915	247
Research and development expenses	198,675	96,660
	<u>\$ 219,625</u>	<u>\$ 96,920</u>

(11) Other non-current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Prepayments for land and buildings (Note 1)	\$ 273,731	\$ -
Guarantee deposits paid	17,984	14,966
Other receivables-proceeds from disposal of investment (Note 2)	35,195	-
Others	27,852	11,080
	<u>\$ 354,762</u>	<u>\$ 26,046</u>

Note 1: On January 15, 2025, the Group's Board of Directors resolved to acquire real estate located at Baoyuan Section, Xindian District, from POWER INTERNATIONAL DEVELOPMENT CO., LTD. The contract was formally signed on February 6, 2025, with a total contract price of \$1,875,940. As of December 31, 2025, payments made as per the contract amounted to \$273,731.

Note 2: The Group disposed of its investment in AUGENTIX INC. on December 1, 2025. As the company was acquired, an escrow fund was retained for eighteen months in accordance with the agreement. The entire amount will be returned once the related procedures have been confirmed as correct.

(12) Short-term borrowings

A. Interest expense recognised in profit or loss amounted to \$3,423 and \$274 for the years ended December 31, 2025 and 2024, respectively.

B. The Group has the following undrawn borrowing facilities:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Floating rate		
Expiring within one year	\$ 5,351,490	\$ 2,458,933

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

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial liabilities		
held for trading		
Derivative instruments	\$ -	\$ 27,047

A. Amounts recognised in profit or loss and other comprehensive income in relation to financial liabilities at fair value through profit or loss are as follows:

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Net gains (losses) recognised in profit or loss		
Financial liabilities held for trading		
Derivative instruments	\$ 42,343	(\$ 134,586)

For the years ended December 31, 2025 and 2024, the Group recognised a gain (loss) of \$15,296 and (\$107,539), respectively, due to the settlement of the above forward foreign exchange contracts.

B. Explanations of the transactions and contract information in respect of derivative financial liabilities that the Group does not adopt hedge accounting are as follows:

	<u>December 31, 2024</u>	
	<u>Contract amount</u>	<u>Contract</u>
<u>Derivative financial liabilities</u>	<u>(in thousands)</u>	<u>period</u>
Forward foreign exchange contracts	\$ 2,950,650	2024/12~2025/1

- (1) As of December 31, 2025, the Group did not hold any derivatives financial instruments for which hedge accounting was not applied.
- (2) The Group entered into forward foreign exchange contracts which were Non-Delivery Forward to hedge exchange rate risk of assets denominated in foreign currencies. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

(14) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Salary and bonus payable	\$ 1,283,263	\$ 647,201
Accrued employees' compensation and directors' remuneration	684,911	449,873
Accrued payment for intangible assets payable	144,102	196,959
Acquisition price payable	31,826	-
Insurance payable	42,305	24,352
Payable on property, plant and equipment	26,689	24,511
Service fees payable	5,314	183,226
Others	74,081	109,432
	<u>\$ 2,292,491</u>	<u>\$ 1,635,554</u>

(15) Pensions

A. Defined benefit plan

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement.

The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 5,335	\$ 5,020
Fair value of plan assets	(5,913)	(5,448)
Net defined benefit liabilities	<u>(\$ 578)</u>	<u>(\$ 428)</u>

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

	<u>2025</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
At January 1	\$ 5,020	(\$ 5,448)	(\$ 428)
Interest expense (income)	82	(90)	(8)
	<u>5,102</u>	<u>(5,538)</u>	<u>(436)</u>
Remeasurements:			
Return on plan assets	-	(375)	(375)
Change in financial assumptions	139	-	139
Experience adjustments	94	-	94
	<u>233</u>	<u>(375)</u>	<u>(142)</u>
At December 31	<u>\$ 5,335</u>	<u>(\$ 5,913)</u>	<u>(\$ 578)</u>
	<u>2024</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
At January 1	\$ 5,048	(\$ 4,946)	\$ 102
Interest expense (income)	63	(62)	1
	<u>5,111</u>	<u>(5,008)</u>	<u>103</u>
Remeasurements:			
Return on plan assets	-	(440)	(440)
Change in financial assumptions	(198)	-	(198)
Experience adjustments	107	-	107
	<u>(91)</u>	<u>(440)</u>	<u>(531)</u>
At December 31	<u>\$ 5,020</u>	<u>(\$ 5,448)</u>	<u>(\$ 428)</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government. Expected return on plan assets was a projection of overall return for the obligations period, which was estimated based on historical returns and by reference to the status of Labor Retirement Fund utilisation by the Labor Pension Fund Supervisory Committee and taking into account the effect that the Fund's minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks.
- (e) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2025	2024
Discount rate	1.35%	1.65%
Future salary increases	4.00%	4.00%

Assumptions regarding future mortality experience are set based on the 5th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2025 and 2024.

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

	Discount rate		Future salary increase	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
<u>December 31, 2025</u>				
Effect on present value of defined benefit obligation	(\$ 229)	\$ 243	\$ 235	(\$ 224)
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(\$ 234)	\$ 249	\$ 242	(\$ 229)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

- (f) Expected contributions to the defined benefit pension plan of the Group for the year ending December 31, 2026 amount to \$0.
- (g) As of December 31, 2025, the weighted average duration of the retirement plan is 8 years. The analysis of timing of the future pension payment was as follows:

	<u>December 31, 2025</u>
Within 1 year	\$ 54
1-2 year(s)	516
2-5 years	383
Over 5 years	<u>5,050</u>
	<u>\$ 6,003</u>

B. Defined contribution plan

(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount of at least 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2025 and 2024 were \$23,248 and \$21,283, respectively.

(16) Share-based payments

A. The Group’s share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Restricted stocks to employees (Note 1)	2022.9.15	150 (stock in thousands)	3 years	Upon satisfaction of service and performance conditions (Note 2)
Restricted stocks to employees (Note 1)	2025.9.9	115 (stock in thousands)	4 years	Upon satisfaction of service and performance conditions (Note 3)
Restricted stocks to employees-cash settlement (Note 4)	2020.8~ 2025.5	477 (stock in thousands)	5 years	Upon satisfaction of service

Note 1: The restricted stocks issued by the Group cannot be transferred during the vesting period, but voting right and dividend right are not restricted on these stocks. Employees are required to return the stocks but not required to return the dividends received if they resign during the vesting period.

Note 2: The maximum vesting percentage for the employee who has one, two and three years' service with the Group since the grant of restricted stocks and has achieved the performance targets set by the Group with respect to the Group's overall operating results and personal performance is 30%, 70% and 100%, respectively.

Note 3: The maximum vesting percentage for the Company's employee who has one, two, three and four years' service with the Group since the grant of restricted stocks and has achieved the performance targets set by the Group with respect to the Group's overall operating results and personal performance is 10%, 40%, 70% and 100%, respectively.

Note 4: On January 15, 2025, the Group entered into a share exchange agreement with TECHPOINT, INC. Pursuant to the agreement, the unvested portions of TECHPOINT, INC.'s previously issued restricted employee stock rights plan prior to the acquisition date of June 2, 2025 (the merger reference date), will be settled at US\$20 cash per unit upon the fulfillment of the original vesting conditions after the acquisition date. The incremental fair value arising from this modification is \$180,000 (approximately US\$6,241 thousand), which the Group will recognise from the modification date to the vesting date.

B. Details of the share-based payment arrangements are as follows:

	<u>2025</u>	<u>2024</u>
	Quantity of stocks (stock in thousands)	Quantity of stocks (stock in thousands)
Restricted stocks at January 1	44	104
Restricted stocks forfeited	-	(2)
Restricted stock issued	115	-
Restricted stocks vested	(44)	(58)
Restricted stocks at December 31	<u>115</u>	<u>44</u>

C. The fair value of stock options granted on grant date is measured based on the stock price on the grant date less the exercise price. Relevant information is as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Stock price (in dollars)</u>	<u>Exercise price (in dollars)</u>	<u>Expected option life</u>	<u>Fair value per unit (in dollars)</u>
Restricted stocks to employees	2022.9.15	821.00	-	3 years	821.00
Restricted stocks to employees	2025.9.9	1,595.00	-	4 years	1,595.00

D. Expenses incurred on share-based payment transactions are shown below:

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Equity-settled	\$ 31,116	\$ 26,515
Cash Settlement	45,649	-
	<u>\$ 76,765</u>	<u>\$ 26,515</u>

(17) Current refund liability

	Year ended December 31, 2025		
	<u>Related parties</u>	<u>Non-related parties</u>	<u>Total</u>
At January 1, 2025	\$ 241,269	\$ 120,216	\$ 361,485
Provisions for the year	192,702	193,216	385,918
Current billing request	(129,538)	(151,916)	(281,454)
Exchange differences	(8,191)	(635)	(8,826)
At December 31, 2025	<u>\$ 296,242</u>	<u>\$ 160,881</u>	<u>\$ 457,123</u>
	Year ended December 31, 2024		
	<u>Related parties</u>	<u>Non-related parties</u>	<u>Total</u>
At January 1, 2024	\$ 116,849	\$ 144,999	\$ 261,848
Provisions for the year	137,839	655,871	793,710
Current billing request	(22,457)	(685,267)	(707,724)
Exchange differences	9,038	4,613	13,651
At December 31, 2024	<u>\$ 241,269</u>	<u>\$ 120,216</u>	<u>\$ 361,485</u>

The Group recognises refund liabilities on products sold. Refund liabilities are estimated based on these products' historical data and other known factors. A provision is recognised as current when it is expected to be used in one year.

(18) Share capital

As of December 31, 2025, the Group's authorised capital was \$1,200,000, consisting of 120,000 thousand shares of ordinary stock (including 2,500 thousand shares reserved for employee stock options), and the paid-in capital was \$747,771 with a par value of \$10 (in dollars) per share. Proceeds from shares issued have been collected.

A. Common stock

(a) Movements in the number of the Company's ordinary shares outstanding are as follows (unit: stock in thousands):

	2025		2024	
At January 1	\$	74,662	\$	69,364
Issuance of new shares arising from global depository receipts		-		5,300
Issuance of employee restricted shares		115		-
Retirement of restricted stocks		-	(	2)
At December 31	<u>\$</u>	<u>74,777</u>	<u>\$</u>	<u>74,662</u>

- (b) In order to reward employees who stay with the Company and have a good performance, the shareholders during their meeting on July 23, 2021 adopted a resolution to issue employee restricted ordinary shares without consideration of 150 thousand shares with a par value of \$10 (in dollars) per share. The issuance has been approved to be effective on October 13, 2021 by the Financial Supervisory Commission. On August 8, 2022, the Board of Directors has approved to issue the first employee restricted shares of 150 thousand shares with the effective date set on September 15, 2022. The employee restricted ordinary shares issued are subject to certain transfer restrictions before their vesting conditions are met. Other than these restrictions, the rights and obligations of these shares issued are the same as other issued ordinary shares. As of December 31, 2025, all the restricted stock granted to employees have fully met the vesting conditions.
- (c) In order to reward employees who stay with the Company and have a good performance, the shareholders during their meeting on June 16, 2023 adopted a resolution to issue employee restricted ordinary shares without consideration of 250 thousand shares with a par value of \$10 (in dollars) per share. The issuance has been approved to be effective on October 27, 2023 by the Financial Supervisory Commission. The employee restricted ordinary shares issued are subject to certain transfer restrictions before their vesting conditions are met. Other than these restrictions, the rights and obligations of these shares issued are the same as other issued ordinary shares. On August 7, 2025, the Board of Directors has approved to issue the first employee restricted shares of 115 thousand shares with the effective date set on September 9, 2025.

B. Global Depositary Receipts

On April 18, 2024 and April 24, 2024, the shareholders and the Board of Directors of the Company resolved to increase capital by issuing global depositary receipts in order to meet the capital requirements for the acquisition of machinery equipment and software, research and development capital expenditures, research and development expenses and purchase of raw materials denominated in foreign currency. The capital increase was approved by the Financial Supervisory Commission on May 21, 2024. The Company issued the global depositary receipts at the Luxembourg Stock Exchange amounting to 5,300 thousand units, at a price of US\$62.21 (in dollars) per unit, on May 31, 2024, which comprised 5,300 thousand common shares. The issuance amount, net of cost of issuance, was \$10,553,731 (US\$326,086 thousand), and each unit represents 1 share of the Group's common share.

(19) Capital surplus

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

(20) Retained earnings

A. Under the Group's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital, and appropriate or reverse a special reserve as required by the operating needs of the Group or regulations when necessary. The remainder, if any, along with beginning unappropriated earnings comprise the accumulated distributable earnings which shall be proposed by the Board of Directors and resolved by the shareholders at the shareholders' meeting if earnings are distributed by issuing new shares.

If the Group distributes dividends and bonus or all or part of legal reserve and capital surplus in the form of cash, the resolution will be adopted if more than 2/3 of the directors attend the Board of Directors' meeting and more than 1/2 of the directors present agree which will then be reported to the shareholders.

B. The Group's dividend policy is to retain or distribute earnings in the form of shares or in cash taking into consideration the Group's financial structure, operating results as well as shareholders' benefits, balanced dividends. Expected share dividends shall be maintained between 10% and 1% of the current distributable earnings. However, cash dividends shall account for at least 10% of the total dividends.

Qualified employees, including the employees of subsidiaries of the Group meeting certain specific requirements, are entitled to receive shares or bonus. Qualification requirements are set by the Board of Directors.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. On June 13, 2025 and June 18, 2024, the shareholders during their meeting approved the appropriations of 2024 and 2023 earnings, respectively. Details are as follows:

	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 469,958		\$ 233,958	
Cash dividends distributed to shareholders	2,239,867	\$ 30.00	1,387,270	\$ 20.00

(21) Operating revenue

	Year ended December 31	
	2025	2024
Revenue from contracts with customers (IC products, surveillance automotive product)	\$ 13,414,563	\$ 8,081,071

A. The Group derives revenue from the transfer of goods at a point in time. The major products are the high speed analog circuit and related products.

Year ended	High speed interface controller	High speed device controller	Surveillance automotive products	Total
December 31, 2025				
Revenue from external customer contracts	\$ 10,571,573	\$ 1,450,239	\$ 1,392,751	\$13,414,563
Timing of revenue recognition				
At a point in time	\$ 10,571,573	\$ 1,450,239	\$ 1,392,751	\$13,414,563
Year ended	High speed interface controller	High speed device controller	Total	
December 31, 2024				
Revenue from external customer contracts	\$ 6,817,630	\$ 1,263,441	\$ 8,081,071	
Timing of revenue recognition				
At a point in time	\$ 6,817,630	\$ 1,263,441	\$ 8,081,071	

B. Contract liabilities

(a) As of December 31, 2025, December 31, 2024, and January 1, 2024, the Group recognised contract liabilities arising from sales revenue from contracts with customers amounting to \$123,695, \$744 and \$2,065, respectively.

- (b) The Group's contract liabilities were changed significantly following the acquisition of Techpoint, Inc. in June 2025. The transaction terms primarily stipulate that the consideration is received from the customers first, and then the control of the products is transferred to the customers.

	Year ended December 31	
	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the year	\$ 744	\$ 2,065

(22) Interest income

	Year ended December 31	
	2025	2024
Interest income from bank deposits	\$ 259,789	\$ 346,322
Other interest income	13,174	286
	<u>\$ 272,963</u>	<u>\$ 346,608</u>

(23) Other income

	Year ended December 31	
	2025	2024
Dividend income	\$ 16,000	\$ 16,000
Others	10,639	12,921
	<u>\$ 26,639</u>	<u>\$ 28,921</u>

(24) Other gains and losses

	Year ended December 31	
	2025	2024
Net currency exchange (losses) gains	(\$ 181,620)	\$ 207,051
Net gains (losses) on financial assets at fair value	49,186	(125,979)
	<u>(\$ 132,434)</u>	<u>\$ 81,072</u>

(25) Finance costs

	Year ended December 31	
	2025	2024
Interest expense	\$ 4,328	\$ 1,402

(26) Expenses classified based on nature

	Year ended December 31, 2025		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	\$ 162,358	\$ 2,156,028	\$ 2,318,386
Depreciation	\$ 17,104	\$ 274,660	\$ 291,764
Amortisation	\$ 5,590	\$ 214,035	\$ 219,625

	Year ended December 31, 2024		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	\$ 74,611	\$ 1,279,052	\$ 1,353,663
Depreciation	\$ 19,447	\$ 306,044	\$ 325,491
Amortisation	\$ -	\$ 96,920	\$ 96,920

(27) Employee benefit expense

	Year ended December 31	
	2025	2024
Salary expenses	\$ 2,178,493	\$ 1,268,225
Labour and health insurance fees	73,046	48,246
Pension costs	23,248	21,283
Other personnel expenses	43,599	15,909
	<u>\$ 2,318,386</u>	<u>\$ 1,353,663</u>

A. The Company resolved to amend its Articles of Incorporation at the shareholders' meeting held on June 13, 2025. According to the Articles of Incorporation of the Company, a percentage of distributable profit of the current year shall be distributed as employees' compensation and directors' remuneration. The percentage shall not be lower than 1% for employees' compensation and shall not be higher than 1% for directors' remuneration. If a Company has accumulated deficit, earnings should be reserved to cover losses. From the amount of employee compensation referred to in the preceding paragraph, no less than 5% shall be allocated for distribution as compensation to grassroots employees. Employee compensation may be paid in the form of shares or cash. The recipients of such distribution may include employees of controlling or subsidiary companies who meet certain criteria, with such criteria to be determined by the Board of Directors. Aforementioned profit distributable as employees' compensation can be distributed in the form of shares or in cash. Qualification requirements of employees, including the employees of subsidiaries of the Group meeting certain specific requirements.

- B. For the fiscal year 2024, in accordance with the Company's Articles of Incorporation, according to the Articles of Incorporation of the Company, a percentage of distributable profit of the current year shall be distributed as employees' compensation and directors' remuneration. The percentage shall not be lower than 1% for employees' compensation and shall not be higher than 1% for directors' remuneration. If a Company has accumulated deficit, earnings should be reserved to cover losses. Aforementioned profit distributable as employees' compensation can be distributed in the form of shares or in cash. Qualification requirements of employees, including the employees of subsidiaries of the Group meeting certain specific requirements.
- C. For the years ended December 31, 2025 and 2024, employees' compensation was accrued at \$393,438 and \$271,801, respectively; directors' remuneration was accrued at \$19,672 and \$13,590, respectively. The aforementioned amounts were recognised in salary expenses. Employees' compensation and directors' remuneration for 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 financial statements. Abovementioned employees' compensation will be distributed in the form of cash. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31	
	2025	2024
Current tax:		
Current tax on profit for the year	\$ 671,016	\$ 515,350
Tax on undistributed surplus earnings	99,488	31,417
Prior year income tax overestimation	(30,203)	(29,457)
Total current tax	740,301	517,310
Deferred tax:		
Origination and reversal of temporary differences	58,788	(5,302)
Income tax expense	\$ 799,089	\$ 512,008

(b) Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate	\$ 1,298,873	\$ 848,924
Tax exempt income by tax regulation	(480,822)	(272,700)
Effect from investment tax credits	(88,247)	(66,176)
Prior year income tax overestimation	(30,203)	(29,457)
Tax on undistributed surplus earnings	99,488	31,417
Income tax expense	\$ 799,089	\$ 512,008

B. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2025					
	<u>January 1</u>	<u>Business combinations</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>Exchange rate effect</u>	<u>December 31</u>
Temporary differences:						
- Deferred tax assets:						
Allowance for inventory obsolescence losses	\$ 66,800	\$ -	(\$ 30,700)	\$ -	\$ -	\$ 36,100
Expected credit losses	29	-	-	-	-	29
Unrealised exchange loss	209	-	(209)	-	-	-
Estimated sales discounts and allowances	70,116	-	20,893	-	-	91,009
Valuation losses on financial instruments	5,409	-	(5,409)	-	-	-
Effect from investment tax credits	-	110,418	(41,709)	-	5,296	74,005
Tax loss carryforward	-	23,622	3,138	-	1,229	27,989
Unrealised sales profit	1,614	-	230	-	-	1,844
Others	2,478	(9,054)	(2,496)	-	(494)	(9,566)
	<u>146,655</u>	<u>124,986</u>	<u>(56,262)</u>	<u>-</u>	<u>6,031</u>	<u>221,410</u>
- Deferred tax liabilities:						
Unrealised exchange gain	-	-	(2,526)	-	-	(2,526)
Effect of price allocation adjustment	-	(786,798)	-	-	-	(786,798)
Others	(28)	-	-	-	-	(28)
	<u>(28)</u>	<u>(786,798)</u>	<u>(2,526)</u>	<u>-</u>	<u>-</u>	<u>(789,352)</u>
	<u>\$ 146,627</u>	<u>(\$ 661,812)</u>	<u>(\$ 58,788)</u>	<u>\$ -</u>	<u>\$ 6,031</u>	<u>(\$ 567,942)</u>

	2024			
	<u>January 1</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>December 31</u>
Temporary differences:				
- Deferred tax assets:				
Allowance for inventory obsolescence losses	\$ 76,200	(\$ 9,400)	\$ -	\$ 66,800
Expected credit losses	29	-	-	29
Unrealised exchange loss	7,345	(7,136)	-	209
Estimated sales discounts and allowances	52,919	17,197	-	70,116
Valuation losses on financial instruments	-	5,409	-	5,409
Unrealised sales profit	2,333	(719)	-	1,614
Others	2,527	(49)	-	2,478
	<u>141,353</u>	<u>5,302</u>	<u>-</u>	<u>146,655</u>
- Deferred tax liabilities				
Others	(28)	-	-	(28)
	<u>\$ 141,325</u>	<u>\$ 5,302</u>	<u>\$ -</u>	<u>\$ 146,627</u>

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

(29) Earnings per share

	<u>Year ended December 31, 2025</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 5,425,836	74,630	\$ 72.70
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 5,425,836	74,630	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	347	
Restricted stocks (Note)	-	-	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 5,425,836	74,977	\$ 72.37

Note: These potential ordinary shares are excluded from the calculation of diluted earnings per share as they are anti-dilutive.

	<u>Year ended December 31, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 3,732,625	72,376	\$ 51.57
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 3,732,625	72,376	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	148	
Restricted stocks	-	123	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 3,732,625	72,647	\$ 51.38

(30) Supplemental cash flow information

Investing activities with partial cash payments

	Year ended December 31	
	2025	2024
Purchase of property, plant and equipment	\$ 260,629	\$ 194,807
Add: Opening balance of payable on equipment	24,511	662
Ending balance of prepayment on equipment (Listed as Other Non-Current Assets)	273,731	-
Less: Ending balance of payable on equipment	(26,689)	(24,511)
Cash paid during the year	<u>\$ 532,182</u>	<u>\$ 170,958</u>

	Year ended December 31	
	2025	2024
Purchase of intangible assets	\$ 79,700	\$ 323,759
Add: Opening balance of other payables	196,959	12,538
Less: Ending balance of other payables	(144,102)	(196,959)
Cash paid during the year	<u>\$ 132,557</u>	<u>\$ 139,338</u>

(31) Changes in liabilities from financing activities

	2025		
	Principal of lease liabilities	Short-term borrowings	Liabilities from financing activities
At January 1	\$ 27,006	\$ -	\$ 27,006
Acquired through business combination	23,217	-	23,217
Changes in cash flow from financing activities	(39,742)	-	(39,742)
Changes in other non-cash items	57,674	-	57,674
At December 31	<u>\$ 68,155</u>	<u>\$ -</u>	<u>\$ 68,155</u>

	2024		
	Principal of lease liabilities	Short-term borrowings	Liabilities from financing activities
At January 1	\$ 45,462	\$ 300,000	\$ 345,462
Changes in cash flow from financing activities	(26,875)	(300,000)	(326,875)
Changes in other non-cash items	8,419	-	8,419
At December 31	<u>\$ 27,006</u>	<u>\$ -</u>	<u>\$ 27,006</u>

(32) Business combinations

- A. On January 15, 2025, the Company's Board of Directors resolved to acquire, through its subsidiary, APEX MERGER SUB INC., 100% of TECHPOINT, INC.'s outstanding common shares at US\$20 per share, for a total transaction price of \$12,358,202 (US\$384,726 thousand). Control over TECHPOINT, INC. was obtained on June 2, 2025. TECHPOINT, INC. was the surviving entity, and APEX MERGER SUB was the dissolved entity. Its main business is the development of high-resolution image transmission technology for security cameras and in-vehicle infotainment systems. The Company expects that the acquisition will strengthen its position in these markets and anticipates cost reductions through economies of scale.
- B. The consideration paid, assets acquired, and liabilities assumed in the acquisition of TECHPOINT, INC. at fair value on the acquisition date are summarized below:

	<u>June 2, 2025</u>
Purchase consideration	
Cash paid	\$ 12,358,202
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	2,190,569
Accounts receivable	1,877
Inventories	409,544
Other current assets	26,434
Property, plant and equipment	11,270
Right-of-use assets	22,816
Deferred tax assets	124,986
Other non-current assets	5,275
Accounts payable	(47,796)
Other payables	(60,562)
Provisions	(5,231)
Lease liability	(23,217)
Other current liabilities	(1,805)
Deferred tax liability	(786,798)
Other non-current liabilities	(27,967)
Total identifiable net assets	1,839,395
Acquisition of Identifiable Intangible Assets at Fair Value-acquired special technology	890,182
Acquisition of Identifiable Intangible Assets at Fair Value-customer	2,075,317
Goodwill	<u>\$ 7,553,308</u>

- C. Since the consolidation of TECHPOINT, INC. on June 2, 2025, TECHPOINT, INC. contributed operating revenue and profit before tax in the amount of \$1,392,751 and \$445,555, respectively. Assuming TECHPOINT, INC. had been consolidated from January 1, 2025, the Group's operating revenue and profit before tax would have been \$14,229,948 and \$6,759,782, respectively.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Group is controlled by ASUSTEK COMPUTER INC. (incorporated in Taiwan) which directly and indirectly holds 42.50% equity interest in the Group and is the ultimate parent of the Group.

(2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
ASUSTEK COMPUTER INCORPORATION (ASUS)	Ultimate parent company
ASUS TECHNOLOGY INCORPORATION (ASUTC)	Affiliate company
HUA-CHENG VENTURE CAPITAL CORP. (HCVC)	"
HUA-MIN INVESTMENT CO., LTD. (HMI)	"
ASUSTEK COMPUTER (SHANGHAI) CO., LTD. (ACSH)	Associate
WT MICROELECTRONICS CO., LTD. (WT)	"
XINPAL PTE. LTD. (XINPAL)	" (Note)

Note: The Group has had significant influence over the entity since June 5, 2024.

(3) Significant related party transactions

A. Operating revenue

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Sales of goods:		
Ultimate parent company	\$ 717,513	\$ 518,915
Associates-WT	856,296	751,556
	<u>\$ 1,573,809</u>	<u>\$ 1,270,471</u>

The prices of sales to related parties were approximately the same with third parties. The credit term was 30 days from the first day of the month following the month of sale and was approximately the same with third parties.

B. Dividend income

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Associates-WT	<u>\$ 16,000</u>	<u>\$ 16,000</u>

C. Service fees (shown as 'operating cost and operating expenses')

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Ultimate parent company and its subsidiaries	\$ 9,332	\$ 2,690
Associates	4,973	5,046
	<u>\$ 14,305</u>	<u>\$ 7,736</u>

Related parties provided management services to the research segment of the Group and charged a fee based on mutual agreement. The Group paid monthly expenses to related parties based on the contract.

D. Receivables from related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable:		
Ultimate parent company	\$ 25,387	\$ 148,234
Associates-WT	<u>38,610</u>	<u>25,381</u>
	<u>\$ 63,997</u>	<u>\$ 173,615</u>

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest.

E. Payables to related parties and refund liabilities (shown as ‘Other current liabilities’)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other payables (Note 1):		
Ultimate parent company	\$ 476	\$ 855
Associates		
- ACSH	1,199	1,160
Affiliate company	<u>302</u>	<u>79</u>
	<u>\$ 1,977</u>	<u>\$ 2,094</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Refund liabilities-current (Note 2):		
Ultimate parent company	\$ 276,748	\$ 218,465
Associates-WT	<u>19,494</u>	<u>22,804</u>
	<u>\$ 296,242</u>	<u>\$ 241,269</u>

Note 1: Payables to related parties mainly arose from purchase of miscellaneous equipment by related parties on behalf of the Group. The payables bear no interest.

Note 2: Refund liabilities mainly pertain to liabilities from sales returns and discounts.

(4) Key management compensation

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Salaries and other short-term employee benefits	\$ 437,584	\$ 287,719
Post-employment benefits	<u>432</u>	<u>432</u>
	<u>\$ 438,016</u>	<u>\$ 288,151</u>

8. PLEGGED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>	
Pledged time deposits (shown as 'other non-current assets')	<u>\$ 3,000</u>	<u>\$ 3,000</u>	Customs duty guarantee

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

Except for Notes 6(11), as of December 31, 2025 and 2024, the outstanding amounts due for the purchase of instruments and equipment payable within one year were \$2,833 and \$0, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) On January 15, 2026, the board of directors of WT Microelectronics Co., Ltd. resolved to redeem all of its Class A Preferred Stock held by the Company at the original issue price. The record date for the capital reduction was set for February 26, 2026, and on that date, the Company received the payment amounting to \$400,000.

(2) On March 5, 2026, the Company's Board of Directors passed a resolution to repurchase the Company's own common stock in order to maintain the Company's credit standing and protect shareholder interests. The plan is to repurchase a projected 900 thousand shares within a price range of NT\$896 to NT\$1,939 per share.

12. OTHERS

(1) Capital management

The Group's objective is to safeguard the Group's ability to continue as a going concern and growth and to provide sufficient returns to shareholders through maintaining an optimal capital structure to reduce the cost of capital. The Group's capital structure management strategy is based on the Group's industrial scale, future growth ability of the industry, product development plans, projected production capacity and capital expenditure requirements. A comprehensive plan is then made based on the above to determine the adequate capital structure of the Group.

The management reviews the Group's capital structure periodically and considers the costs and risks involved for a particular capital structure. Generally, the Group adopts a prudent risk management strategy.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 235,126	\$ 650,659
Financial assets designated as at fair value through profit or loss on initial recognition	142,358	70,000
Financial assets measured at fair value through other comprehensive income – current		
Qualifying debt instrument	1,598,265	-
Financial assets measured at fair value through other comprehensive income – non-current		
Designation of equity instrument	886,183	833,496
Qualifying debt instrument	253,020	-
Financial assets at amortised cost		
Cash and cash equivalents	4,988,751	14,598,061
Accounts receivable	1,444,329	919,755
Other receivables	3,288	58,087
Guarantee deposits paid	17,984	14,966
Other financial assets	3,000	3,000
	<u>\$ 9,572,304</u>	<u>\$ 17,148,124</u>

	December 31, 2025	December 31, 2024
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ -	\$ 27,047
Financial liabilities at amortised cost		
Accounts payable	452,549	278,168
Other accounts payable	2,292,491	1,626,854
Other current liabilities	26,013	19,517
	\$ 2,771,053	\$ 1,951,586
Lease liability	\$ 68,155	\$ 27,006

B. Financial risk management policies

- (a) The Group has adopted adequate risk management and control system to identify, evaluate and control all risks including market risk, credit risk, liquidity risks and cash flow risks in order for the management to control and evaluate these risks effectively.
- (b) The financial segment manager assesses the risk control periodically and reports to the Board of Directors any unusual or significant risks identified.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Group used in various functional currency, primarily with respect to the USD. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require the Group to manage its foreign exchange risk against its functional currency. The Group is required to hedge its entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimize the volatility of the exchange rate affecting cost of forecast inventory purchases.
- iii. Sensitivity analysis of foreign exchange risk was calculated for significant foreign currency items as of December 31, 2025 and 2024. If NTD had appreciated or depreciated by 1% to USD, net income would have decreased/increased by \$18,663 and \$110,686 for the years ended December 31, 2025 and 2024, respectively. If NTD had appreciated or depreciated by 1% to RMB, net income would have decreased/increased by \$0 and \$1,948 for the years ended December 31, 2025 and 2024, respectively.

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

		December 31, 2025		
		Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	65,598	31.43	\$ 2,061,745
RMB:USD		555	31.43	17,451
KRW:USD		547	31.43	17,181
JPY:USD		773	31.43	24,285
<u>Non-Monetary items</u>				
USD:NTD	\$	3,517	31.43	\$ 110,533
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	8,094	31.43	\$ 254,394
		December 31, 2024		
		Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	349,621	32.79	\$ 11,462,324
RMB:NTD		43,490	4.48	194,767
<u>Non-Monetary items</u>				
USD:NTD	\$	2,951	32.79	\$ 96,767
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	12,009	32.79	\$ 393,715

v. The total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024 amounted to (\$181,620) and \$207,051, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the year ended December 31, 2025 and 2024 would have increased/decreased by \$3,775 and \$7,206, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$8,862 and \$8,334 respectively, as a result of other comprehensive income on equity investment classified as at fair value through other comprehensive income.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, the Group is responsible for managing and analyzing the credit risk for each of the new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- iii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The default occurs when the contract payments are past due over 90 days.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

- (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group classifies customer's accounts receivable, which are all with good credit rating, into the same group. The Group uses the forecast ability adjusting historical and timely information to develop a loss rate of 0.03%, which is used to assess the default possibility of accounts receivable. As of December 31, 2025 and 2024, concentrations of credit risk are as follows:

	<u>Client A</u>	<u>Client B</u>	<u>Others</u>	<u>Total</u>
<u>At December 31, 2025</u>				
Expected loss rate	0.03%	0.03%	0.03%	
Total book value	\$ 1,133,265	\$ 123,147	\$ 188,062	\$ 1,444,474
Loss allowance	\$ -	\$ -	(\$ 145)	(\$ 145)
	<u>Client A</u>	<u>Client B</u>	<u>Others</u>	<u>Total</u>
<u>At December 31, 2024</u>				
Expected loss rate	0.03%	0.03%	0.03%	
Total book value	\$ 530,859	\$ 34,847	\$ 354,194	\$ 919,900
Loss allowance	\$ -	\$ -	(\$ 145)	(\$ 145)

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

	<u>2025</u>	<u>2024</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
At January 1 and December 31	(\$ 145)	(\$ 145)

(c) Liquidity risk

- i. Cash flow forecasting is performed and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.
- ii. Surplus cash held by the operating entities over and above the balance required for working capital management are invested in interest bearing current accounts, time deposits, and marketable securities. The Group chooses instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As of December 31, 2025 and 2024, the Group held the above investment position (excluding cash and cash equivalents) of \$3,114,952 and \$1,554,155, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2025	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Accounts payable	\$ 452,549	\$ -	\$ -	\$ 452,549
Other payables (including related parties)	2,292,491	-	-	2,292,491
Lease liabilities	37,166	33,378	-	70,544

Non-derivative financial liabilities:

December 31, 2024	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Accounts payable	\$ 278,168	\$ -	\$ -	\$ 278,168
Other payables (including related parties)	1,635,554	-	-	1,635,554
Lease liabilities	21,934	5,568	-	27,502

Derivative financial liabilities:

Forward exchange	\$ 2,950,650	\$ -	\$ -	\$ 2,950,650
------------------	--------------	------	------	--------------

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, beneficiary certificates and derivative instruments with quoted market prices is included in Level 1.

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

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

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

December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss - current				
Open-end funds	<u>\$ 235,126</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,126</u>
Financial assets at fair value through profit or loss - non-current				
Private placement funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,358</u>	<u>\$ 142,358</u>
Financial assets at fair value through other comprehensive income				
Debt securities	<u>\$ 1,598,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,598,265</u>
Financial assets measured at fair value through other comprehensive income - non - current				
Equity securities	\$ 686,460	\$ -	\$ 199,723	\$ 886,183
Debt securities	<u>253,020</u>	<u>-</u>	<u>-</u>	<u>253,020</u>
	<u>\$ 939,480</u>	<u>\$ -</u>	<u>\$ 199,723</u>	<u>\$ 1,139,203</u>

December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss - current				
Open-end funds	<u>\$ 650,659</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 650,659</u>
Financial assets at fair value through profit or loss - non-current				
Private placement funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 70,000</u>
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 682,630</u>	<u>\$ -</u>	<u>\$ 150,866</u>	<u>\$ 833,496</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss - current				
Derivatives	<u>\$ -</u>	<u>\$ 27,047</u>	<u>\$ -</u>	<u>\$ 27,047</u>

C. The methods and assumptions the Group used to measure fair value are as follows:

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

	<u>Listed shares and emerging stocks</u>	<u>Open-end fund</u>	<u>Debt Securities</u>
Market quoted price	Transaction price	Net asset value	Transaction price

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

E. LERAIN TECHNOLOGY CO., LTD. has been listed in the Taiwan Stock Exchange from December 2025, therefore, the Group transferred the fair value from Level 3 to Level 1 at the end of the month when the event occurred. The transferred amount was \$80,040. For the years ended December 31, 2025 and 2024, there was no transfer into or out from Level 3.

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

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

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	\$ 25,000	Most recent non-active market price	Not applicable	-	Not applicable
Private placement funds	\$ 142,358	Net asset value	Not applicable	-	Not applicable
Unlisted shares	\$ 174,723	Income approach - Discounted cash flow	Weighted average cost of capital Discount for lack of marketability	23.28% 30%~35%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	\$ 29,908	Market approach - Market comparable companies	Price to earnings ratio multiple Discount for lack of marketability	1.89~2.5 20%~25%	The higher the multiple, the higher the fair value The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	\$ 25,000	Most recent non-active market price	Not applicable	-	Not applicable
Private placement funds	\$ 70,000	Net asset value	Not applicable	-	Not applicable
Unlisted shares	\$ 95,958	Income approach - Discounted cash flow	Weighted average cost of capital Discount for lack of marketability	20.45%~21.9% 20%~25%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value

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

		December 31, 2025				
		Recognised in profit or loss		Recognised in other comprehensive income		
Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial						
Unlisted shares	Illiquidity discount	±5%	\$ -	\$ -	\$ 8,736 (\$ 8,736)	
	Weighted average cost of capital	±5%	-	-	8,736 (8,736)	
	Not applicable	±5%	-	-	1,250 (1,250)	
Private placement funds	Not applicable	±5%	7,118	(7,118)	-	
			<u>\$ 7,118</u>	<u>(\$ 7,118)</u>	<u>\$ 18,722</u> (<u>\$ 18,722</u>)	

		December 31, 2024				
		Recognised in profit or loss		Recognised in other comprehensive income		
		Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial	Input	Change				
Unlisted shares	Price-to-earnings multiple	±5%	\$ -	\$ -	\$ 1,495 (\$ 1,495)	
	Illiquidity discount	±5%	-	-	6,293 (6,293)	
	Weighted average cost of capital	±5%	-	-	4,798 (4,798)	
	Not applicable	±5%	-	-	1,250 (1,250)	
Private placement funds	Not applicable	±5%				
			3,500	(3,500)	-	
			<u>\$ 3,500</u>	<u>(\$ 3,500)</u>	<u>\$ 13,836</u> (<u>\$ 13,836</u>)	

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Refer to table 1.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 3.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- F. Significant inter-Group transactions during the reporting period: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 4.

(3) Information on investments in Mainland China

Refer to table 5.

14. OPERATING SEGMENT INFORMATION

(1) General information

The Group provides geographical segment information for review by its chief operating decision-maker. The Group currently divides its sales order-taking regions into two main geographical segments: Taiwan and the United States. Since the sales channels, product nature, and distribution models in these two regions are not entirely identical, and the Group's chief operating decision-maker also conducts financial management and evaluates operating performance separately for these two regions, Taiwan and the United States are therefore identified as reportable operating segments.

(2) Measurement of segment information

The Group assesses the performance of its operating segments based on operating revenue. All operating segments adopt consistent accounting policies, as described in the summary of significant accounting policies in Note 4 to the consolidated financial statements. Inter-segment sales are conducted on an arm's length basis. External revenue reported to the chief operating decision-maker is measured consistently with the revenue presented in the consolidated statements of comprehensive income.

(3) Segment information

Year ended			
December 31, 2025	Taiwan	US	Total
Revenue from external customers	\$ 12,021,812	\$ 1,392,751	\$ 13,414,563
Inter-segment revenue	\$ 3,676,307	\$ 359,170	\$ 4,035,477
Share of profit or loss of equity-accounted associates and joint ventures	2,189,448	-	2,189,448
Total segment revenue	\$ 5,865,755	\$ 359,170	\$ 6,224,925
Segment assets	\$ 19,589,808	\$ 3,630,600	\$ 23,220,408
Equity-accounted investments	17,570,669	-	17,570,669
Total	\$ 37,160,477	\$ 3,630,600	\$ 40,791,077

Year ended			
December 31, 2024	Taiwan	US	Total
Revenue from			
external customers	\$ 8,081,071	\$ -	\$ 8,081,071
Inter-segment revenue	\$ 2,788,487	\$ -	\$ 2,788,487
Share of profit or loss of equity-accounted associates and joint ventures	1,456,146	-	1,456,146
Total segment revenue	\$ 4,244,633	\$ -	\$ 4,244,633
Segment assets	\$ 18,630,338	\$ -	\$ 18,630,338
Equity-accounted investments	17,425,201	-	17,425,201
Total	\$ 36,055,539	\$ -	\$ 36,055,539

(4) Reconciliation for segment income (loss)

The Group's reportable segment profit or loss is identical to its profit or loss from continuing operations, and therefore no adjustments are required.

(5) Information on products and services

The Company operates business only in a single industry, and is primarily engaged in the design, development, production and manufacture of high-speed analogue circuit products. Details of revenue are as follows:

	Year ended December 31			
	2025		2024	
	Revenue	%	Revenue	%
High speed interface controller	\$ 10,571,573	79	\$ 6,817,630	84
High speed device controller	1,450,239	11	1,263,441	16
Surveillance automotive products	1,392,751	10	-	-
	\$ 13,414,563	100	\$ 8,081,071	100

(6) Geographical information

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

	Year ended December 31			
	2025		2024	
	Net sales	Non-current assets	Net sales	Non-current assets
The Americas	\$ 8,172,429	\$ 9,668,806	\$ 4,760,243	\$ -
Taiwan	2,398,573	1,113,824	1,745,829	814,164
China	1,778,012	5,201	769,106	-
Southeast Asia	489,456	-	518,764	-
North-east Asia	562,018	6,675	286,987	-
Others	14,075	-	142	-
	<u>\$ 13,414,563</u>	<u>\$ 10,794,506</u>	<u>\$ 8,081,071</u>	<u>\$ 814,164</u>

(7) Major customer information

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

	Year ended December 31	
	2025	2024
	Net sales	Net sales
Customer A	<u>\$ 7,996,199</u>	<u>\$ 4,649,642</u>

ASMEDIA TECHNOLOGY INC.
Provision of endorsements and guarantees to others
Year ended December 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed			Maximum Balance for the Period	Outstanding endorsement/ guarantee amount as of December 31, 2025	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements /guarantees by the party in Mainland China	Footnote
		Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Company name										
0	ASMEDIA TECHNOLOGY INC.	TECHPOINT, INC.	2	\$ 5,421,400	\$ 314,300	\$ 110,922	-	0.87%	\$ 7,228,534	Y	N	N		

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: The relationship between the endorser/guarantor and the endorsed/guaranteed party falls into the following six types. Please indicate the applicable type(s):

(1).Companies with business relationships.

(2).A subsidiary directly holding more than 50% of the common shares.

(3).A company invested in where the combined common shareholding of the parent company and its subsidiaries exceeds 50%.

(4).A parent company directly or indirectly holding more than 50% of the common shares through subsidiaries.

Note 3: The total amount of endorsements and guarantees provided by the company shall not exceed 20% of its net worth, and the endorsement and guarantee limit to a single enterprise shall not exceed 15% of its net worth.

ASMEDIA TECHNOLOGY INC.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2025

Table 2 Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account (Note 1)	As of December 31, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
ASMEDIA TECHNOLOGY INC.	MEGA DIAMOND MONEY MARKET FUND	No	1	6,971,549	\$ 92,564	-	\$ 92,564	
ASMEDIA TECHNOLOGY INC.	CAPITAL MONEY MARKET FUND	No	1	5,376,552	91,795	-	91,795	
ASMEDIA TECHNOLOGY INC.	FUBON CHI-HSIANG MONEY MARKET FUND	No	1	3,062,056	50,767	-	50,767	
ASMEDIA TECHNOLOGY INC.	PRIVATE PLACEMENT FUND (SHUIMU DEVELOPMENT FUND)	No	2	-	142,358	5.98%	142,358	
ASMEDIA TECHNOLOGY INC.	ICATCH TECHNOLOGY, INC.	No	4	4,300,000	195,220	5.70%	195,220	
ASMEDIA TECHNOLOGY INC.	WT MICROELECTRONICS CO., LTD.	Associate	4	8,000,000	411,200	-	411,200	
ASMEDIA TECHNOLOGY INC.	LERAIN TECHNOLOGY CO., LTD.	No	4	1,200,000	80,040	3.99%	80,040	
ASMEDIA TECHNOLOGY INC.	TELETRX CO.	No	4	5,230,486	60,000	16.00%	60,000	
ASMEDIA TECHNOLOGY INC.	AIONCHIP TECHNOLOGIES CO., LTD.	No	4	2,700,000	54,783	13.50%	54,783	
ASMEDIA TECHNOLOGY INC.	OMNI DESIGN TECHNOLOGIES, INC.	No	4	218,837	59,940	1.04%	59,940	
ASMEDIA TECHNOLOGY INC.	TA SHEE RESORT CO., LTD.	No	4	1	25,000	-	25,000	
TECHPOINT, INC.	U.S. TREASURY BILLS	No	3	-	672,990	-	672,990	
TECHPOINT, INC.	U.S. TREASURY NOTES	No	3	-	906,570	-	906,570	
TECHPOINT, INC.	WI TREASURY SEC.	No	3	-	18,705	-	18,705	
TECHPOINT, INC.	U.S. TREASURY NOTES	No	4	-	253,020	-	253,020	

Note 1: 1.Current financial assets at fair value through profit or loss
2.Non-current financial assets at fair value through other comprehensive income
3.Current financial assets at fair value through other comprehensive income
4.Non-current financial assets at fair value through other comprehensive income

ASMEDIA TECHNOLOGY INC.

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

Year ended December 31, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction			Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
				Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
ASMEDIA TECHNOLOGY INC.	ASUSTEK COMPUTER INCORPORATION	Parent company of the Company	Sales	\$ 717,513	5%	Note	Note	Note	\$ 25,387	2%	
ASMEDIA TECHNOLOGY INC.	WT MICROELECTRONICS CO., LTD.	Associate	Sales	856,296	6%	Note	Note	Note	38,610	3%	

Note: The prices of sales to related parties were approximately the same with third parties. The credit term was 30 days from the first day of the month following the month of sale and was approximately the same with third parties.

ASMEDIA TECHNOLOGY INC.

Information on investees

Year ended December 31, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit of the investee for the year ended December 31, 2025	Investment income recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
ASMEDIA TECHNOLOGY INC.	WT MICROELECTRONICS CO., LTD.	Taiwan	Agent of semiconductor and electronic materials	\$ 8,307,440	\$ 8,307,440	188,720,421	14.94%	\$ 17,460,136	\$ 13,152,813	\$ 2,092,595	
ASMEDIA TECHNOLOGY INC.	XINPAL PTE. LTD.	Singapore	Design and Development of High Performance Computing	112,998	112,998	37,500,000	29.70%	110,533	35,635	10,470	
ASMEDIA TECHNOLOGY INC.	TECHPOINT, INC.	US	Semiconductor IC Chip Sales	12,412,536	-	19,554,940	100%	12,849,095	520,179	291,810	
TECHPOINT, INC.	TECHPOINT JAPAN K.K.	Japan	Semiconductor IC Chip Design and Development	2,022	2,022	10	100%	34,063	3,651	-	The company's subsidiary (Note)

Note: The investment gains and losses recognised in the current period are exempt from reporting as per regulations.

ASMEDIA TECHNOLOGY INC.
Information on investments in Mainland China
Year ended December 31, 2025

Table 5 Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2025				Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 2)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
				Taiwan to Mainland China as of January 1, 2025	Remitted to Mainland China	Remitted back to Taiwan	Taiwan to Mainland China as of December 31, 2025							
TECHPOINT TECHNOLOGY (SHENZHEN) CO., LTD.	Semiconductor IC Chip Design and Development	\$ 2,045	3	\$ -	\$ -	\$ -	\$ -	\$ 7,839	100.00%	\$ 7,839	\$ 26,395	\$ -	Limited Company	
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA											
ASMedia Technology Inc.	\$ -	\$74,485 USD 2,542	21,685,601											

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3).Others.

Note 2: The investment gains and losses recognised in this statement are based on the valuation derived from the financial statements of the investee company for the same period, reviewed by the auditor of the Taiwanese parent company.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.