

Yield Microelectronics Corporation

Financial Statements for the Nine Months Ended September 30, 2025 and 2024 and Independent Auditors' Review Report

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Yield Microelectronics Corporation

Introduction

The balance sheets of Yield Microelectronics Corporation as of September 30, 2025 and 2024, and the statements of comprehensive income for the three months ended September 30, 2025 and 2024, and for the nine months ended September 30, 2025 and 2024, and the statements of changes in equity and the statements of cash flows for the nine months ended September 30, 2025 and 2024, as well as the notes to the financial statements (including a summary of significant accounting policies), have been reviewed by us. The preparation and fair presentation of these financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting," as endorsed and made effective by the Financial Supervisory Commission, are the responsibility of the Company's management. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope

We conducted our reviews in accordance with TWSRE2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially less than that of an audit conducted in accordance with auditing standards, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

The engagement partners on the reviews resulting in this independent auditors' review report are Hsin-Tung Lin and Cheng-Chih Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 6, 2025

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. The English version have not audited by Deloitte & Touche. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and financial statements shall prevail.

Yield Microelectronics Corporation

Balance Sheets

As of September 30, 2025, December 31, 2024, and September 30, 2024

(In Thousands of New Taiwan Dollars)

Code	Assets	September 30, 2025		December 31, 2024		September 30, 2024		Code	Liabilities and Equity	September 30, 2025		December 31, 2024		September 30, 2024								
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%							
Current Assets																						
1100	Cash and cash equivalents (Notes 6 and 21)	\$ 331,786	60	\$ 502,947	78	\$ 507,786	79	2206	Compensation payable to employees and directors (Note 16)	\$ 6,449	1	\$ 8,650	1	\$ 8,139	1							
1170	Accounts receivable (Notes 7 and 21)	33,751	6	17,063	3	17,243	3	2230	Current tax liabilities (Notes 4 and 17)	2,954	1	417	-	745	-							
1200	Other receivables (Notes 7 and 21)	7,607	1	7,745	1	7,624	1	2280	Lease liabilities – current (Notes 9 and 21)	11,404	2	11,140	2	11,054	2							
1470	Prepayments and other current assets							2300	Other current liabilities (Notes 12 and 21)	43,593	8	43,854	7	35,053	6							
	(Note 11)	<u>5,938</u>	<u>1</u>	<u>3,551</u>	<u>1</u>	<u>3,076</u>	<u>1</u>	21XX	Total Current Liabilities	<u>64,400</u>	<u>12</u>	<u>64,061</u>	<u>10</u>	<u>54,991</u>	<u>9</u>							
11XX	Total Current Assets	<u>379,082</u>	<u>68</u>	<u>531,306</u>	<u>83</u>	<u>535,729</u>	<u>84</u>	Non-current Liabilities														
Non-current Assets																						
1600	Property, plant and equipment (Note 8)	47,033	8	39,231	6	31,823	5	2580	Lease liabilities – non-current (Notes 9 and 21)	5,836	1	14,422	2	17,240	2							
1755	Right-of-use assets (Note 9)	16,846	3	25,270	4	28,077	4	2670	Other non-current liabilities (Notes 12 and 21)	13,912	2	12,516	2	17,392	3							
1780	Other intangible assets (Note 10)	54,110	10	43,164	7	40,539	6	25XX	Total Non-current Liabilities	<u>19,748</u>	<u>3</u>	<u>26,938</u>	<u>4</u>	<u>34,632</u>	<u>5</u>							
1915	Prepayments for equipment (Note 23)	55,115	10	-	-	-	-	2XXX	Total Liabilities	<u>84,148</u>	<u>15</u>	<u>90,999</u>	<u>14</u>	<u>89,623</u>	<u>14</u>							
1920	Refundable deposits (Note 21)	3,084	1	3,084	-	3,084	1	Equity (Note 14 and 19)														
1975	Net defined benefit assets (Notes 4 and 13)	<u>1,459</u>	<u>-</u>	<u>1,459</u>	<u>-</u>	<u>1,413</u>	<u>-</u>	3110	Common stock	300,145	54	294,260	46	294,260	46							
15XX	Total Non-current Assets	<u>177,647</u>	<u>32</u>	<u>112,208</u>	<u>17</u>	<u>104,936</u>	<u>16</u>	3200	Additional paid-in capital	206,283	37	212,168	33	212,168	33							
								3310	Legal reserve	16,672	3	13,898	2	13,898	2							
								3350	Unappropriated earnings	19,196	3	32,189	5	30,716	5							
								3500	Treasury stock	(<u>69,715</u>)	(<u>12</u>)	-	-	-	-							
								3XXX	Total Equity	<u>472,581</u>	<u>85</u>	<u>552,515</u>	<u>86</u>	<u>551,042</u>	<u>86</u>							
1XXX	Total Assets	<u>\$ 556,729</u>	<u>100</u>	<u>\$ 643,514</u>	<u>100</u>	<u>\$ 640,665</u>	<u>100</u>	Total Liabilities and Equity														

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

Yield Microelectronics Corporation
Statements of Comprehensive Income

For the Three Months Ended September 30, 2025 and 2024 and the Nine Months Ended September 30, 2025 and 2024

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

Code		For the Three Months Ended Sep. 30, 2025		For the Three Months Ended Sep. 30, 2024		For the Nine Months Ended Sep. 30, 2025		For the Nine Months Ended Sep. 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes 15)	\$ 67,460	100	\$ 70,678	100	\$ 182,135	100	\$ 175,573	100
5000	Operating cost (Note 16)	2,619	4	316	-	3,132	2	729	-
5900	Gross profit	64,841	96	70,362	100	179,003	98	174,844	100
	Operating expenses (Note 16)								
6100	Selling and marketing	4,683	7	4,430	7	13,425	7	12,760	7
6200	General and administrative	12,555	19	10,701	15	35,185	19	29,809	17
6300	Research and development	36,652	54	36,215	51	106,705	59	101,432	58
6450	Expected credit impairment losses	-	-	-	-	323	-	-	-
6000	Total operating expenses	53,890	80	51,346	73	155,638	85	144,001	82
6900	Operating income	10,951	16	19,016	27	23,365	13	30,843	18
	Non-operating income and expense (Notes 16)								
7100	Interest income	1,118	2	1,323	2	4,040	2	3,015	2
7010	Other income	-	-	-	-	-	-	38	-
7020	Other gains and losses	93	-	(1,612)	(2)	(1,120)	(1)	(866)	(1)
7050	Finance costs	(141)	-	(227)	(1)	(489)	-	(476)	-
7000	Total non-operating income and expenses	1,070	2	(516)	(1)	2,431	1	1,711	1
7900	Net income before tax	12,021	18	18,500	26	25,796	14	32,554	19
7950	Tax expense (Notes 4 and 17)	2,883	4	3,058	4	6,883	4	6,284	4
8200	Net income	9,138	14	15,442	22	18,913	10	26,270	15
8300	Other comprehensive income	-	-	-	-	-	-	-	-
8500	Total comprehensive income	\$ 9,138	14	\$ 15,442	22	\$ 18,913	10	\$ 26,270	15
	Earnings per share (Note 18)								
9750	Basic earnings per share	\$ 0.31		\$ 0.51		\$ 0.64		\$ 0.91	
9850	Diluted earnings per share	\$ 0.31		\$ 0.51		\$ 0.64		\$ 0.91	

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

Yield Microelectronics Corporation

Statements of Changes in Equity

For the Nine Months Ended September 30, 2025 and 2024

(In Thousands of New Taiwan Dollars, unless otherwise specified)

Code	Common Shares			Retained Earnings			Treasury Stock	Total Equity
	Number of Shares (in Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings			
A1	Balance on January 1, 2024	26,810	\$ 268,100	\$ -	\$ 10,697	\$ 34,457	\$ -	\$ 313,254
	2023 Distribution of Earnings							
B1	Legal reserve	-	-	-	3,201	(3,201)	-	-
B5	The company's cash dividends for shareholders – NT\$1.00 per share	-	-	-	-	(26,810)	-	(26,810)
D1	Net income for the nine months ended Sep. 30, 2024	-	-	-	-	26,270	-	26,270
D3	Other comprehensive income after tax for the nine months ended Sep. 30, 2024	-	-	-	-	-	-	-
D5	Total comprehensive income for the nine months ended Sep. 30, 2024	-	-	-	-	26,270	-	26,270
E1	Cash capital increases	2,616	26,160	205,861	-	-	-	232,021
N1	Costs of employee stock option	-	-	6,307	-	-	-	6,307
Z1	Balance on Sep. 30, 2024	29,426	\$ 294,260	\$ 212,168	\$ 13,898	\$ 30,716	\$ -	\$ 551,042
A1	Balance on January 1, 2025	29,426	\$ 294,260	\$ 212,168	\$ 13,898	\$ 32,189	\$ -	\$ 552,515
	2024 Distribution of Earnings							
B1	Legal reserve	-	-	-	2,774	(2,774)	-	-
B5	The company's cash dividends for shareholders – NT\$0.99 per share	-	-	-	-	(29,132)	-	(29,132)
C13	Dividends distributed with additional paid-in capital	589	5,885	(5,885)	-	-	-	-
D1	Net income for the nine months ended Sep. 30, 2025	-	-	-	-	18,913	-	18,913
D3	Other comprehensive income after tax for the nine months ended Sep. 30, 2025	-	-	-	-	-	-	-
D5	Total comprehensive income for the nine months ended Sep. 30, 2025	-	-	-	-	18,913	-	18,913
L1	Purchase of treasury stock	-	-	-	-	-	(69,715)	(69,715)
Z1	Balance on Sep. 30, 2025	30,015	\$ 300,145	\$ 206,283	\$ 16,672	\$ 19,196	(\$ 69,715)	\$ 472,581

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

Yield Microelectronics Corporation
 Statements of Cash Flows
 For the Nine Months Ended September 30, 2025 and 2024

(In Thousands of New Taiwan Dollars)

Code		For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
	Cash flow from operating activities		
A10000	Profit before income tax	\$ 25,796	\$ 32,554
A20010	Adjustments for:		
A20100	Depreciation expense	20,040	12,498
A20200	Amortization expense	19,704	15,382
A20300	Expected credit impairment losses	323	-
A20900	Finance costs	489	476
A21200	Interest income	(4,040)	(3,015)
A21900	Costs of employee stock option	-	6,307
A22500	Loss on disposal of property, plant and equipment	-	207
A24100	Net foreign exchange losses (gains)	(2,080)	416
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	(16,526)	(556)
A31180	Other receivables	2,716	59
A31240	Prepayments and other current assets	(2,387)	(703)
A32180	Compensation payable to employees and directors	(2,201)	1,910
A32230	Other current liabilities	<u>2,500</u>	<u>(3,404)</u>
A33000	Net cash generated from operations	44,334	62,131
A33100	Interest received	4,040	3,015
A33300	Interest paid	(489)	(476)
A33500	Income tax paid	<u>(6,924)</u>	<u>(9,612)</u>
AAAA	Net cash inflow from operating activities	<u>40,961</u>	<u>55,058</u>
	Cash flows from investing activities		
B02700	Purchase of property, plant and equipment	(75,473)	(30,083)
B03800	Decreases in refundable deposits	-	1,471
B04500	Acquisition of intangible assets	<u>(30,307)</u>	<u>(12,435)</u>
BBBB	Net cash used in investing activities	<u>(105,780)</u>	<u>(41,047)</u>
	Cash flows from financing activities		
C04020	Repayment of the principal portion of lease liabilities	(8,322)	(5,608)
C04500	Issue of cash dividends	(29,132)	(26,810)
C04600	Issue of new shares	-	232,021
C04900	Purchase of treasury stock	<u>(69,715)</u>	<u>-</u>
CCCC	Cash inflow (outflow) related to financing activities	<u>(107,169)</u>	<u>199,603</u>

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<u>Code</u>		<u>For the Nine Months Ended Sep. 30, 2025</u>	<u>For the Nine Months Ended Sep. 30, 2024</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	\$ 827	(\$ 649)
EEEE	Net (decrease) increase in cash and cash equivalents	(171,161)	212,965
E00100	Cash and cash equivalents at the beginning of the period	<u>502,947</u>	<u>294,821</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 331,786</u>	<u>\$ 507,786</u>

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

Yield Microelectronics Corporation
Notes to Financial Statements
For the Nine Months Ended September 30, 2025 and 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. General

Yield Microelectronics Corporation (hereinafter referred to as “the Company”) was established on September 4, 2001, with approval from the Ministry of Economic Affairs. The Company primarily engages in the design, research and development, manufacturing, wholesale and retail, international trade, and intellectual property rights of electronic products.

The Company’s shares have been listed and traded on the Taiwan Stock Exchange’s Innovation Board since May 15, 2024.

This financial report is presented in New Taiwan Dollars, which is the functional currency of the Company.

2. The Authorization of Financial Statements

This financial report was approved by the Board of Directors on November 6, 2025.

3. Application of New and Revised International Financial Reporting Standards

(1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standing Interpretations Committee (SIC) (hereinafter referred to as “IFRSs”) approved and issued by the Financial Supervisory Commission (hereinafter referred to as “FSC”) to be effective.

Amendments to IAS 21: Lack of Exchangeability

The application of the amendments to IAS 21, Lack of Exchangeability, did not result in any material changes to the Company’s accounting policies.

(2) The International Financial Reporting Standards (IFRS) approved by the FSC which will be applied in 2026

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
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
Annual Improvements to IFRS Accounting	January 1, 2026

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Standards – Volume 11 IFRS 17 “Insurance Contracts” (including the amendments announced in 2020 and 2021)	January 1, 2023

As of the date the financial statements were approved for issuance, the Company is still assessing the impact of the amendments on its financial position and financial performance. Relevant effects will be disclosed once the assessment is completed.

(3) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

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

Note 1: Unless otherwise stated, the newly issued/amended/revised standards or interpretations become effective for annual reporting periods beginning after their respective dates.

Note 2: On September 25, 2025, the Financial Supervisory Commission (FSC) announced that domestic enterprises shall apply IFRS 18 starting from January 1, 2028. Early adoption is also permitted once IFRS 18 has been approved by the FSC.

By the approval date of this financial report, the Company is still evaluating other impacts of the amendments to various standards and interpretations on its financial position and performance. The relevant impact will be disclosed upon completion of the assessment.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting,” as endorsed and issued into effect by the Financial Supervisory Commission. These financial statements do not include all the

disclosures required by the full set of IFRS accounting standards for annual financial reports.

(2) **Basis of Preparation**

Except for financial instruments measured at fair value and net defined benefit assets measured as the present value of defined benefit assets less the fair value of plan assets, this financial report is prepared on a historical cost basis.

Fair value measurements are categorized into Level 1 to Level 3 based on the observability and significance of the inputs used.

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level 3 inputs are unobservable inputs for the asset or liability.

(3) **Other Significant Accounting Policies**

Except as described below, please refer to the summary of significant accounting policies in the 2024 annual financial report.

1. **Defined Benefit and Post-Retirement Benefits**

Pension costs for the interim period are calculated on a year-to-date basis using the actuarially determined pension cost rate at the end of the previous year. Adjustments are made for significant market fluctuations, significant plan amendments, settlements, or other significant one-time events during the period.

2. **Income Tax Expense**

Income tax expense is the sum of current income tax and deferred income tax. Income tax for the interim period is assessed on an annual basis, using the tax rate that is expected to apply to the total annual earnings, and is calculated based on pre-tax profit for the interim period.

5. **Critical Accounting Judgments and Key Sources of Estimation and Uncertainty**

Please refer to the description of significant accounting judgments, estimates, and key sources of uncertainty in the 2024 annual financial report.

6. **Cash and Cash Equivalents**

	December 31, Sep. 30, 2025	2024	Sep. 30, 2024
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Cash on hand	\$ 57	\$ 51	\$ 51
Demand deposits	152,429	78,696	83,535
Cash equivalents			
Time deposits with the original maturity dates of less than 3 months	179,300	424,200	424,200
	<u>\$ 331,786</u>	<u>\$ 502,947</u>	<u>\$ 507,786</u>

The interest rates for bank deposits as of the balance sheet date range as follows:

	December 31,	Sep. 30, 2025	2024	Sep. 30, 2024
Bank deposits		0.03%~1.45%	0%~1.62%	0.05%~1.40%

7. Accounts Receivable

	December 31,	Sep. 30, 2025	2024	Sep. 30, 2024
Accounts receivable measured at amortized cost				
Total carrying amount	\$ 34,074	\$ 17,063	\$ 17,243	\$ 17,243
Less: allowance for loss	(323)	-	-	-
	<u>\$ 33,751</u>	<u>\$ 17,063</u>	<u>\$ 17,243</u>	<u>\$ 17,243</u>
Other receivables				
Tax refunds receivable	<u>\$ 7,607</u>	<u>\$ 7,745</u>	<u>\$ 7,624</u>	<u>\$ 7,624</u>

The Company has an average credit period of 30 to 60 days for service income and does not charge interest on accounts receivable. To mitigate credit risk, the Company has established credit and accounts receivable management policies to ensure that appropriate actions are taken for the recovery of overdue receivables. Furthermore, on the balance sheet date, the Company reviews the recoverable amount of each receivable to ensure that an appropriate allowance for impairment losses has been made for irrecoverable amounts. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

The Company recognizes an allowance for impairment losses on accounts receivable based on the expected credit losses over the lifetime of the receivables. The lifetime expected credit losses are calculated using a provision matrix that considers the customer's past default history, current financial condition, the economic conditions of the industry, and also takes into account the industry outlook. Since the Company's historical experience of credit losses shows that the loss patterns across different customer groups are not significantly different, the provision matrix does not further

differentiate between customer groups and is based solely on the days past due for determining the expected credit loss rates.

If there is evidence that the counterparty is in severe financial difficulty and the Company cannot reasonably expect to recover the amount, the Company writes off the related receivable directly, but continues with the collection efforts, and amounts recovered subsequently are recognized in profit or loss.

The Company measures the allowance for impairment losses on accounts receivable as follows:

September 30, 2025

	Not past due	1-30 days past due	31-60 days past due	61-90 days past due	Over 90 days past due	Total
Total carrying amount	\$ 8,023	\$ 1,841	\$ 23,887	\$ -	\$ 323	\$ 34,074
Allowance for loss (lifetime expected credit losses)	<u>\$ 8,023</u>	<u>\$ 1,841</u>	<u>\$ 23,887</u>	<u>\$ -</u>	<u>(\$ 323)</u>	<u>(\$ 323)</u>
Amortized cost	<u>\$ 8,023</u>	<u>\$ 1,841</u>	<u>\$ 23,887</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,751</u>

December 31, 2024

	Not past due	1-30 days past due	31-60 days past due	61-90 days past due	Over 90 days past due	Total
Total carrying amount	\$ 14,823	\$ 1,912	\$ -	\$ -	\$ 328	\$ 17,063
Allowance for loss (lifetime expected credit losses)	<u>\$ 14,823</u>	<u>\$ 1,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328</u>	<u>\$ 17,063</u>
Amortized cost	<u>\$ 14,823</u>	<u>\$ 1,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328</u>	<u>\$ 17,063</u>

September 30, 2024

	Not past due	1-30 days past due	31-60 days past due	61-90 days past due	Over 90 days past due	Total
Total carrying amount	\$ 7,652	\$ 2,880	\$ 855	\$ 317	\$ 5,539	\$ 17,243
Allowance for loss (lifetime expected credit losses)	<u>\$ 7,652</u>	<u>\$ 2,880</u>	<u>\$ 855</u>	<u>\$ 317</u>	<u>\$ 5,539</u>	<u>\$ 17,243</u>
Amortized cost	<u>\$ 7,652</u>	<u>\$ 2,880</u>	<u>\$ 855</u>	<u>\$ 317</u>	<u>\$ 5,539</u>	<u>\$ 17,243</u>

The information on the change of allowance for accounts receivable is as follows:

	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Beginning balance	\$ -	\$ -
Add: Recognized impairment losses	<u>323</u>	<u>-</u>
Ending balance	<u>\$ 323</u>	<u>\$ -</u>

8. Property, Plant and Equipment

For self-use

Cost	Equipment for R&D	Leasehold improvement	Office equipment	Total

Balance on January 1, 2025	\$ 67,858	\$ 19,784	\$ 12,600	\$ 100,242
Addition	<u>17,681</u>	<u>158</u>	<u>1,579</u>	<u>19,418</u>
Balance on Sep. 30, 2025	<u><u>\$ 85,539</u></u>	<u><u>\$ 19,942</u></u>	<u><u>\$ 14,179</u></u>	<u><u>\$ 119,660</u></u>
<u>Accumulated depreciation</u>				
Balance on January 1, 2025	\$ 50,634	\$ 4,397	\$ 5,980	\$ 61,011
Depreciation expense	<u>4,926</u>	<u>4,972</u>	<u>1,718</u>	<u>11,616</u>
Balance on Sep. 30, 2025	<u><u>\$ 55,560</u></u>	<u><u>\$ 9,369</u></u>	<u><u>\$ 7,698</u></u>	<u><u>\$ 72,627</u></u>
Sep. 30, 2025 - net	<u><u>\$ 29,979</u></u>	<u><u>\$ 10,573</u></u>	<u><u>\$ 6,481</u></u>	<u><u>\$ 47,033</u></u>
December 31, 2024 and January 1, 2025 - net	<u><u>\$ 17,224</u></u>	<u><u>\$ 15,387</u></u>	<u><u>\$ 6,620</u></u>	<u><u>\$ 39,231</u></u>
<u>Cost</u>				
Balance on January 1, 2024	\$ 51,725	\$ 740	\$ 8,702	\$ 61,167
Addition	<u>6,000</u>	<u>19,784</u>	<u>4,839</u>	<u>30,623</u>
Disposal	(<u>142</u>)	(<u>740</u>)	(<u>750</u>)	(<u>1,632</u>)
Balance on Sep. 30, 2024	<u><u>\$ 57,583</u></u>	<u><u>\$ 19,784</u></u>	<u><u>\$ 12,791</u></u>	<u><u>\$ 90,158</u></u>

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	Equipment for R&D	Leasehold improvement	Office equipment	Total
<u>Accumulated Depreciation</u>				
Balance on January 1, 2024	\$ 47,419	\$ 482	\$ 5,184	\$ 53,085
Depreciation expense	2,508	2,799	1,368	6,675
Disposal	(142)	(533)	(750)	(1,425)
Balance on Sep. 30, 2024	<u>\$ 49,785</u>	<u>\$ 2,748</u>	<u>\$ 5,802</u>	<u>\$ 58,335</u>
Sep. 30, 2024 - net	<u>\$ 7,798</u>	<u>\$ 17,036</u>	<u>\$ 6,989</u>	<u>\$ 31,823</u>

Depreciation expense is provided on a straight-line basis over the following useful lives:

Equipment for R&D	5 years
Leasehold improvement	3 years
Office equipment	5 years

9. Lease Agreements

(1) Right-of-use assets

	Sep. 30, 2025	December 31, 2024	Sep. 30, 2024
Right-of-use assets Carrying amount Buildings	\$ 16,846	\$ 25,270	\$ 28,077
	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025
Right-of-use assets added			\$ _____ -
Depreciation expense of right-of-use assets	\$ 2,808	\$ 2,808	\$ 8,424
			\$ 5,823

(2) Lease liabilities

	Sep. 30, 2025	December 31, 2024	Sep. 30, 2024
Lease liabilities Carrying amount Current	\$ 11,404	\$ 11,140	\$ 11,054
	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025
Non-current	\$ 5,836	\$ 14,422	\$ 17,240

The discount rate range for the lease liabilities is as follows:

	Sep. 30, 2025	December 31, 2024	Sep. 30, 2024
Buildings	3.12%	3.12%	3.12%

(3) Significant leasing activities and terms

The Company leases buildings for office and parking space use, with lease terms of 2 years. At the end of the lease term, the Company has no option to purchase the leased buildings and has agreed not to sublease or transfer any part of the leased property without the lessor's consent.

(4) Other leasing information

	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Short-term lease expenses	\$ -	\$ -	\$ -	\$ 1,729
Total amount of cash outflow from lease			\$ 8,811	\$ 7,813

10. Other Intangible Assets

	Computer Software	Patents	Total
<u>Cost</u>			
Balance on January 1, 2025	\$ 78,972	\$ 2,857	\$ 81,829
Addition	30,650	-	30,650
Disposal	(26,330)	-	(26,330)
Balance on Sep. 30, 2025	<u>\$ 83,292</u>	<u>\$ 2,857</u>	<u>\$ 86,149</u>
<u>Accumulated amortization</u>			
Balance on January 1, 2025	\$ 35,808	\$ 2,857	\$ 38,665
Amortization expense	19,704	-	19,704
Disposal	(26,330)	-	(26,330)
Balance on Sep. 30, 2025	<u>\$ 29,182</u>	<u>\$ 2,857</u>	<u>\$ 32,039</u>
Sep. 30, 2025 - net	<u>\$ 54,110</u>	<u>\$ -</u>	<u>\$ 54,110</u>
December 31, 2024 and January 1, 2025 - net	<u>\$ 43,164</u>	<u>\$ -</u>	<u>\$ 43,164</u>
<u>Cost</u>			
Balance on January 1, 2024	\$ 72,924	\$ 2,857	\$ 75,781
Addition	25,673	-	25,673
Disposal	(20,669)	-	(20,669)
Balance on Sep. 30, 2024	<u>\$ 77,928</u>	<u>\$ 2,857</u>	<u>\$ 80,785</u>
<u>Accumulated amortization</u>			
Balance on January 1, 2024	\$ 42,819	\$ 2,714	\$ 45,533
Amortization expense	15,239	143	15,382
Disposal	(20,669)	-	(20,669)
Balance on Sep. 30, 2024	<u>\$ 37,389</u>	<u>\$ 2,857</u>	<u>\$ 40,246</u>
Sep. 30, 2024 - net	<u>\$ 40,539</u>	<u>\$ -</u>	<u>\$ 40,539</u>

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

Computer software	3 years
Patents	5 years

Amortization expenses classified by function:

	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Administrative expense	\$ 95	\$ 46	\$ 185	\$ 92
R&D expense	6,586	5,145	19,519	15,290
	<u>\$ 6,681</u>	<u>\$ 5,191</u>	<u>\$ 19,704</u>	<u>\$ 15,382</u>

11. Other Assets

	December 31,		
	Sep. 30, 2025	2024	Sep. 30, 2024
<u>Current</u>			
Offset against business tax payable	\$ 3,126	\$ 2,555	\$ 1,876
Prepayment for test materials	2,265	376	169
Prepayment for software	391	320	338
Prepayment for insurance premium	22	223	20
Prepayments	-	-	550
Others	134	77	123
	<u>\$ 5,938</u>	<u>\$ 3,551</u>	<u>\$ 3,076</u>

12. Other Liabilities

	December 31,		
	Sep. 30, 2025	2024	Sep. 30, 2024
<u>Current</u>			
Software fees payable	\$ 14,564	\$ 16,385	\$ 13,381
Salary and bonuses payable	14,996	13,360	9,412
Unused annual leave bonuses payable	6,121	6,666	5,642
Insurance premiums payable	1,479	1,413	1,429
Service fees payable	1,343	1,181	1,261
Technical service fees payable	953	1,636	988
Payables for equipment	50	990	707
Others	4,087	2,223	2,233
	<u>\$ 43,593</u>	<u>\$ 43,854</u>	<u>\$ 35,053</u>
<u>Non-current</u>			
Software fees payable	\$ 13,912	\$ 12,516	\$ 17,392

13. Post-Employment Benefit Plans

For the three months ended September 30, 2025 and 2024 and the nine months ended September 30, 2025 and 2024, the retirement pension expenses recognized for the

defined benefit plans were calculated based on the actuarially determined pension cost rate as of December 31, 2024 and 2023, respectively. The amounts were NT\$11,000, NT\$11,000, NT\$33,000 and NT\$49,000, respectively.

14. Equity

(1) Capital Stock - Common Stock

	Sep. 30, 2025	December 31, 2024	Sep. 30, 2024
Number of shares (1,000 shares)	40,000	30,000	30,000
Authorized share capital	<u>\$ 400,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>
Number of issued and fully paid shares (1,000 shares)	<u>30,015</u>	<u>29,426</u>	<u>29,426</u>
Share capital of issued shares	<u>\$ 300,145</u>	<u>\$ 294,260</u>	<u>\$ 294,260</u>

On May 13, 2025, the Company's shareholders' meeting resolved to capitalize the additional paid-in capital and issue 589 thousand new shares with a par value of NT\$10 per share. After the capital increase, the paid-in capital amounted to NT\$300,145 thousand. June 18, 2025 was set as the base date for the capital increase, and the change of registration was completed on June 23, 2025.

On February 27, 2024, the Company's board of directors resolved to issue 2,616,000 new shares in a cash capital increase before the initial public offering with the par value of NT\$10 per share, resulting in a paid-in capital of NT\$294,260,000 after the increase. The Taiwan Stock Exchange approved the registration of this cash capital increase on March 26, 2024, and the board of directors authorized the chairman to set May 13, 2024, as the base date for the capital increase, of which the registration of change was completed on May 27, 2024.

(2) Additional Paid-in Capital

	Sep. 30, 2025	December 31, 2024	Sep. 30, 2024
<u>It may be used to offset losses, to make cash payments or to increase the capital of the Company</u>			
Share premium	<u>\$ 206,283</u>	<u>\$ 212,168</u>	<u>\$ 212,168</u>

This type of additional paid-in capital can be used to offset losses and, when the Company has no losses, it may be distributed as cash or converted into share capital.

However, when converting into share capital, it is limited to a certain percentage of the paid-in capital each year.

(3) Retained Earnings and Dividend Policy

The Company, following the amendment to its articles of incorporation approved at the shareholders' meeting on June 6, 2023, adheres to the revised earnings distribution policy. If there are net profits after tax for the period, prior losses must be covered first (including the amount of adjusted unappropriated earnings), followed by a mandatory allocation of 10% to the legal reserve; however, this is not required if the legal reserve has already reached the total capital amount of the Company. Subsequently, special reserves are allocated or reversed according to laws or regulations. The remaining profits, along with the beginning unappropriated earnings (including the amount of adjusted unappropriated earnings), are proposed by the board of directors for shareholders' dividend distribution. If the Company decides to distribute dividends and bonuses or to allocate or partially distribute the legal reserve and capital reserve in cash, such decisions are authorized by a two-thirds majority of directors present at the board meeting, with more than half in agreement, and subsequently reported to the shareholders' meeting.

The employee and director compensation distribution policy outlined in the Company's articles of incorporation can be found in Note 16 (7) on "Compensation to Employees and Directors".

The board is authorized to propose distributions ranging from 0% to 100% of available profits, taking into account factors such as the prevailing and prospective investment landscape, funding requirements, domestic and international competition, and capital budgeting, all while striking a balance between shareholder interests and long-term financial planning. Furthermore, the cash dividend percentage should not fall below 10% of the total cash and stock dividends distributed for the year.

The legal reserve must be allocated until it reaches the total paid-in capital amount. It can be used to cover losses. If there are no losses, the part of the legal reserve exceeding 25% of the total paid-in capital can be allocated to increase capital or distributed in cash.

The Company's earnings distribution plans for 2024 and 2023 are as follows:

	2024	2023
Legal reserve	<u>\$ 2,774</u>	<u>\$ 3,201</u>
Cash dividends	<u>\$ 29,132</u>	<u>\$ 26,810</u>
Cash dividends per share (NT\$)	\$ 0.99	\$ 1.00

The aforementioned cash dividends were respectively resolved by the board of directors on February 25, 2025 and February 27, 2024, while the remaining items in the earnings distribution plan were approved by the shareholders at the general meetings held on May 13, 2025 and May 21, 2024.

In addition, on May 13, 2025, the general shareholders' meeting resolved to increase capital by NT\$5,885 thousand through the additional paid-in capital.

For details of the earnings distribution resolved by the shareholders' meeting, please refer to the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

(4) Treasury Stock

<u>Reason for Repurchase</u>	<u>Shares Transferred to Employees (Thousand Shares)</u>
Shares as of Jan. 1, 2025	-
Increase in current period	744
Shares as of Sep. 30, 2025	<u>744</u>

On May 7, 2025, the Company's Board of Directors resolved to repurchase 1,000 thousand treasury shares, with a price range between NT\$52 and NT\$119. As of Sep. 30, 2025, 744 thousand shares had been repurchased, accounting for 2.48% of the Company's outstanding shares.

Treasury shares held by the Company may not be pledged, nor are they entitled to dividends or voting rights in accordance with the Securities and Exchange Act.

15. Revenue

	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Revenue from Customer Contracts				
Income from technical services	\$ 11,619	\$ 10,169	\$ 41,813	\$ 38,987
Income from royalties	<u>55,841</u>	<u>60,509</u>	<u>140,322</u>	<u>136,586</u>
	<u><u>\$ 67,460</u></u>	<u><u>\$ 70,678</u></u>	<u><u>\$ 182,135</u></u>	<u><u>\$ 175,573</u></u>

(1) Description of Customer Contracts

1. Income from Technical Services

Income from technical services is recognized for providing customers with silicon intellectual property (IP) design services for integrated circuits upon the delivery of services or silicon IP to the customers.

2. Income from Royalties

Income from royalties arises from licensing standardized silicon IP for integrated circuits to customers. Royalties are collected based on the contract terms after the customer commences mass production using the licensed silicon IP.

(2) Contract Balances

	December 31,			
	Sep. 30, 2025	2024	Sep. 30, 2024	Jan. 1, 2024
Accounts receivable (Note 7)	\$ 33,751	\$ 17,063	\$ 17,243	\$ 16,486

(3) Breakdown of Customer Contract Revenue

Main Markets	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Mainland China (including Hong Kong)	\$ 38,407	\$ 38,270	\$ 85,178	\$ 86,741
Taiwan	12,122	12,561	35,554	32,755
Korea	11,854	11,520	34,973	27,206
Singapore	5,077	5,653	20,293	21,035
USA	-	1,952	5,757	4,171
Others	-	722	380	3,665
	<u>\$ 67,460</u>	<u>\$ 70,678</u>	<u>\$ 182,135</u>	<u>\$ 175,573</u>

16. Net Income from Continuing Operations

(1) Income from interests

	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Bank deposits	\$ 1,118	\$ 1,323	\$ 4,040	\$ 3,015

(2) Other income

	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Others	\$ -	\$ -	\$ -	\$ 38

(3) Other profits and losses

	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Net foreign currency exchange gain (loss)	\$ 93	(\$ 1,612)	(\$ 1,120)	(\$ 659)
Loss on disposal of property, plant and equipment	\$ -	(\$ 1,612)	(\$ 1,120)	(\$ 207) (\$ 866)

(4) Finance costs

	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Interest in lease liabilities	\$ 141	\$ 227	\$ 489	\$ 476

(5) Depreciation and amortization

	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Depreciation expense classified by function				
Operating expenses	\$ 6,928	\$ 5,553	\$ 20,040	\$ 12,498
Amortization expense classified by function				
Operating expenses	\$ 6,681	\$ 5,191	\$ 19,704	\$ 15,382

Amortization expense of intangible assets is allocated to the respective line items in the financial statements, as detailed in Note 10.

(6) Employee benefits expenses

	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Short-term employee benefits	\$ 31,097	\$ 31,197	\$ 88,586	\$ 81,994
Benefits after retirement				
Defined contribution plan	1,147	1,055	3,400	3,055

Defined benefit plan (Note 13)	11 32,255	11 32,263	33 92,019	49 85,098
Share-based payments (Note 19)	-	-	-	6,307
Equity delivery				
Total of employee benefit expenses	<u>\$ 32,255</u>	<u>\$ 32,263</u>	<u>\$ 92,019</u>	<u>\$ 91,405</u>

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	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Classified by function				
Operating cost	\$ -	\$ 83	\$ 148	\$ 372
Operating expenses	<u>\$ 32,255</u>	<u>\$ 32,180</u>	<u>\$ 91,871</u>	<u>\$ 91,033</u>
	<u>\$ 32,255</u>	<u>\$ 32,263</u>	<u>\$ 92,019</u>	<u>\$ 91,405</u>

(7) Compensation to Employees and Directors

The Company allocates 5% to 15% and no more than 5% of its earnings before tax (before distributing employee and director compensation) respectively to its employees and directors in accordance with its Articles of Incorporation. Pursuant to the amendments to the Securities and Exchange Act in August 2024, the Company amended its Articles of Incorporation at the 2025 Annual General Meeting to specify that 0.1% of the annual employee compensation shall be allocated to grassroots employees. The estimated amounts of employee compensation (including non-executive employee compensation) and director compensation for the three months ended September 30, 2025 and 2024 and for the nine months ended Sep. 30, 2025 and 2024 are as follows:

Estimated Proportion

	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Compensation to employees	15%	15%
Compensation to directors	5%	5%

Amount

	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Compensation to employees	<u>\$ 2,254</u>	<u>\$ 3,469</u>	<u>\$ 4,837</u>	<u>\$ 6,104</u>
Compensation to directors	<u>\$ 751</u>	<u>\$ 1,157</u>	<u>\$ 1,612</u>	<u>\$ 2,035</u>

If the amounts change after the date the financial statements are authorized for issue, they will be treated as changes in accounting estimates and adjusted in the subsequent year.

The employee and director compensation for 2024 and 2023 were approved by the Board of Directors on February 25, 2025 and February 27, 2024, respectively, as follows:

	2024	2023
Compensation to employees	\$ 6,488	\$ 4,672
Compensation to directors	2,162	1,557

The amounts of employee compensation and director compensation approved by the Board of Directors for 2024 and 2023 are consistent with the amounts recognized in the financial reports for 2024 and 2023.

For information on the resolutions of employee and director compensation by the Company's board, please refer to the Market Observation Post System of the Taiwan Stock Exchange.

(8) Foreign currency exchange gains (losses)

	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Total foreign currency exchange gains	\$ 924	\$ 242	\$ 4,275	\$ 1,806
Total foreign currency exchange losses	(831)	(1,854)	(5,395)	(2,465)
Net foreign currency exchange gain(loss)	<u>\$ 93</u>	<u>(\$ 1,612)</u>	<u>(\$ 1,120)</u>	<u>(\$ 659)</u>

17. Income Tax

(1) The main components of the income tax expense recognized in profit or loss are:

	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Income tax	\$ 2,883	\$ 3,058	\$ 6,883	\$ 6,284
Currently Generated Income tax expense recognized in profit or loss	<u>\$ 2,883</u>	<u>\$ 3,058</u>	<u>\$ 6,883</u>	<u>\$ 6,284</u>

(2) Income Tax Assessments

The Company's income tax filings up to 2023 have been approved by the tax authorities.

18. Earnings Per Share

Unit: NT\$ per share

	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Basic earnings per share	\$ 0.31	\$ 0.51	\$ 0.64	\$ 0.91
Diluted earnings per share	<u>\$ 0.31</u>	<u>\$ 0.51</u>	<u>\$ 0.64</u>	<u>\$ 0.91</u>

The impact of stock dividends has been retrospectively adjusted in the calculation of earnings per share (EPS). The base date for the issuance of stock dividends was set

on June 18, 2025. Due to the retrospective adjustment, the basic and diluted EPS for the three months ended Sep. 30, 2024 and the nine months ended Sep. 30, 2024 have changed as follows:

	Unit: NT\$ per share			
	Before Retrospective Adjustment		After Retrospective Adjustment	
	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2024	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2024
Basic earnings per share	\$ 0.52	\$ 0.93	\$ 0.51	\$ 0.91
Diluted earnings per share	\$ 0.52	\$ 0.93	\$ 0.51	\$ 0.91

The net income for the period and the weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

Net Income for the Period

	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Net income	\$ 9,138	\$ 15,442	\$ 18,913	\$ 26,270
Net income for the calculation of basic and diluted earnings per share	\$ 9,138	\$ 15,442	\$ 18,913	\$ 26,270

Number of shares

	Unit: Thousands of shares			
	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Weighted average number of common shares for the calculation of basic earnings per share	29,277	30,014	29,696	28,720
Influence of potential common shares with dilutive effect:				
Employee compensation	62	66	75	73
Weighted average number of common shares for the calculation of diluted earnings per share	29,339	30,080	29,771	28,793

If the Company opts to distribute employee compensation in the form of stocks or cash, the diluted earnings per share are calculated assuming the employee compensation is issued in stocks and included in the weighted average number of shares outstanding for the dilution effect when such potential ordinary shares have a diluting effect. This consideration of the dilution effect of such potential ordinary shares continues until the number of shares to be issued for employee compensation is determined in the following year.

19. Share-based Payment Agreement

Employee Subscription Reserved from Cash Capital Increase

The Company's board of directors resolved at the meeting on February 27, 2024 to conduct a cash capital increase, reserving 10% of the total new shares issued for employee subscription, totaling 262 thousand shares. The grant date was May 6, 2024. The relevant information on the employee stock options is as follows.

Employee Stock Options	For the Nine Months Ended Sep. 30, 2024	
	Unit (NT\$ thousand)	Weighted-Average Exercise Price (NT\$)
Outstanding at the beginning of the period	-	\$ -
Granted employee stock options	262	75
Exercised employee stock options	(172)	75
Abandoned employee stock options	(90)	75
Outstanding at the end of the period	=====	
Exercisable at the end of the period	=====	

The fair value of the employee stock options granted by the Company was calculated using the Black-Scholes valuation model, with the following parameters applied.

	May 6, 2024
Share price as of the granting (NT\$/share)	NT\$ 111.66
Exercise Price (NT\$/share)	75
Fair value of share options (NT\$/share)	36.67
Expected price volatility	27.341%
Risk-free interest rate	1.225%
Expected duration	4 days

The recognized compensation costs for the three months ended September 30, 2024 and the nine months ended September 30, 2024 were NT\$0 and NT\$6,307 thousand, respectively.

20. Capital Risk Management

The company conducts capital management to ensure that, under the premise of continuing operations, the debt and equity amounts are optimized to maximize shareholder equity. The overall strategy of the Company has not changed.

The capital structure of the Company consists of equity (i.e. share capital, additional paid-in capital and retained earnings).

The Company is not subject to any external capital requirements.

The Company's senior management regularly reviews the capital structure, including the cost and associated risks of various forms of capital. Based on the

recommendations of senior management, the Company aims to balance its overall capital structure through dividend payments, issuing new shares, repurchasing shares, and issuing new debt or repaying existing debt.

21. Financial Instruments

(1) Fair value of financial instruments that are not at fair value

The Company's management believes that the carrying amounts of financial assets and liabilities not measured at fair value approximate their fair values.

(2) Categories of financial instruments

	Sep. 30, 2025	December 31, 2024	Sep. 30, 2024
Financial assets			
At amortized cost (Note 1)	\$ 376,228	\$ 530,839	\$ 535,737
Financial liability			
At amortized cost (Note 2)	36,388	36,344	37,391

Note 1: The balance includes financial assets measured at amortized cost such as cash and cash equivalents, accounts receivable, other receivables, and refundable deposits.

Note 2: The balance consists of other liabilities, excluding financial liabilities measured at amortized cost such as salaries and bonuses payable, and Unused annual leave bonuses payable.

(3) Financial Risk Management Objectives and Policies

The Company's primary financial instruments include equity investments and accounts receivable. The financial management department of the Company provides services to business units, coordinating access to domestic and international financial markets, and managing the Company's financial risks related to its operations through internal risk reports that analyze exposures by level and breadth of risk. These risks include market risk (including exchange rate risk and interest rate risk), credit risk, and liquidity risk.

1. Market Risk

The Company's operating activities expose it to the primary financial risks of changes in foreign exchange rates (see below (1)) and interest rates (see below (2)).

There has been no change in the company's exposure to market risks related to financial instruments and the ways in which it manages and measures such exposures.

(1) Exchange Rate Risk

The Company engages in transactions denominated in foreign currencies, thus exposing it to exchange rate fluctuations.

The Company's monetary assets and liabilities denominated in non-functional currencies as of the balance sheet date are detailed in Note 24.

Sensitivity Analysis

The company is mainly affected by fluctuations in the US dollar exchange rate.

The following table illustrates the sensitivity analysis when the New Taiwan Dollar (functional currency) appreciates or depreciates by 1% against the relevant foreign currencies. The 1% sensitivity rate is used internally by the Company to report exchange rate risks to senior management and represents management's assessment of the reasonably possible range of changes in foreign exchange rates. The sensitivity analysis only includes foreign currency monetary items outstanding and adjusts their period-end conversion by a 1% change in exchange rates. Positive figures in the table indicate an increase in pre-tax profit when the New Taiwan Dollar depreciates by 1% relative to the relevant currencies; a 1% appreciation of the New Taiwan Dollar against these currencies would have the opposite effect on pre-tax profit by the same amount.

	USD Impact	
	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Gain and loss	\$ 91	\$ 312

The Company's decreased sensitivity to exchange rates during the period is mainly due to a decrease in net assets denominated in US dollars.

(2) Interest Rate Risk

The carrying amounts of the Company's financial assets with exposure to interest rates at the end of the reporting period were as follows:

	December 31,		
	Sep. 30, 2025	2024	Sep. 30, 2024
Fair value interest rate risk			
Financial assets	\$ 179,300	\$ 424,200	\$ 424,200
Financial liabilities	17,240	25,562	28,294
Cash flow rate risk			
Financial assets	152,429	78,696	83,535

Sensitivity Analysis

The following sensitivity analysis is determined based on the interest rate exposure of non-derivative financial instruments at the balance sheet date. For floating-rate assets, the analysis assumes that the amount of assets outstanding at the balance sheet date was outstanding for the entire reporting period.

If the annual interest rate increased by 1%, with all other variables held constant, the Company's pre-tax net income for the nine months ended September 30, 2025, and 2024, would increase by NT\$1,143 thousand and NT\$627 thousand, respectively.

The Company's increased sensitivity to interest rates during the period is mainly due to the addition of variable-rate financial assets.

2. Credit Risk

Credit risk refers to the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. As of the balance sheet date, the maximum exposure to credit risk resulting from the non-performance of its counterparts is primarily from the carrying amounts of financial assets recognized on the balance sheet.

The Company's accounts receivable are diversified across numerous clients, industries, and geographical regions. The Company continually assesses the financial condition of its clients with accounts receivable.

The Company's credit risk is primarily concentrated on the top 5 customers. As of September 30, 2025, December 31, 2024, and September 30, 2024, the accounts receivable from these customers accounted for 86%, 60%, and 43% of the total accounts receivable, respectively.

3. Liquidity Risk

The Company manages and mitigates the impact of fluctuations in cash flow by maintaining sufficient levels of cash and cash equivalents to support its operations.

The analysis of the maturity of non-derivative financial liabilities is prepared based on the contractual repayment dates and the undiscounted cash flows of financial liabilities.

Sep. 30, 2025

	Request pay-as-you-go or less than 1 month	1 to 3 months	3 months to 1 year	More than 1 year	Total
Non-derivative financial liability					
No interest-bearing liabilities	\$ 3,406	\$ 12,830	\$ 6,240	\$ 13,912	\$ 36,388
Lease liabilities	<u>979</u>	<u>1,958</u>	<u>8,812</u>	<u>5,874</u>	<u>17,623</u>
	<u><u>\$ 4,385</u></u>	<u><u>\$ 14,788</u></u>	<u><u>\$ 15,052</u></u>	<u><u>\$ 19,786</u></u>	<u><u>\$ 54,011</u></u>

December 31, 2024

	Request pay-as-you-go or less than 1 month	1 to 3 months	3 months to 1 year	More than 1 year	Total
Non-derivative financial liability					
No interest-bearing liabilities	\$ 5,374	\$ 2,946	\$ 15,508	\$ 12,516	\$ 36,344
Lease liabilities	<u>979</u>	<u>1,958</u>	<u>8,811</u>	<u>14,686</u>	<u>26,434</u>
	<u><u>\$ 6,353</u></u>	<u><u>\$ 4,904</u></u>	<u><u>\$ 24,319</u></u>	<u><u>\$ 27,202</u></u>	<u><u>\$ 62,778</u></u>

Sep. 30, 2024

	Request pay-as-you-go or less than 1 month	1 to 3 months	3 months to 1 year	More than 1 year	Total
Non-derivative financial liability					
No interest-bearing liabilities	\$ 3,474	\$ 11,525	\$ 5,000	\$ 17,392	\$ 37,391
Lease liabilities	<u>979</u>	<u>1,958</u>	<u>8,811</u>	<u>17,623</u>	<u>29,371</u>
	<u><u>\$ 4,453</u></u>	<u><u>\$ 13,483</u></u>	<u><u>\$ 13,811</u></u>	<u><u>\$ 35,015</u></u>	<u><u>\$ 66,762</u></u>

22. Related Party Transactions

Compensation to executive management

	For the Three Months Ended Sep. 30, 2025	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2025	For the Nine Months Ended Sep. 30, 2024
Short-term employee benefits	\$ 3,560	\$ 4,103	\$ 9,412	\$ 10,855
Share-based payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>990</u>

\$ 3,560	\$ 4,103	\$ 9,412	\$ 11,845
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Compensation for directors and other key management personnel is determined by the compensation committee based on individual performance and market trends.

23. Significant Contingent Liabilities and Unrecognized Commitments

Major Commitments

In response to the need for sustainable operations and future development, the Company entered into a real estate purchase and sale agreement with an unrelated party, Winsome Development Co., Ltd., on September 8, 2025. The total contract price amounts to NT\$186,850 thousand. As of September 30, 2025, payments totaling NT\$56,060 thousand (including tax) had been made in accordance with the contract terms and were classified under Prepayments for equipment. The title transfer registration was completed in October 2025, and the ownership of the real estate has been acquired.

24. Information on Foreign Currency Assets and Liabilities with Significant Effects

The information below is expressed in a foreign currency other than the company's functional currency, and the disclosed exchange rate refers to the exchange rate at which the foreign currency is converted into the functional currency. Significant foreign currency assets are as follows:

Unit: In thousands of different foreign currencies

	Sep. 30, 2025		December 31, 2024		Sep. 30, 2024	
	Foreign Currency	Exchange Rate	Foreign Currency	Exchange Rate	Foreign Currency	Exchange Rate
Foreign Currency Assets						
<u>Monetary items</u>						
USD	\$ 1,238	30.445	\$ 932	32.785	\$ 1,960	31.65
Foreign Currency Liabilities						
<u>Monetary items</u>						
USD	\$ 940	30.445	\$ 887	32.785	\$ 973	31.65

Significant realized and unrealized foreign exchange gains and losses are as follows:

Foreign Currency	For the Three Months Ended Sep. 30, 2025		For the Three Months Ended Sep. 30, 2024	
	Exchange Rate	Net Exchange Profit (Loss)	Exchange Rate	Net Exchange Profit (Loss)
USD	29.950 (USD:NTD)	\$ 93	32.301 (USD:NTD)	(\$ 1,612)
For the Nine Months Ended Sep. 30, 2025				
Foreign Currency	Exchange Rate	Net Exchange Profit (Loss)	Exchange Rate	Net Exchange Profit (Loss)
USD	31.222 (USD:NTD)	(\$ 1,120)	32.034 (USD:NTD)	(\$ 659)

25. Additional Disclosures

Other than the items listed below, the Company has no other significant transactions, re-investments, or investment information in Mainland China that need to be disclosed.

Marketable securities held:

Held Company Name	Marketable Securities Type	Marketable Securities Name	Relationship with the Company	Financial Statement Account	At the End of Period				Note
					Shares (thousand)	Carrying Value	Percentage of Ownership (%)	Net Value of Equity/Market Price/Book Value	
The Company	Stock	Favepc Inc.	The chairman of the company is a director of that company	Financial assets mandatorily measured at the fair value through profit or loss - non-current	2,350	\$ -	13	\$ -	Note

Note: As of the end of September 2025, the listed securities did not provide any guarantees, collateral for loans, or other restrictions as per agreements

26. Operating Segments Information

The operating decision-makers of the Company allocate resources and assess the performance of segments based on different regulatory environments. All operating segments that meet the definition have similar economic characteristics; therefore, the Company is reported as a single operating segment. Furthermore, the segment information provided for review by the operating decision-makers is measured on the same basis as the financial statements. Therefore, the segment revenues and operating results to be reported for the nine months ended September 30, 2025, and 2024, can be referenced from the statements of comprehensive income for the same periods. The segment assets to be reported as of September 30, 2025, and December 31, 2024, and September 30, 2024, can be referenced from the balance sheets as of those dates.