

AP Memory Technology Corporation and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
AP Memory Technology Corporation

Introduction

The consolidated balance sheets of AP Memory Technology Corporation and its subsidiaries as of September 30, 2025, and 2024, and the consolidated statements of comprehensive income from July 1 to September 30, 2025, and 2024, as well as January 1 to September 30, 2025, and 2024, the consolidated statements of changes in equity and consolidated statements of cash flow from January 1 to September 30, 2025, and 2024, along with the notes to the consolidated financial statements (including a summary of significant accounting policies), have been reviewed by our auditors. The financial statements, which have been fairly presented in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" approved and promulgated by the Financial Supervisory Commission, are the responsibility of the management. Our auditor's responsibility is to conclude on the consolidated financial statements based on the review results.

Scope of Review

We conducted our review in accordance with Review Standards 2410 'Review of Financial Statements.' Procedures performed in a review of consolidated financial statements include inquiries (primarily to individuals responsible for financial and accounting matters), analytical procedures, and other review procedures. The scope of a review is substantially less than that of an audit; thus, we might not become aware of all significant matters that could be identified in an audit, and therefore, we do not express an audit opinion.

Conclusion

Based on our auditor's review, no material misstatements were found in the above-mentioned consolidated financial statements that were not prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission, which could misrepresent the consolidated financial position of AP Memory Technology Corporation and its subsidiaries as of September 30, 2025, and 2024, and the consolidated financial performance from July 1 to September 30, 2025, and 2024, as well as from January 1 to September 30, 2025, and 2024, and the consolidated cash flows.

Deloitte & Touche Taipei,
Taiwan Republic of China
October 31, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China. For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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 auditors' review report and consolidated financial statements shall prevail.

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2025, DECEMBER 31, 2024 AND September 30, 2024

(In Thousands of New Taiwan Dollars)

Assets	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 5,436,019	41	\$ 4,188,544	32	\$ 3,923,859	32
Financial assets at amortized cost – current (Notes 9 and 32)	3,835,413	29	4,752,325	37	4,503,440	36
Trade receivables (Notes 10, 23 and 31)	584,186	4	517,992	4	459,617	4
Other receivables (Note 10)	106,981	1	60,026	-	64,209	-
Inventories (Note 11)	1,006,189	7	1,203,177	9	1,120,563	9
Other current assets (Note 18)	74,112	1	64,511	1	92,474	1
Total current assets	<u>11,042,900</u>	<u>83</u>	<u>10,786,575</u>	<u>83</u>	<u>10,164,162</u>	<u>82</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 30)	702,592	5	543,115	4	546,376	4
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 30)	152,225	1	-	-	-	-
Investments accounted for using the equity method (Note 13)	967,306	7	874,465	7	885,543	7
Property, plant and equipment (Notes 14 and 28)	46,875	-	66,155	1	53,765	1
Right-of-use assets (Note 15)	34,384	-	24,975	-	23,083	-
Goodwill (Notes 16 and 28)	95,241	1	-	-	-	-
Other intangible assets (Notes 17 and 28)	84,517	1	64,422	-	52,812	-
Deferred tax assets (Note 4)	99,373	1	84,588	1	86,327	1
Refundable deposits (Note 33)	6,059	-	447,766	3	447,726	4
Other non-current assets (Note 18)	151,842	1	116,227	1	136,298	1
Total non-current assets	<u>2,340,414</u>	<u>17</u>	<u>2,221,713</u>	<u>17</u>	<u>2,231,930</u>	<u>18</u>
TOTAL	<u>\$ 13,383,314</u>	<u>100</u>	<u>\$ 13,008,288</u>	<u>100</u>	<u>\$ 12,396,092</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Note 19)	\$ 250,000	2	\$ 100,000	1	\$ 50,000	-
Contract liabilities (Note 23)	617,493	4	158,961	1	211,323	2
Accounts payable	371,334	3	230,869	2	352,863	3
Other payables (Note 20)	219,715	2	172,397	1	174,180	1
Current tax liabilities (Note 4)	154,245	1	284,309	2	83,719	1
Lease liabilities - current (Note 15)	20,410	-	11,889	-	10,796	-
Other current liabilities (Note 20)	22,209	-	6,594	-	6,675	-
Total current liabilities	<u>1,655,406</u>	<u>12</u>	<u>965,019</u>	<u>7</u>	<u>889,556</u>	<u>7</u>
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Note 7)	8,007	-	-	-	-	-
Deferred tax liabilities (Note 4)	160,823	2	115,533	1	113,367	1
Lease liabilities – non-current (Note 15)	12,669	-	12,342	-	10,650	-
Other payables – non-current (Note 20)	-	-	6,337	-	-	-
Deposits received	2,000	-	2,000	-	2,000	-
Total non-current liabilities	<u>183,499</u>	<u>2</u>	<u>136,212</u>	<u>1</u>	<u>126,017</u>	<u>1</u>
Total liabilities	<u>1,838,905</u>	<u>14</u>	<u>1,101,231</u>	<u>8</u>	<u>1,015,573</u>	<u>8</u>
EQUITY (Notes 12, 22, 27 and 28)						
Share capital						
Ordinary shares	813,314	6	811,739	6	811,249	7
Advance receipts for ordinary shares	570	-	369	-	387	-
Total share capital	<u>813,884</u>	<u>6</u>	<u>812,108</u>	<u>6</u>	<u>811,636</u>	<u>7</u>
Capital surplus	<u>6,519,400</u>	<u>49</u>	<u>6,367,692</u>	<u>49</u>	<u>6,346,904</u>	<u>51</u>
Retained earnings						
Legal reserve	1,063,199	8	905,376	7	905,376	7
Special reserve	-	-	343	-	343	-
Unappropriated earnings	3,010,772	22	3,813,354	30	3,310,906	27
Total retained earnings	<u>4,073,971</u>	<u>30</u>	<u>4,719,073</u>	<u>37</u>	<u>4,216,625</u>	<u>34</u>
Other equity	1,943	-	8,184	-	5,354	-
Equity attributable to owners of the Company	<u>11,409,198</u>	<u>85</u>	<u>11,907,057</u>	<u>92</u>	<u>11,380,519</u>	<u>92</u>
NON-CONTROLLING INTERESTS	<u>135,211</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity	<u>11,544,409</u>	<u>86</u>	<u>11,907,057</u>	<u>92</u>	<u>11,380,519</u>	<u>92</u>
TOTAL	<u>\$ 13,383,314</u>	<u>100</u>	<u>\$ 13,008,288</u>	<u>100</u>	<u>\$ 12,396,092</u>	<u>100</u>

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

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024& FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

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

	For the Three Months Ended September 30, 2025		For the Three Months Ended September 30, 2024		For the Nine Months Ended September 30, 2025		For the Nine Months Ended September 30, 2024	
	Amount	%	Amount	%	Amount	%	Amount	%
REVENUE (Notes 23 and 31)	\$ 1,494,731	100	\$ 1,274,298	100	\$ 3,798,394	100	\$ 2,967,000	100
COSTS OF REVENUE (Notes 11 and 24)	<u>807,053</u>	<u>54</u>	<u>610,843</u>	<u>48</u>	<u>2,096,244</u>	<u>55</u>	<u>1,473,758</u>	<u>50</u>
GROSS PROFIT	<u>687,678</u>	<u>46</u>	<u>663,455</u>	<u>52</u>	<u>1,702,150</u>	<u>45</u>	<u>1,493,242</u>	<u>50</u>
OPERATING EXPENSES (Notes 10 and 24)								
Selling and marketing expenses	26,308	2	23,754	2	84,777	2	82,336	3
General and administrative expenses	77,562	5	53,582	4	185,340	5	143,940	5
Research and development expenses	202,751	14	205,329	16	605,884	16	551,852	18
Expected credit loss (reversal)	<u>-</u>	<u>-</u>	<u>(239)</u>	<u>-</u>	<u>(741)</u>	<u>-</u>	<u>284</u>	<u>-</u>
Total operating expenses	<u>306,621</u>	<u>21</u>	<u>282,426</u>	<u>22</u>	<u>875,260</u>	<u>23</u>	<u>778,412</u>	<u>26</u>
OPERATING INCOME	<u>381,057</u>	<u>25</u>	<u>381,029</u>	<u>30</u>	<u>826,890</u>	<u>22</u>	<u>714,830</u>	<u>24</u>
NON-OPERATING INCOME AND EXPENSES								
Other income	1,170	-	522	-	2,982	-	2,876	-
Share of profit of associates (Note 13)	6,087	-	2,482	-	6,104	-	9,098	-
Interest income	85,145	6	101,109	8	258,838	7	309,278	11
Interest expense	<u>(542)</u>	<u>-</u>	<u>(313)</u>	<u>-</u>	<u>(1,499)</u>	<u>-</u>	<u>(1,552)</u>	<u>-</u>
Foreign exchange (loss) gain, net (Notes 24 and 34)	263,975	18	<u>(191,417)</u>	<u>(15)</u>	<u>(606,227)</u>	<u>(16)</u>	233,416	8
Gain on financial assets at fair value through profit or loss (Notes 13 and 30)	122,915	8	118,840	9	124,999	3	71,765	2
Miscellaneous expenses	-	-	<u>(2)</u>	<u>-</u>	-	-	<u>(162)</u>	<u>-</u>
Loss on disposal of property, plant and equipment	-	-	<u>(5,207)</u>	<u>-</u>	-	-	<u>(21,028)</u>	<u>(1)</u>
Loss on disposal of investment (Note 13)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,328)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>478,750</u>	<u>32</u>	<u>26,014</u>	<u>2</u>	<u>(217,131)</u>	<u>(6)</u>	<u>603,691</u>	<u>20</u>
INCOME BEFORE INCOME TAX	859,807	57	407,043	32	609,759	16	1,318,521	44
INCOME TAX EXPENSE (Note 4 and 25)	<u>(165,537)</u>	<u>(11)</u>	<u>(70,110)</u>	<u>(6)</u>	<u>(119,745)</u>	<u>(3)</u>	<u>(242,737)</u>	<u>(8)</u>
NET PROFIT FOR THE PERIOD	<u>694,270</u>	<u>46</u>	<u>336,933</u>	<u>26</u>	<u>490,014</u>	<u>13</u>	<u>1,075,784</u>	<u>36</u>
OTHER COMPREHENSIVE INCOME								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	<u>47,913</u>	<u>3</u>	<u>(459)</u>	<u>-</u>	<u>(9,154)</u>	<u>-</u>	<u>5,697</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	<u>47,913</u>	<u>3</u>	<u>(459)</u>	<u>-</u>	<u>(9,154)</u>	<u>-</u>	<u>5,697</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 742,183</u>	<u>49</u>	<u>\$ 336,474</u>	<u>26</u>	<u>\$ 480,860</u>	<u>13</u>	<u>\$ 1,081,481</u>	<u>36</u>
NET INCOME (LOSS) ATTRIBUTE TO:								
Owners of the Company	\$ 706,268	47	\$ 336,933	26	\$ 492,078	13	\$ 1,075,784	36
Non-controlling interests	<u>(11,998)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(2,064)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 694,270</u>	<u>46</u>	<u>\$ 336,933</u>	<u>26</u>	<u>\$ 490,014</u>	<u>13</u>	<u>\$ 1,075,784</u>	<u>36</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTE TO:								
Owners of the Company	\$ 753,510	50	\$ 336,474	26	\$ 485,837	13	\$ 1,081,481	36
Non-controlling interests	<u>(11,327)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(4,977)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 742,183</u>	<u>49</u>	<u>\$ 336,474</u>	<u>26</u>	<u>\$ 480,860</u>	<u>13</u>	<u>\$ 1,081,481</u>	<u>36</u>
EARNINGS PER SHARE (Note 26)								
Basic	<u>\$ 4.34</u>		<u>\$ 2.08</u>		<u>\$ 3.03</u>		<u>\$ 6.63</u>	
Diluted	<u>\$ 4.32</u>		<u>\$ 2.06</u>		<u>\$ 3.01</u>		<u>\$ 6.58</u>	

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

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	Ordinary Shares (Notes 22 and 27)			Capital Surplus (Notes 22 and 27)	Retained Earnings (Note 22)				Other Equity	Total	Non-controlling interests (Note 28)	Total Equity
	Amount	Advance Receipts	Total		Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations			
BALANCE AT JANUARY 1, 2024	\$ 810,020	\$ 1,739	\$ 811,759	\$ 6,234,430	\$ 760,879	\$ 450	\$ 3,514,619	\$ 4,275,948	(\$ 343)	\$ 11,321,794	\$ -	\$ 11,321,794
Appropriation of the 2023 earnings												
Legal reserve	-	-	-	-	144,497	-	(144,497)	-	-	-	-	-
Special reserve	-	-	-	-	-	(107)	107	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(1,135,107)	(1,135,107)	-	(1,135,107)	-	(1,135,107)
Equity-method associates – value change	-	-	-	52,340	-	-	-	-	-	52,340	-	52,340
Recognition of employee share options	-	-	-	44,530	-	-	-	-	-	44,530	-	44,530
Nine-month net income, Sept. 30, 2024	-	-	-	-	-	-	1,075,784	1,075,784	-	1,075,784	-	1,075,784
Nine-month other comprehensive income, Sept. 30, 2024	-	-	-	-	-	-	-	-	5,697	5,697	-	5,697
Nine-month total comprehensive income, Sept. 30, 2024	-	-	-	-	-	-	1,075,784	1,075,784	5,697	1,081,481	-	1,081,481
Employee option ordinary share issuance	1,229	(1,352)	(123)	15,604	-	-	-	-	-	15,481	-	15,481
BALANCE AT SEPTEMBER 30, 2024	<u>\$ 811,249</u>	<u>\$ 387</u>	<u>\$ 811,636</u>	<u>\$ 6,346,904</u>	<u>\$ 905,376</u>	<u>\$ 343</u>	<u>\$ 3,310,906</u>	<u>\$ 4,216,625</u>	<u>\$ 5,354</u>	<u>\$ 11,380,519</u>	<u>\$ -</u>	<u>\$ 11,380,519</u>
BALANCE AT JANUARY 1, 2025	\$ 811,739	\$ 369	\$ 812,108	\$ 6,367,692	\$ 905,376	\$ 343	\$ 3,813,354	\$ 4,719,073	\$ 8,184	\$ 11,907,057	\$ -	\$ 11,907,057
Appropriation of the 2024 earnings												
Legal reserve	-	-	-	-	157,823	-	(157,823)	-	-	-	-	-
Special reserve	-	-	-	-	-	(343)	343	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(1,137,180)	(1,137,180)	-	(1,137,180)	-	(1,137,180)
Equity-method associates – value change	-	-	-	84,284	-	-	-	-	-	84,284	-	84,284
Recognition of employee share options	-	-	-	43,767	-	-	-	-	-	43,767	1,382	45,149
Nine-month net income, Sept. 30, 2025	-	-	-	-	-	-	492,078	492,078	-	492,078	(2,064)	490,014
Nine-month other comprehensive income, Sept. 30, 2025	-	-	-	-	-	-	-	-	(6,241)	(6,241)	(2,913)	(9,154)
Nine-month total comprehensive income, Sept. 30, 2025	-	-	-	-	-	-	492,078	492,078	(6,241)	485,837	(4,977)	480,860
Employee option ordinary share issuance	1,575	201	1,776	23,657	-	-	-	-	-	25,433	-	25,433
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	138,806	138,806
BALANCE AT SEPTEMBER 30, 2025	<u>\$ 813,314</u>	<u>\$ 570</u>	<u>\$ 813,884</u>	<u>\$ 6,519,400</u>	<u>\$ 1,063,199</u>	<u>\$ -</u>	<u>\$ 3,010,772</u>	<u>\$ 4,073,971</u>	<u>\$ 1,943</u>	<u>\$ 11,409,198</u>	<u>\$ 135,211</u>	<u>\$ 11,544,409</u>

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

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 609,759	\$ 1,318,521
Adjustments for:		
Depreciation expenses	41,446	39,525
Amortization expenses	28,920	28,339
Expected credit loss (reversal)	(741)	284
Net income on financial assets at fair value through profit or loss	(124,999)	(71,765)
Interest expense	1,499	1,552
Interest income	(258,838)	(309,278)
Compensation cost of employee share options	45,149	44,530
Share of profit of associates accounted for using equity method	(6,104)	(9,098)
Loss on disposal of property, plant and equipment	-	21,028
Loss on disposal of investment	2,328	-
Inventory devaluation and obsolescence losses	42,181	118,279
Unrealized loss (gain) on foreign currency exchange	307,478	(4,892)
Changes in operating assets and liabilities		
Trade receivables	(66,574)	114,231
Other receivables	(46,564)	(12,574)
Inventories	154,807	(387,512)
Other assets	(45,008)	(6,616)
Refundable deposits	441,811	11,799
Contract liabilities	433,100	142,495
Accounts payable	141,372	95,017
Other payables	31,655	(14,974)
Other current liabilities	16,170	(3,542)
Cash generated from operations	1,748,847	1,115,349
Interest received	258,561	305,443
Interest paid	(1,477)	(1,789)
Income tax paid	(219,428)	(388,288)
Net cash generated from operating activities	<u>1,786,503</u>	<u>1,030,715</u>

(Continued)

(Continued from the previous page)

	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(\$ 152,225)	\$ -
Acquisition of financial assets at fair value through profit or loss	(114,547)	(527,475)
Disposal of financial assets at fair value through profit or loss	80,069	480,131
Acquisition of financial assets at amortized cost	-	(4,500,621)
Disposal of financial assets at amortized cost	916,912	6,622
Acquisition of investments accounted for using the equity method	(95,861)	(30,256)
Proceeds from acquisition of subsidiary	86,038	-
Acquisition of property, plant and equipment	(5,551)	(30,570)
Disposal of property, plant and equipment	-	14,000
Acquisition of intangible assets	(3,632)	(4,256)
Dividends received from associates	21,794	23,758
Net cash generated (used) in investing activities	<u>732,997</u>	<u>(4,568,667)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	350,000	50,000
decrease in short-term loans	(200,000)	(300,000)
decrease in deposits received	-	(14,000)
Repayment of the principal of lease liabilities	(15,051)	(25,139)
Issuance of cash dividends	(1,137,180)	(1,135,085)
Capital increase	17,084	-
Proceeds from exercise of employee share options	25,433	15,481
Net cash used in financing activities	<u>(959,714)</u>	<u>(1,408,743)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(312,311)</u>	<u>6,338</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,247,475	(4,940,357)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>4,188,544</u>	<u>8,864,216</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 5,436,019</u>	<u>\$ 3,923,859</u>

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

(Concluded)

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

AP Memory Technology Corporation (hereinafter referred to as the “Company”) was incorporated on August 4, 2011, upon approval of the Ministry of Economic Affairs. The Company mainly engages in the research, development, production and sale of various integrated circuit (IC) products, and provides technical services related to the product design, research and development.

Upon approval of Taipei Exchange (TPEX) in June 2015, the Company started trading on Emerging Stock Board of TPEX and then trading on Taiwan Stock Exchange (TWSE) on May 31, 2016. In January 2022, the Company made an initial public offering of global depositary receipts (GDRs) by way of a capital raising issue of new shares and was listed on the Bourse de Luxembourg.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on October 31, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the accounting policies of the Consolidated Company.

- b. The IFRS Accounting Standards issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2026

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
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 Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023

Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

- (1) Amendments to the application guidance for the classification of financial assets.

The amendment primarily revises the classification requirements for financial assets, including:

- (A) If a financial asset includes a contingency that may alter the timing or amount of contractual cash flows, and the nature of such contingency is not directly related to changes in basic lending risks or costs (e.g., whether the debtor achieves a specified reduction in carbon emissions), the contractual cash flows of the financial asset shall still be considered solely payments of principal and interest on the principal amount outstanding, provided that both of the following conditions are met:
- Under all possible scenarios (both before and after the occurrence of the contingency), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - The contractual cash flows under all possible scenarios do not differ significantly from those of a financial instrument with the same contractual terms but without the contingent feature.
- (B) A financial asset with non-recourse features refers to the entity’s ultimate right to receive cash flows that, under the terms of the contract, are limited to those generated by specified assets.
- (C) It clarifies that contractually linked instruments are structured through a waterfall payment mechanism to create multiple tranches of securities, thereby establishing a hierarchy of payment priorities among holders of the financial assets. This structure results in credit risk concentration and causes disproportionate allocation of cash shortfalls from the underlying pool across different tranches.

(2) The amendments to the application guidance of derecognition of financial liabilities:

The amendments mainly stipulate that, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

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

The Group shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. If the Group is able to restate without the benefit of hindsight, it may choose the comparative period to be restated.

As of the date of approval and issuance of this consolidated financial report, the Group has assessed that the amendments to the aforementioned standards and interpretations are not expected to have a material impact on the financial position or financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (Including the 2025 revision)	January 1, 2027

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

Note 1: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

These interim consolidated 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 FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

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.

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). The consolidated statement of comprehensive income includes the operating results of acquired or disposed subsidiaries from the acquisition date or until the disposal date within the reporting period. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. The total comprehensive income of the subsidiary is attributed to both the company's owners and non-controlling interests, even if the non-controlling interests result in a deficit balance.

When changes in the Consolidated Company's ownership interest in a subsidiary do not result in a loss of control, they are accounted for as equity transactions. The carrying amounts of the Consolidated Company and non-controlling interests have been adjusted to reflect the changes in relative equity interests in the subsidiary. The difference between the amount of adjustment to non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity and attributed to the company's owners.

See Note 12, Tables 5 and 6 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

d. Other Significant Accounting Policies

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2024.

1. Income tax expenses

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When adopting accounting policies, the Consolidated Company's management must make judgments, estimates, and assumptions based on historical experience and other relevant factors when relevant information is not readily available from other sources. Actual results may differ from these estimates.

When developing significant accounting estimates, the possible impacts are considered in major estimations, and management continuously reviews the estimates and underlying assumptions.

Assessment on Control Over Subsidiaries

As stated in Note 12, the Consolidated Company holds less than half of the voting rights in certain companies. However, after considering written agreements among shareholders, management has determined that the voting rights held by the Consolidated Company are sufficient to direct the relevant activities of those companies, thereby granting control.

For further details, please refer to the explanation of significant accounting judgments, estimates, and sources of uncertainty in the 2024 consolidated financial report.

6. CASH AND CASH EQUIVALENTS

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	\$ 59	\$ 57	\$ 57
Checking accounts and demand deposits	991,299	610,821	388,395
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	4,444,661	3,577,666	3,535,407
	<u>\$ 5,436,019</u>	<u>\$ 4,188,544</u>	<u>\$ 3,923,859</u>

Interest rate ranges for bank deposits on the balance sheet date were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Deposits	0.000%~4.100%	0.001%~1.150%	0.001%~1.250%
Time deposits	1.000%~4.400%	1.505%~4.890%	1.400%~5.400%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets - non-current</u>			
Non-derivative financial assets			
Unlisted			
Haining Changmeng Technology Partnership Enterprise (Limited Partnership) (a)	\$ 618,868	\$ 493,938	\$ 498,901
GeneASIC Technologies Corporation (b)	-	-	-
PowerLattice Technologies Incorporated(c)	83,724	-	-
Simple agreement for future equity PowerLattice Technologies Incorporated (c)	-	49,177	47,475
	<u>\$ 702,592</u>	<u>\$ 543,115</u>	<u>\$ 546,376</u>
<u>Financial liabilities - non-current</u>			
liabilities designated at fair value through profit or loss(d)	<u>\$ 8,007</u>	<u>\$ -</u>	<u>\$ -</u>

- a. In August 2019, the Consolidated Company signed an investment agreement with Hai Ning Chang Meng Technology Partnership (limited partnership) (referred to as "Hai Ning Chang Meng"), subscribing and paying RMB 6,900 thousand, which accounted for 24.64% of the total contribution. The Consolidated Company does not have the ability to influence relevant activities, hence it does not have significant influence. As of September 30, 2025, the paid contribution of the Consolidated Company accounted for 25.11% of the paid-in capital. On September 6, 2025, the Board of Directors resolved that the Company would withdraw from the Hai Ning Chang Meng partnership investment with an amount of RMB 144,900 thousand. As of October 31, 2025, Hai Ning Chang Meng had completed the tax payments on behalf of the Consolidated Company in the amount of RMB 13,800 thousand. The remaining funds will be returned once the withdrawal registration has been completed.
- b. In August 2020, the Consolidated Company acquired 500 thousand ordinary shares of GeneASIC Technologies Corporation (hereinafter referred to as GeneASIC) at the price of NT\$500 thousand. The Consolidated Company did not participate in GeneASIC Technologies' capital increase by cash in April 2023, July 2024, December 2024 and August 2025, resulting in a decrease in its shares to 10.08% as of September 30, 2025.
- c. In July 2024 and March 2025, the Consolidated Company signed simple agreements for future equity with PowerLattice Technologies Incorporated (referred to as "PowerLattice") for US\$1,500 thousand and US\$1,250 thousand. After the capital increase of PowerLattice in May 2025, the investment was converted into equivalent shares. As of September 30, 2025, the Consolidated Company held 4.7673% of PowerLattice's issued shares.
- d. On March 1, 2024, the Consolidated Company reached a written agreement with other shareholders of ONECENT TECHNOLOGY LTD., acquiring more than half of the voting rights and thereby gaining control over the company. Previously, ONECENT TECHNOLOGY LTD. had entered into an equity subscription agreement with a third party. Due to the uncertainty

regarding the number of shares that can be subscribed under the agreement, the company has recognized it as a financial liability measured at fair value through profit or loss. As of September 30, 2025, no equity conversion has occurred.

- e. In November 2023, the Consolidated Company acquired 4,000 thousand common shares of M3 Technology Inc. (referred to as "M3 Technology") on the centralized trading market for NT\$500,000 thousand, mainly to enhance the efficiency of capital utilization of the Consolidated Company and to seek cooperation opportunities to establish an advanced packaging ecosystem. The Company was elected as a director at the extraordinary shareholders' meeting held by M3 Technology on January 31, 2024, and was subsequently appointed as chairman at the board meeting on the same day having significant influence over M3 Technology. Therefore, transferred the equity instruments that were originally classified as financial assets at fair value through profit or loss to investments accounted for using equity method.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Non-current</u>			
Equity investment			
<u>-Unlisted</u>			
HamminX Ltd.	\$ <u>152,225</u>	\$ <u>-</u>	\$ <u>-</u>

In September 2025, the Consolidated Company acquired 2,500,000 preferred shares of HamminX Ltd. (referred to as "HamminX") for USD 5,000 thousand. As the investment is for medium to long-term strategic purposes, it has been designated to be measured at fair value through other comprehensive income.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ <u>3,835,413</u>	\$ <u>4,752,325</u>	\$ <u>4,503,440</u>

Please refer to Note 32 for information relating to pledged assets.

10. TRADE RECEIVABLE AND OTHER RECEIVABLES

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 584,186	\$ 547,921	\$ 489,408
Less: Allowance for impairment loss	<u>-</u>	<u>(29,929)</u>	<u>(29,791)</u>
	\$ <u>584,186</u>	\$ <u>517,992</u>	\$ <u>459,617</u>
<u>Other receivables</u>			
Interests receivable	\$ 40,115	\$ 39,881	\$ 32,363
Wafer procurement receivables	33,566	-	-
Tax refunds receivables	32,685	19,543	31,041
Others	615	602	805
	\$ <u>106,981</u>	\$ <u>60,026</u>	\$ <u>64,209</u>

Trade receivables

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that an adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk is significantly reduced.

The Group measures the impairment loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECLs). The ECLs on note and trade receivables are estimated by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. The Group distinguishes its customers based on the history of credit losses and sets the expected credit loss rate based on the number of days past due on trade receivables for each customer group.

The Group writes off a trade receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery. For note and trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's allowance matrix:

September 30, 2025

	Not Past Due	Due in 1-30 Days	Due in 31-60 Days	Due in 61-90 Days	Due in 91-180 Days	Due in 181-360 Days	Due in More than 360 Days	Total
Gross carrying amount	\$552,498	\$ 31,399	\$ 289	\$ -	\$ -	\$ -	\$ -	\$584,186
Allowance for impairment loss (lifetime ECLs)	-	-	-	-	-	-	-	-
Amortized cost	<u>\$552,498</u>	<u>\$ 31,399</u>	<u>\$ 289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$584,186</u>

December 31, 2024

	Not Past Due	Due in 1-30 Days	Due in 31-60 Days	Due in 61-90 Days	Due in 91-180 Days	Due in 181-360 Days	Due in More than 360 Days	Total
Gross carrying amount	\$484,993	\$ 32,999	\$ -	\$ -	\$ -	\$ -	\$ 29,929	\$547,921
Allowance for impairment loss (lifetime ECLs)	-	-	-	-	-	-	(29,929)	(29,929)
Amortized cost	<u>\$484,993</u>	<u>\$ 32,999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$517,992</u>

September 30, 2024

	Not Past Due	Due in 1-30 Days	Due in 31-60 Days	Due in 61-90 Days	Due in 91-180 Days	Due in 181-360 Days	Due in More than 360 Days	Total
Gross carrying amount	\$382,186	\$ 77,419	\$ 12	\$ -	\$ -	\$ -	\$ 29,791	\$489,408
Allowance for impairment loss (lifetime ECLs)	-	-	-	-	-	-	(29,791)	(29,791)
Amortized cost	<u>\$382,186</u>	<u>\$ 77,419</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$459,617</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Balance at January 1	\$ 29,929	\$ 28,628
Impairment losses recognized this period (reversal)	(741)	284
Write-off in this period	(28,259)	-
Net exchange difference	(929)	879
Balance at September 30	<u>\$ -</u>	<u>\$ 29,791</u>

11. INVENTORIES

	September 30, 2025	December 31, 2024	September 30, 2024
Finished goods	\$ 320,874	\$ 357,953	\$ 342,681
Work-in-process progress	381,623	265,254	257,936
Raw materials	<u>303,692</u>	<u>579,970</u>	<u>519,946</u>
	<u>\$ 1,006,189</u>	<u>\$ 1,203,177</u>	<u>\$ 1,120,563</u>

The nature of operating costs is as follows:

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Cost of inventories sold	\$ 794,664	\$ 603,773	\$ 2,054,063	\$ 1,355,479
Inventory devaluation losses	<u>12,389</u>	<u>7,070</u>	<u>42,181</u>	<u>118,279</u>
	<u>\$ 807,053</u>	<u>\$ 610,843</u>	<u>\$ 2,096,244</u>	<u>\$ 1,473,758</u>

12.

SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024	
The Company	AP Memory Corp, USA (hereinafter referred to as "AP-USA")	IC design and development	100%	100%	100%	(1)
The Company	AP Memory Technology (Hangzhou) Limited Co. (hereinafter referred to as "AP Hangzhou")	IC design, development, and sales	100%	100%	100%	(2)
The Company	APware Technology Corp. (hereinafter referred to as "APware")	General investing	100%	100%	100%	(3)
The Company	VIVR Corporation (hereinafter referred to as "VIVR")	IC design, development, and sales	100%	100%	100%	(4)
The Company	CascadeTeq Inc. (hereinafter referred to as "CascadeTeq")	IC sales	100%	100%	100%	(5)
AP Hangzhou	AP Memory Technology (Hong Kong) Co. Limited (hereinafter referred to as "AP Hong Kong")	IC sales	100%	100%	100%	(6)
The Company	Onecent Technology Ltd. (hereinafter referred to as "OCKY")	RFID design, development, and sales	27.88%	-	-	(7)
OCKY	Onecent Technology (Singapore)Pte. Ltd. (hereinafter referred to as "OCSG")	RFID sales	100%	-	-	(8)
OCKY	Onecent Technology Inc. (hereinafter referred to as "OCUS")	RFID design and development	100%	-	-	(9)
OCKY	Onecent Technology Co., Ltd. (hereinafter referred to as "Onecent")	RFID design, development, and sales	100%	-	-	(10)
OCKY	Shanghai Smardust Technology Co., Ltd. (hereinafter referred to as "Smardust")	RFID design, development, and sales	71.43%	-	-	(11)

- (1) Established in the state of Oregon in the United States in February 2012, AP-USA mainly engages in the research and development of integrated circuits (ICs). In May 2025, the consolidated Company made capital contributions of US\$30,000 thousand. As of October 31, 2025, the Company already contributed US\$32,000 thousand of capital thereto.
- (2) AP Hangzhou was established in Hangzhou in June 2018, mainly engaged in the design, development, and sale of integrated circuits. As of October 31, 2025, the company's paid-in capital amount is US\$2,000 thousand.
- (3) To accommodate the growth scale of reinvested enterprises and future operational layout planning, the Company decided through a board resolution on October 15, 2021, to invest and establish a subsidiary, APware, in the Cayman Islands. APware was established in October 2021, mainly engaged in the general investing. The Company made capital contributions of US\$1,550 thousand in July 2024, US\$1,250 thousand in March 2025 and US\$5,000 thousand in September 2025. As of October 31, 2025, the company's paid-in capital amount is US\$7,800 thousand.
- (4) In response to future product development and operational layout planning, the Company decided through a board resolution on August 30, 2022, to establish a subsidiary, VIVR, in the United States. VIVR was established in August 2022, mainly engaged in the design, development, and sale of integrated circuits and established its Taiwan branch on February 8, 2023. As of October 31, 2025, the company's paid-in capital amount is US\$1,000 thousand.
- (5) To accommodate future operational layout planning, the Company decided through a board resolution on October 28, 2022, to establish a subsidiary, CascadeTeq. CascadeTeq was established in December 2022, primarily engaged in the sale of integrated circuits. The Company made capital contributions of NT\$5,000 thousand in January 2024. As of October 31, 2025, the company's paid-in capital amount is NT\$10,000 thousand.
- (6) AP Hangzhou established AP Hong Kong, a company primarily engages in the sale of ICs in October 2019 in Hong Kong. As of October 31, 2025, AP Hong Kong's paid-in capital amounted to US\$10 thousand.
- (7) OCKY was originally an affiliate of the Consolidated Company; please refer to Note 13 for relevant information. To accommodate future operational planning, the Consolidated Company entered into a concerted action agreement with another shareholder of OCKY on March 1, 2025, with the Consolidated Company taking the lead. As a result, the Consolidated Company holds more than 50% of the voting rights, gaining control over OCKY and including it in the consolidated financial statements from that date. As of October 31, 2025, the company's paid-in capital amounted to US\$26 thousand.

- (8) To align with future operational planning, OCKY established OCSG in Singapore in January 2021, primarily engaged in the sales of radio frequency identification (RFID) systems. As of October 31, 2025, the company's paid-in capital amounted to US\$38 thousand.
- (9) To meet future product development needs, OCKY established OCUS in California, USA, in April 2023, primarily engaged in the design and development of RFID systems. As of October 31, 2025, the company's paid-in capital amounted to US\$1,720 thousand.
- (10) To align with future product development and operational planning, OCKY established Onecent in April 2024, primarily engaged in the design, development, and sales of RFID systems. In March and July 2025, OCKY injected US\$305 thousand and US\$1,000 thousand into the company. As of October 31, 2025, its paid-in capital amounted to US\$1,459 thousand.
- (11) Smardust was established in Shanghai in August 2024, primarily engaged in the design, development, and sales of RFID systems. In the second quarter of 2025, Smardust carried out a cash capital increase. As OCKY did not participate in the capital injection, its shareholding ratio declined to 71.43%. As of October 31, 2025, the company's paid-in capital amounted to US\$14 thousand.

b. Information on subsidiaries with significant non-controlling interests.

Subsidiary Name	Ownership and voting rights held by non-controlling interests.		
	September 30, 2025	December 31, 2024	September 30, 2024
OCKY	72.12%	-	-

Main business locations and country of company registration; please refer to table 5.

Subsidiary Name	Profit or loss allocated to non-controlling interests.				Non-controlling interests		
	For the Three Months Ended	For the Three Months Ended	For the Seven Months Ended	For the Seven Months Ended	September 30, 2025	December 31, 2024	September 30, 2024
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024			
OCKY	(\$ 11,998)	-	(\$ 2,064)	-	\$ 175,744	\$ -	\$ -

The aggregated financial information of the following subsidiaries is prepared based on amounts before the elimination of intercompany transactions.

OCKY and its subsidiaries.

		September 30, 2025
Current assets		\$ 70,701
Non-current assets		145,426
Current liabilities		(7,274)
Non-current liabilities		(8,686)
Equity		<u>\$ 200,167</u>
Equity attributable to:		
Owner of the company		\$ 64,956
Non-controlling interests of OCKY		<u>135,211</u>
		<u>\$ 200,167</u>
	For the Three Months Ended September 30, 2025	For the Seven Months Ended September 30, 2025
Operating revenue	<u>\$ 571</u>	<u>\$ 32,634</u>
Net income	(\$ 16,459)	(\$ 3,567)
Other comprehensive income	930	(4,039)
Total comprehensive income	<u>(\$ 15,529)</u>	<u>(\$ 7,606)</u>
Net income attributable to:		
Owner of the company	(\$ 4,461)	(\$ 1,503)
Non-controlling interests of OCKY	<u>(11,998)</u>	<u>(2,064)</u>
	<u>(\$ 16,459)</u>	<u>(\$ 3,567)</u>
Total comprehensive income attributable to:		
Owner of the company	(\$ 4,202)	(\$ 2,629)
Non-controlling interests of OCKY	<u>(11,327)</u>	<u>(4,977)</u>
	<u>(\$ 15,529)</u>	<u>(\$ 7,606)</u>

	For the Three Months Ended September 30, 2025	For the Seven Months Ended September 30, 2025
Cash flows		
Operating activities		(\$ 36,469)
Investing activities		(1,000)
financing activities		23,198
Exchange rate fluctuations		(3,432)
Net cash outflows		(\$ 17,703)
Dividends paid to non-controlling interests. OCKY		\$ -

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2025	December 31, 2024	September 30, 2025
<u>Investments in associates</u>			
Material associate			
M3 Technology	\$ 876,130	\$ 709,180	\$ 721,905
Associates that are not individually material			
Lyontek Inc. ("Lyontek")	91,176	94,863	91,192
ONECENT TECHNOLOGY LTD. ("OCKY")	-	70,422	72,446
	<u>\$ 967,306</u>	<u>\$ 874,465</u>	<u>\$ 885,543</u>

a. Material associate

Company Name	September 30, 2025	December 31, 2024	September 30, 2024
M3 Technology	<u>\$ 876,130</u>	<u>\$ 709,180</u>	<u>\$ 721,905</u>

Fair values (Level 1) of investments in associates with available published price quotation are summarized as follows:

Company Name	September 30, 2025	December 31, 2024	September 30, 2024
M3 Technology	<u>\$ 433,370</u>	<u>\$ 382,000</u>	<u>\$ 480,000</u>

As stated in Note 7, The Consolidated Company has had significant influence over M3 Technology since January 31, 2024. Consequently, the financial assets previously measured at fair value through profit or loss was treated as disposed of, resulting in a loss of NT\$54,000 on financial assets at fair value through profit or loss.

To further enhance its significant influence over M3 Technology, The Consolidated Company acquired 987 thousand common shares of M3 Technology through the centralized trading market in April 2025 for a cash consideration of NT\$95,861 thousand. As of September 30, 2025, The Consolidated Company held 11.57% of M3 Technology's outstanding shares.

b. Aggregate information of associates that are not individually material

Aggregate information regarding the Consolidated Company's associates is as follows:

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
The Group's share of:				
Net income for the period	\$ 3,098	\$ 324	\$ 6,676	\$ 1,869
Other comprehensive income	-	(100)	195	(403)
Total comprehensive income	<u>\$ 3,098</u>	<u>\$ 224</u>	<u>\$ 6,871</u>	<u>\$ 1,466</u>

1. Lyontek Inc.

In October 2016, the Consolidated Company invested NT\$75,060 thousand to acquire 3,600 thousand shares of Laiyang Technology's common stock, representing a 30% ownership. The goodwill generated from the acquisition, amounting to NT\$2,610 thousand, was included in the cost of investment in associates.

2. OCKY

The Consolidated Company invested NT\$238 thousand in May 2022, NT\$33,533 thousand in August 2022, and NT\$30,256 thousand in June 2024, accumulating a total of 7,348 thousand shares of OCKY's common stock, representing a 27.88% ownership. As of March 1, 2025, the Consolidated Company gained control over OCKY and included it in the consolidated financial statements. Please refer to Notes 12, 16 and 28 for further details.

Refer to table 5 for the nature of activities, principal place of business and country of registration of the associates.

The share of profit or loss and other comprehensive income from Lyontek Inc. an associate accounted for using the equity method, as well as the share of profit or loss and other comprehensive income from OCKY for the period from

January 1 to September 30, 2024, were calculated based on financial statements that had not been reviewed by an independent auditor. However, the management of the Consolidated Company believes that the absence of an auditor's review of the financial statements of these investee companies does not have a material impact.

14. PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment	Computer and Communications Equipment	Office Equipment	Leasehold Improvement	Total
<u>Cost</u>					
BALANCE AT JANUARY 1, 2025	\$ 214,379	\$ 22,203	\$ 5,079	\$ 20,471	\$ 262,132
Acquisitions through business combinations (Note28)	3,482	85	22	-	3,589
Additions	4,046	1,027	-	237	5,310
Disposals	-	(387)	(122)	-	(509)
Effect of foreign currency exchange differences	(1,378)	(173)	(105)	(80)	(1,736)
BALANCE AT SEPTEMBER 30, 2025	<u>\$ 220,529</u>	<u>\$ 22,755</u>	<u>\$ 4,874</u>	<u>\$ 20,628</u>	<u>\$ 268,786</u>
<u>Accumulated depreciation</u>					
BALANCE AT JANUARY 1, 2025	\$ 158,015	\$ 15,175	\$ 4,961	\$ 17,826	\$ 195,977
Depreciation expenses	23,051	2,886	73	1,025	27,035
Disposal	-	(387)	(122)	-	(509)
Effect of foreign currency exchange differences	(270)	(143)	(104)	(75)	(592)
BALANCE AT SEPTEMBER 30, 2025	<u>\$ 180,796</u>	<u>\$ 17,531</u>	<u>\$ 4,808</u>	<u>\$ 18,776</u>	<u>\$ 221,911</u>
Carrying amount at December 31, 2024	<u>\$ 56,364</u>	<u>\$ 7,028</u>	<u>\$ 118</u>	<u>\$ 2,645</u>	<u>\$ 66,155</u>
Carrying amount at September 30, 2025	<u>\$ 39,733</u>	<u>\$ 5,224</u>	<u>\$ 66</u>	<u>\$ 1,852</u>	<u>\$ 46,875</u>
<u>Cost</u>					
BALANCE AT JANUARY 1, 2024	\$ 209,162	\$ 16,997	\$ 4,915	\$ 17,875	\$ 248,949
Additions	2,984	5,422	90	2,538	11,034
Disposals	(88,526)	(675)	-	-	(89,201)
Internal transfer	69,553	-	-	-	69,553
Effect of foreign currency exchange differences	72	90	92	74	328
BALANCE AT SEPTEMBER 30, 2024	<u>\$ 193,245</u>	<u>\$ 21,834</u>	<u>\$ 5,097</u>	<u>\$ 20,487</u>	<u>\$ 240,663</u>
<u>Accumulated depreciation</u>					
BALANCE AT JANUARY 1, 2024	\$ 140,822	\$ 12,173	\$ 4,653	\$ 14,863	\$ 172,511
Depreciation expenses	21,379	2,594	172	2,408	26,553
Disposal	(53,498)	(675)	-	-	(54,173)
Internal transfer	41,732	-	-	-	41,732
Effect of foreign currency exchange differences	61	55	92	67	275
BALANCE AT SEPTEMBER 30, 2024	<u>\$ 150,496</u>	<u>\$ 14,147</u>	<u>\$ 4,917</u>	<u>\$ 17,338</u>	<u>\$ 186,898</u>
Carrying amount at December 31, 2023	<u>\$ 68,340</u>	<u>\$ 4,824</u>	<u>\$ 262</u>	<u>\$ 3,012</u>	<u>\$ 76,438</u>
Carrying amount at September 30, 2024	<u>\$ 42,749</u>	<u>\$ 7,687</u>	<u>\$ 180</u>	<u>\$ 3,149</u>	<u>\$ 53,765</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Machinery and equipment	2 to 5 years
Computer and communications equipment	3 to 7 years
Office equipment	3 to 7 years
Leasehold improvement	3 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amounts			
Buildings	<u>\$ 34,384</u>	<u>\$ 24,975</u>	<u>\$ 23,083</u>
	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025
Additions to right-of-use assets			<u>\$ 21,026</u>
	For the Nine Months Ended September 30, 2024		<u>\$ 10,657</u>
Depreciation charge for right-of-use assets			
Buildings	\$ 4,899	\$ 4,255	\$ 14,411
Machinery and equipment	<u>-</u>	<u>-</u>	<u>580</u>
	<u>\$ 4,899</u>	<u>\$ 4,255</u>	<u>\$ 14,411</u>

b. Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amounts			
Current	\$ 20,410	\$ 11,889	\$ 10,796
Non-current	\$ 12,669	\$ 12,342	\$ 10,650

Range of discount rate for lease liabilities was as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Buildings	2.15%~6.5%	2.15%~6.5%	2.15%~6.5%
Machinery and equipment	-	-	1.8%

c. Other lease information

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Expense relating to short-term leases	\$ 970	\$ 843	\$ 3,119	\$ 3,345
Total cash outflow for leases			(\$ 18,877)	(\$ 28,940)

The Consolidated Company chooses to apply exemptions for the recognition of short-term leases for offices, dormitories, and several parking spaces, and does not recognize related right-of-use assets and lease liabilities for these leases.

16. Goodwill (January 1 to September 30, 2024: None)

	For the Nine Months Ended September 30, 2025
<u>Cost</u>	
Beginning balance	\$ -
Business combinations acquired during the period (Note 28)	95,241
Ending balance	\$ 95,241

Starting from March 1, 2025, the Consolidated Company gained control over OCKY and included it in the consolidated financial statements. The Consolidated Company recognized OCKY at fair value as of the date of consolidation. In the third quarter of 2025, the Consolidated Company obtained the valuation report, which indicated that the fair value of OCKY's intangible assets at the acquisition date was RMB 46,572 thousand. The Consolidated Company has adjusted the initial recognition and provisional amounts from the acquisition date and restated comparative information accordingly. During 2025, a disposal loss of RMB 2,328 thousand was recognized. After remeasurement, the fair value of the equity held was RMB 63,985 thousand.

Retroactive adjustments to balance sheet items are as follows:

	Acquisition Date
Goodwill adjustment	(\$ 89,730)
Intangible assets	\$ 46,572
Non-controlling interests	(\$ 42,426)

Retroactive adjustments to income statements items are as follows:

	For the Nine Months Ended September 30, 2025
Loss on disposal of investments	\$ 732

17. Intangible assets

	Computer Software	Technical Authorization	Technical Expertise	Total
<u>Cost</u>				
Balance at January 1, 2025	\$ 83,081	\$ 60,800	\$ -	\$ 143,881
Acquisition through business combinations (Note 28)		-	46,572	46,572
Addition	3,632	-	-	3,632
Decrease	(2,262)	-	-	(2,262)
Net exchange differences	(1,986)	-	-	(1,986)
Balance at September 30, 2025	\$ 82,465	\$ 60,800	\$ 46,572	\$ 189,837

	Computer Software	Technical Authorization	Technical Expertise	Total
<u>Accumulated amortization</u>				
Balance at January 1, 2025	\$ 57,503	\$ 21,956	\$ -	\$ 79,459
Amortization expense	11,212	15,200	2,508	28,920
Decrease	(2,262)	-	-	(2,262)
Net exchange differences	(797)	-	-	(797)
Balance at September 30, 2025	<u>\$ 65,656</u>	<u>\$ 37,156</u>	<u>\$ 2,508</u>	<u>\$ 105,320</u>
Carrying amount at December 31, 2024	<u>\$ 25,578</u>	<u>\$ 38,844</u>	<u>\$ -</u>	<u>\$ 64,422</u>
Carrying amount at September 30, 2025	<u>\$ 16,809</u>	<u>\$ 23,644</u>	<u>\$ 44,064</u>	<u>\$ 84,517</u>
<u>Cost</u>				
Balance at January 1, 2024	\$ 86,227	\$ 60,800	\$ -	\$ 147,027
Increase	4,256	-	-	4,256
Decrease	(9,197)	-	-	(9,197)
Net exchange difference	856	-	-	856
Balance at September 30, 2025	<u>\$ 82,142</u>	<u>\$ 60,800</u>	<u>\$ -</u>	<u>\$ 142,942</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2024	\$ 68,975	\$ 1,689	\$ -	\$ 70,664
Amortization expense	13,139	15,200	-	28,339
Decrease	(9,197)	-	-	(9,197)
Net exchange differences	324	-	-	324
Balance at September 30, 2024	<u>\$ 73,241</u>	<u>\$ 16,889</u>	<u>\$ -</u>	<u>\$ 90,130</u>
Carrying amount at December 31, 2023	<u>\$ 17,252</u>	<u>\$ 59,111</u>	<u>\$ -</u>	<u>\$ 76,363</u>
Carrying amount at September 30, 2024	<u>\$ 8,901</u>	<u>\$ 43,911</u>	<u>\$ -</u>	<u>\$ 52,812</u>

Amortization expense is calculated on a straight-line bases over the estimated useful lives as follows:

Computer software	1 to 3 years
Technical Authorization	3 years
Technical Expertise	10.8 years

18. OTHER ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Prepayments	\$ 47,615	\$ 50,341	\$ 90,345
Temporary payments	24,334	-	-
Prepayments for purchases	1,177	-	-
Masks and probe cards	-	14,040	-
Offsets against business tax payable	857	130	2,126
Others	129	-	3
	<u>\$ 74,112</u>	<u>\$ 64,511</u>	<u>\$ 92,474</u>
<u>Non-current</u>			
Masks and probe cards	\$ 151,262	\$ 109,885	\$ 107,757
Prepayment of bonuses	580	6,342	9,326
Prepayments for equipment	-	-	19,215
	<u>\$ 151,842</u>	<u>\$ 116,227</u>	<u>\$ 136,298</u>

19. Loans

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Unsecured loans</u>			
Loans using credit facilities	<u>\$ 250,000</u>	<u>\$ 100,000</u>	<u>\$ 50,000</u>

The interest rate for loans using credit facilities as of September 30, 2025, December 31, 2024 and September 30, 2024 were 1.80% ~ 1.92%, 1.95% and 2.19% respectively.

20. OTHER LIABILITIES

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Other payables			
Payable for compensation of employees	\$ 51,575	\$ 45,049	\$ 55,567
Payable for salaries or bonuses	48,541	53,170	47,929
Others	119,599	74,178	70,684
	<u>\$ 219,715</u>	<u>\$ 172,397</u>	<u>\$ 174,180</u>

	September 30, 2025	December 31, 2024	September 30, 2024
Other liabilities			
Receipts under custody	\$ 12,005	\$ 6,564	\$ 6,647
Temporary receipts	10,204	30	28
	<u>\$ 22,209</u>	<u>\$ 6,594</u>	<u>\$ 6,675</u>
Non-current			
Other payables			
Computer software payable	<u>\$ -</u>	<u>\$ 6,337</u>	<u>\$ -</u>

21. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

The Company, CascadeTeq and Onecent adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of Group's subsidiaries in China, Singapore and the United States are members of retirement benefit plans operated by their respective governments. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the subsidiaries with respect to the retirement benefit plan is to make the specified contributions.

22. EQUITY

a. Share capital

1. Ordinary shares

	September 30, 2025	December 31, 2024	September 30, 2024
Number of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Shares capital authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>162,663</u>	<u>162,348</u>	<u>162,250</u>
Shares capital issued	<u>\$ 813,314</u>	<u>\$ 811,739</u>	<u>\$ 811,249</u>
Advance receipts for ordinary shares	<u>\$ 570</u>	<u>\$ 369</u>	<u>\$ 387</u>

The changes in the Company's share capital were due to the exercise of stock options by employees.

As of September 30, 2025, December 31, 2024, and September 30, 2024 the Company had 3,800 units, 2,037 units and 1,250 units of exercised employee stock options not yet issued as new ordinary shares, respectively, with the exercise prices received amounting to NT\$570 thousand, NT\$369 thousand and NT\$387 thousand accounted for as Advance receipts for ordinary shares.

The number of shares issued for employee stock options that had not been approved by the company registration authority as of September 30, 2025, was 60,926 shares.

2. Issuance of global depositary receipts

On December 6, 2021, the Company resolved at the extraordinary shareholders' meeting to issue additional common shares by seasoned equity offering for global depositary receipts (GDRs), and on January 25, 2022, the Company issued 6,400 thousand units of GDRs on the Bourse de Luxembourg for US\$29.65 per unit, with each unit carrying two shares of the Company's common stock, for a total of 12,800 thousand shares, raising total funds of US\$189,760 thousand. The aforementioned GDRs were fully redeemed in February 2022. The relevant authorized but unissued shares is still retained to be issued at such times.

b. Capital surplus

	September 30, 2025	December 31, 2024	September 30, 2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Shares issued at premium	\$ 5,802,882	\$ 5,779,225	\$ 5,770,821
Exercised and invalid employee share options	219,004	208,288	204,582
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	153,042	153,042	153,042
Vested restricted shares for employees	47,595	47,595	47,595
Cash capital increase reserved for employees	467	467	467
	<u>6,222,990</u>	<u>6,188,617</u>	<u>6,176,507</u>
<u>May be used to offset a deficit only (2)</u>			
Changes in ownership interests in subsidiaries and associates accounted for using the equity method	134,119	49,835	53,429
<u>Not be used for any purpose</u>			
Employee share options	162,188	129,240	116,968
Share options	103	-	-
	<u>162,291</u>	<u>129,240</u>	<u>116,968</u>
	<u>\$ 6,519,400</u>	<u>\$ 6,367,692</u>	<u>\$ 6,346,904</u>

- Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to increase share capital. However, when increasing share capital, it is limited to a certain ratio of the paid-in share capital each year.
- Changes in subsidiaries' ownership interests recognized using the equity method shall only be used to offset a deficit. No other use is allowed.

c. Retained earnings and dividend policy

Under the Company's dividend policy in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. If such surplus earning is distributed in the form of cash, it shall be authorized after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration of directors, refer to Note 24(c) on employees' compensation and remuneration of directors.

Considering the Company's environment and growth stage, dividends may be distributed in cash or in shares in response to the future demand for funds and long-term financial plan. Among them, the proportion of cash dividends shall not be less than 20% of the dividends distributed to shareholders.

The aforesaid proportion of dividend distribution may be adjusted according to the Company's earnings and available funds for the year upon resolution of the shareholders meeting.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2024 and 2023 were as follows:

	2024	2023
Legal reserve	\$ 157,823	\$ 144,497
Special reserve reversal	(\$ 343)	(\$ 107)
Cash dividends	\$ 1,137,180	\$ 1,135,107
Dividends per share (NT\$)	\$ 7.0	\$ 7.0

The aforementioned cash dividends were resolved by the board of directors on February 27, 2025, and March 1, 2024, respectively. Other profit distribution items were also resolved in the regular shareholders' meetings on April 30, 2025, and May 27, 2024, respectively.

Due to the execution of employee stock options, the actual distributed cash dividends per share for the fiscal years 2024 and 2023 were adjusted to NT\$6.99364526 and NT\$6.99765854, respectively.

23. REVENUE

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Revenue from contracts with customers				
Revenue from the sale of goods	\$ 1,376,606	\$ 1,229,228	\$ 3,517,308	\$ 2,767,370
Revenue from the rendering of services	113,942	8,911	264,656	151,503
Revenue from licensing	-	25,717	-	25,717
Other income	4,183	10,442	16,430	22,410
	<u>\$ 1,494,731</u>	<u>\$ 1,274,298</u>	<u>\$ 3,798,394</u>	<u>\$ 2,967,000</u>

a. Contract information

1. Revenue from the sale of goods

Sales revenue from goods comes from the sale of integrated circuit products. As the integrated circuit products have a fixed price and usage rights by the customers at the time of trade conditions fulfillment, and the customers bear the main responsibility for resale and the risk of the goods becoming obsolete, the consolidated company recognizes revenue and accounts receivable at that point. Prepayments from goods sales are recognized as contract liabilities before the products arrive.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2. Revenue from the rendering of services

Service revenue is derived from the provision of design and research and development technical services in accordance with contracts and is recognized based on the percentage of completion method. The design and research and development services provided by the consolidated company are recognized based on the percentage of completion method.

3. Revenue from licensing

Since the technology licensing transactions do not commit to engage in activities that change the functionality of SIP core technology and the technology can be maintained without updating or technical support, the license fee received is recognized as license revenue when the right to use SIP core is transferred.

b. Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Trade receivables (Note 10)	<u>\$ 584,186</u>	<u>\$ 517,992</u>	<u>\$ 459,617</u>	<u>\$ 567,535</u>
Contract liabilities				
Sale of goods	\$ 616,874	\$ 158,961	\$ 211,323	\$ 68,828
Customer loyalty programs	619	-	-	-
	<u>\$ 617,493</u>	<u>\$ 158,961</u>	<u>\$ 211,323</u>	<u>\$ 68,828</u>

The change in contract liabilities mainly comes from the difference between the timing of fulfilling performance obligations and the timing of customer payments.

24. NET INCOME

a. Depreciation and amortization

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
An analysis of depreciation by function				
Operating costs	\$ 7,617	\$ 6,849	\$ 22,708	\$ 22,329
Operating expenses	<u>6,333</u>	<u>5,980</u>	<u>18,738</u>	<u>17,196</u>
	<u>\$ 13,950</u>	<u>\$ 12,829</u>	<u>\$ 41,446</u>	<u>\$ 39,525</u>
An analysis of depreciation by function				
Operating costs	\$ 1	\$ 44	\$ 75	\$ 134
Operating expenses	<u>11,160</u>	<u>9,624</u>	<u>28,845</u>	<u>28,205</u>
	<u>\$ 11,161</u>	<u>\$ 9,668</u>	<u>\$ 28,920</u>	<u>\$ 28,339</u>

b. Employee benefits expense

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Post-employment benefits (Note 21)				
Defined contribution plans	\$ 6,308	\$ 5,313	\$ 18,433	\$ 14,897
Share-based payments				
Equity-settled	<u>16,838</u>	<u>14,604</u>	<u>45,149</u>	<u>44,530</u>
Other employee benefits				
Salary	133,172	133,855	429,756	385,338
Labor and health insurance	9,734	8,658	29,559	25,496
Others	<u>9,636</u>	<u>7,560</u>	<u>25,967</u>	<u>20,668</u>
	<u>152,542</u>	<u>150,073</u>	<u>485,282</u>	<u>431,502</u>
Total employee benefits expense	<u>\$ 175,688</u>	<u>\$ 169,990</u>	<u>\$ 548,864</u>	<u>\$ 490,929</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 14,132	\$ 13,890	\$ 46,121	\$ 42,469
Operating expenses	<u>161,556</u>	<u>156,100</u>	<u>502,743</u>	<u>448,460</u>
	<u>\$ 175,688</u>	<u>\$ 169,990</u>	<u>\$ 548,864</u>	<u>\$ 490,929</u>

c. Compensation of employees and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrues employees' compensation and board directors' remuneration at the rates of no less than 1% and no higher than 3%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. According to the amendment of the Securities and Exchange Act in August 2024, the Company approved a resolution at the 2025 shareholders' meeting to revise the Articles of Incorporation, stipulating that no less than 5% of the total employee compensation shall be allocated to frontline employees.

The compensation of employees and the remuneration of directors for the nine months ended September 30, 2025 and 2024 were as follows:

Accrual rate	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Compensation of employees	2.68%	1.22%
Remuneration of directors	0.57%	0.27%

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Amount				
Compensation of employees	\$ 16,949	\$ 8,557	\$ 16,949	\$ 16,275
Remuneration of directors	3,600	1,200	3,600	3,600

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and adjusted in the accounts in the following year.

The appropriation of compensation of employees and remuneration of directors for 2024 and 2023 that were resolved by the board of directors on February 27, 2025 and March 1, 2024, separately, are as shown below:

	Cash	
	2024	2023
Compensation of employees	\$ 24,008	\$ 36,057
Remuneration of directors	6,200	4,800

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2024 and 2023.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Gains or losses on foreign currency exchange

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Foreign exchange gains	\$ 309,945	\$ 107,965	\$ 547,122	\$ 592,295
Foreign exchange losses	(45,970)	(299,382)	(1,153,349)	(358,879)
Net gains (losses)	<u>\$ 263,975</u>	<u>(\$ 191,417)</u>	<u>(\$ 606,227)</u>	<u>\$ 233,416</u>

25. INCOME TAX

a. Income tax recognized in profit or loss:

The main components of income tax expense are as follows:

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Current tax				
In respect of the current period	\$ 134,340	\$ 60,843	\$ 90,656	\$ 263,432
Income tax on unappropriated earnings	-	-	14,179	8,274
In respect of prior years	-	-	8,682	(7,847)
Investment tax credits	(7,635)	(10,366)	(24,277)	(29,073)
	<u>126,705</u>	<u>50,477</u>	<u>89,240</u>	<u>234,786</u>
Deferred tax				
In respect of the current period	<u>38,832</u>	<u>19,633</u>	<u>30,505</u>	<u>7,951</u>
Income tax expense recognized in profit or loss:	<u>\$ 165,537</u>	<u>\$ 70,110</u>	<u>\$ 119,745</u>	<u>\$ 242,737</u>

b. Income tax assessments

The Company's income tax filing case up to the fiscal year of 2021 and CascadeTeq's case up to fiscal year of 2022 have been settled by the tax collection authorities. The Company disagrees with the approved content for the year 2022 and is currently applying for a review. However, based on the principle of prudence, the Company has already estimated and recognized the relevant income tax.

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Basic earnings per share	<u>\$ 4.34</u>	<u>\$ 2.08</u>	<u>\$ 3.03</u>	<u>\$ 6.63</u>
Diluted earnings per share	<u>\$ 4.32</u>	<u>\$ 2.06</u>	<u>\$ 3.01</u>	<u>\$ 6.58</u>

The earnings and weighted-average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Period

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 706,268</u>	<u>\$ 336,933</u>	<u>\$ 492,078</u>	<u>\$ 1,075,784</u>

Ordinary Shares Outstanding

(In Thousands of Shares)

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Weighted-average number of ordinary shares used in the computation of basic earnings per share	162,641	162,225	162,541	162,189
Effects of potentially dilutive ordinary shares:				
Employee share options	747	1,025	771	1,176
Compensation of employees	50	54	66	71
Weighted-average number of ordinary shares used in the computation of diluted earnings per share	<u>163,438</u>	<u>163,304</u>	<u>163,378</u>	<u>163,436</u>

If the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27.

SHARE-BASED PAYMENT ARRANGEMENTS

Employee share option plan of the Group

Grant date	2025.08.01	2025.01.01	2024.06.03	2024.01.01	2023.12.22	2023.04.28	2022.12.23	2022.04.29	2021.03.12	2020.09.26	2019.12.20	2019.04.26	2018.11.09
Approval date by board of directors	2024.10.30	2023.10.27	2023.10.27	2023.10.27	2022.08.30	2022.08.30	2022.08.30	2021.07.30	2020.08.07	2020.08.07	2019.04.26	2018.08.08	2018.08.08
Grant unit	350,000	68,000	40,000	150,000	398,400	173,670	426,330	267,000	69,430	319,000	750,000	8,000	692,000
Exercise price (NT\$) (Notes 1 and 2)	353	310	356.5	459.5	457.5	279.5	170	251	781	333.5	83.7	43.85	44.8
Share per unit (Note 2)	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share
Granted to	The Company and subsidiaries' employees who meet specific requirements												
Vesting conditions (Note 3)	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%
Duration (years)	10	10	10	10	10	10	10	10	10	10	10	10	10

Note 1: After the issuance of employee stock options, if there is a change in the Company's common shares or the Company distributes cash dividends, the exercise price of the stock options will be adjusted according to a specified formula. If the adjustment formula necessitates a re-measurement of the exercise price and if the adjusted exercise price exceeds the pre-adjustment exercise price, the exercise price will not be adjusted.

Note 2: After the issuance of employee stock options, if the Company undergoes a change in stock par value, the exercise price of the stock options will first be adjusted according to a specified formula, followed by an adjustment to the subscription ratio. However, stock options that have already been exercised will not be retroactively adjusted. In August 2021, the Company amended its articles of incorporation as resolved in the regular meeting of shareholders, changing the par value per share from NT\$10 to NT\$5, and completed the related conversion in October 2021. This resulted in the exercise price per share of stock options granted before October 2021 being adjusted to 50% of the original exercise price, with the number of shares each option could purchase adjusted from 1 share to 2 shares

Note 3: Calculated from the date the employee stock options were granted.

Information about employee share options was as follows:

	For the Nine Months Ended September 30, 2025		For the Nine Months Ended September 30, 2024	
Employee share options	Number of Options (Units)	Weighted-average Exercise Price (NT\$)	Number of Options (Units)	Weighted-average Exercise Price (NT\$)
Balance at January 1	1,846,674	\$ 280	1,942,348	\$ 258
Options granted	418,000	346	190,000	438
Options exercised	(183,169)	138	(126,323)	133
Options expired	(29,154)	283	(101,278)	285
Balance at September 30	<u>2,052,351</u>	<u>299</u>	<u>1,904,747</u>	<u>277</u>

Options exercisable, end of period 581,825 216 427,635 201
For the stock options executed by the Company from January 1 to September 30 in 2025 and 2024, the weighted average stock prices on the execution date were 292.58 and 446.70, respectively.

Information about outstanding options was as follows:

September 30, 2025			December 31, 2024			September 30, 2024		
Issue Date	Exercise Price (NT\$/unit)	Weighted Average Remaining Contractual Life (Years)	Issue Date	Exercise Price (NT\$/unit)	Weighted Average Remaining Contractual Life (Years)	Issue Date	Exercise Price (NT\$/unit)	Weighted Average Remaining Contractual Life (Years)
2018.11.09	\$ 40.6	3.11	2018.11.09	\$ 41.6	3.86	2018.11.09	\$ 41.6	4.11
2019.04.26	39.6	3.57	2019.04.26	40.6	4.32	2019.04.26	40.6	4.57
2019.12.20	75.6	4.22	2019.12.20	77.6	4.97	2019.12.20	77.6	5.22
2020.09.26	301.8	4.99	2020.09.26	309.8	5.74	2020.09.26	309.8	5.99
2021.03.12	706.4	5.45	2021.03.12	725.0	6.20	2021.03.12	725.0	6.45
2022.04.29	230.2	6.58	2022.04.29	236.2	7.33	2022.04.29	236.2	7.58
2022.12.23	159.0	7.24	2022.12.23	163.2	7.98	2022.12.23	163.2	8.24
2023.04.28	261.4	7.58	2023.04.28	268.3	8.33	2023.04.08	268.3	8.58
2023.12.22	437.0	8.23	2023.12.22	448.5	8.98	2023.12.22	448.5	9.23
2024.01.01	439.0	8.26	2024.01.01	450.5	9.01	2024.01.01	450.5	9.26
2024.06.03	340.6	8.68	2024.06.03	349.5	9.43	2024.06.03	349.5	9.68
2025.01.01	302.1	9.26						
2025.08.01	353.0	9.84						

Options granted in August 2025, January 2025, June 2024 and January 2024 were priced by using the binomial pricing model, and the inputs to the model were as follows:

Year of Offering	August 2025	January 2025	June 2024	January 2024
Fair value per option, grant date	NT\$136.51~192.00	NT\$118.18~166.94	NT\$135.33~191.37	NT\$181.15~245.51
Exercise price	NT\$353	NT\$310	NT\$356.5	NT\$459.5
Expected volatility	63.12%~67.20%	61.89%~65.84%	61.73%~65.59%	61.98%~66.26%
Expected life	6~7.5 years	6~7.5 years	6~7.5 years	6~7.5 years
Expected dividend yield	-	-	-	-
Risk-free interest rate	1.34%~1.37%	1.58%~1.62%	1.53%~1.57%	1.20%~1.21%

The expected volatility is calculated based on the historical stock price volatility of similar companies. The Company assumes that employees will exercise their stock options at the midpoint between the vesting period end and the expiration date of the options.

For the three months ended September 30, 2025, and 2024, the recognized compensation costs were \$16,378 thousands and \$14,604 thousands respectively. For the nine months ended September 30, 2025, and 2024, the recognized compensation costs were \$44,070 thousands and \$44,530 thousands respectively.

Subsidiary Stock Option Plan

OCKY provides a stock option program for its employees and external consultants. As of the acquisition date by the Consolidated Company, the outstanding stock options remained effective and were not replaced by any other stock option plans.

The stock option plan of OCKY as of September 30, 2025, is presented as follows:

Grant date	2025.01	2023.10	2022.10	2021.10	2021.10	2021.08	2021.03
Grant unit	675,800	760,000	100,000	400,000	200,000	400,000	100,000
Exercise price (US\$)	US\$0.25	US\$0.4	US\$0.001	US\$0.001	US\$0.001	US\$0.001	US\$0.001
Share per unit	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share
Valuation model	binomial pricing model	binomial pricing model	binomial pricing model	binomial pricing model	binomial pricing model	binomial pricing model	binomial pricing model
Granted to	Employees and external consultants	Employees and external consultants	External consultants	Employees and external consultants	External consultants	Employees and external consultants	External consultants
Vesting conditions (Note 3)	1 years 25% 2 years 25% 3 years 25% 4 years 25%	1 years 25% 2 years 25% 3 years 25% 4 years 25%	1 years 40% 2 years 30% 3 years 30%	1 years 20% 2 years 20% 3 years 25% 4 years 35%	1 years 15% 2 years 20% 3 years 30% 4 years 35%	1 years 15% 2 years 20% 3 years 30% 4 years 35%	1 years 25% 2 years 25% 3 years 25% 4 years 25%
Duration (years)	10	6	7	7	7	7	7
Fair value on grant date	US\$0.1207~0.1371	US\$0.1702~0.1890	US\$0.39904~0.39910	US\$0.09900~0.09904	US\$0.09901~0.09905	US\$0.09901~0.09904	US\$0.09901~0.09905

Information about outstanding employee share options was as follows

	September 30, 2025
Range of exercise prices (NTD)	\$0.001- \$0.4
Weighted average remaining contractual term (years)	2.43 ~ 9.26 years

The compensation cost recognized by OCKY from March 1, 2025 (the consolidation date) to September 30, 2025, amounted to \$1,079 thousand.

28. BUSINESS CONSOLIDATION

a. Acquisition of a subsidiary

	Main operating activities	Acquisition date	Voting ownership interest / Acquisition percentage (%)	Transfer price
OCKY	RFID design, develop and sales	March 1, 2025	27.88%	<u>\$ 63,985</u>

For a detailed explanation of the Consolidated Company's acquisition of control over OCKY, please refer to Note 12.

b. Assets acquired and liabilities assumed as of the acquisition date

	<u>OCKY and its subsidiaries</u>
Current assets	
Cash and cash equivalent	\$ 86,038
Prepayment	84
Non-current assets	
Plant, property and equipment	3,589
Intangible assets	46,572
Right of usage	3,264
Refundable deposit	104
Current liabilities	
Contract liabilities	(32,820)
Account payables and other payables	(9,719)
Lease liabilities - current	(1,674)
Other current liabilities	(116)
Non-current liabilities	
Lease liabilities – non-current	(1,618)
	<u>\$ 93,704</u>

c. Non-controlling interests

The non-controlling interest in OCKY (72.12% ownership interest) was measured at its fair value of NT\$124,960 thousand as of the acquisition date. This fair value was estimated using the income approach, with the following key assumptions:

1. A discount rate of 15.1%;
2. A long-term sustainable growth rate of 2%; and
3. Adjustments based on factors considered by market participants, including the lack of market liquidity of the stock.

d. Goodwill due to acquisition

	<u>OCKY and its subsidiaries</u>
Acquisition price	\$ 63,985
Add: Non-controlling interests (72.12% ownerships of OCKY)	124,960
Less: Fair value of acquired identifiable net assets.	(93,704)
Goodwill arising from the acquisition.	<u>\$ 95,241</u>

e. Net cash inflow from the acquisition of a subsidiary

	<u>OCKY and its subsidiaries</u>
Consideration paid in cash.	\$ -
Cash and cash equivalents acquired.	(86,038)
	<u>(\$ 86,038)</u>

f. Impact of business consolidation on operating results

Operating results from the acquired company since the acquisition date are as follows.

	<u>OCKY and other subsidiaries</u>
Operating revenue	<u>\$ 32,634</u>
Net loss	<u>\$ 1,059</u>

Had the acquisition of OCKY taken place on January 1, 2025, the pro forma consolidated revenue from January 1 to September 30, 2025, would have been \$3,798,886 thousand, and the pro forma net income would have been \$484,359 thousand. These amounts do not reflect the actual revenue and operating results that the consolidated company could have generated had the business combination been completed at the beginning of the acquisition year and should not be used as a forecast of future operating results.

29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of equity of the Group (comprising share capital, capital surplus, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

Management regularly reviews the Group's capital structure and considers the costs and risks of different capital structures. In general, the Group has a prudent risk management strategy.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Management believed the carrying amounts of financial assets and financial liabilities not measured at fair value in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

September 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Investments in equity instruments	\$ -	\$ -	\$ 702,592	\$ 702,592

Financial assets at FVOCI

Investments in equity instruments	\$ -	\$ -	\$ 152,225	\$ 152,225
-----------------------------------	------	------	------------	------------

Financial liabilities at FVTPL

liabilities designated at fair value through profit or loss	\$ -	\$ -	\$ 8,007	\$ 8,007
---	------	------	----------	----------

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Investments in equity instruments	\$ -	\$ -	\$ 543,115	\$ 543,115

September 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Investments in equity instruments	\$ -	\$ -	\$ 546,376	\$ 546,376

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the Nine Months Ended September 30, 2025

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVOCI Equity Instruments
Balance at January 1, 2025	\$ 543,115	\$ -
Newly added for this period	114,547	152,225
Disposal during this period	(80,069)	-
Recognized in profit or loss	124,999	-
Balance at September 30, 2025	\$ 702,592	\$ 152,225
Unrealized gain for the current period included in profit or loss relating to assets held at the end of the period	\$ 124,930	\$ -

Financial Liabilities

Balance at January 1, 2025	
Newly added for this period	
Balance at September 30, 2025	

Financial Liabilities at FVTPL

\$ -
8,007
\$ 8,007

For the Nine Months Ended September 30, 2024

Financial Assets	Financial Assets at FVTPL Equity Instruments
Balance at January 1, 2024	\$ 373,267
Newly added for this period	47,475
Recognized in profit or loss	125,634
Balance at September 30, 2024	<u>\$ 546,376</u>
Unrealized gain for the current period included in profit or loss relating to assets held at the end of the period	<u>\$ 125,634</u>

3) Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Unlisted company stock - domestic and foreign	a) Fair values are estimated using the market approach, with reference to the company's valuation of similar companies and recent financing activities. b) Fair values are estimated using asset-based approach, with reference to the total market value of the individual assets and liabilities of the investee company.
Simple agreement for future equity	Measure its fair value based on the transaction price and potential future scenarios.
Derivative instrument – stock warrants.	Using the income approach to evaluate the enterprise value and assessing the fair value of the warrants based on this valuation.

c. Categories of financial instruments

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets</u>			
Financial assets at FVTPL			
Investments in equity instruments	\$ 702,592	\$ 543,115	\$ 546,376
Assets measured at amortized cost (Note 1)	9,935,973	9,947,110	9,367,810
Financial assets at FVOCI			
Investments in equity instruments	152,225	-	-
<u>Financial liabilities</u>			
Financial assets at FVTPL			
Financial instruments	8,007	-	-
Assets measured at amortized cost (Note 2)	843,049	511,603	579,043

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, trade receivables, other receivables (excluding tax receivable), and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term loans, accounts payable, other payables and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debt investments, trade receivables, other receivables, refundable deposits, accounts payables, other payables, lease liabilities, and guarantee deposits. The Group's financial management department provides services to the business unit and coordinates, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risk (see (c) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

Several subsidiaries of the Group have foreign currency denominated sales and purchases, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the period are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency-denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit associated with the functional currency strengthening 5% against the relevant currency. For a 5% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	USD Impact	
	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Profit or Loss (i)	\$ 328,582	\$ 382,961

- (i) Mainly derived from the consolidated company's US dollar-denominated bank deposits, accounts receivable, other receivables, accounts payable, and other payables that are still circulating in the market and have not undergone cash flow hedging as of the balance sheet date.

b) Interest rate risk

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

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value interest rate risk			
Financial assets	\$ 8,280,074	\$ 8,329,991	\$ 8,038,847
Financial liabilities	283,079	124,231	71,446
Cash flow interest rate risk			
Financial assets	990,688	610,102	387,446

Sensitivity analysis

The sensitivity analysis of interest rate risk was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each assets and liability outstanding at the end of the period was outstanding for the whole period. Had interest rates been 50 basis points higher and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2025 and 2024 would have decreased by \$3,715 thousand and increased by \$1,453 thousand, respectively, which was mainly attributable to the Group's exposure to interest rate changes on its variable-rate bank deposits.

c) Other price risk

The Group's price risk of financial assets at FVTPL and FVOCI for the nine months ended September 30, 2025 and 2024 were primarily from investments in equity instruments.

Sensitivity analysis

The sensitivity analysis below was determined based on the equity price at the end of the period.

If equity prices increase/decrease by 5%, the consolidated company's income before income tax for the nine months ended September 30, 2025, and 2024 will increase/decrease by \$35,130 thousand and \$27,319 thousand, respectively, due to the increase/decrease in the fair value of financial assets measured at fair value through profit or loss; the consolidated company's pre-tax other comprehensive income for the nine months ended September 30, 2025 will increase/decrease by \$7,611 thousand, due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to the failure of the counterparty to discharge an obligation approximates the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk of the Consolidated Company is primarily concentrated on a few customers. As of September 30, 2025, December 31, 2024, and September 30, 2024, the accounts receivable balances exceeding 10% of the total are summarized as follows:

	<u>September 30, 2025</u>
Customer A	\$ 130,311
Customer G	<u>72,952</u>
	<u>\$ 203,263</u>
	<u>December 31, 2024</u>
Customer G	\$ 94,154
Customer A	<u>93,748</u>
	<u>\$ 187,902</u>
	<u>September 30, 2024</u>
Customer A	\$ 150,725
Customer B	67,197
Customer G	<u>50,713</u>
	<u>\$ 268,635</u>

To mitigate credit risk, the management of the Consolidated Company has assigned a dedicated team responsible for deciding on credit limits, approving credit, and other monitoring procedures to ensure that appropriate actions are taken for the recovery of overdue receivables. Moreover, at the balance sheet date, the Consolidated Company reviews the recoverability of receivables to ensure that appropriate impairment losses are recognized for irrecoverable amounts. Based on this, the management of the Consolidated Company believes that the credit risk has been significantly reduced.

3) Liquidity risk

The Group's objectives of managing liquidity risk are to ensure that it has sufficient liquidity to continue operating in the following 12 months. The Group has maintained a level of cash and cash equivalents deemed adequate to finance its operations. The Group also adopted a series of control measures with respect to change in cash flow, net cash balance and major capital expenditure in order to know its available line of credit and to ensure its compliance with loan contract terms.

For the Group, bank loan is a significant source of liquidity. With respect to the Group's available line of credit, please refer to "(b) Line of credit" as follows:

a) Liquidity and interest rate risk tables

The following tables show the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed-upon repayment periods. The tables had been drawn up on the basis of the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

September 30, 2025

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Non-interest bearing	-	\$ 583,202	\$ 7,847	\$ -	\$ -
Lease liabilities	3.01%	4,262	16,850	12,886	-
Fixed rate instrument	1.90%	<u>251,035</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 838,499</u>	<u>\$ 24,697</u>	<u>\$ 12,886</u>	<u>\$ -</u>

December 31, 2024

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	-	\$ 380,821	\$ 22,445	\$ 6,337	\$ -
Lease liabilities	2.83	3,726	8,664	12,582	-
Fixed rate instrument	1.95	100,182	-	-	-
		<u>\$ 484,729</u>	<u>\$ 31,109</u>	<u>\$ 18,919</u>	<u>\$ -</u>

September 30, 2024

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	-	\$ 511,855	\$ 15,188	\$ -	\$ -
Lease liabilities	2.74	3,440	7,774	10,848	-
Fixed rate instrument	2.19	50,091	-	-	-
		<u>\$ 565,386</u>	<u>\$ 22,962</u>	<u>\$ 10,848</u>	<u>\$ -</u>

(2) Financing facilities

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Bank loan facilities			
Amount used	\$ 250,000	\$ 100,000	\$ 50,000
Amount unused	502,225	697,510	742,173
	<u>\$ 752,225</u>	<u>\$ 797,510</u>	<u>\$ 792,173</u>

The operating capital and financing amount of the Consolidated Company are sufficient to support operational needs, thus there is no liquidity risk arising from the inability to raise funds to fulfill contractual obligations.

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries which are related parties of the Company, had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and its related parties are disclosed below.

a. Related parties and their relationships

<u>Related Party</u>	<u>Relationship</u>
Lyontek	Associate

b. Operating revenue

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>For the Three Months Ended September 30, 2025</u>	<u>For the Three Months Ended September 30, 2024</u>	<u>For the Nine Months Ended September 30, 2025</u>	<u>For the Nine Months Ended September 30, 2024</u>
Sales revenue	Associate	<u>\$ -</u>	<u>\$ 1,069</u>	<u>\$ 3,670</u>	<u>\$ 3,706</u>

Sales transactions between the Company and related parties are based on mutually agreed prices, and the collection period is comparable to general customers.

c. Receivables

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Associate	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,113</u>

d. Compensation of key management personnel

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Short-term employee benefits	\$ 14,513	\$ 14,094	\$ 48,622	\$ 39,832
Post-employment benefits	81	81	351	243
Share-based payments	5,194	6,910	18,174	19,872
	<u>\$ 19,788</u>	<u>\$ 21,085</u>	<u>\$ 67,147</u>	<u>\$ 59,947</u>

The remuneration of board directors and salaries of other key management personnel are decided by remuneration and compensation committee based on individual performance and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets have been provided as collateral for customs duties on imported raw materials:

	September 30, 2025	December 31, 2024	September 30, 2024
Pledged deposits (classified as financial assets at amortized cost)	<u>\$ 2,859</u>	<u>\$ 2,859</u>	<u>\$ 2,819</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of the balance sheet date were as follows:

Significant commitments

The Group entered into long-term purchase agreement of materials with its supplier in October 2021, which covers the period from October 2021 to December 2024. The Group provided \$443,440 thousand as the deposit for the purchase. The relative minimum purchase quantity per month and the compensation for shortfall in non-compliance purchases are specified in the agreements. Considering the current transaction patterns and actual transactions with suppliers, the Group assesses that there is no significant possibility of compensation, and the aforementioned amount was fully recovered in January 2025, therefore the related contracts do not have a significant impact on financial and operations.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

In Thousands of New Taiwan Dollars and Foreign Currencies

September 30, 2025

	Foreign Currencies	Exchange Rates	Book Value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 241,292	30.445 (USD:NTD)	\$ 7,346,134
USD	837	7.128 (USD:RMB)	25,481
			<u>\$ 7,371,615</u>
<u>Non-monetary items</u>			
Investments in equity instruments at FVTPL			
RMB	144,900	4.271 (RMB:NTD)	<u>\$ 618,868</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	13,413	30.445 (USD:NTD)	\$ 408,354
USD	12,864	7.128 (USD:RMB)	391,649
			<u>\$ 800,003</u>

December 31, 2024

	Foreign Currencies	Exchange Rates	Book Value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 263,338	32.785(USD:NTD)	\$ 8,633,498
USD	3,147	7.321(USD:RMB)	103,172
			<u>\$ 8,736,670</u>

	Foreign Currencies	Exchange Rates	Book Value
<u>Non-monetary items</u>			
Investments in equity instruments at FVTPL			
RMB	110,303	4.478(RMB:NTD)	\$ 493,938
USD	1,500	32.785(USD:NTD)	49,177
			<u>\$ 543,115</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	8,337	32.785 (USD:NTD)	\$ 273,298
USD	3,813	7.321(USD:RMB)	125,013
			<u>\$ 398,311</u>

September 30, 2024

	Foreign Currencies	Exchange Rates	Book Value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 256,256	31.650 (USD:NTD)	\$ 8,110,560
USD	2,156	6.998 (USD:RMB)	68,218
			<u>\$ 8,178,778</u>
<u>Non-monetary items</u>			
Investments in equity instruments at FVTPL			
RMB	110,303	4.523 (RMB:NTD)	\$ 498,901
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	12,423	31.650 (USD:NTD)	\$ 393,206
USD	3,992	6.998 (USD:RMB)	126,355
			<u>\$ 519,561</u>

The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Three Months Ended September 30, 2025			For the Three Months Ended September 30, 2024		
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)	
USD	29.950(USD:NTD)	\$ 262,787	31.301 (USD:NTD)	(\$ 193,793)	
USD	7.1289 (USD:RMB)	598	7.1720 (USD:RMB)	2,439	
Others		590		(63)	
		<u>\$ 263,975</u>		<u>(\$ 191,417)</u>	
For the Nine Months Ended September 30, 2025			For the Nine Months Ended September 30, 2024		
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)	
USD	31.222 (USD:NTD)	(\$ 605,042)	32.034 (USD:NTD)	\$ 237,896	
USD	7.1654 (USD:RMB)	(1,197)	7.2100 (USD:RMB)	(4,509)	
Others		12		29	
		<u>(\$ 606,227)</u>		<u>\$ 233,416</u>	

35. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions:
 1. Financing provided to others. (None)
 2. Endorsements/guarantees provided. (None)
 3. Marketable securities held (excluding investments in subsidiaries). (Table 1)
 4. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 2)
 5. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capitals. (Table 3)
 6. Other: Intercompany relationships and significant intercompany transactions. (Table 4)
- b. Information related to investments in subsidiaries: Table 5.
- c. Information on investments in mainland China:
 1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees,

investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 4)
 - c) The amount of property transactions and the amount of the resultant gains or losses. (None)
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (None)
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds. (None)
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services. (Table 4)

35. SEGMENT INFORMATION

Information reported to the chief operating decision maker is for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments were as follows:

IoT business unit - Design, sales, and licensing of customized memory

AI business unit - Design, sales, and licensing of heterogeneous integrated chip solutions

Starting from 2025, operational executives use the consolidated company's financial information to allocate resources and assess performance. According to IFRS 8 "Operating Segments," the consolidated company is managed, and resources are allocated as a single operating segment. Additionally, the revenue from this operational activity accounts for over 90% of the total consolidated revenue. Therefore, from 2025 onward, the consolidated company is not required to disclose operating segment financial information.

a. Segment revenue and results

The consolidated company's revenue and operating results according to the reportable segments are as follows:

For the Nine Months Ended September 30, 2024

	IOT	AI	Total
Segment revenue	\$ 2,428,362	\$ 538,638	\$ 2,967,000
Segment costs	(1,198,629)	(275,129)	(1,473,758)
Segment income	<u>\$ 1,229,733</u>	<u>\$ 263,509</u>	1,493,242
Operating expenses			(778,412)
Profit from operations			714,830
Other operating income and expenses			603,691
Profit before tax			<u>\$ 1,318,521</u>

b. Revenue from major products and service

Refer to Note 23.

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES HELD

September 30, 2025

TABLE 1

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	At the End of Period				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
AP Memory Technology Corporation	Unlisted shares							
	Hai Ning Chang Meng Technology Partnership (limited partnership)	—	Financial assets measured at FVTPL - non-current	-	\$ 618,868	25.11%	\$ 618,868	
	GeneASIC Technologies Corporation	—	Financial assets measured at FVTPL - non-current	500,000	-	10.08%	-	
APware Technology Corp.	Unlisted shares							
	PowerLattice Technologies Incorporated	—	Financial assets measured at FVTPL - non-current	7,665,288	83,724	4.77%	83,724	
	HamminX Ltd.	—	Financial assets measured at FVOCI - non-current	2,500,000	152,225	13.51%	152,225	

Note: Refer to Tables 5 and 6 for information about subsidiaries and associates.

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
For the Nine Months Ended September 30, 2025

TABLE 2

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchase (Sale)	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AP Memory Technology Corporation	AP Memory Technology (Hong Kong) Co. Limited	Sub-subsidiary	Sale	(\$ 770,420)	(19.93%)	Net 90 days after monthly closing	\$ -	—	\$ 273,772	46.86%	Note 2
AP Memory Technology Corporation	AP Memory Technology (Hangzhou) Limited Co.	Subsidiary	Sale	(1,108,194)	(28.67%)	Net 60 days after monthly closing	-	—	391,649	67.04%	Note 2

Note 1: The Company's transactions with AP Memory Technology (Hangzhou) Limited Co. and AP Memory Technology (Hong Kong) Co. Limited are carried out in accordance with the price and conditions agreed upon by both parties.

Note 2: All amounts have been eliminated while preparing the consolidated financial statements.

Note 3: Paid-in capital refers to the parent company's paid-in capital. If the issuer's stock has no par value or the par value per share is not NT\$10, the transaction amount of 20% of the paid-in capital is calculated based on 10% of the equity attributable to the owners of the parent company on the balance sheet.

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

As of September 30, 2025

TABLE 3

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationships	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
AP Memory Technology Corporation	AP Memory Technology (Hong Kong) Co. Limited	Sub-subsidiary	\$ 273,772	4.21	\$ -	-	\$ 84,061	\$ -
AP Memory Technology Corporation	AP Memory Technology (Hangzhou) Co. Limited	Subsidiary	391,649	5.72	-	-	149,658	-

Note 1: All amounts have been eliminated while preparing the consolidated financial statements.

Note 2: Paid-in capital refers to the parent company's paid-in capital. If the issuer's stock has no par value or the par value per share is not NT\$10, the transaction amount of 20% of the paid-in capital is calculated based on 10% of the equity attributable to the owners of the parent company on the balance sheet.

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the Nine Months Ended September 30, 2025

TABLE 4

(In Thousands of New Taiwan Dollars)

Number (Note 1)	Company Name	Counterparty	Flow of Transaction (Note 2)	Transaction Details			
				Account	Amount (Note 4)	Transaction Terms	Percentage of Transaction Amount to Consolidated Operating Revenue or Total Assets (Note 3)
0	AP Memory Technology Corporation	AP Memory Corp, USA	(a)	Research and development expenses	\$ 16,964	Note 5	0.45%
0	AP Memory Technology Corporation	AP Memory Technology (Hangzhou) Co. Limited	(a)	Operating revenue	1,108,194	Note 5	29.18%
0	AP Memory Technology Corporation	AP Memory Technology (Hangzhou) Co. Limited	(a)	Trade receivables	391,649	Note 5	2.92%
0	AP Memory Technology Corporation	AP Memory Technology (Hangzhou) Co. Limited	(a)	Other receivables	2,547	Note 5	0.02%
0	AP Memory Technology Corporation	AP Memory Technology (Hong Kong) Co. Limited	(a)	Operating revenue	770,420	Note 5	20.28%
0	AP Memory Technology Corporation	AP Memory Technology (Hong Kong) Co. Limited	(a)	Trade receivables	273,772	Note 5	2.04%
0	AP Memory Technology Corporation	CascadeTeq Inc.	(a)	Operating revenue	15,921	Note 5	0.42%
0	AP Memory Technology Corporation	CascadeTeq Inc.	(a)	Trade receivables	2,255	Note 5	0.02%
0	AP Memory Technology Corporation	Shanghai Smardust Technology Co., Ltd.	(a)	Operating revenue	1,181	Note 5	0.03%
0	AP Memory Technology Corporation	Shanghai Smardust Technology Co., Ltd	(a)	Trade receivables	899	Note 5	0.01%
1	AP Memory Technology (Hangzhou) Co. Limited	AP Memory Technology (Hong Kong) Co. Limited	(c)	Service revenue	80,508	Note 5	2.12%
1	AP Memory Technology (Hangzhou) Co. Limited	AP Memory Technology (Hong Kong) Co. Limited.	(c)	Trade receivables	23,545	Note 5	0.18%

Note 1: The transactions between the parent company and subsidiaries should be identified in the numbering column. The parent company and subsidiaries are numbered as follows:

- a. Parent company: 0.
- b. Subsidiaries are numbered in an order starting from 1.

Note 2: The directional flow of the transactions are represented by the following numerals:

- a. From parent company to subsidiary.
- b. From subsidiary to parent company.
- c. Between subsidiaries.

Note 3: The accounts in the consolidated balance sheets and those in the consolidated statements of comprehensive income were based on the Company’s consolidated total assets and total gross sales, respectively.

Note 4: Intercompany balances and transactions were eliminated upon consolidation.

Note 5: For the intercompany transactions, prices and terms were based on mutual agreements.

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES

For the Nine Months Ended September 30, 2025

TABLE 5

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2025			Net (Loss) Income of the Investee (Note 2)	Share of (Loss) Profit (Notes 2 and 3)	Note
				September 30, 2025	December 31, 2024	Number of Shares	Percentage of Ownership (%)	Carrying Amount (Notes 1 and 3)			
AP Memory Technology Corporation	AP Memory Corp, USA	Suite 251,BG Plaza,3800 S.W. Cedar Hills Blvd, Beaverton OR. 97005, USA	IC design and development services	\$ 959,321 (USD 32,000,000)	\$ 60,521 (USD 2,000,000)	32,000,000	100%	\$ 909,526	(\$ 30,163) (USD -966,076)	(\$ 30,163)	Subsidiary
	Lyontek Inc.	No. 17, Industry East 2nd Road, East District, Hsinchu City	IC design and sales	75,060	75,060	3,600,000	30%	91,176	27,309	8,193	Associate
	APware Technology Corp.	Suite 102, Cannon Place, North Sound Rd., George Town, Grand Cayman, Cayman Islands	General investing	243,101 (USD 7,799,846)	50,207 (USD 1,549,846)	10,625	100%	236,779	(67) (USD -2,140)	(67)	Subsidiary
	ONECENT TECHNOLOGY LTD.	4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands	RFID design, development, and sales	64,026 (USD 2,064,994)	64,026 (USD 2,064,994)	7,347,974	27.88%	64,956	(7,685) (USD -239,915)	(3,020)	Subsidiary
	VIVR Corporation	Suite W 100 North Howard Street, Spokane Washington, 99201, US	IC design, development, and sales	32,140 (USD 1,000,000)	32,140 (USD 1,000,000)	1,000,000	100%	18,162	(470) (USD -15,065)	(470)	Subsidiary
	CascadeTeq Inc.	8F.-5, No. 1, Taiyuan 1st St., Zhubei City, Hsinchu County	IC sales	10,000	10,000	1,000,000	100%	2,891	(314)	(314)	Subsidiary
	M3 Technology Inc.	9F., No. 36, Aly. 38, Ln. 358, Ruiguang Rd., Neihu Dist., Taipei City	IC design, development, and sales	595,861	500,000	4,987,000	11.57%	876,130	96,949	(572)	Associate
AP Memory Technology (Hangzhou) Co. Limited	AP Memory Technology (Hong Kong) Co. Limited	Rm.19C,Lockhart Ctr.,301-307 Lockhart Rd.,Wan Chai, Hong Kong.	IC sales	275 (USD 10,000)	275 (USD 10,000)	10,000	100%	18,082	9,098 (USD 291,407)	9,098	Subsidiary
ONECENT TECHNOLOGY LTD.	Onecent Technology Inc.	4030 MOORPARK AVE, STE 240, SAN JOSE, CA95117, USA	RFID design and development	55,918 (USD 1,720,000)	-	17,200	100%	15,118	(17,859) (USD -572,005)	(17,859)	Subsidiary
	ONECENT TECHNOLOGY (SINGAPORE) PTE. LTD.	3 FRASER STREET #04-23A DUO TOWER SINGAPORE(189352)	RFID sales	1,122 (USD 37,705)	-	50,000	100%	(71,929)	22,256 (USD 712,821)	22,256	Subsidiary
	Shanghai Smardust Technology Co., Ltd.	7F, No. 147, Xianzheng 9th Rd., Zhubei City, Hsinchu County	RFID design, development, and sales	44,320	-	1,500,000	100%	22,740	(18,742)	(18,742)	Subsidiary

Note 1: Translation was based on the exchange rate at September 30, 2025.

Note 2: Translation was based on the average exchange rate for the nine months ended September 30, 2025.

Note 3: Apart from Lyontek Inc., the amounts were recognized based on the reviewed financial statements for the same period.

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
For the Nine Months Ended September 30, 2025

TABLE 6

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2025 (Note 1)	Net Income of the Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Note 3 and 5)	Carrying Amount as of September 30, 2025 (Note 4 and 5)	Accumulated Inward Remittance of Earnings as of September 30, 2025
					Outward	Inward						
AP Memory Technology (Hangzhou) Co. Limited	IC design, development, and sales	\$ 58,009 (USD 2,000,000)	Note 2	\$ 58,009 (USD 2,000,000)	\$ -	\$ -	\$ 58,009 (USD 2,000,000)	\$ 99,562 (RMB 23,057,389)	100%	\$ 98,205	\$ 259,956	\$ -
Shanghai Smardust Technology Co., Ltd.	RFID design, development, and sales	\$ 320 (USD 10,000)	Note 8	-	-	-	-	5,519 (RMB 1,264,509)	19.92%	1,099	21,901	-

Accumulated Investments in Mainland China as of September 30, 2025 (Note 1)	Investment Amount Authorized by the Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 58,009 (USD 2,000,000)	\$ 58,009 (USD 2,000,000)	\$ 6,845,518 (Note 6)

Note 1: The calculation is based on the original investment costs.

Note 2: A direct investment to AP Memory Technology (Hangzhou) Limited Co. by AP Memory Technology Corporation.

Note 3: Translation was based on the average exchange rate for the nine months ended September 30, 2025.

Note 4: Translation was based on the exchange rate at September 30, 2025.

Note 5: The amount was recognized based on the reviewed financial statements prepared for the same period.

Note 6: The calculation is made based on 60% of the Company's net value at September 30, 2025, in accordance with Letter No. 09704604680 issued by the Ministry of Economic Affairs.

Note 7: Intercompany balances and transactions were eliminated upon consolidation.

Note 8: Reinvesting in Shanghai Smardust Technology Co., Ltd. through the third-region company OCKY.