

**C SUN MFG. LTD.**  
**PARENT COMPANY ONLY FINANCIAL**  
**STATEMENTS AND INDEPENDENT AUDITORS’**  
**REPORT**  
**DECEMBER 31, 2025 AND 2024**  
**(Stock Code : 2467)**

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25000368

To the Board of Directors and Shareholders of C SUN MFG. LTD.

***Opinion***

We have audited the accompanying parent company only balance sheets of C SUN MFG. LTD. as at December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

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

***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of C SUN MFG. LTD. in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in

accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of C SUN MFG. LTD.'s 2025 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for C SUN MFG. LTD.'s 2025 parent company only financial statements are stated as follows:

### **Revenue recognition**

#### Description

Refer to Notes 4(29) and 6(21) of the parent company only financial statements for accounting policies on revenue recognition and the description of operating revenue, respectively.

C SUN MFG. LTD. is primarily engaged in the manufacture and sale of related semiconductor industry, manufacturing equipment of printed circuit board and flat panel display. Main revenue recognition is based on customers' confirmation for acceptance. Since the timing of the transfer of risks and rewards of goods ownerships are subject to judgment and the result could affect sales revenue significantly in the parent company only financial statements, thus, revenue recognition has been identified as a key audit matter.

#### How our audit addressed the matter

Our audit procedures performed included the following:

1. Assessed the appropriateness of the policy of sales revenue recognition.
2. Assessed and tested the design and operating effectiveness of the key controls over sales revenue recognition.
3. Sampled and tested the sales transactions including checking customer purchase orders and evidences of sales transactions.
4. Performed cut-off test on sales transactions for a specific period of time prior to and after the balance sheet date.

#### ***Responsibilities of management and those charged with governance for the parent company only financial statements***

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing C SUN MFG. LTD.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate C SUN MFG. LTD. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing C SUN MFG. LTD.'s financial reporting process.

### ***Auditors' responsibilities for the audit of the parent company only financial statements***

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

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

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Li, Tien-Yi

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Wu, Wei-Hao

For and on behalf of PricewaterhouseCoopers, Taiwan

February 25, 2026

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

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

C SUN MFG. LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 197,672	2	\$ 131,282	2
1110	Financial assets at fair value through profit or loss - current	6(2)	9,507	-	14,941	-
1120	Current financial assets at fair value through other comprehensive income	6(3)	253,506	2	1,281,657	14
1150	Notes receivable, net	6(5)	3,637	-	3,396	-
1170	Accounts receivable, net	6(5)	605,660	5	734,520	8
1180	Accounts receivable - related parties	6(5) and 7	23,163	-	26,976	-
1200	Other receivables		2,989	-	2,964	-
1210	Other receivables - related parties	7	1,653	-	2,080	-
130X	Inventories	6(6)	753,491	6	568,728	6
1410	Prepayments		30,265	-	35,242	-
1470	Other current assets		6,032	-	11,020	-
11XX	<b>Current Assets</b>		<u>1,887,575</u>	<u>15</u>	<u>2,812,806</u>	<u>30</u>
<b>Non-current assets</b>						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	1,639,265	13	97,018	1
1535	Non-current financial assets at amortised cost	6(4)	223,784	2	228,697	3
1550	Investments accounted for under equity method	6(7) and 7	5,978,670	47	5,126,187	55
1600	Property, plant and equipment	6(8), 7 and 8	2,663,862	21	849,488	9
1755	Right-of-use assets	6(9)	19,663	-	17,957	-
1780	Intangible assets		15,142	-	4,181	-
1840	Deferred income tax assets	6(27)	134,537	1	130,127	1
1900	Other non-current assets	6(5)(15)	55,765	1	44,053	1
15XX	<b>Non-current assets</b>		<u>10,730,688</u>	<u>85</u>	<u>6,497,708</u>	<u>70</u>
1XXX	<b>Total assets</b>		<u>\$ 12,618,263</u>	<u>100</u>	<u>\$ 9,310,514</u>	<u>100</u>

(Continued)

C SUN MFG. LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(10)	\$ 1,010,000	8	\$ 650,000	7
2120	Financial liabilities at fair value through profit or loss - current	6(11)	337	-	-	-
2130	Current contract liabilities	6(21)	323,551	2	227,046	3
2150	Notes payable		9,022	-	4,219	-
2170	Accounts payable	6(12)	578,626	5	580,199	6
2180	Accounts payable - related parties	7	81,286	1	107,642	1
2200	Other payables	6(13)	542,339	4	357,642	4
2220	Other payables - related parties	7	1,649	-	-	-
2230	Current income tax liabilities	6(27)	58,662	-	40,781	-
2280	Current lease liabilities	6(9)	11,042	-	10,616	-
2320	Long-term liabilities, current portion	6(14)	200,000	2	100,000	1
2399	Other current liabilities, others		2,341	-	2,179	-
21XX	<b>Current Liabilities</b>		<u>2,818,855</u>	<u>22</u>	<u>2,080,324</u>	<u>22</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(14)	2,672,580	21	1,839,000	20
2570	Deferred income tax liabilities	6(27)	578,595	5	526,554	6
2580	Non-current lease liabilities	6(9)	8,466	-	7,232	-
25XX	<b>Non-current liabilities</b>		<u>3,259,641</u>	<u>26</u>	<u>2,372,786</u>	<u>26</u>
2XXX	<b>Total Liabilities</b>		<u>6,078,496</u>	<u>48</u>	<u>4,453,110</u>	<u>48</u>
<b>Equity</b>						
Share capital		6(17)				
3110	Share capital - common stock		1,567,553	13	1,567,553	17
Capital surplus		6(18)				
3200	Capital surplus		588,506	5	408,334	4
Retained earnings		6(19)				
3310	Legal reserve		535,554	4	463,150	5
3320	Special reserve		51,901	-	51,901	1
3350	Unappropriated retained earnings		1,056,540	8	1,072,688	11
Other equity interest		6(20)				
3400	Other equity interest		2,993,610	24	1,818,107	20
3500	Treasury shares	6(17)	(253,897)	(2)	(524,329)	(6)
3XXX	<b>Total equity</b>		<u>6,539,767</u>	<u>52</u>	<u>4,857,404</u>	<u>52</u>
Significant contingent liabilities and unrecognized contract commitments		9				
Significant events after the balance sheet date		11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 12,618,263</u>	<u>100</u>	<u>\$ 9,310,514</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

C SUN MFG. LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(21) and 7	\$ 3,381,540	100	\$ 2,785,622	100
5000	Operating costs	6(6)(25)(26) and 7	( 1,923,579)	( 57)	( 1,657,644)	( 60)
5900	Net operating margin		1,457,961	43	1,127,978	40
5910	Unrealized profit from sales		( 6,078)	-	( 13,771)	-
5920	Realized profit from sales		13,771	-	27,984	1
5950	Net operating margin		1,465,654	43	1,142,191	41
	Operating expenses	6(25)(26) and 7				
6100	Selling expenses		( 284,877)	( 8)	( 234,432)	( 8)
6200	General and administrative expenses		( 357,466)	( 11)	( 354,215)	( 13)
6300	Research and development expenses		( 347,598)	( 10)	( 236,106)	( 9)
6450	Expected credit gains (losses)	12(2)	22,226	1	( 24,881)	( 1)
6000	Total operating expenses		( 967,715)	( 28)	( 849,634)	( 31)
6900	Operating profit		497,939	15	292,557	10
	Non-operating income and expenses					
7100	Interest income		12,824	-	12,581	1
7010	Other income	6(22) and 7	98,257	3	88,344	3
7020	Other gains and losses	6(23) and 7	19,956	1	130,889	5
7050	Finance costs	6(24)	( 67,157)	( 2)	( 52,065)	( 2)
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(7)	424,826	12	366,977	13
7000	Total non-operating income and expenses		488,706	14	546,726	20
7900	<b>Profit before income tax</b>		986,645	29	839,283	30
7950	Income tax expense	6(27)	( 156,081)	( 4)	( 120,123)	( 4)
8200	<b>Profit for the year</b>		\$ 830,564	25	\$ 719,160	26

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C SUN MFG. LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
<b>Other comprehensive income</b>						
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>						
8311	Actuarial gains (losses) on defined benefit plans	6(15)	\$ 4,179	-	\$ 14,136	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	592,268	18	299,216	11
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive (loss) income that will not be reclassified to profit or loss		623,072	18	1,090,580	39
8310	Components of other comprehensive income that will not be reclassified to profit or loss		1,219,519	36	1,403,932	50
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>						
8361	Financial statements translation differences of foreign operations		( 103,562)	( 3)	223,217	8
8380	Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		57,821	2	( 79,157)	( 3)
8399	Income tax related to components of other comprehensive (loss) income that will be reclassified to profit or loss	6(27)	9,019	-	( 27,145)	( 1)
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		( 36,722)	( 1)	116,915	4
8300	<b>Other comprehensive income for the year</b>		\$ 1,182,797	35	\$ 1,520,847	54
8500	<b>Total comprehensive income for the year</b>		\$ 2,013,361	60	\$ 2,240,007	80
Basic earnings per share						
9750	Total basic earnings per share	6(28)	\$ 5.50		\$ 4.80	
Diluted earnings per share						
9850	Total diluted earnings per share	6(28)	\$ 5.49		\$ 4.80	

The accompanying notes are an integral part of these parent company only financial statements.

C SUN MFG. LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital surplus	Retained earnings			Other equity interest			Treasury shares	Total equity
				Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Other		
<b>2024</b>											
Balance at January 1, 2024		\$ 1,567,553	\$ 274,026	\$ 413,304	\$ 51,901	\$ 847,720	(\$ 138,358)	\$ 498,037	\$ 530	(\$ 425,511)	\$ 3,089,202
Profit for the year		-	-	-	-	719,160	-	-	-	-	719,160
Other comprehensive income	6(20)	-	-	-	-	14,136	116,915	1,389,796	-	-	1,520,847
Total comprehensive income		-	-	-	-	733,296	116,915	1,389,796	-	-	2,240,007
Distribution of 2023 earnings:	6(19)										
Legal reserve		-	-	49,846	-	( 49,846 )	-	-	-	-	-
Cash dividends		-	-	-	-	( 449,227 )	-	-	-	-	( 449,227 )
Disposal of equity instruments at fair value through other comprehensive income	6(20)	-	-	-	-	47,033	-	( 47,033 )	-	-	-
Changes in equity of associates accounted for using equity method	6(18)	-	( 41,226 )	-	-	( 56,288 )	-	( 1,780 )	-	-	( 99,294 )
Share-based payment arrangements	6(16)	-	156,597	-	-	-	-	-	-	-	156,597
Stock repurchase	6(17)	-	-	-	-	-	-	-	-	( 186,041 )	( 186,041 )
Treasury stock transferred to employees	6(17)	-	18,937	-	-	-	-	-	-	87,223	106,160
Balance at December 31, 2024		\$ 1,567,553	\$ 408,334	\$ 463,150	\$ 51,901	\$ 1,072,688	(\$ 21,443)	\$ 1,839,020	\$ 530	(\$ 524,329)	\$ 4,857,404
<b>2025</b>											
Balance at January 1, 2025		\$ 1,567,553	\$ 408,334	\$ 463,150	\$ 51,901	\$ 1,072,688	(\$ 21,443)	\$ 1,839,020	\$ 530	(\$ 524,329)	\$ 4,857,404
Profit for the year		-	-	-	-	830,564	-	-	-	-	830,564
Other comprehensive income (loss)	6(20)	-	-	-	-	4,179	( 36,722 )	1,215,340	-	-	1,182,797
Total comprehensive income (loss)		-	-	-	-	834,743	( 36,722 )	1,215,340	-	-	2,013,361
Distribution of 2024 earnings:	6(19)										
Legal reserve		-	-	72,404	-	( 72,404 )	-	-	-	-	-
Cash dividends		-	-	-	-	( 753,869 )	-	-	-	-	( 753,869 )
Disposal of equity instruments at fair value through other comprehensive income	6(20)	-	-	-	-	3,115	-	( 3,115 )	-	-	-
Changes in equity of associates accounted for using equity method	6(18)	-	225	-	-	( 27,733 )	-	-	-	-	( 27,508 )
Share-based payment arrangements	6(16)	-	150,962	-	-	-	-	-	-	-	150,962
Treasury stock transferred to employees	6(17)	-	28,985	-	-	-	-	-	-	270,432	299,417
Balance at December 31, 2025		\$ 1,567,553	\$ 588,506	\$ 535,554	\$ 51,901	\$ 1,056,540	(\$ 58,165)	\$ 3,051,245	\$ 530	(\$ 253,897)	\$ 6,539,767

The accompanying notes are an integral part of these parent company only financial statements.

C SUN MFG. LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 986,645	\$ 839,283
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(25)	51,095	44,285
Amortization	6(25)	4,982	4,499
Expected credit impairment loss (gain)	12(2)	( 22,226 )	24,881
Net gain on financial assets or liabilities at fair value through profit or loss	6(23)	( 8,515 )	( 49,270 )
Gain on disposal of investments	6(23)	( 346 )	( 322 )
Interest expense	6(24)	67,157	52,065
Interest income		( 12,824 )	( 12,581 )
Dividend income	6(22)	( 63,787 )	( 57,294 )
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(7)	( 424,826 )	( 366,977 )
Loss (gain) on disposal of property, plant and equipment, net	6(23)	642	( 272 )
Cost of share-based payments	6(16)	150,962	156,597
Unrealized profits from sales		6,078	13,771
Realized profits from sales		( 13,771 )	( 27,984 )
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		14,632	23,487
Notes receivable		( 236 )	6,500
Accounts receivable		151,110	( 8,383 )
Accounts receivable-related parties		3,813	20,726
Other receivables		( 25 )	( 1,175 )
Other receivables-related parties		427	5,860
Inventories		( 184,763 )	( 118,597 )
Prepayments		4,977	7,870
Other current assets		4,989	( 2,997 )
Net pension assets		( 271 )	122
Other non-current assests		4,798	3,793
Changes in operating liabilities			
Current contract liabilities		96,505	( 1,338 )
Notes payable		4,803	( 270 )
Accounts payable		( 1,573 )	161,829
Accounts payable - related parties		( 26,356 )	55,239
Other payables		183,833	( 62,395 )
Other payables - related parties		1,649	-
Other current liabilities		162	( 1,035 )
Cash inflow generated from operations		979,740	709,917
Income tax paid		( 81,550 )	( 18,565 )
Interest paid		( 66,207 )	( 52,003 )
Net cash flows from operating activities		<u>831,983</u>	<u>639,349</u>

(Continued)

C SUN MFG. LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at fair value through other comprehensive income		( \$ 33,713 )	( \$ 355,231 )
Proceeds from disposal of financial assets at fair value through other comprehensive income		96,993	81,837
Capital reduction of financial assets at fair value through other comprehensive income		14,891	-
Acquisition of financial assets at amortised cost		-	( 48,197 )
Proceeds from disposal of financial assets at amortised cost		4,913	-
Increase in investments accounted for under the equity method		-	( 114,444 )
Dividend received from investments accounted for under the equity method		127,110	206,467
Acquisition of property, plant and equipment	6(29)	( 1,861,890 )	( 313,937 )
Proceeds from disposal of property, plant and equipment		477	550
Acquisition of intangible assets		( 8,418 )	( 202 )
Refundable deposits (paid) refunded		128	6,351
Increase in other non-current assets		( 7,500 )	-
Interest received		12,824	12,581
Dividend received		63,787	57,294
Net cash flows used in investing activities		( <u>1,590,398</u> )	( <u>466,931</u> )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings	6(30)	3,900,000	3,250,000
Repayment of short-term borrowings	6(30)	( 3,540,000 )	( 3,330,000 )
Increase in long-term borrowings	6(30)	1,033,580	876,000
Repayment of long-term borrowings	6(30)	( 100,000 )	( 400,000 )
Repayment of principal portion of lease liabilities	6(30)	( 14,323 )	( 14,233 )
Treasury stock transferred to employees	6(17)	299,417	106,160
Payments to acquire treasury shares	6(17)	-	( 186,041 )
Payment of cash dividends	6(19)	( <u>753,869</u> )	( <u>449,227</u> )
Net cash flows from (used in) financing activities		<u>824,805</u>	( <u>147,341</u> )
Net increase in cash and cash equivalents		66,390	25,077
Cash and cash equivalents at beginning of year	6(1)	<u>131,282</u>	<u>106,205</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 197,672</u>	<u>\$ 131,282</u>

The accompanying notes are an integral part of these parent company only financial statements.

C SUN MFG. LTD.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

1. History and Organization

C SUN MFG. LTD., Ltd. (the “Company”) was incorporated on April, 1978. The Company is engaged in electron, semiconductors, liquid crystal displays(LCD), printed circuit boards, textiles, plastics, rubber, printing, chemical industry, aerospace and other industrial box ovens, tunnel ovens, UV drying equipment, UV exposure equipment, automatic equipment, plasma generator (PRS series), automatic system integration technology, research, development, related parts manufacturing, maintenance, sales, import and export business of the previous products.

On September, 2001, the Company’s shares were listed on the Taiwan Stock Exchange (TWSE).

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

The Parent Company Only financial statements were authorized for issuance by the Board of Directors on February 25, 2026.

3. Application of New Standards, Amendments and Interpretations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IFRS 18, ‘Presentation and disclosure in financial statements’

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

4. Summary of Material Accounting Policies

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional currency.

A. Foreign currency transactions and balances

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

B. Translation of foreign operations

The operating results and financial position of all the company entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
  - (b) Assets that are held primarily for the purposes of trading;
  - (c) Assets that are expected to be realised within twelve months after the reporting period;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled in the normal operating cycle;
  - (b) Liabilities that are held primarily for the purpose of trading;
  - (c) Liabilities that are due to be settled within twelve months after the reporting period;
  - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognized using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:  
The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
  - (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

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

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(14) Investments accounted for using equity method / subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealized gains or losses resulting from Inter-company transactions with subsidiaries are eliminated. The accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company should continue to recognize losses in proportion to its ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

- E. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- F. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- G. When changes in an associate's equity that are not recognised in profit or loss or other comprehensive income of the associate and such changes not affecting the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- H. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the company.
- I. When the Company disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- J. According to Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit and other comprehensive income in the parent company only financial statements should be the same as profit and other comprehensive income attributable to shareholders of the parent in the consolidated financial statements, and the equity in the parent company only financial statements should be the same as the equity attributable to shareholders of the parent in the consolidated financial statements.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	2 ~ 56 years
Machinery and equipment	2 ~ 11 years
Office equipment	1 ~ 8 years
Transportation equipment	4 ~ 11 years
Other equipment	1 ~ 16 years

(16) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.  
The Company subsequently measures the lease liability at amortized cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising amount of the initial measurement of lease liability.  
The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Intangible assets

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 5 years.

(18) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognised.

(19) Borrowings

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

(20) Notes and accounts payable

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

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

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

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(22) Derecognition of financial liabilities

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

(23) Non-hedging derivatives

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

(24) Provisions

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

(25) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

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

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

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

(26) Income tax

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

deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(27) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(28) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(29) Revenue recognition

A. Sales revenue

Sales revenue from manufacturing electronics and semiconductor equipment and selling automation system integration technology. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

## B. Sales of services

When the Company provides maintenance services, the customer obtains and consumes the performance benefits at the same time, and the relevant revenue is recognised when the service is provided. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

### (30) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

### (1) Critical judgements in applying the Company's accounting policies

None.

### (2) Critical accounting estimates and assumptions

None.

## 6. Details of Significant Accounts

### (1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and petty cash	\$ 1,980	\$ 3,348
Checking accounts and demand deposits	<u>195,692</u>	<u>127,934</u>
	<u>\$ 197,672</u>	<u>\$ 131,282</u>

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

B. The Company has no cash and cash equivalents pledged to others.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ -	\$ -
Hybrid instruments	8,744	13,668
Derivatives instruments	<u>-</u>	<u>-</u>
	8,744	13,668
Valuation adjustment	<u>763</u>	<u>1,273</u>
	<u>\$ 9,507</u>	<u>\$ 14,941</u>

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 6,083	\$ 9,282
Beneficiary certificates	-	16,831
Hybrid instruments	3,011	5,247
Derivatives instruments	<u>(407)</u>	<u>1,758</u>
	<u>\$ 8,687</u>	<u>\$ 33,118</u>

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

	<u>December 31, 2025</u>	
<u>Derivative financial instruments</u>	<u>Contract amount (notional principal) (in thousands)</u>	<u>Contract period</u>
Current items:		
Foreign exchange swap contracts	USD 2,700	2025/10-2026/4
"	JPY 200,000	2025/12-2026/1
	<u>December 31, 2024</u>	
<u>Derivative financial instruments</u>	<u>Contract amount (notional principal)</u>	<u>Contract period</u>
Current items:		
Foreign exchange swap contracts	USD 3,000	2024/12-2025/2
"	JPY 437,000	2024/12-2025/1

Foreign exchange swap contracts

The Company entered into forward foreign exchange contracts to hedge exchange rate risk of assets and liabilities denominated in foreign currencies whose values would be affected by the exchange rate fluctuations. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

- C. The Company has no financial assets at fair value through profit or loss pledged to others as collateral.
- D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

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

Items	December 31, 2025	December 31, 2024
Current items:		
Equity instruments		
Listed stocks	\$ 150,327	\$ 744,295
Valuation adjustment	103,179	537,362
Total	\$ 253,506	\$ 1,281,657
Non-current items:		
Equity instruments		
Emerging stocks	\$ 533,802	\$ 25,634
Listed stocks	25,634	-
Unlisted stocks	43,424	58,316
	602,860	83,950
Valuation adjustment	1,036,405	13,068
Total	\$ 1,639,265	\$ 97,018

- A. The Company has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,892,771 and \$1,378,675 as at December 31, 2025 and 2024, respectively.
- B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31, 2025	Year ended December 31, 2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 592,268	\$ 299,216
Cumulative (gains) losses reclassified to retained earnings due to derecognition	(\$ 3,115)	(\$ 47,033)
Dividend income recognised in profit or loss	\$ 63,787	\$ 57,294

- C. As at December 31, 2025 and 2024, without taking into account any collateral held, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company were \$1,892,771 and \$1,378,675, respectively.
- D. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Financial assets at amortised cost

Items	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current items:		
Corporate bonds	\$ 223,784	\$ 228,697

- A. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$223,784 and \$228,697, respectively.
- B. The Group has no financial assets at fair value through profit or loss pledged to others.
- C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).  
The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ 3,651	\$ 3,415
Less: Allowance for uncollectible accounts	( 14)	( 19)
	<u>\$ 3,637</u>	<u>\$ 3,396</u>
Accounts receivable	\$ 772,521	\$ 923,631
Accounts receivable - related parties	23,163	26,976
	795,684	950,607
Less: Allowance for uncollectible accounts	( 166,861)	( 189,111)
	<u>\$ 628,823</u>	<u>\$ 761,496</u>
Overdue receivables(shown as other non-current assets)	\$ 42	\$ 14
Less: Allowance for uncollectible accounts	( 42)	( 14)
	<u>\$ -</u>	<u>\$ -</u>

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

	December 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due to 60 days	\$ 614,005	\$ 3,651	\$ 743,239	\$ 3,415
61 to 120 days	17,343	-	21,777	-
121 to 180 days	49,877	-	56,625	-
Over 180 days	114,459	-	128,966	-
	<u>\$ 795,684</u>	<u>\$ 3,651</u>	<u>\$ 950,607</u>	<u>\$ 3,415</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2025 and 2024, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to \$972,865.

C. The Company has no notes and accounts receivable pledged to others as collateral.

D. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes were \$3,637 and \$3,396, respectively. The maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable were \$628,823 and \$761,496, respectively.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

#### (6) Inventories

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 70,537	(\$ 27,974)	\$ 42,563
Work in progress	534,610	( 160,127)	374,483
Finished goods	389,282	( 63,756)	325,526
Inventory in transit	10,919	-	10,919
	<u>\$ 1,005,348</u>	<u>(\$ 251,857)</u>	<u>\$ 753,491</u>

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 63,396	(\$ 34,867)	\$ 28,529
Work in progress	563,579	( 114,877)	448,702
Finished goods	119,446	( 36,144)	83,302
Inventory in transit	8,195	-	8,195
	<u>\$ 754,616</u>	<u>(\$ 185,888)</u>	<u>\$ 568,728</u>

The cost of inventories recognised as expense for the year:

	Year ended December 31, 2025	Year ended December 31, 2024
Cost of goods sold	\$ 1,821,272	\$ 1,661,254
Loss on decline (gain on reversal of decline) in market value	65,969 (	17,610)
Loss on abandonment of inventories	36,338	14,000
	<u>\$ 1,923,579</u>	<u>\$ 1,657,644</u>

For the year ended December 31, 2024, the Company reversed a previous inventory write-down and accounted for as reduction of cost of goods sold because of sold inventory.

(7) Investments accounted for using equity method

	December 31, 2025	December 31, 2024
Subsidiaries:		
C Sun (B.V.I) Ltd.	\$ 2,858,586	\$ 2,622,255
K Sun (B.V.I) Ltd.	24,991	25,169
CSUN EQUIPCARE & TRADE (THAILAND) CO., LTD.	98,202	100,202
Hong-Teng Corp.	10,778	9,333
Navigation Technology Co., Ltd.	7,503	10,001
Associates:		
Gallant Precision Machining Co., Ltd.	2,703,167	2,143,875
Gallant Micro. Machining Co., Ltd.	229,879	175,275
Viewmove Technologies, Inc.	45,564	40,077
	<u>\$ 5,978,670</u>	<u>\$ 5,126,187</u>

A. Subsidiaries

Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2025 for the information regarding the Company's subsidiaries.

## B. Associates

(a) The fair value of the Company's material associates with quoted market prices is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Gallant Precision Machining Co., Ltd.	\$ 3,821,664	\$ 4,987,822
Gallant Micro. Machining Co., Ltd.	1,348,447	1,392,000
	<u>\$ 5,170,111</u>	<u>\$ 6,379,822</u>

(b) The Company is the single largest shareholder of Gallant Precision Machining Co., Ltd. with a 27.75% equity interest. Given that the key management of the Company and Gallant Precision Machining Co., Ltd. is not the same and the remaining shares are widely held, which indicates that the Company has no current ability to direct the relevant activities of Gallant Precision Machining Co., Ltd., the Company has no control, but only has significant influence, over the investee.

(c) The gain on investments accounted for under equity method amounted to \$424,826 and \$366,977 for the years ended December 31, 2025 and 2024, respectively.

## (8) Property, plant and equipment

	2025							
	Land	Buildings and structures	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Construction in progress and prepayment for equipment	Total
At January 1								
Cost	\$ 436,285	\$ 413,746	\$ 6,157	\$ 46,579	\$ 2,204	\$ 16,944	\$ 67,623	\$ 989,538
Accumulated depreciation and impairment	-	( 105,595)	( 2,711)	( 24,074)	( 833)	( 6,837)	-	( 140,050)
	<u>\$ 436,285</u>	<u>\$ 308,151</u>	<u>\$ 3,446</u>	<u>\$ 22,505</u>	<u>\$ 1,371</u>	<u>\$ 10,107</u>	<u>\$ 67,623</u>	<u>\$ 849,488</u>
Opening net book amount as at January 1	\$ 436,285	\$ 308,151	\$ 3,446	\$ 22,505	\$ 1,371	\$ 10,107	\$ 67,623	\$ 849,488
Additions	83	636	11,558	9,773	-	2,219	1,837,535	1,861,804
Disposals	-	-	-	( 48)	( 1,071)	-	-	( 1,119)
Reclassifications (Note)	552,129	46,110	2,014	8,512	-	8,729	( 626,987)	( 9,493)
Depreciation charge	-	( 17,555)	( 2,117)	( 12,046)	( 149)	( 4,951)	-	( 36,818)
Closing net book amount as at December 31	<u>\$ 988,497</u>	<u>\$ 337,342</u>	<u>\$ 14,901</u>	<u>\$ 28,696</u>	<u>\$ 151</u>	<u>\$ 16,104</u>	<u>\$ 1,278,171</u>	<u>\$ 2,663,862</u>
At December 31								
Cost	\$ 988,497	\$ 455,215	\$ 18,442	\$ 45,377	\$ 775	\$ 26,899	\$ 1,278,171	\$ 2,813,376
Accumulated depreciation and impairment	-	( 117,873)	( 3,541)	( 16,681)	( 624)	( 10,795)	-	( 149,514)
	<u>\$ 988,497</u>	<u>\$ 337,342</u>	<u>\$ 14,901</u>	<u>\$ 28,696</u>	<u>\$ 151</u>	<u>\$ 16,104</u>	<u>\$ 1,278,171</u>	<u>\$ 2,663,862</u>

Note: It refers to prepayment for equipment and construction in progress transferred to intangible assets amounting to \$7,416 and other current assets amounting to \$2,077.

	Land	Buildings and structures	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Construction in progress and prepayment for equipment	Total
At January 1								
Cost	\$ 270,031	\$ 430,440	\$ 4,947	\$ 38,951	\$ 2,793	\$ 11,565	\$ 764	\$ 759,491
Accumulated depreciation and impairment	-	( 162,519)	( 2,001)	( 20,659)	( 736)	( 3,710)	-	( 189,625)
	<u>\$ 270,031</u>	<u>\$ 267,921</u>	<u>\$ 2,946</u>	<u>\$ 18,292</u>	<u>\$ 2,057</u>	<u>\$ 7,855</u>	<u>\$ 764</u>	<u>\$ 569,866</u>
Opening net book amount as at January 1	\$ 270,031	\$ 267,921	\$ 2,946	\$ 18,292	\$ 2,057	\$ 7,855	\$ 764	\$ 569,866
Additions	166,254	55,809	1,552	16,797	-	5,758	67,623	313,793
Reclassifications (Note)	-	-	-	( 3,241)	-	213	( 764)	( 3,792)
Disposals	-	-	-	-	( 278)	-	-	( 278)
Depreciation charge	-	( 15,579)	( 1,052)	( 9,343)	( 408)	( 3,719)	-	( 30,101)
Closing net book amount as at December 31	<u>\$ 436,285</u>	<u>\$ 308,151</u>	<u>\$ 3,446</u>	<u>\$ 22,505</u>	<u>\$ 1,371</u>	<u>\$ 10,107</u>	<u>\$ 67,623</u>	<u>\$ 849,488</u>
At December 31								
Cost	\$ 436,285	\$ 413,746	\$ 6,157	\$ 46,579	\$ 2,204	\$ 16,944	\$ 67,623	\$ 989,538
Accumulated depreciation and impairment	-	( 105,595)	( 2,711)	( 24,074)	( 833)	( 6,837)	-	( 140,050)
	<u>\$ 436,285</u>	<u>\$ 308,151</u>	<u>\$ 3,446</u>	<u>\$ 22,505</u>	<u>\$ 1,371</u>	<u>\$ 10,107</u>	<u>\$ 67,623</u>	<u>\$ 849,488</u>

Note: It refers to construction in progress and prepayment for equipment transferred to office equipment amounting to \$431 , other equipment amounting to \$213 and intangible assets amounting to \$120 ; office equipment transferred to intangible assets amounting to \$3,672.

- A. There were no borrowing costs capitalized as part of property, plant and equipment for the years ended December 31, 2025 and 2024.
- B. The Company's buildings and structures include buildings and improvements, decoration works and hydroelectric engineering which are depreciated over 56 years, 3 to 51 years and 4 to 11 years, respectively.
- C. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Leasing arrangements – lessee

- A. The Company leases various assets including buildings, business vehicles. Rental contracts are typically made for periods of 1 to 4 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise business vehicles, Low-value assets comprise business vehicles, which were excluded from the right-of-use assets.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 582	\$ 478
Transportation equipment (Business vehicles)	19,081	17,479
	<u>\$ 19,663</u>	<u>\$ 17,957</u>
	<u>Year ended</u>	<u>Year ended</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 621	\$ 205
Transportation equipment (Business vehicles)	13,656	13,979
	<u>\$ 14,277</u>	<u>\$ 14,184</u>

D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$15,983 and \$12,627, respectively.

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

	<u>Year ended</u>	<u>Year ended</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 374	\$ 312
Expense on short-term lease contracts	4,216	5,313
Expense on leases of low-value assets	946	1,074

F. For the years ended December 31, 2025 and 2024, the Company's total cash outflow for leases were \$19,859 and \$20,932, respectively.

(10) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured Banking Loan	<u>\$ 1,010,000</u>	1.80%~1.92%	None
<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured Banking Loan	<u>\$ 650,000</u>	1.80%~1.93%	None

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

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial liabilities held for trading		
Derivative instruments	\$ 165	\$ -
Valuation adjustment	172	-
	<u>\$ 337</u>	<u>\$ -</u>

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

	<u>Year ended</u> <u>December 31, 2025</u>	<u>Year ended</u> <u>December 31, 2024</u>
Financial liabilities held for trading		
Derivatives instruments	\$ 174	\$ 16,474

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

(There were no such transactions on December 31, 2024)

<u>Derivative financial liabilities</u>	<u>December 31, 2025</u>	
	Contract amount (Notional principal) (in thousands)	Contract period
Current items:		
Option	USD 1,500	2025/11-2026/3

(12) Accounts payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable	\$ 483,390	\$ 414,623
Estimated accounts payable	95,236	165,576
	<u>\$ 578,626</u>	<u>\$ 580,199</u>

(13) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Salary and bonus payable	\$ 210,646	\$ 171,348
Employees' compensation and directors' remuneration payable	124,957	28,193
Pension payable	18,917	26,844
Accrued annual leave	19,162	16,896
Payable on machinery and equipment	7	93
Other	168,650	114,268
	<u>\$ 542,339</u>	<u>\$ 357,642</u>

(14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2025
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from November 5, 2024 to May 5, 2026; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	\$ 200,000
Unsecured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	150,000
Secured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	70,000
Secured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	143,000
Secured borrowings	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	166,000
Secured borrowings	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	36,000
Unsecured borrowings	Borrowing period is from November 14, 2024 to September 24, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	300,000
Unsecured borrowings	Borrowing period is from December 19, 2024 to December 17, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	79,000
Unsecured borrowings	Borrowing period is from October 29, 2024 to October 28, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	200,000
Secured borrowings	Borrowing period is from August 18, 2022 to August 18, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	100,000
Secured borrowings	Borrowing period is from February 12, 2025 to February 12, 2030; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	388,580
Secured borrowings	Borrowing period is from September 15, 2025 to September 21, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	640,000
Unsecured borrowings	Borrowing period is from September 17, 2025 to September 8, 2028, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	
				<u>400,000</u>
				2,872,580
Less: Long-term liabilities, current portion				( 200,000)
				<u>\$ 2,672,580</u>
Interest rate range: 1.73%~2.25%				

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from November 5, 2024 to May 5, 2026; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	\$ 200,000
Unsecured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	150,000
Secured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	70,000
Secured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	143,000
Secured borrowings	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	166,000
Secured borrowings	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	36,000
Unsecured borrowings	Borrowing period is from October 12, 2022 to February 6, 2025; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None (Note 1)	100,000
Unsecured borrowings	Borrowing period is from November 14, 2024 to September 24, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	195,000
Unsecured borrowings	Borrowing period is from December 19, 2024 to December 17, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	79,000
Unsecured borrowings	Borrowing period is from October 29, 2024 to October 28, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	200,000
Secured borrowings	Borrowing period is from September 20, 2023 to September 20, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures (Note 1 ∨ 2)	284,000
Secured borrowings	Borrowing period is from September 20, 2023 to September 20, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures (Note 1 ∨ 2)	124,000
Secured borrowings	Borrowing period is from September 20, 2023 to September 20, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures (Note 1 ∨ 2)	92,000
Secured borrowings	Borrowing period is from August 18, 2022 to August 18, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	100,000
				<u>1,939,000</u>
Less: Long-term liabilities, current portion				( 100,000)
				<u>\$ 1,839,000</u>

Interest rate range: 1.73%~2.08%

Note 1: In order to repay the existing bank loans and replenish the medium-term working capital, the Company has pledged the property (please refer to Note 8 for details) to the management bank as collateral.

According to the abovementioned loan agreement, the Company agreed to provide the consolidated financial statements audited by CPA annually and maintain the following financial ratios and agreements before the full settlement of the debts during the duration of agreement:

- A. Current ratio: Current assets against current liabilities shall be at least 120%.
- B. Debt ratio: Debt against net tangible assets shall be no more than 200%.
- C. Interest coverage ratio: The net profit before tax plus interest expense plus depreciation expense and amortisation expense divided by interest expense shall be at least three times.
- D. Net tangible assets: the net asset value less intangible shall be no less than \$2 billion.

The 2025 and 2024 financial statements of the Company met the requirements of the financial ratio limits.

Note 2: The borrowings were repaid before December 31, 2025.

(15) Pensions

A.(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 4% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	(\$ 139,806)	(\$ 135,633)
Fair value of plan assets	<u>174,888</u>	<u>166,265</u>
Net defined benefit assets	<u>\$ 35,082</u>	<u>\$ 30,632</u>

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

	2025		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit asset
At January 1	(\$ 135,633)	\$ 166,265	\$ 30,632
Current service cost	( 189)	-	( 189)
Interest (expense) income	( 2,035)	2,495	460
	<u>( 137,857)</u>	<u>168,760</u>	<u>30,903</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	11,893	11,893
Change in financial assumptions	( 1,618)	-	( 1,618)
Experience adjustments	( 6,096)	-	( 6,096)
	<u>( 7,714)</u>	<u>11,893</u>	<u>4,179</u>
Paid pension	<u>5,765</u>	<u>( 5,765)</u>	<u>-</u>
At December 31	<u>(\$ 139,806)</u>	<u>\$ 174,888</u>	<u>\$ 35,082</u>
	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit asset
At January 1	(\$ 139,818)	\$ 156,436	\$ 16,618
Current service cost	( 330)	-	( 330)
Interest (expense) income	( 1,748)	1,956	208
	<u>( 141,896)</u>	<u>158,392</u>	<u>16,496</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	13,917	13,917
Change in financial assumptions	3,344	-	3,344
Experience adjustments	( 3,125)	-	( 3,125)
	<u>219</u>	<u>13,917</u>	<u>14,136</u>
Paid pension	<u>6,044</u>	<u>( 6,044)</u>	<u>-</u>
At December 31	<u>(\$ 135,633)</u>	<u>\$ 166,265</u>	<u>\$ 30,632</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.
- (e) The principal actuarial assumptions used were as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Discount rate	1.38%	1.5%
Future salary increases	3.5%	3.5%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2025</u>				
Effect on present value of defined benefit obligation	\$ 3,211	(\$ 3,319)	(\$ 3,197)	\$ 3,110
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	\$ 3,231	(\$ 3,344)	(\$ 3,223)	\$ 3,132

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

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period

(f) There were no expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2026.

(g) As of December 31, 2025, the weighted average duration of the retirement plan is ten years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	7,074
1-2 year(s)		3,372
2-5 years		24,459
Over 5 years		39,707
		<u>74,612</u>
	\$	<u>74,612</u>

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

(b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2025 and 2024 were \$18,417 and \$16,678, respectively.

(16) Share-based payment

A. For the years ended December 31, 2025 and 2024, the Group's share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Treasury stock transferred to employees	March 5, 2024	500 thousand shares	-	Vested immediately
Treasury stock transferred to employees	August 2, 2024	619 thousand shares	-	Vested immediately
Treasury stock transferred to employees	October 31, 2024	416 thousand shares	-	Vested immediately
Treasury stock transferred to employees	January 6, 2025	355 thousand shares	-	Vested immediately
Treasury stock transferred to employees	February 25, 2025	444 thousand shares	-	Vested immediately
Treasury stock transferred to employees	August 5, 2025	488 thousand shares	-	Vested immediately
Treasury stock transferred to employees	October 7, 2025	445 thousand shares	-	Vested immediately
Treasury stock transferred to employees	December 19, 2025	581 thousand shares	-	Vested immediately

B. The weighted-average stock price of stock options at exercise dates as of January 6, 2025 was \$197.5 per share. The exercise prices of stock options was \$57 per share, share-based payment expenses recognized was \$49,858.

C. The weighted-average stock price of stock options at exercise dates as of February 25, 2025 was \$181.5 per share. The exercise prices of stock options was \$57 and \$124.6 per share, share-based payment expenses recognized was \$26,693.

D. The weighted-average stock price of stock options at exercise dates as of August 5, 2025 was \$147.5 per share. The exercise prices of stock options was \$57 per share, share-based payment expenses recognized was \$44,163.

E. The weighted-average stock price of stock options at exercise dates as of October 7, 2025 was \$193 per share. The exercise prices of stock options was \$57 and \$230 per share, share-based payment expenses recognized was \$30,248.

F. The weighted-average stock price of stock options at exercise dates as of December 19, 2025 was \$223.5 per share. The exercise prices of stock options was \$230 per share, share-based payment expenses recognized was \$0.

G. The weighted-average stock price of stock options at exercise dates as of March 5, 2024 was \$129 per share. The exercise prices of stock options was \$57 per share, share-based payment expenses recognized was \$36,000.

- H. The weighted-average stock price of stock options at exercise dates as of August 2, 2024 was \$180.5 per share. The exercise prices of stock options was \$57 per share, share-based payment expenses recognized was \$76,422.
- I. The weighted-average stock price of stock options at exercise dates as of October 31, 2024 was \$208 per share. The exercise prices of stock options was \$57 per share and \$142.5 per share, share-based payment expenses recognized was \$44,175.

(17) Share capital

- A. As of December 31, 2025, the Company's authorized capital was \$2,000,000, consisting of 200,000 thousand shares of ordinary stock, and the paid-in capital was \$1,567,553 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	<u>2025</u>	<u>2024</u>
At January 1	149,974	149,263
Repurchase treasury shares	-	( 824)
Treasury stock transferred to employees	<u>2,313</u>	<u>1,535</u>
At December 31	<u><u>152,287</u></u>	<u><u>149,974</u></u>

- B. On October 31, 2024, the Board of Directors has resolved for the Company to repurchase treasury shares amounting to 1,000 thousand shares. Aforementioned shares will be reissued to employees. As of December 31, 2025, the accumulated number of shares which were repurchased by the Company amounted to 803 thousand shares and 803 thousand shares have been reissued to employees.
- C. On November 9, 2023, the Board of Directors has resolved for the Company to repurchase treasury shares amounting to 10,000 thousand shares. Aforementioned shares will be reissued to employees. As of December 31, 2025, the accumulated number of shares which are repurchased by the Company is 7,513 thousand shares and 3,045 thousand shares have been reissued to employees.
- D. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		<u>December 31, 2025</u>	
<u>Name of company holding the shares</u>	<u>Reason for reacquisition</u>	<u>Number of shares</u>	<u>Carrying amount</u>
The Company	To be reissued to employees	4,468	\$ 253,897
		<u>December 31, 2024</u>	
<u>Name of company holding the shares</u>	<u>Reason for reacquisition</u>	<u>Number of shares</u>	<u>Carrying amount</u>
The Company	To be reissued to employees	6,781	\$ 524,329

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(18) Capital surplus

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

The details of capital surplus are as follows

	2025								
	Share premium	Consolidation premium	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interest in subsidiaries	Capital surplus, changes in equity of investment	Employee stock option	Total	
January 1	\$ 85,584	\$ 133,672	\$ 175,534	\$ 11,761	\$ 1,776	\$ -	\$ 7	\$ 408,334	
Compensation cost	-	-	-	-	-	-	150,962	150,962	
Treasury stock transferred	-	-	179,947	-	-	-	( 150,962)	28,985	
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	-	-	225	-	225	
December 31	<u>\$ 85,584</u>	<u>\$ 133,672</u>	<u>\$ 355,481</u>	<u>\$ 11,761</u>	<u>\$ 1,776</u>	<u>\$ 225</u>	<u>\$ 7</u>	<u>\$ 588,506</u>	
	2024								
	Share premium	Consolidation premium	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interest in subsidiaries	Capital surplus, changes in equity of investment	Employee stock option	Total	
January 1	\$ 85,584	\$ 133,672	\$ -	\$ 11,761	\$ 1,776	\$ 41,226	\$ 7	\$ 274,026	
Compensation cost	-	-	-	-	-	-	156,597	156,597	
Treasury stock transferred	-	-	175,534	-	-	-	( 156,597)	18,937	
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	-	-	( 41,226)	-	( 41,226)	
December 31	<u>\$ 85,584</u>	<u>\$ 133,672</u>	<u>\$ 175,534</u>	<u>\$ 11,761</u>	<u>\$ 1,776</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 408,334</u>	

(19) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Stock dividends should be appropriated at a rate of 20% per annum. The remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting. In accordance with the law, the Company authorised the distributable dividends and bonuses in whole or in part may be paid in cash after a special resolution has been adopted by the Board of Directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The aforesaid requirement that resolution shall be resolved at the shareholders' meeting is not applicable.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- D. The appropriation of 2024 and 2023 earnings had been resolved at the stockholders' meeting on May 27, 2025 and May 21, 2024, respectively. Details are summarized below:

	Year ended December 31, 2024		Year ended December 31, 2023	
	Amount	Earnings per share(In dollars)	Amount	Earnings per share(In dollars)
Legal reserve	\$ 72,404		\$ 49,846	
Cash dividends	753,869	\$ 5.0	449,227	\$ 3.0
Total	<u>\$ 826,273</u>		<u>\$ 499,073</u>	

- E. On February 25, 2026, the Board of Directors proposed for the distribution of cash dividends from the 2025 earnings in the amount of \$837,580 at \$5.5 (in dollars) per share.

(20) Other equity items

	2025			
	Unrealised gains(losses) from financial assets measured at fair value through other comprehensive income	Currency translation	Other	Total
At January 1	\$ 1,839,020	(\$ 21,443)	\$ 530	\$ 1,818,107
Valuation adjustment	1,215,340	-	-	1,215,340
Disposal transferred out from retained earnings	( 3,115)	-	-	( 3,115)
Currency translation differences:				
–Group	-	( 94,543)	-	( 94,543)
–Associates	-	57,821	-	57,821
At December 31	<u>\$ 3,051,245</u>	<u>(\$ 58,165)</u>	<u>\$ 530</u>	<u>\$ 2,993,610</u>
	2024			
	Unrealised gains(losses) from financial assets measured at fair value through other comprehensive income	Currency translation	Other	Total
At January 1	\$ 498,037	(\$ 138,358)	\$ 530	\$ 360,209
Valuation adjustment	1,389,796	-	-	1,389,796
Disposal transferred out from retained earnings	( 47,033)	-	-	( 47,033)
Disposal transferred out from retained earnings–Associates	( 1,780)	-	-	( 1,780)
Currency translation differences:				
–Group	-	196,072	-	196,072
–Associates	-	( 79,157)	-	( 79,157)
At December 31	<u>\$ 1,839,020</u>	<u>(\$ 21,443)</u>	<u>\$ 530</u>	<u>\$ 1,818,107</u>

(21) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following geographical regions:

Year ended December 31, 2025	Taiwan	China	Other	Total
Timing of revenue recognition				
At a point in time	\$ 2,493,568	\$ 258,332	\$ 400,657	\$ 3,152,557
Over time	228,983	-	-	228,983
	<u>\$ 2,722,551</u>	<u>\$ 258,332</u>	<u>\$ 400,657</u>	<u>\$ 3,381,540</u>

<u>Year ended December 31, 2024</u>	<u>Taiwan</u>	<u>China</u>	<u>Other</u>	<u>Total</u>
Timing of revenue recognition				
At a point in time	\$ 1,896,678	\$ 525,613	\$ 193,482	\$ 2,615,773
Over time	<u>169,849</u>	<u>-</u>	<u>-</u>	<u>169,849</u>
	<u>\$ 2,066,527</u>	<u>\$ 525,613</u>	<u>\$ 193,482</u>	<u>\$ 2,785,622</u>

B. Contract assets and liabilities

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract liabilities	<u>\$ 323,551</u>	<u>\$ 227,046</u>	<u>\$ 228,384</u>

C. Revenue recognised that was included in the contract liability balance at the beginning of the period

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year	<u>\$ 116,148</u>	<u>\$ 123,254</u>

(22) Other income

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Rent income	\$ 1,895	\$ 1,055
Dividend income	63,787	57,294
Gain recognised in bargain purchase transaction	-	844
Indemnity income	-	78
Other income	<u>32,575</u>	<u>29,073</u>
	<u>\$ 98,257</u>	<u>\$ 88,344</u>

(23) Other gains and losses

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Foreign exchange (losses) gains	(\$ 13,673)	\$ 46,127
(Losses) gains on disposal of property, plant and equipment	( 642)	272
Gains on disposals of investments	28,944	35,220
Gains on financial (liabilities) assets at fair value through profit or loss	8,515	49,270
Other losses	<u>( 3,188)</u>	<u>-</u>
	<u>\$ 19,956</u>	<u>\$ 130,889</u>

(24) Finance costs

	Year ended December 31, 2025	Year ended December 31, 2024
Interest expense	\$ 66,783	\$ 51,753
Lease liabilities	374	312
	<u>\$ 67,157</u>	<u>\$ 52,065</u>

(25) Expenses by nature

	Year ended December 31, 2025	Year ended December 31, 2024
Employee benefit expense	\$ 851,685	\$ 648,089
Depreciation expense(including right-of-use assets)	\$ 51,095	\$ 44,285
Amortisation charges	\$ 4,982	\$ 4,499

(26) Employee benefit expense

	Year ended December 31, 2025	Year ended December 31, 2024
Wages and salaries	\$ 761,012	\$ 567,846
Labour and health insurance fees	46,086	36,957
Pension costs	18,146	16,800
Other personnel expenses	26,441	26,486
	<u>\$ 851,685</u>	<u>\$ 648,089</u>

A. The current year's earnings, if any, shall be distributed a ratio of 1%~9% as employees' compensation in the form of shares or in cash as resolved by the Board of Directors. Qualification requirements of employees include the employees of subsidiaries of the company meeting certain specific requirements; and no less than 45% of the aforementioned employee remuneration shall be allocated as remuneration to rank-and-file employees. The Company shall distribute directors' remuneration no more than 2.25% of the total distributable amount as resolved by the Board of Directors. The appropriation of employees' compensation and directors' remuneration shall be submitted to the shareholders' meeting.

If the Company has accumulated deficit, earnings should be reserved to cover losses and then be appropriated as employees' compensation and directors' remuneration based on the abovementioned ratios.

B. For the years ended December 31, 2025 and 2024, employees' compensation were accrued at \$99,966 and \$8,675, respectively; while directors' remuneration were accrued at \$24,991 and \$19,518, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on 8.99% and 2.25% of distributable profit of current year for the year ended December 31, 2025. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$99,966 and \$24,991 and the employees' compensation will be distributed in the form of cash.

The employees' compensation and directors' remuneration for 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended <u>December 31, 2025</u>	Year ended <u>December 31, 2024</u>
Current tax:		
Current tax on profits for the year	\$ 98,931	\$ 55,927
Tax on undistributed surplus earnings	-	45
Prior year income tax over estimation	500	(1,896)
Total current tax	<u>99,431</u>	<u>54,076</u>
Deferred tax:		
Origination and reversal of temporary differences	56,650	66,047
Income tax expense	<u>\$ 156,081</u>	<u>\$ 120,123</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended <u>December 31, 2025</u>	Year ended <u>December 31, 2024</u>
Translation differences of foreign operations	(\$ 9,019)	\$ 27,145

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2025	Year ended December 31, 2024
Tax calculated based on profit before tax and statutory tax rate	\$ 197,329	\$ 167,856
Tax exempt income by tax regulation	( 43,192)	( 34,922)
Change in assessment of realisation of deferred tax assets	9,244	8,324
Effect from investment tax credits	( 7,800)	( 6,914)
Prior year income tax over estimation	500	( 1,896)
Tax on undistributed earnings	-	45
Influence of loss deduction	-	( 12,370)
	<u>\$ 156,081</u>	<u>\$ 120,123</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2025			
	<u>January 1</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>December 31</u>
Temporary differences:				
— Deferred tax assets:				
Allowance for uncollectible accounts in excess of tax limits	\$ 35,922	(\$ 4,986)	\$ -	\$ 30,936
Unrealised inventory valuation loss	37,177	13,194	-	50,371
Defined benefit plan	10,058	-	-	10,058
Other	29,242	13,930	-	43,172
Tax losses	<u>17,728</u>	<u>( 17,728)</u>	<u>-</u>	<u>-</u>
Subtotal	<u>\$ 130,127</u>	<u>\$ 4,410</u>	<u>\$ -</u>	<u>\$ 134,537</u>
— Deferred tax liabilities:				
Investment income recognised under equity method	(\$ 435,819)	(\$ 54,405)	\$ -	(\$ 490,224)
Defined benefit plan	( 17,043)	( 45)	-	( 17,088)
Land value increment tax	( 22,843)	-	-	( 22,843)
Translation differences of foreign operations	( 16,968)	-	9,019	( 7,949)
Other	<u>( 33,881)</u>	<u>( 6,610)</u>	<u>-</u>	<u>( 40,491)</u>
Subtotal	<u>(\$ 526,554)</u>	<u>(\$ 61,060)</u>	<u>\$ 9,019</u>	<u>(\$ 578,595)</u>
Total	<u>(\$ 396,427)</u>	<u>(\$ 56,650)</u>	<u>\$ 9,019</u>	<u>(\$ 444,058)</u>

	2024			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
– Deferred tax assets:				
Allowance for uncollectible accounts in excess of tax limits	\$ 30,904	\$ 5,018	\$ -	\$ 35,922
Unrealised inventory valuation loss	40,699	( 3,522)	-	37,177
Defined benefit plan	10,058	-	-	10,058
Translation differences of foreign operations	10,177	-	( 10,177)	-
Other	40,788	( 11,546)	-	29,242
Tax losses	28,764	( 11,036)	-	17,728
Subtotal	<u>\$ 161,390</u>	<u>(\$ 21,086)</u>	<u>(\$ 10,177)</u>	<u>\$ 130,127</u>
– Deferred tax liabilities:				
Investment income recognised under equity method	(\$ 413,212)	(\$ 22,607)	\$ -	(\$ 435,819)
Defined benefit plan	( 17,141)	98	-	( 17,043)
Land value increment tax	( 22,843)	-	-	( 22,843)
Translation differences of foreign operations	-	-	( 16,968)	( 16,968)
Other	( 11,429)	( 22,452)	-	( 33,881)
Subtotal	<u>(\$ 464,625)</u>	<u>(\$ 44,961)</u>	<u>(\$ 16,968)</u>	<u>(\$ 526,554)</u>
Total	<u>(\$ 303,235)</u>	<u>(\$ 66,047)</u>	<u>(\$ 27,145)</u>	<u>(\$ 396,427)</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows: (There were no such transactions as at December 31, 2024)

December 31, 2024				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2023	\$ 298,618	\$ 88,640	\$ -	2033

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

	December 31, 2025	December 31, 2024
Deductible temporary differences	<u>\$ 59,839</u>	<u>\$ 59,611</u>

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



(29) Supplemental cash flow information

Investing activities with partial cash payments

	Year ended December 31, 2025	Year ended December 31, 2024
Purchase of property, plant and equipment	\$ 1,861,804	\$ 313,793
Add: Opening balance of payable on equipment	93	237
Less: Ending balance of payable on equipment	( 7)	( 93)
Cash paid during the year	<u>\$ 1,861,890</u>	<u>\$ 313,937</u>

(30) Changes in liabilities from financing activities

	2025				
	Short-term borrowings	Long-term borrowings (Note 1)	Leases liabilities (Note 2)	Dividends payable	Liabilities from financing activities- gross
At January 1	\$ 650,000	\$ 1,939,000	\$ 17,848	\$ -	\$ 2,606,848
Changes in cash flow from financing activities	360,000	933,580	( 14,323)	-	1,279,257
Payment of cash dividends	-	-	-	( 753,869)	( 753,869)
Interest expense	-	-	374	-	374
Payment of interest	-	-	( 374)	-	( 374)
Changes in other non-cash items	-	-	15,983	-	15,983
Distributable dividends	-	-	-	753,869	753,869
At December 31	<u>\$ 1,010,000</u>	<u>\$ 2,872,580</u>	<u>\$ 19,508</u>	<u>\$ -</u>	<u>\$ 3,902,088</u>
	2024				
	Short-term borrowings	Long-term borrowings (Note 1)	Leases liabilities (Note 2)	Dividends payable	Liabilities from financing activities- gross
At January 1	\$ 730,000	\$ 1,463,000	\$ 19,737	\$ -	\$ 2,212,737
Changes in cash flow from financing activities	( 80,000)	476,000	( 14,233)	-	381,767
Payment of cash dividends	-	-	-	( 449,227)	( 449,227)
Interest expense	-	-	312	-	312
Payment of interest	-	-	( 312)	-	( 312)
Changes in other non-cash items	-	-	12,344	-	12,344
Distributable dividends	-	-	-	449,227	449,227
At December 31	<u>\$ 650,000</u>	<u>\$ 1,939,000</u>	<u>\$ 17,848</u>	<u>\$ -</u>	<u>\$ 2,606,848</u>

Note 1: Including long-term borrowings - current portion.

Note 2: Including lease liability - current portion.

## 7. Related Party Transactions

### (1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Csun Technology (Guangzhou) Co., Ltd.	Subsidiary
Suzhou Top Creation Machines Co., Ltd.	Subsidiary
CSUN EQUIPCARE & TRADE(THAILAND) CO., LTD.	Subsidiary
Hong-Teng Corp.	Subsidiary
Alpha-Cure Asia Co.,Ltd.	Associate
Alpha-Cure Asia Jiangsu Co.,Ltd.	Associate
Gallant Precision Machining Co., Ltd.	Associate
Gallant Micro. Machining Co., Ltd.	Associate
Viewmove Technologies, Inc.	Associate
Pin-Zhi Investment Co.,Ltd.	The company's director and the Company's director are within second degree of kinship
Zhen-Sheng Co., Ltd.	The company's director and the Company's director are within second degree of kinship

### (2) Significant related party transactions

#### A. Operating revenue:

	Year ended December 31, 2025	Year ended December 31, 2024
Sales of goods:		
Subsidiary		
Csun Technology (Guangzhou) Co., Ltd.	\$ 117,008	\$ 176,197
Others	2,322	141
Associates	100	300
	<u>\$ 119,430</u>	<u>\$ 176,638</u>

The prices and conditions for the sales of goods is based on agreement and there is no other comparable counterparty. The credit terms would be available to third parties.

#### B. Purchases:

	Year ended December 31, 2025	Year ended December 31, 2024
Purchases of goods:		
Subsidiary		
Csun Technology (Guangzhou) Co., Ltd.	\$ 332,021	\$ 292,810
Others	7,382	3,628
Associates	38,042	65,808
	<u>\$ 377,445</u>	<u>\$ 362,246</u>

The prices and conditions for the purchase of goods is based on agreement and there is no other comparable counterparty. The credit terms would be available to third parties.

C. Receivables from related parties:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable:		
Subsidiary		
Csun Technology (Guangzhou) Co., Ltd.	\$ 22,769	\$ 26,811
Others	377	75
Associates	<u>17</u>	<u>90</u>
	<u>23,163</u>	<u>26,976</u>
Other receivables:		
Subsidiary		
Others	<u>1,653</u>	<u>2,080</u>
	<u>1,653</u>	<u>2,080</u>
	<u>\$ 24,816</u>	<u>\$ 29,056</u>

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

There are no allowances for uncollectible accounts held against receivables from related parties.

D. Payables to related parties:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable:		
Subsidiary		
Csun Technology (Guangzhou) Co., Ltd.	\$ 69,857	\$ 91,739
Others	830	419
Associates	<u>10,599</u>	<u>15,484</u>
	<u>\$ 81,286</u>	<u>\$ 107,642</u>
Other payables		
Associates	<u>\$ 1,649</u>	<u>\$ -</u>

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

E. Other transaction:

	<u>Year ended</u>		<u>Year ended</u>	
	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Item</u>	<u>Amount</u>	<u>Item</u>	<u>Amount</u>
Subsidiary				
Csun Technology (Guangzhou) Co., Ltd.	Service revenue	<u>\$ 27,086</u>	Service revenue	<u>\$ 19,467</u>
Csun Technology (Guangzhou) Co., Ltd.	Service expense	<u>\$ 13,627</u>	Service expense	<u>\$ 14,675</u>
Others	Service expense	<u>\$ 1,718</u>		

F. Property transactions:

(a) Disposal of property, plant and equipment:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Associates	\$ -	\$ -	\$ 550	\$ 271

(b) Acquisition of financial assets:

On June 1, 2024, the Company acquired respective 35% equity interests in Hong-Teng Corp. each from Pin-Zhi Investment Co., Ltd. and Zhen-Sheng Co., Ltd. The acquired shares were both 350,000

shares, and the transaction considerations were both \$3,735.

(3) Key management compensation

	Year ended December 31, 2025	Year ended December 31, 2024
Salaries and other short-term employee benefits	\$ 78,788	\$ 55,141
Post-employment benefits	8,766	398
	<u>\$ 87,554</u>	<u>\$ 55,539</u>

8. Pledged Assets

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

Pledged asset	Book value		Purpose
	December 31, 2025	December 31, 2024	
Property, plant and equipment	\$ 1,249,911	\$ 744,436	Long-term borrowings

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

Except for the descriptions in other notes to the parent company only financial statements, the Company's significant commitments and contingencies as of the balance sheet date are as follows:

Promissory notes issued for performance guarantees of sales for the years ended December 31, 2025 and 2024 were \$41,522 and \$56,346, respectively.

(2) Commitments

Capital expenditure contracted but not yet incurred is as follows:

	December 31, 2025	December 31, 2024
Property, plant and equipment	\$ 547,373	\$ 457,142

10. Significant Disaster Loss

None.

## 11. Significant Events after the Balance Sheet Date

1. The Company's second and third domestic unsecured convertible bonds were approved by the Financial Supervisory Commission on December 16, 2025, and were issued on January 9, 2026, and January 22, 2026, respectively, with total issuance amounts of \$700,000 and \$1,000,000, respectively.
2. On January 27, 2026, the Company resolved at a Board of Directors' meeting that, based on operational needs and future business development and planning, it intends to acquire real estate. Subsequently, on February 2, 2026, the Company signed a contract with CAMPRO PRECISION MACHINERY CO., LTD. to purchase the property located at No. 12, Jingke 1st Road, Nantun District, Taichung City, at a purchase price of \$1,480,000.

## 12. Others

### (1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the parent company only balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the parent company only balance sheet plus net debt.

During the year ended December 31, 2025, the Company's strategy, which was unchanged from 2025, was to maintain the gearing ratio within reasonable risk level. The gearing ratios at December 31, 2025 and 2024 were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total borrowings	\$ 3,882,580	\$ 2,589,000
Less: Cash and cash equivalents	( 197,672)	( 131,282)
Net debt	3,684,908	2,457,718
Total equity	<u>6,539,767</u>	<u>4,857,404</u>
Total capital	<u>\$ 10,224,675</u>	<u>\$ 7,315,122</u>
Gearing ratio	<u>36.04%</u>	<u>33.60%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ <u>9,507</u>	\$ <u>14,941</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ <u>1,892,771</u>	\$ <u>1,378,675</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 197,672	\$ 131,282
Financial assets at amortised cost	223,784	228,697
Notes receivable	3,637	3,396
Accounts receivable ( including related parties)	628,823	761,496
Other receivables ( including related parties)	4,642	5,044
Guarantee deposits paid	5,249	5,377
	\$ <u>1,063,807</u>	\$ <u>1,135,292</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ <u>337</u>	\$ <u>-</u>
Financial liabilities at amortised cost		
Short-term borrowings	\$ 1,010,000	\$ 650,000
Notes payable	9,022	4,219
Accounts payable (including related parties)	659,912	687,841
Other accounts payable (including related parties)	543,988	357,642
Long-term borrowings (including current portion)	2,872,580	1,939,000
	\$ <u>5,095,502</u>	\$ <u>3,638,702</u>
Lease liability (including current portion)	\$ <u>19,508</u>	\$ <u>17,848</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are used to hedge certain exchange rate risk, and interest rate swaps are used to fix variable future cash flows. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

	December 31, 2025		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 15,206	31.43	\$ 477,922
RMB:NTD	20,639	4.50	92,791
JPY:NTD	87,634	0.20	17,597
<u>Non-monetary items</u>			
USD:NTD	\$ 91,746	31.43	\$ 2,883,577
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 54	31.43	\$ 1,706
JPY:NTD	7,260	0.20	1,458
<u>Non-monetary items: None</u>			

December 31, 2024			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 13,757	32.79	\$ 451,023
RMB:NTD	21,830	4.48	97,755
JPY:NTD	129,550	0.21	27,193
<u>Non-monetary items</u>			
USD:NTD	\$ 80,751	32.79	\$ 2,647,424
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 18	32.79	\$ 590
JPY:NTD	466	0.21	98
<u>Non-monetary items: None</u>			

- ii. Total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2025 and 2024, amounted to (\$13,673) and \$46,127, respectively.
- iii. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2025			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 4,779	\$ -
RMB:NTD	1%	928	-
JPY:NTD	1%	176	-
<u>Non-monetary items</u>			
USD:NTD	1%	\$ -	\$ 28,836
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(\$ 17)	\$ -
JPY:NTD	1%	( 15)	-
<u>Non-monetary items: None</u>			

	Year ended December 31, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 4,510	\$ -
RMB:NTD	1%	978	-
JPY:NTD	1%	272	-
<u>Non-monetary items</u>			
USD:NTD	1%	\$ -	\$ 26,474
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(\$ 6)	\$ -
JPY:NTD	1%	( 1)	-
<u>Non-monetary items: None</u>			

#### Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$0 and \$0, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$15,142 and \$11,029, respectively,

### Cash flow and fair value Interest rate risk

The Company's main interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. During the years ended December 31, 2025 and 2024, the Company's borrowings at variable rate were denominated in the NTD. If the interest rate had increased/decreased by 0.25%, the amount of cash outflow for the years ended December 31, 2025 and 2024 would have increased/decreased by \$2,525 and \$1,625, respectively.

#### (b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost, at fair value through profit or loss and at fair value through other comprehensive income.
- ii. The Company manages their credit risk taking into consideration the entire company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The default occurs when the contract payments are past due.
- iv. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Company classifies customers' accounts receivable in accordance with credit rating of customer. The Company applies the simplified approach using provision matrix to estimate expected credit loss.

vi. The Company used the forecastability of the industry research report to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2025 and 2024, the provision matrix is as follows:

	Up to 60 days past due	61~ 120 days past due	121~180 days past due	Up to 181 days	Total
<u>At December 31, 2025</u>					
Expected loss rate	1%~18%	18%~35%	35%~64%	60%~100%	
Total book value	<u>\$ 617,656</u>	<u>\$ 17,343</u>	<u>\$ 49,877</u>	<u>\$ 114,459</u>	<u>\$ 799,335</u>
Loss allowance	<u>(\$ 17,555)</u>	<u>(\$ 6,694)</u>	<u>(\$ 35,624)</u>	<u>(\$ 107,002)</u>	<u>(\$ 166,875)</u>
<u>At December 31, 2024</u>					
Expected loss rate	1%~30%	37%~42%	50%~55%	60%~100%	
Total book value	<u>\$ 746,654</u>	<u>\$ 21,777</u>	<u>\$ 56,625</u>	<u>\$ 128,966</u>	<u>\$ 954,022</u>
Loss allowance	<u>(\$ 30,906)</u>	<u>(\$ 8,975)</u>	<u>(\$ 28,589)</u>	<u>(\$ 120,660)</u>	<u>(\$ 189,130)</u>

vii. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable, contract assets and lease payments receivable are as follows:

	2025		
	Accounts receivable	Notes receivable	Overdue receivables
At January 1	\$ 189,111	\$ 19	\$ 14
Reversal of impairment	( 22,221)	( 5)	-
Reclassified	( 28)	-	28
At December 31	<u>\$ 166,861</u>	<u>\$ 14</u>	<u>\$ 42</u>
	2024		
	Accounts receivable	Notes receivable	Overdue receivables
At January 1	\$ 163,175	\$ 28	\$ 1,060
Provision for (reversal of) impairment	24,890	( 9)	-
Reclassified	1,046	-	( 1,046)
At December 31	<u>\$ 189,111</u>	<u>\$ 19</u>	<u>\$ 14</u>

viii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights.

ix. For financial instruments at amortised cost, the credit rating levels are presented below:

	<u>December 31, 2025</u>			
		<u>Lifetime</u>		
	<u>12 months</u>	<u>Significant increase in credit risk</u>	<u>Impairment of credit</u>	<u>Total</u>
Financial assets at amortised cost	<u>\$ 223,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,784</u>
		<u>December 31, 2024</u>		
		<u>Lifetime</u>		
	<u>12 months</u>	<u>Significant increase in credit risk</u>	<u>Impairment of credit</u>	<u>Total</u>
Financial assets at amortised cost	<u>\$ 228,697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,697</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at December 31, 2025 and 2024 the Company held money market position of \$195,692 and \$127,934, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- iii. The Company has the following undrawn borrowing facilities:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fixed rate:		
Expiring within one year	\$ 2,280,000	\$ 1,750,000
Expiring beyond one year	<u>173,400</u>	<u>326,000</u>
	<u>\$ 2,453,400</u>	<u>\$ 2,076,000</u>

iv. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>December 31, 2025</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 1,010,000	\$ -	\$ -	\$ -
Notes payable	9,022	-	-	-
Accounts payable(including related parties)	659,912	-	-	-
Other payables(including related parties)	543,988	-	-	-
Lease liability(including current portion)	11,276	8,550	-	-
Long-term borrowings(including current portion)	252,972	2,356,260	398,593	-
<u>Derivative financial liabilities</u>				
Options	\$ 337	\$ -	\$ -	\$ -
<u>December 31, 2024</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 650,000	\$ -	\$ -	\$ -
Notes payable	4,219	-	-	-
Accounts payable(including related parties)	687,842	-	-	-
Other payables	357,642	-	-	-
Lease liability(including current portion)	10,988	7,419	-	-
Long-term borrowings(including current portion)	134,889	1,399,071	507,802	-

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in most derivative instruments is included in Level 2.

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

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

(a) The related information of natures of the assets and liabilities is as follows:

<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 8,478	\$ -	\$ -	\$ 8,478
Derivative instruments	-	1,029	-	1,029
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,813,701</u>	<u>-</u>	<u>79,070</u>	<u>1,892,771</u>
Total	<u>\$ 1,822,179</u>	<u>\$ 1,029</u>	<u>\$ 79,070</u>	<u>\$ 1,902,278</u>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>(\$ 337)</u>	<u>\$ -</u>	<u>(\$ 337)</u>

December 31, 2024	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Debt securities	\$ 13,505	\$ -	\$ -	\$ 13,505
Derivative instruments	-	1,436	-	1,436
Financial assets at fair value through other comprehensive income				
Equity securities	1,300,809	-	77,866	1,378,675
<b>Total</b>	<u>\$1,314,314</u>	<u>\$ 1,436</u>	<u>\$ 77,866</u>	<u>\$1,393,616</u>

(b) The methods and assumptions the Company used to measure fair value are as follows:

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

	<u>Listed shares</u>	<u>Open-end fund</u>
	Closing price	Net asset value
Market quoted price		

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the parent company only balance sheet date.

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of

financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

- iv. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.
- C. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.
- D. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
	<u>Equity securities</u>	<u>Equity securities</u>
At January 1	\$ 77,866	\$ 86,239
Gain or loss recognised in other comprehensive income		
Recorded as unrealised (losses) gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	16,095	779
Acquired in the year	-	10,000
Proceeds from capital reduction	( 14,891)	-
Transfers out from level 3	<u>-</u>	<u>( 19,152)</u>
At December 31	<u>\$ 79,070</u>	<u>\$ 77,866</u>

- E. The transaction volume of Advance Materials Corporation and Luminescence Technology Corp. in the market has steadily increased from December 2024, and there is insufficient observable market information available, the Group has transferred the fair value from Level 3 into Level 1 at the end of the month when the event occurred.
- F. Accounting Department segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

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

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument: Unlisted shares	\$ 44,370	Market comparable companies	Price to earnings ratio multiple	0~20.51	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	0.5	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares Private equity fund investment	34,700	Net asset value	Not applicable	Not applicable	Not applicable
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument: Unlisted shares	\$ 50,575	Market comparable companies	Price to earnings ratio multiple	0.42~13.66	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	0.5	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares Private equity fund investment	27,291	Net asset value	Not applicable	Not applicable	Not applicable

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

		<u>December 31, 2025</u>			
		<u>Recognised in profit or loss</u>		<u>Recognised in other comprehensive income</u>	
		<u>Favourable</u>	<u>Unfavourable</u>	<u>Favourable</u>	<u>Unfavourable</u>
<u>Input</u>	<u>Change</u>	<u>change</u>	<u>change</u>	<u>change</u>	<u>change</u>
Financial assets					
Equity instrument	Price to earnings ratio $\pm 10\%$ multiple	\$ -	\$ -	\$ 7,907	(\$ 7,907)
		<u>December 31, 2024</u>			
		<u>Recognised in profit or loss</u>		<u>Recognised in other comprehensive income</u>	
		<u>Favourable</u>	<u>Unfavourable</u>	<u>Favourable</u>	<u>Unfavourable</u>
<u>Input</u>	<u>Change</u>	<u>change</u>	<u>change</u>	<u>change</u>	<u>change</u>
Financial assets					
Equity instrument	Price to earnings ratio $\pm 10\%$ multiple	\$ -	\$ -	\$ 7,787	(\$ 7,787)

### 13. Supplementary Disclosures

#### (1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- F. Significant inter-company transactions during the reporting periods: Please refer to table 4.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 7.

14. Segment Information

Not applicable.

C SUN MFG. LTD.  
Loans to other  
For the year ended December 31, 2025

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance for the year ended December 31, 2025	Balance at December 31, 2025	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason term financing	Allowance for doubtful accounts		Limit on loans granted to a single party	Ceiling on total loans granted	Note	
												Collateral Item	Value				
1	Power Ever Enterprises Limited	Top Creation Machines Co., Ltd.	Other receivables	Yes	\$ 2,000	\$ -	\$ -	-	2	\$ -	Operational need	\$ -	-	\$ -	\$ 775,583	\$ 775,583	Note

Note : As prescribed in the subsidiary, Power Ever Enterprises Limited's "Procedures for Provision of Loans":

- i. For business relationship, the limit amount for a single party shall not exceed 40% of the net assets value of the Company.
- ii. For short-term financing, limit on loans granted for a single party shall not exceed 40% of the net assets value of the Company.

C SUN MFG. LTD.

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

December 31, 2025

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
C SUN MFG. LTD.	Fubon Life Insurance Co., Ltd. Subordinated Ordinary Corporate Bonds	None	Non-current financial assets at amortised cost	-	\$ 100,000	-	\$ 100,000	
"	Cathay Life Insurance Co., Ltd. Subordinated Ordinary Corporate Bonds (F19002)	"	"	-	82,404	-	82,404	
"	Cathay Life Insurance Co., Ltd. Subordinated Ordinary Corporate Bonds (F19003)	"	"	-	31,380	-	31,380	
"	E.sun Commercial Bank, Ltd. The Third Unsecured General-sequential Financial Bonds With A Term Of 3 Years At 2024	"	"	-	10,000	-	10,000	
"	Flexium Interconnect,Inc.The Sixth Domestic Unsecured Conversion Of Corporate Bonds	"	Financial assets at fair value through profit or loss - current	-	8,478	-	8,478	
"	Yankey Engineering Co., Ltd.	"	Financial assets measured at fair value through other comprehensive income - current	94,831	52,916	0.08%	52,916	
"	UTECHZONE CO., LTD.	"	"	596,000	67,050	1.00%	67,050	
"	Good Will Instrument Co., Ltd.	"	"	2,428,000	133,540	1.67%	133,540	
"	Ampoc Far-East Co., Ltd.	"	Financial assets measured at fair value through other comprehensive income - non-current	6,056,328	732,816	4.78%	732,816	
"	Test Research Inc.	"	"	4,138,000	792,427	1.75%	792,427	
"	Advance Materials Corporation	"	"	1,423,770	17,541	1.27%	17,541	
"	Luminescence Technology Corp.	"	"	454,000	17,411	1.64%	17,411	
"	Emax Tech Co., Ltd.	Director	"	2,163,334	44,370	10.82%	44,370	
"	Aibdt Technology Inc	None	"	1,624,755	-	1.78%	-	
"	Hua Da Venture Capital Corporation	Director	"	90,000	1,598	6.00%	1,598	
"	InnoFund V	None	"	1,000,000	9,830	2.34%	9,830	
"	Dunpin No.1 Innovation Investment Co., Ltd.	Director	"	1,000,000	13,150	2.65%	13,150	
"	Gvt Fund Gp, L.P.	None	"	474,385	10,123	0.52%	10,123	
C Sun (B.V.I) Ltd.	Gvt Fund Gp, L.P.	"	"	158,183	3,330	0.17%	3,330	

Table 2

C SUN MFG. LTD.

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

For the year ended December 31, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	The Company holds indirectly 100% of the investee	Purchases	\$ 332,021	17.26%	Similarity to third parties	Similarity to third parties	Similarity to third parties	(\$ 69,857)	(10.44%)
C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	The Company holds indirectly 100% of the investee	(Sales)	( 117,008)	(3.46%)	Similarity to third parties	Similarity to third parties	Similarity to third parties	22,769	3.60%

Table 3

C SUN MFG. LTD.

Significant inter-company transactions during the reporting periods

For the year ended December 31, 2025

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms (Note 3)	Percentage of consolidated total operating revenues or total assets (Note 4)
0	C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	1	Sales	\$ 117,008	-	1.92
0	"	"	1	Purchases	332,021	-	5.44
0	"	"	1	Accounts receivable	22,769	-	0.15
0	"	"	1	Accounts payable	69,857	-	0.46
0	"	"	1	Service revenue	27,086	-	0.44
0	"	"	1	Service expense	13,627	-	0.22
1	Suzhou Top Creation Machines Co., Ltd.	Power Ever Enterprises Limited	3	Sales	39,547	-	0.65
2	Top Creation Machines Co., Ltd.	Suzhou Top Creation Machines Co., Ltd.	3	Sales	12,548	-	0.21

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in "Number" column.

(1) Number 0 represents the Company

(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationships with the counterparties are as follows (If transactions of parent company with subsidiaries or transaction in subsidiaries refer to the same transaction, it will not be disclosed twice, for example; If parent company discloses a transaction with a subsidiary, then subsidiary will not disclose that transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.)

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiary to the Company

(3) The consolidated subsidiary to another consolidated subsidiary.

Note 3: The sales of the parent company with Csun Technology (Guangzhou) Co., Ltd. is strategy division for the Group, the price set of the transaction is based on the agreement, other transaction with non-parties are same with third parties. Transaction terms for the other transaction cannot be referenced to similiary transactions, all is based on the agreement.

Note 4: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note 5: The information only discloses the amount of transactions that are more than \$10,000 and counterparties shall not be disclosed.

C SUN MFG. LTD.  
Information on investees  
For the year ended December 31, 2025

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment Income (loss) recognized by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
C SUN MFG. LTD.	C Sun (B.V.I) Ltd.	British Virgin Islands	Investment	\$ 364,399	\$ 380,109	-	100.00	\$ 2,858,586	\$ 277,226	\$ 276,749	
"	K Sun (Samoa) Ltd.	Samoa	Investment	72,666	75,799	-	100.00	24,991	856	856	
"	Gallant Precision Machining Co., Ltd.	Taiwan	Machinery and equipment wholesale and manufacturing	896,001	896,722	44,697,827	27.75	2,703,167	416,948	115,987	
"	Gallant Micro. Machining Co., Ltd.	Taiwan	Machinery and equipment wholesale and manufacturing	116,284	118,352	2,137,000	7.56	229,879	357,904	27,543	
"	Viewmove Technologies, Inc.	Taiwan	Machinery and equipment wholesale and manufacturing	38,561	38,561	676,504	21.87	45,564	40,855	8,934	
"	C SUN EQUIPCARE & TRADE (THAILAND) CO., LTD.	Thailand	Machinery and equipment sales	110,236	96,132	10,000	100.00	98,202	( 5,825)	( 5,825)	
"	Hong-Teng Corp.	Taiwan	Industrial rubber products manufacturing	7,469	7,469	700,000	70.00	10,778	4,400	3,080	
"	Navigation Technology Co., Ltd.	Taiwan	Business agent for various equipment, chemicals, and consumables in the semiconductor industry chain.	10,000	10,000	1,000,000	50.00	7,503	( 4,997)	( 2,498)	
C Sun (B.V.I) Ltd.	Alpha Joint Ltd.	Samoa	Investment	18,229	19,015	580,000	100.00	94,911	5,423	5,423	
"	Power Ever Enterprises Limited	Samoa	Machinery and equipment sales	185,751	193,759	-	77.47	1,528,315	281,992	218,470	
Power Ever Enterprises Limited	Good Team International Enterprises Limited	Hong Kong	Investment	188,580	196,710	6,000,000	100.00	1,892,107	292,659	292,659	
Suzhou Top Creation Machines Co., Ltd.	Top Creation Machines Co., Ltd.	Taiwan	Machinery installation and wholesales, Equipment retail and electronic materials wholesale	7,500	7,500	750,000	100.00	2,505	1,492	1,492	

Note1: Original investment amount has translated to New Taiwan Dollars at the closing exchange rate.

C SUN MFG. LTD.  
Information on investments in Mainland China  
For the year ended December 31, 2025

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2025			Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net profit (loss) of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 2(2))	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
				Remitted to Mainland China	Remitted back to Taiwan	China as of December 31, 2025							
Csun Technology (Guangzhou) Co., Ltd.	Manufacturing, installing, sales and processing all manner of drying equipment, tempature experiment equipment and exposure equipment.	\$ 603,770	Reinvested in the Mainland China investee through investing in an existing company (C Sun (B.V.I) Ltd.) in the third area.	\$ 156,122	\$ -	\$ -	\$ 149,669	\$ 51,730	100.00	\$ 51,730	\$ 1,202,175	\$ 899,336	Note 2 (2) (B) · Note 6
Alpha-Cure Asia Co.,Ltd.	Manufacturing and processing UV curing lamp.	66,600	Reinvested in the Mainland China investee through investing in an existing company (Alpha Joint Ltd.) in the third area.	19,015	-	-	18,229	18,528	25.00	4,632	70,122	13,609	Note 2 (2)(B) · Note 7
Suzhou Amc Technology Co., Ltd.	Preparation, research and design, manufacturing and processing for copper claded laminates, semiconductor, special for components use materials and te tape carrier package.	565,740	Reinvested in the Mainland China investee through investing in an existing company (K Sun (Samoa) Ltd.) in the third area.	7,905	-	-	7,578	-	0.89	-	-	-	-
Northern Juye (Beijing) Information Technology Co., Ltd.	Operating information and internet technical and hardware sales.	157,150	Invested the investee through the company (Csun Technology (Guangzhou) Co., Ltd.) in the Mainland China.	5,662	-	-	5,428	-	2.82	-	-	-	-
Suzhou Top Creation Machines Co., Ltd.	Design and manufacturing printed circuit board, flat panel display, semiconductor, solar industry equipment and related parts sales.	172,865	Reinvested in the Mainland China investee through investing in an existing company (Good Team International Enterprises Limited) in the third area.	165,829	-	-	158,975	290,853	77.47	225,324	1,535,260	58,671	Note 2 (2) (B) · Note 4 · Note 8
Jiangsu Chuang Gao Xin Materials Technology Co., Ltd.	Research and development, manufacturing high-tech materials, intellectual toys, toy balloon; computer software's develop application; manufacturing mould and precision machinery.	184,336	Invested the investee through the company (Csun Technology (Guangzhou) Co., Ltd.) in the Mainland China.	-	-	-	-	5,006	100.00	5,006	200,681	-	Note 2 (2) (B)
Nantong Chuangfeng Photoelectric Equipment Co., Ltd.	Design and manufacturing printed circuit board, flat panel display, semiconductor, solar industry equipment and related parts sales.	314,300	Reinvested in the Mainland China investee through investing in an existing company (Good Team International Enterprises Limited) in the third area.	-	-	-	-	1,876	77.47	1,453	356,649	-	Note 2 (2) (B) · Note 4 · Note 5
Suzhou Top Creation Intelligent Machines Co., Ltd.	Design and manufacturing printed circuit board, flat panel display, semiconductor, solar industry equipment and related parts sales.	337,200	Invested the investee through the company (Suzhou Top Creation Machines Co., Ltd.) in the Mainland China.	-	-	-	( - )	11,536)	77.47	( 8,937)	323,405	-	Note 2 (2) (B)
Company name		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025			Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)			Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA					
C SUN MFG. LTD.		\$117,931			\$339,880			\$4,193,196					

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

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

Note 2: In the "Investment income (loss) recognised by the Company for the year ended December 31, 2025" column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
  - A. The financial statements that are reviewed and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
  - B. The financial statements that are reviewed and attested by R.O.C. parent company's CPA.
  - C. Others.

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

Note 4: C Sun (B.V.I) Ltd. held 77.47% of the equity interest of Power Ever Enterprises Limited and indirectly obtained the equity interest of Suzhou Top Creation Machines Co., Ltd. and Nantong Chuangfeng Photoelectric Equipment Co., Ltd. through investing in an existing company in the third area, which then invested in Suzhou Top Creation Machines Co., Ltd. and Nantong Chuangfeng Photoelectric Equipment Co., Ltd. in Mainland China.

Note 5: Good Team International Enterprises Limited reinvested in Nantong Chuangfeng Photoelectric Equipment Co., Ltd. by using the cash dividends of US\$ 10,000 thousands which was distributed from Suzhou Top Creation Machines Co., Ltd.

Note 6: C SUN MFG. LTD. remitted back the investment income of \$899,336 thousand from the investee company in Mainland china, Csun Technology (Guangzhou) Co., Ltd. and was permitted by Investment Commission, which are deductible from C SUN MFG. LTD. accumulated amount remitted out of Taiwan to Mainland China.

Note 7: C SUN MFG. LTD. remitted back the investment income of \$13,609 thousand from the investee company in Mainland china, Alpha-CureAsia Co., Ltd. and was permitted by Investment Commission, which are deductible from C SUN MFG. LTD. accumulated amount remitted out of Taiwan to Mainland China.

Note 8: C SUN MFG. LTD. remitted back the investment income of \$58,671 thousand from the investee company in Mainland china, Suzhou Top Creation Machines Co., Ltd. and was permitted by Investment Commission, which are deductible from C SUN MFG. LTD. accumulated amount remitted out of Taiwan to Mainland China.

C SUN MFG. LTD.

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

For the year ended December 31, 2025

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Sale		Purchase		Accounts receivable		Accounts payable		Financing				
	Amount	%	Amount	%	Balance at December 31, 2025	%	Balance at December 31, 2025	Purpose	Maximum balance during the year ended December 31, 2025	Balance at December 31, 2025	Interest rate	Interest during the year ended December 31, 2025	Others
Csun Technology (Guangzhou) Co., Ltd.	\$ 117,008	3.46%	\$ 332,021	17.26%	\$ 22,769	3.60%	\$ 69,857	10.44%	-	-	-	-	-

Table 7

C SUN MFG. LTD.  
STATEMENT OF CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2025

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

Statement 1

Item	Description	Amount
Cash and cash equivalents		\$ 1,980
Cash in banks		
Demand deposits -NTD		120,492
-USD	1,050 thousands Exchange rate 31.43	33,014
-CNY	6,852 thousands Exchange rate 4.50	30,805
-JPY	54,602 thousands Exchange rate 0.20	10,855
-Other		526
		<u>\$ 197,672</u>

C SUN MFG. LTD.  
STATEMENT OF TRADE RECEIVABLES  
DECEMBER 31, 2025

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

Statement 2

Client Name	Description	Amount	Note
Accounts receivable			
Customer:			
1013148		\$ 59,000	
1001206		47,430	
1014068		42,123	
1001039		38,974	
			The balance of each customer has not exceeded 5% of the accounts receivable
Other		<u>584,994</u>	
Subtotal		772,521	
Less : Allowance for uncollectible		( <u>166,861</u> )	
		<u>\$ 605,660</u>	
Accounts receivable-related parties			
Csun Technology (Guangzhou) Co., Ltd.		\$ 22,769	
CSUN EQUIPCARE & TRADE (THAILAND) CO.,LTD.		377	
Gallant Micro. Machining Co., LTD.		<u>17</u>	
		<u>\$ 23,163</u>	

C SUN MFG. LTD.  
STATEMENT OF INVENTORIES  
DECEMBER 31, 2025

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

Statement 3

Item	Description	Amount		Note
		Cost	Value	
Raw material		\$ 70,537	\$ 52,118	
Work in progress		534,610	581,219	
Finished goods		389,282	661,322	
Inventory in transit		10,919	10,919	
		<u>1,005,348</u>	<u>\$ 1,305,578</u>	
Less : Allowance for valuation loss		( 251,857)		
		<u>\$ 753,491</u>		

C SUN MFG. LTD.  
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Statement 4

Name	Beginning Balance		Addition(Note 1)		Decrease(Note 2)		Ending Balance			Market Value or Net Assets Value		
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of Ownership	Amount	Total Amount	Unit Price	Collateral
C Sun (B.V.I) Ltd.	-	\$ 2,622,255	-	\$ 296,001	-	(\$ 59,670)	-	100	\$ 2,858,586	\$ 2,858,586	-	None
K Sun (B.V.I) Ltd.	-	25,169	-	855	-	( 1,033)	-	100	24,991	24,991	-	"
CSUN EQUIPCARE & TRADE (THAILAND) CO.,LTD.	10,000	100,202	-	3,825	-	( 5,825)	10,000	100	98,202	98,202	-	"
Hong-Teng Corp.	700,000	9,333	-	3,080	-	( 1,635)	700,000	70	10,778	10,778	-	"
Navigation Technology Co., Ltd.	1,000,000	10,001	-	-	-	( 2,498)	1,000,000	50	7,503	7,503	-	"
Gallant Precision Machining Co., Ltd.	44,733,827	2,143,875	-	680,815	( 36,000)	( 121,523)	44,697,827	27.75	2,703,167	3,821,664	-	"
Gallant Micro. Machining Co., Ltd.	2,175,000	175,275	-	91,583	( 38,000)	( 36,979)	2,137,000	7.56	229,879	1,348,447	-	"
Viewmove Technologies, Inc.	676,504	40,077	-	8,935	-	( 3,448)	676,504	21.87	45,564	45,564	-	"
		<u>\$ 5,126,187</u>		<u>\$ 1,085,094</u>		<u>(\$ 232,611)</u>			<u>\$ 5,978,670</u>			

Notes 1 and 2: Additions and decreases for the year including unrealised gross profit on inter-affiliate accounts, cumulative translation adjustment, increase of the investment amount, gain (loss) on investment, earnings remitted back and unrealised gain (loss) on financial instruments.

C SUN MFG. LTD.  
STATEMENT OF SHORT-TERM BORROWINGS  
DECEMBER 31, 2025

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

Statement 5

Nature	Description	Ending Balance	Contract Period	Range of Interest Rate	Loan Commitments	Collateral
CTBC Bank	Unsecured borrowings	\$ 100,000	Maturity within 1 year	floating	\$ 200,000	None
Chang Hwa Bank	Unsecured borrowings	290,000	"	floating	490,000	"
Shanghai Bank	Unsecured borrowings	200,000	"	floating	200,000	"
First Commercial Bank	Unsecured borrowings	40,000	"	floating	150,000	"
Mega Bank	Unsecured borrowings	80,000	"	floating	80,000	"
Shin Kong Bank	Unsecured borrowings	100,000	"	floating	100,000	"
Cathay United Bank	Unsecured borrowings	200,000	"	floating	200,000	"
		<u>\$ 1,010,000</u>			<u>\$ 1,420,000</u>	

Rate range : 1.80%~1.92%

C SUN MFG. LTD.  
STATEMENT OF LONG-TERM BORROWINGS  
DECEMBER 31, 2025

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

Statement 6

Creditor	Description	Amount	Contract Period	Interest Rate	Collateral	Note
The Export-Import Bank of the Republic of China	Borrowing period is from November 5, 2024 to May 5, 2026; interest is repayable monthly; principal is repayable in full at maturity.	\$ 200,000	2024.11.5~ 2026.5.5	Fixed	None	
Yuanta Commercial Bank	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	150,000	2024.10.21~ 2027.10.20	Fixed	None	
Yuanta Commercial Bank	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	70,000	2024.10.21~ 2027.10.20	Fixed	Buildings and structures	
Yuanta Commercial Bank	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	143,000	2024.10.21~ 2027.10.20	Fixed	Buildings and structures	
Yuanta Commercial Bank	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	166,000	2024.10.11~ 2027.10.10	Fixed	Buildings and structures	
Yuanta Commercial Bank	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	36,000	2024.10.11~ 2027.10.10	Fixed	Buildings and structures	
Far Eastern International Bank	Borrowing period is from November 14, 2024 to September 24, 2027; interest is repayable monthly; principal is repayable in full at maturity	300,000	2024.11.14~ 2027.9.24	Fixed	None	

C SUN MFG. LTD.  
STATEMENT OF LONG-TERM BORROWINGS (Cont.)  
DECEMBER 31, 2025

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

Statement 6

Creditor	Description	Amount	Contract Period	Interest Rate	Collateral	Note
Far Eastern International Bank	Borrowing period is from December 19, 2024 to December 17, 2027; interest is repayable monthly; principal is repayable in full at maturity	\$ 79,000	2024.12.19~ 2027.12.17	Fixed	None	
Taipei Fubon Bank	Borrowing period is from October 29, 2024 to October 28, 2027; interest is repayable monthly; principal is repayable in full at maturity	200,000	2024.10.19~ 2027.10.28	Fixed	None	
The Shanghai Commercial & Savings Bank	Borrowing period is from August 18, 2022 to August 18, 2027; interest is repayable monthly; principal is repayable in full at maturity	100,000	2022.8.18~ 2027.8.18	Fixed	Buildings and structures	
The Shanghai Commercial & Savings Bank	Borrowing period is from February 12, 2025 to February 12, 2030; interest is repayable monthly; principal is repayable in full at maturity	388,580	2025.2.12~ 2030.2.12	Fixed	Buildings and structures	
Taipei Fubon Bank	Borrowing period is from September 15, 2025 to September 21, 2028; interest is repayable monthly; principal is repayable in full at maturity	640,000	2025.9.15~ 2028.9.21	Fixed	Buildings and structures	
Shin Kong Bank	Borrowing period is from September 17, 2025 to September 8, 2028; interest is repayable monthly; principal is repayable in full at maturity	400,000	2025.9.17~ 2028.9.8	Fixed	None	
		2,872,580				
Less : Long-term liabilities,current portion		( 200,000)				
		<u>\$ 2,672,580</u>				

Interest rate range : 1.73%~2.25%

C SUN MFG. LTD.  
STATEMENT OF OPERATING REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Statement 7

<u>Item</u>	<u>Unit</u>	<u>Amount</u>	<u>Note</u>
Thermal curing process equipment	514	\$ 1,006,226	
UV curing process equipment	26	17,606	
Photolithography equipment	169	1,643,244	
Other	14	714,464	
		<u>\$ 3,381,540</u>	

C SUN MFG. LTD.  
STATEMENT OF OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Statement 8

Item	Amount
Raw materials at beginning of year	\$ 71,591
Add: Raw materials purchased	1,527,798
Gain on physical inventory	4
Less: Raw materials at end of year	( 81,456)
Sale of raw materials	( 234,849)
Loss on scrapping inventory	( 8,967)
Other	( 3,170)
Consumption of raw materials for the year	1,270,951
Direct labor	34,968
Manufacturing expenses	498,045
Manufacturing cost	1,803,964
Add: Work in process at beginning of year	563,579
Less: Work in process at end of year	( 534,610)
Other	( 222,125)
Cost of finished goods	1,610,808
Add: Finished goods at beginning of year	119,446
Finished goods purchased	256,566
Less: Finished goods at end of year	( 389,282)
Inventory scrapped loss	( 27,371)
Other	( 69,971)
Cost of goods sold	1,500,196
Cost of sales and service	85,756
Loss on decline in market value	65,969
Inventory scrapped loss	36,338
Cost of raw materials sold	234,849
Revenue from sales of scraps	475
Gain on physical inventory	( 4)
Total operating cost	\$ 1,923,579

C SUN MFG. LTD.  
STATEMENT OF MANUFACTURING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Statement 9

Item	Description	Amount	Note
Wages and salaries expenses		\$ 231,389	
Work in process expenses		170,554	
Others		<u>96,102</u>	The amount of each item included in others does not exceed 5% of the account
		<u>\$ 498,045</u>	

C SUN MFG. LTD.  
STATEMENT OF OPERATING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Statement 10

Item	Description	Amount	Note
Selling expenses :			
Wages and salaries expenses		\$ 133,363	
Service expenses		35,020	
Traveling expenses		12,460	
Commission expenses		12,243	
			The amount of each item included
Others		<u>91,791</u>	in others does not exceed 5% of
		<u>\$ 284,877</u>	the account balance.
General and administrative expenses :			
Wages and salaries expenses		\$ 187,898	
Donation expenses		36,266	
Miscellaneous expense		32,831	
Professional service expenses		21,738	
Depreciation charges		20,855	
			The amount of each item included
Others		<u>57,878</u>	in others does not exceed 5% of
		<u>\$ 357,466</u>	the account balance.
Research and development expenses :			
Wages and salaries expenses		\$ 208,362	
Research and development expenses		51,912	
			The amount of each item included
Others		<u>87,324</u>	in others does not exceed 5% of
		<u>\$ 347,598</u>	the account balance.
Provision for (reversal of) impairment		<u>(\$ 22,226)</u>	
		<u>\$ 967,715</u>	

C SUN MFG. LTD.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

Statement 11

Function Nature	Year ended December 31, 2025			Year ended December 31, 2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	\$ 231,389	\$ 504,632	\$ 736,021	\$ 108,200	\$ 440,128	\$ 548,328
Labour and health insurance fees	11,193	34,893	46,086	8,782	28,175	36,957
Pension costs	3,952	14,194	18,146	3,794	13,006	16,800
Directors' remuneration	-	24,991	24,991	-	19,518	19,518
Other personnel expenses	4,611	21,830	26,441	4,673	21,813	26,486
Depreciation Expense	7,630	43,465	51,095	6,205	38,080	44,285
Amortisation Expense	-	4,982	4,982	-	4,499	4,499

Note:

1. As at December 31, 2025 and 2024, the Company had 460 and 446 employees, including 5 and 5 non-employee directors, respectively.
- 2.A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :
  - (1) Average employee benefit expense in current year was \$1,817.  
Average employee benefit expense in previous year was \$1,425.
  - (2) Average employees salaries in current year was \$1,618.  
Average employees salaries in previous year was \$1,243.
  - (3) Adjustments of average employees salaries was 30%.
  - (4) The company has established an audit committee, so there is no supervisors' remuneration.

C SUN MFG. LTD.  
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY  
FUNCTION (Cont.)  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 11

- (5) The Company's remuneration policy (including Directors, supervisors, managers and employees)
- (a) The emolument of the directors and supervisors includes remuneration, transportation allowance, execution fee and the remuneration distributed from earning which were under the Company's Articles of Incorporation.
  - (b) The emolument of general manager and vice general manager includes salary, bonus, employees compensation shall be determined by reference to the level of the same industry, depending on the position they hold, the responsibilities they assumed and the contribution to the Company.
  - (c) The employee compensation policy of the Company is established based on the employee's ability, contribution to the Company, performance, and determined after considering the company's future operational risks. In accordance with the Company Act and the Company's Articles of Incorporation, a fixed percentage of the earnings before tax of the year is allocated to employees as employee compensation, which is paid in the middle of the following year.  
Additionally, a fixed percentage of the current year's annual net income is appropriated as a year-end bonus to be paid to employees before the Chinese New Year, and the operating performance or results are appropriately reflected in employees' compensation.