Global Unichip Corp.

Parent Company Only Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Global Unichip Corp.

Opinion

We have audited the accompanying parent company only financial statements of Global Unichip Corp. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025. 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, and we do not provide a separate opinion on these matters.

Key audit matter of the parent company only financial statements for the year ended December 31, 2025 is as follows:

<u>Revenue Recognition from sale of goods</u>

The Company's net revenue for the year ended December 31, 2025, was $34,140,917 thousand, which is comprised of $25,735,740 thousand from sale of goods and $8,405,177 thousand from non-recurring engineering (NRE) services. For details on the accounting policies and information related to revenue recognition, please refer to Notes 4, 5, and 18 of the parent company only financial statements. The semiconductor industry is highly affected by factors such as demand fluctuations, technological advancements, geopolitical issues, and supply chain challenges. These factors may lead to specific customers dynamically adjusting their demand for products, thereby affecting the recognition of product sales revenue. As a result, we identified the occurrence of net revenue from sale of goods to specific customers as a key audit matter for the current year.

1. We obtained the understanding and tested the design and operating effectiveness of relevant controls over revenue recognition.

2. We performed sampling and executed the following procedures to verify the occurrence of net revenue from sale of goods to specific customers:

   a. We reviewed customer contract terms to ensure revenue recognition complies with contract terms and accounting standards.

   b. We examined shipping documents and contract terms to confirm that control over the goods had been transferred.

   c. We examined the actual receipt of payments.

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 the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit and Corporate Governance Committee) are responsible for overseeing the Company’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 maintain 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 the Company’s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 the Company 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 and appropriate audit evidence regarding the financial information of entities or business activities within the Company 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 statements 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 for the year ended December 31, 2025, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hsieh-Chang Li and Ming-Hui Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

January 29, 2026

Notice to Readers

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

For the convenience of readers, the independent 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. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

GLOBAL UNICHIP CORP.

PARENT COMPANY ONLY BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2025		December 31, 2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 29)	$ 5,766,503	20	$ 9,589,907	36
Financial assets at fair value through profit or loss (Note 8)	2,081,945	7	2,980,000	11
Accounts receivable, net (Notes 7 and 18)	3,403,333	12	1,988,028	8
Receivables from related parties (Note 29)	14,016	-	19,368	-
Inventories (Note 9)	10,148,023	36	2,794,441	11
Prepayment for purchases (Note 29)	2,125,312	8	5,575,145	21
Other financial assets (Note 29)	252,201	1	5,709	-
Other current assets (Note 14)	1,025,155	4	664,400	3
Total current assets	24,816,488	88	23,616,998	90
NON-CURRENT ASSETS				
Investments accounted for using equity method (Note 10)	1,073,941	4	1,042,944	4
Property, plant and equipment (Note 11)	1,290,617	4	927,281	3
Right-of-use-assets (Note 12)	91,207	-	91,052	-
Intangible assets (Note 13)	578,339	2	437,800	2
Deferred income tax assets (Note 23)	24,367	-	36,611	-
Prepayments for business facilities	171,718	1	1,015	-
Refundable deposits (Note 29)	260,800	1	165,911	1
Pledged time deposits (Notes 29 and 30)	22,200	-	22,200	-
Total non-current assets	3,513,189	12	2,724,814	10
TOTAL	$ 28,329,677	100	$ 26,341,812	100

	December 31, 2025		December 31, 2024	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Contract liabilities (Notes 18 and 29)	$ 7,338,887	26	$ 9,348,737	36
Accounts payable	2,208,836	8	1,078,444	4
Payables to related parties (Note 29)	1,972,460	7	709,888	3
Accrued employees' compensation and remuneration to directors (Note 25)	1,582,139	5	1,625,201	6
Payables on machinery and equipment	28,583	-	94,955	-
Current tax liabilities (Note 23)	231,963	1	232,110	1
Lease liabilities - current (Notes 12, 26 and 29)	34,147	-	37,090	-
Accrued expenses and other current liabilities (Notes 15 and 29)	1,653,914	6	1,628,039	6
Total current liabilities	15,050,929	53	14,754,464	56
NON-CURRENT LIABILITIES				
Deferred income tax liabilities (Note 23)	129,301	-	145,509	1
Lease liabilities - non-current (Notes 12 and 26)	59,771	-	56,923	-
Other long-term payables (Note 15)	168,794	1	73,067	-
Net defined benefit liabilities (Note 16)	4,947	-	14,292	-
Guarantee deposits (Note 26)	3,143	-	3,278	-
Total non-current liabilities	365,956	1	293,069	1
Total liabilities	15,416,885	54	15,047,533	57
EQUITY (Note 17)				
Share capital	1,340,119	5	1,340,119	5
Capital surplus	32,896	-	32,843	-
Retained earnings				
Appropriated as legal reserve	2,125,024	8	1,779,227	7
Appropriated as special reserve	3,134	-	34,007	-
Unappropriated earnings	9,427,486	33	8,111,217	31
Others	(15,867)	-	(3,134)	-
Total equity	12,912,792	46	11,294,279	43
TOTAL	$ 28,329,677	100	$ 26,341,812	100

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

GLOBAL UNICHIP CORP.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
NET REVENUE (Notes 18 and 29)	$ 34,140,917	100	$ 25,044,149	100
COST OF REVENUE (Notes 25 and 29)	25,689,246	75	16,960,362	68
GROSS PROFIT	8,451,671	25	8,083,787	32
OPERATING EXPENSES				
Sales and marketing (Notes 25 and 29)	394,856	1	421,327	2
General and administrative (Notes 25 and 29)	525,883	1	511,997	2
Research and development (Notes 25 and 29)	3,393,590	10	3,281,747	13
Expected credit impairment loss (gain) (Note 7)	(146,023)	-	146,023	-
Total operating expenses	4,168,306	12	4,361,094	17
INCOME FROM OPERATIONS	4,283,365	13	3,722,693	15
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 19 and 29)	164,462	-	134,718	1
Other income (Notes 12 and 20)	19,166	-	7,813	-
Other gains and losses (Note 21)	(99,172)	-	90,873	-
Finance costs (Notes 22 and 29)	(1,349)	-	(1,501)	-
Share of profit of subsidiaries	56,296	-	89,412	-
Total non-operating income and expenses	139,403	-	321,315	1
INCOME BEFORE INCOME TAX	4,422,768	13	4,044,008	16
INCOME TAX EXPENSE (Note 23)	653,202	2	593,420	2
NET INCOME	3,769,566	11	3,450,588	14
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans (Note 16)	5,818	-	7,384	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations (Note 17)	(12,733)	-	30,873	-
Other comprehensive income (loss) for the year, net of income tax	(6,915)	-	38,257	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 3,762,651	11	$ 3,488,845	14
EARNINGS PER SHARE (Note 24)				
Basic earnings per share	$ 28.13		$ 25.75	
Diluted earnings per share	$ 28.01		$ 25.56	

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

GLOBAL UNICHIP CORP.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	Share Capital - Common Stock			Retained Earnings				Others	
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Foreign Currency Translation Reserve	Total Equity
BALANCE, JANUARY 1, 2024	134,011	$ 1,340,119	$ 32,801	$ 1,428,010	$ 18,234	$ 6,896,402	$ 8,342,646	$ (34,007)	$ 9,681,559
Appropriation and distribution of prior year's earnings									
Legal reserve	-	-	-	351,217	-	(351,217)	-	-	-
Special reserve	-	-	-	-	15,773	(15,773)	-	-	-
Cash dividends to shareholders - NT$14.00 per share	-	-	-	-	-	(1,876,167)	(1,876,167)	-	(1,876,167)
Total	-	-	-	351,217	15,773	(2,243,157)	(1,876,167)	-	(1,876,167)
Dividends from claims extinguished by prescription	-	-	42	-	-	-	-	-	42
Net income in 2024	-	-	-	-	-	3,450,588	3,450,588	-	3,450,588
Other comprehensive income in 2024, net of income tax	-	-	-	-	-	7,384	7,384	30,873	38,257
Total comprehensive income in 2024	-	-	-	-	-	3,457,972	3,457,972	30,873	3,488,845
BALANCE, DECEMBER 31, 2024	134,011	1,340,119	32,843	1,779,227	34,007	8,111,217	9,924,451	(3,134)	11,294,279
Appropriation and distribution of prior year's earnings									
Legal reserve	-	-	-	345,797	-	(345,797)	-	-	-
Cash dividends to shareholders - NT$16.00 per share	-	-	-	-	-	(2,144,191)	(2,144,191)	-	(2,144,191)
Reversal of special reserve	-	-	-	-	(30,873)	30,873	-	-	-
Total	-	-	-	345,797	(30,873)	(2,459,115)	(2,144,191)	-	(2,144,191)
Dividends from claims extinguished by prescription	-	-	53	-	-	-	-	-	53
Net income in 2025	-	-	-	-	-	3,769,566	3,769,566	-	3,769,566
Other comprehensive income in 2025, net of income tax	-	-	-	-	-	5,818	5,818	(12,733)	(6,915)
Total comprehensive income in 2025	-	-	-	-	-	3,775,384	3,775,384	(12,733)	3,762,651
BALANCE, DECEMBER 31, 2025	134,011	$ 1,340,119	$ 32,896	$ 2,125,024	$ 3,134	$ 9,427,486	$ 11,555,644	$ (15,867)	$ 12,912,792

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

GLOBAL UNICHIP CORP.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 4,422,768	$ 4,044,008
Adjustments for:		
Depreciation	215,000	198,179
Amortization	404,333	375,803
Expected credit impairment loss (gain)	(146,023)	146,023
Gain on financial assets at fair value through profit or loss	(39,906)	(50,270)
Finance costs	1,349	1,501
Interest income	(164,462)	(134,718)
Share of profit of subsidiaries	(56,296)	(89,412)
Gain on disposal of property, plant and equipment, net	(71)	-
Loss (gain) on foreign exchange, net	18,572	(1,814)
Gain on modification of lease	(94)	-
Changes in operating assets and liabilities:		
Accounts receivable, net (including related parties)	(1,262,704)	(173,140)
Inventories	(7,353,582)	2,056,276
Prepayment for purchases	4,006,480	(3,285,564)
Other current assets	(360,755)	(92,905)
Contract liabilities	(2,009,850)	3,098,578
Accounts payable (including related parties)	1,836,317	(167,939)
Accrued employees' compensation and remuneration to directors	(43,062)	170,556
Accrued expenses and other current liabilities	(105,003)	480,906
Net defined benefit liabilities	(3,527)	(636)
Cash generated from (used in) operations	(640,516)	6,575,432
Income tax paid	(657,313)	(623,102)
Net cash generated from (used in) operating activities	(1,297,829)	5,952,330
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at amortized cost	(1,600,000)	-
Financial assets at fair value through profit or loss	(710,000)	(3,880,000)
Property, plant and equipment	(777,836)	(468,225)
Intangible assets	(332,155)	(361,731)
Proceeds from disposal of:		
Financial assets at amortized cost	1,350,000	-
Financial assets at fair value through profit or loss	1,647,960	3,030,270
Property, plant and equipment	942	-
Refundable deposits paid	(119,596)	(73,015)
Refundable deposits refunded	18,663	111,003
Interest received	167,970	132,437
Dividends received	137,338	-
Net cash used in investing activities	(216,714)	(1,509,261)

(Continued)

GLOBAL UNICHIP CORP.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	$ (38,602)	$ (40,114)
Cash dividends paid	(2,144,191)	(1,876,167)
Acquisition of interests in subsidiary	(124,772)	-
Interest paid	(1,349)	(1,501)
Dividends from claims extinguished by prescription reclassified to capital surplus	53	42
Net cash used in financing activities	(2,308,861)	(1,917,740)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,823,404)	2,525,329
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,589,907	7,064,578
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 5,766,503	$ 9,589,907

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL

Global Unichip Corp. (the "Company"), a Republic of China (R.O.C.) corporation, was incorporated on January 22, 1998. The Company is engaged mainly in researching, developing, producing, testing and selling of embedded memory and logic components for various application ICs, cell libraries for various application ICs, and EDA tools for various application ICs. On November 3, 2006, the Company's shares were listed on the Taiwan Stock Exchange (TWSE). The address of its registered office and principal place of business is No. 10 Li-Hsin 6th Rd., Hsinchu Science Park, Taiwan.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Audit and Corporate Governance Committee and authorized for issue by the Board of Directors on January 29, 2026.

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

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

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

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

   As of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of the amendments on the Company's financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

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

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

For the convenience of readers, the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language parent company only financial statements shall prevail.

Material accounting policies are summarized as follows:

Statement of Compliance

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

Basis of Preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using equity method, the share of profit or loss of subsidiaries and the related equity items, as appropriate, in these parent company only financial statements.

Foreign Currencies

In preparing the parent company only financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into NT$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

Classification of Current and Non-current Assets and Liabilities

Current assets include:

a. Assets held primarily for the purpose of trading;

b. Assets expected to be realized within twelve months after the reporting period; and

c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

b. Liabilities due to be settled within twelve months after the reporting period; and

c. Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

Cash Equivalents

Cash equivalents include time deposits and investments with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis.

a. Measurement category

   Financial assets are classified into the following categories: Financial assets at fair value through profit or loss (FVTPL) and financial assets at amortized cost.

   1) Financial assets at FVTPL

      Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVOCI criteria.

      Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 28: Financial Instruments.

   2) Financial assets at amortized cost

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

      a) The financial assets are held within a business model whose objective is collecting contractual cash flows; and

      b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

      Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, accounts receivable (including related parties), other financial assets, part of refundable deposits and pledged time deposits), are measured at amortized cost, which equals gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

b. Impairment of financial assets and contract assets

   The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable) and contract assets.

   The Company always recognizes lifetime Expected Credit Losses (ECLs) for accounts receivable. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

For poor credit rating customers that have accounts receivable balances past due over 90 days, the Company recognizes loss allowance at full amount.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c. Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial Liabilities and Equity Instruments

a. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

c. Financial liabilities

Financial liabilities are subsequently measured at amortized cost using effective interest method.

Financial liabilities other than those held for trading purposes and designated as at FVTPL are subsequently measured at amortized cost at the end of each reporting period.

d. Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by-item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

Investments Accounted for Using Equity Method

The Company uses the equity method to account for its investments in subsidiaries. A subsidiary is the entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes its share of the changes in the equity items of the subsidiary.

Profits or losses resulting from downstream transactions with subsidiaries are eliminated in full in the parent company only financial statements. Profits and losses resulting from upstream transactions with subsidiaries and transactions between subsidiaries are recognized in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

Property, Plant and Equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss. Costs include any incremental costs that are directly attributable to the construction or acquisition of the item of property, plant and equipment.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, depreciation is recognized using the straight-line method over the following estimated useful lives:

Buildings	50 years
Machinery and equipment	7 years
Research and development equipment	4 years
Miscellaneous equipment	2 to 10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Leases

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

a. The Company as lessor

   Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

   When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

   Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

b. The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

Intangible Assets

Intangible asset with definite useful life is initially recorded at the purchase cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized using the straight-line method over the following estimated useful lives:

Software	2 to 5 years
Patents	Economic lives of the patents

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Expenditure on research activities is recognized as an expense when incurred. An internally-generated intangible asset arising from development activities is capitalized and then amortized on a straight-line basis over its useful life if the recognition criteria for an intangible asset have been met; otherwise, the development expenditure is recognized as an expense when incurred.

Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Revenue Recognition

The Company identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied. Revenue from sale of goods is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from sale of goods

Revenue is recognized when a customer obtains control of promised goods, at which time the goods are delivered to the customer's specific location and performance obligation is satisfied.

Rendering of Non-Recurring Engineering (NRE) services

Revenue is recognized when the NRE service is completed and the qualifications in the contract with the customer have been met. If each performance obligation can be measured reasonably by completion stages, the contract is restricted for another use, and the customer would compensate the Company to recover the costs incurred plus a reasonable profit margin whenever the contract is terminated by the customer, revenue from the contract service is recognized over time.

Retirement Benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. Remeasurement is recognized in other comprehensive income in the period in which it occurs, and it is reflected in retained earnings immediately and will not be reclassified to profit or loss.

Net defined benefit liability represents the actuarial deficit in the Company's defined benefit plan.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

According to the Income Tax Act, an additional income tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, provided it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

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

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

Current tax and deferred tax for the period

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

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

In the application of the Company's accounting policies, which are described in Note 4, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact of climate change and related government policies and regulations on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

MATERIAL ACCOUNTING JUDGMENTS

Revenue recognized at gross or net amount

The Company determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e., the Company is a principal) or to arrange for the other party to provide those goods or services (i.e., the Company is an agent) based on the transaction model and its economic substance. The Company is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Company recognizes revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Company is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Company recognizes revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Timing of revenue recognition

The Company evaluates whether its performance obligation is satisfied over time or at a point in time in accordance with the respective contract with a customer and applicable regulation when the conditions described in Note 4 are satisfied.

The Company also records a provision for estimated future allowance in the same period the related revenue is recorded. Provision for estimated sales allowance is generally made and adjusted based on management judgment, historical experience and any known factors that would significantly affect the allowance; the management periodically reviews the adequacy of the allowance.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	2024
Cash and deposits in banks	$ 5,716,503	$ 9,239,907
Repurchase agreements collateralized by bonds	50,000	350,000
	$ 5,766,503	$ 9,589,907

Deposits in banks consisted of highly liquid time deposits that were readily convertible to known amounts of cash and were subject to an insignificant risk of changes in value.

7. ACCOUNTS RECEIVABLE, NET

	December 31	
	2025	2024
At amortized cost of accounts receivable		
Gross carrying amount	$ 3,403,333	$ 2,135,277
Allowance for credit impairment loss	-	(147,249)
	$ 3,403,333	$ 1,988,028

In principle, the payment term granted to customers is due 30 days from the invoice date or 30 days from the end of the month the invoice is issued.

The Company measures the loss allowance for accounts receivable at an amount equal to lifetime expected credit losses. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past account aging records of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor and an assessment of the gross domestic product growth rate, unemployment rate and industrial indicators at the reporting date. The Company estimates expected credit losses based on the number of days that receivables are past due. As the Company's historical credit losses experience does not show significantly different loss patterns for different customer segments, the provision for losses based on past due status of receivables is not further distinguished between the Company's different customer base; poor credit rating customers that have accounts receivable balances past due over 90 days are provided with full amount of loss allowance.

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

Aging analysis of accounts receivable

	December 31	
	2025	**2024**
No past due	$ 3,182,834	$ 1,778,612
Past due		
Past due within 1-30 days	220,499	209,416
Past due within 91-120 days	-	81,966
Past due within 121-150 days	-	65,283
Loss allowance	-	(147,249)
	$ 3,403,333	$ 1,988,028

The movement of the loss allowance of accounts receivable was as follows:

	Years Ended December 31	
	2025	**2024**
Balance on January 1	$ 147,249	$ -
Net remeasurement of credit impairment loss allowance	(146,023)	146,023
Effect of exchange rate changes	(1,226)	1,226
Balance on December 31	$ -	$ 147,249

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2025	**2024**
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	$ 2,081,945	$ 2,980,000

9. INVENTORIES

	December 31	
	2025	2024
Finished goods	$ 1,345,697	$ 935,866
Work in process	6,312,868	1,446,825
Raw materials	2,489,458	411,750
	$ 10,148,023	$ 2,794,441

Write-down of inventories to net realizable value was included in the cost of revenue; the amounts were as follows:

	Years Ended December 31	
	2025	2024
Write-down of inventories	$ 120,663	$ 63,718
Reversal of write-down of inventories	(27,192)	(36,813)
	$ 93,471	$ 26,905

10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

The carrying amount and percentage of ownership of subsidiaries accounted for by using the equity method were as follows:

Name of Investee	Main Businesses and Products	Establishment and Operating Location	Carrying Amount December 31 2025	Carrying Amount December 31 2024	Percentage of Ownership December 31 2025	Percentage of Ownership December 31 2024
Global Unichip (Nanjing) Ltd. (GUC-Nanjing)	Products consulting, design and technical support service	Nanjing, China	$ 649,066	$ 635,073	100%	100%
Global Unichip Corp.-NA (GUC-NA)	Products consulting, design and technical support service	U.S.A.	192,513	191,545	100%	100%
Global Unichip Japan Co., Ltd. (GUC-Japan)	Products consulting, design and technical support service	Japan	98,729	90,926	100%	100%
Global Unichip (Shanghai) Company, Limited (GUC-Shanghai)	Products consulting, design and technical support service	Shanghai, China	73,890	67,955	100%	100%
Global Unichip Vietnam Company Limited (GUC-Vietnam)	Products consulting, design and technical support service	Vietnam	32,859	32,741	100%	100%
Global Unichip Corp. Europe B.V. (GUC-Europe)	Products consulting, design and technical support service	Netherlands	19,092	17,217	100%	100%
Global Unichip Corp. Korea (GUC-Korea)	Products consulting, design and technical support service	Korea	7,792	7,487	100%	100%
			$ 1,073,941	$ 1,042,944		

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Research and Development Equipment	Miscellaneous Equipment	Construction in Progress	Total
Cost							
Balance on January 1, 2025	$ 266,700	$ 242,923	$ 112,245	$ 1,689,784	$ 473,223	$ 151,906	$ 2,936,781
Additions	-	-	270	58,850	35,529	446,111	540,760
Disposals	-	-	-	(60,337)	(25,520)	-	(85,857)
Balance on December 31, 2025	$ 266,700	$ 242,923	$ 112,515	$ 1,688,297	$ 483,232	$ 598,017	$ 3,391,684

(Continued)

	Land	Buildings	Machinery and Equipment	Research and Development Equipment	Miscellaneous Equipment	Construction in Progress	Total
Accumulated depreciation							
Balance on January 1, 2025	$ -	$ 97,161	$ 70,540	$ 1,441,156	$ 400,643	$ -	$ 2,009,500
Depreciation	-	4,766	13,150	123,400	35,238	-	176,554
Disposals	-	-	-	(60,337)	(24,650)	-	(84,987)
Balance on December 31, 2025	$ -	$ 101,927	$ 83,690	$ 1,504,219	$ 411,231	$ -	$ 2,101,067
Carrying amount on December 31, 2025	$ 266,700	$ 140,996	$ 28,825	$ 184,078	$ 72,001	$ 598,017	$ 1,290,617
Cost							
Balance on January 1, 2024	$ -	$ 242,923	$ 112,085	$ 1,773,760	$ 452,943	$ -	$ 2,581,711
Additions	266,700	-	160	99,979	28,248	151,906	546,993
Disposals	-	-	-	(183,955)	(7,968)	-	(191,923)
Balance on December 31, 2024	$ 266,700	$ 242,923	$ 112,245	$ 1,689,784	$ 473,223	$ 151,906	$ 2,936,781
Accumulated depreciation							
Balance on January 1, 2024	$ -	$ 92,394	$ 55,531	$ 1,517,350	$ 377,926	$ -	$ 2,043,201
Depreciation	-	4,767	15,009	107,761	30,685	-	158,222
Disposals	-	-	-	(183,955)	(7,968)	-	(191,923)
Balance on December 31, 2024	$ -	$ 97,161	$ 70,540	$ 1,441,156	$ 400,643	$ -	$ 2,009,500
Carrying amount on December 31, 2024	$ 266,700	$ 145,762	$ 41,705	$ 248,628	$ 72,580	$ 151,906	$ 927,281

(Concluded)

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	Land	Buildings	Transportation Equipment	Total
Cost				
Balance on January 1, 2025	$ 59,238	$ 237,594	$ 5,915	$ 302,747
Additions	-	46,164	-	46,164
Lease modification	(2,005)	(34,195)	-	(36,200)
Balance on December 31, 2025	$ 57,233	$ 249,563	$ 5,915	$ 312,711
Accumulated depreciation				
Balance on January 1, 2025	$ 9,695	$ 199,486	$ 2,514	$ 211,695
Depreciation	1,554	35,709	1,183	38,446
Lease modification	-	(28,637)	-	(28,637)
Balance on December 31, 2025	$ 11,249	$ 206,558	$ 3,697	$ 221,504
Carrying amount on December 31, 2025	$ 45,984	$ 43,005	$ 2,218	$ 91,207
Cost				
Balance on January 1, 2024	$ 59,238	$ 225,927	$ 5,886	$ 291,051
Additions	-	11,667	796	12,463
Lease expired	-	-	(767)	(767)
Balance on December 31, 2024	$ 59,238	$ 237,594	$ 5,915	$ 302,747

(Continued)

	Land	Buildings	Transportation Equipment	Total
Accumulated depreciation				
Balance on January 1, 2024	$ 8,076	$ 162,331	$ 2,098	$ 172,505
Depreciation	1,619	37,155	1,183	39,957
Lease expired	-	-	(767)	(767)
Balance on December 31, 2024	$ 9,695	$ 199,486	$ 2,514	$ 211,695
Carrying amount on December 31, 2024	$ 49,543	$ 38,108	$ 3,401	$ 91,052

(Concluded)

	Years Ended December 31	
	2025	2024
Income from the subleasing of right-of-use assets (presented in other income)	$ 198	$ 269

b. Lease liabilities

	December 31	
	2025	2024
Carrying amount		
Current	$ 34,147	$ 37,090
Non-current	$ 59,771	$ 56,923

Range of discount rates for lease liabilities was as follows:

	December 31	
	2025	2024
Land	1.62%	1.62%
Buildings	0.642%-1.798%	0.642%-1.74%
Transportation equipment	0.925%-1.611%	0.925%-1.611%

c. Material leasing activities and terms

The Company leases land and buildings for the use of plants and offices with lease terms ranging from 1 to 37 years. The lease contract for land located in the R.O.C. specifies that lease payments will be adjusted on the basis of changes in announced land value prices and other factors at any time. The Company does not have bargain purchase option to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor’s consent.

d. Subleases

The other sublease transaction is set out below.

Sublease of right-of-use assets

The Company subleased its leasehold parking lot under operating lease with lease term of 1 year and 7 months.

The maturity analysis of lease payments receivable under operating subleases was as follows:

	December 31	
	2025	**2024**
Year 1	$ 299	$ 29
Year 2	29	-
	$ 328	$ 29

e. Other lease information

	Years Ended December 31	
	2025	**2024**
Expenses relating to short-term leases	$ 3,999	$ 2,886
Expenses relating to low-value asset leases	$ 152	$ 13
Total cash outflow for leases	$ (44,217)	$ (44,674)

The Company's leases for certain buildings and miscellaneous equipment qualify as short-term leases and leases for certain office equipment and miscellaneous equipment qualify as low-value asset leases. The Company has elected to apply the recognition exemption, and thus did not recognize right-of-use assets and lease liabilities for these leases.

13. INTANGIBLE ASSETS

	Software	**Patents**	**Total**
Cost			
Balance on January 1, 2025	$ 1,314,683	$ 519	$ 1,315,202
Additions	544,872	-	544,872
Disposals	(505,235)	-	(505,235)
Balance on December 31, 2025	$ 1,354,320	$ 519	$ 1,354,839
Accumulated amortization			
Balance on January 1, 2025	$ 876,883	$ 519	$ 877,402
Amortization	404,333	-	404,333
Disposals	(505,235)	-	(505,235)
Balance on December 31, 2025	$ 775,981	$ 519	$ 776,500
Carrying amount on December 31, 2025	$ 578,339	$ -	$ 578,339

(Continued)

	Software	Patents	Total
Cost			
Balance on January 1, 2024	$ 1,255,919	$ 519	$ 1,256,438
Additions	226,317	-	226,317
Disposals	(167,553)	-	(167,553)
Balance on December 31, 2024	$ 1,314,683	$ 519	$ 1,315,202
Accumulated amortization			
Balance on January 1, 2024	$ 668,633	$ 519	$ 669,152
Amortization	375,803	-	375,803
Disposals	(167,553)	-	(167,553)
Balance on December 31, 2024	$ 876,883	$ 519	$ 877,402
Carrying amount on December 31, 2024	$ 437,800	$ -	$ 437,800

(Concluded)

14. OTHER CURRENT ASSETS

	December 31	
	2025	2024
Tax receivable	$ 509,246	$ 142,884
Prepaid license fees	479,119	496,314
Prepaid expenses	36,790	25,202
	$ 1,025,155	$ 664,400

15. OTHER LIABILITIES

	December 31	
	2025	2024
Current		
Payable for license fees	$ 324,310	$ 193,432
Payable for salaries and bonuses	242,478	234,599
Payable for royalties	26,885	28,412
Others	1,060,241	1,171,596
	$ 1,653,914	$ 1,628,039
Non-current		
Payable for license fees	$ 168,794	$ 73,067

The payable for license fees is primarily attributable to several agreements that the Company entered into for certain technology license and software.

16. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The pension mechanism under the Labor Pension Act is deemed a defined contribution retirement plan. Pursuant to the Act, the Company makes monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts. Accordingly, the Company recognized expenses of $58,073 thousand and $55,141 thousand in the parent company only statements of comprehensive income for the years ended December 31, 2025 and 2024, respectively.

b. Defined benefit plans

The Company has a defined benefit plan under the Labor Standards Act, which provides benefits based on an employee's length of service and average monthly salary of the last six months prior to retirement. The Company contributes an amount equal to 2% of salaries paid each month to a pension fund (the Fund), which is administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, the Company assesses the balance in the Fund. If the amount of the balance in the Fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2025	**2024**
Present value of defined benefit obligation	$ 45,801	$ 75,268
Fair value of plan assets	(40,854)	(60,976)
Net defined benefit liabilities	$ 4,947	$ 14,292

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance on January 1, 2024	$ 75,873	$ (53,561)	$ 22,312
Service cost			
Current service cost	1,151	-	1,151
Net interest expense (income)	979	(704)	275
Recognized in profit or loss	2,130	(704)	1,426
Remeasurement			
Return on plan assets	-	(4,649)	(4,649)
Actuarial loss (gain) - changes in demographic assumptions	(73)	-	(73)
Actuarial loss (gain) - changes in financial assumptions	(2,282)	-	(2,282)
Actuarial loss (gain) - experience adjustments	(380)	-	(380)
Recognized in other comprehensive (income) loss	(2,735)	(4,649)	(7,384)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Contributions from the employer	$ -	$ (2,062)	$ (2,062)
Balance on December 31, 2024	75,268	(60,976)	14,292
Service cost			
Current service cost	965	-	965
Gain on settlements	(29,860)	27,093	(2,767)
Net interest expense (income)	1,190	(979)	211
Recognized in profit or loss	(27,705)	26,114	(1,591)
Remeasurement			
Return on plan assets	-	(4,056)	(4,056)
Actuarial loss (gain) - changes in demographic assumptions	(146)	-	(146)
Actuarial loss (gain) - changes in financial assumptions	1,332	-	1,332
Actuarial loss (gain) - experience adjustments	(2,948)	-	(2,948)
Recognized in other comprehensive (income) loss	(1,762)	(4,056)	(5,818)
Contributions from the employer	-	(1,936)	(1,936)
Balance on December 31, 2025	$ 45,801	$ (40,854)	$ 4,947

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	Years Ended December 31	
	2025	2024
General and administrative expenses	$ (1,591)	$ 1,426

Through the defined benefit plan under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan’s debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2025	**2024**
Discount rate	1.40%	1.60%
Expected rate of salary increase	3.00%	3.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2025	**2024**
Discount rate		
0.25% increase	$ (1,110)	$ (1,826)
0.25% decrease	$ 1,148	$ 1,893
Expected rate of salary increase		
0.25% increase	$ 1,123	$ 1,858
0.25% decrease	$ (1,092)	$ (1,802)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2025	**2024**
The expected contributions to the plan for the next year	$ 1,362	$ 2,207
The average duration of the defined benefit obligation	10 years	9 years

The maturity analysis of undiscounted pension benefit is as follows:

	December 31	
	2025	**2024**
Later than 1 year and not later than 5 years	$ 7,551	$ 11,837
Later than 5 years	44,067	74,293
	$ 51,618	$ 86,130

17. EQUITY

a. Share capital

	December 31	
	2025	**2024**
Authorized	$ 1,800,000	$ 1,800,000
Issued	$ 1,340,119	$ 1,340,119

As of December 31, 2025 and 2024, the Company was authorized to issue 180,000 thousand shares, with a par value of $10 each. Each share is entitled to the right to vote and to receive dividends. A total of 134,011 thousand shares have been paid and issued.

b. Capital surplus

	December 31	
	2025	2024
From merger	$ 16,621	$ 16,621
Additional paid-in capital	13,232	13,232
Donations	2,710	2,710
Dividends from claims extinguished by prescription	333	280
	$ 32,896	$ 32,843

Under the Company Law, the capital surplus generated from the excess of the issuance price over the par value of capital stock (including the stock issued for new capital and mergers) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be appropriated as cash dividends or stock dividends, which are limited to a certain percentage of the Company's paid-in capital. The capital surplus recognized from dividends with claims extinguished by prescription may be only used to offset a deficit.

c. Retained earnings and dividend policy

According to the Company's Articles of Incorporation when allocating the net profits of each fiscal year, the Company shall first offset its losses in previous years before making appropriations to the following items:

1) Legal reserve at 10% of the remaining profit. However, when the legal reserve amounts to the authorized capital, this shall not apply;

2) Special reserve in accordance with the resolution in the shareholders' meeting;

3) Any balance remaining shall be allocated to shareholders according to the resolution in the shareholders' meeting.

The Articles of Incorporation provide the policy about employee' compensation and remuneration to directors; refer to Note 25.

In the Company's profit distribution, the proportion of cash dividends shall not be lower than 60% of the total dividends, depending on future expansion plans and needs for cash.

The reserve may be used to offset a deficit, or be distributed as dividends and bonuses to the extent that the portion exceeds 25% of the paid-in capital if the Company incurs no loss.

A special reserve equivalent to the net debit balance of other components of shareholders' equity, such as exchange differences on the translation of foreign operations, shall be made from unappropriated earnings. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

The appropriations of earnings for 2024 and 2023 had been approved in the meetings of the shareholders of the Company held on May 15, 2025 and May 16, 2024, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings For the Years Ended December 31	
	2024	2023
Legal reserve	$ 345,797	$ 351,217
Special reserve (reversal of special reserve)	$ (30,873)	$ 15,773
Cash dividends	$ 2,144,191	$ 1,876,167
Cash dividends per share (NT$)	$ 16.00	$ 14.00

The appropriations of earnings for 2025 had been proposed by the Board of Directors of the Company on January 29, 2026. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 377,539	
Special reserve	12,733	
Cash dividends to shareholders	2,680,238	$ 20.00
	$ 3,070,510	

The appropriations of earnings for 2025 are to be resolved in the meeting of the shareholders of the Company which is expected to be held on May 21, 2026.

d. Others

Changes in foreign currency translation reserve were as follows:

	Years Ended December 31	
	2025	2024
Balance, beginning of year	$ (3,134)	$ (34,007)
Exchange differences on translation of foreign operations	(12,733)	30,873
Balance, end of year	$ (15,867)	$ (3,134)

The exchange differences on translation of foreign operation’s net assets from its functional currency to the Company’s presentation currency are recognized directly in other comprehensive income and also accumulated in the foreign currency translation reserve.

18. NET REVENUE

The analysis of the Company’s net revenue was as follows:

	Years Ended December 31	
	2025	2024
Revenue from customer contracts		
Net revenue from sale of goods	$ 25,735,740	$ 16,160,984
Non-recurring engineering (“NRE”) service	8,405,177	8,883,165
	$ 34,140,917	$ 25,044,149

Revenue from sale of goods is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The Company estimates and recognizes refund liabilities based on historical experience and the consideration of varying contractual terms. Refund liabilities are classified under accrued expenses and other current liabilities.

a. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts receivable, net	$ 3,403,333	$ 1,988,028	$ 1,967,388
Contract liabilities - current	$ 7,338,887	$ 9,348,737	$ 6,250,159

The changes in the contract liability balances primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment.

For the years ended December 31, 2025 and 2024, the Company recognized revenue of $7,514,811 thousand and $5,321,719 thousand, respectively, from the beginning balance of contract liability.

b. Disaggregation of revenue from contracts with customers

	Years Ended December 31	
Production	**2025**	**2024**
Wafer product	$ 25,735,740	$ 16,160,984
NRE	8,032,384	8,435,858
Others	372,793	447,307
	$ 34,140,917	$ 25,044,149

	Years Ended December 31	
Region	**2025**	**2024**
United States	$ 23,207,257	$ 7,995,051
China	4,646,670	7,356,126
Taiwan	3,632,324	3,155,587
Japan	2,004,324	3,781,420
Korea	450,730	2,413,930
Europe	199,612	342,035
	$ 34,140,917	$ 25,044,149

The Company categorized net revenue mainly based on the country of sales region.

	Years Ended December 31	
Application Type	**2025**	**2024**
Cloud	$ 24,334,142	$ 13,256,339
Consumer	5,533,713	6,267,819
AIoT	1,901,355	2,931,493
Automotive	1,170,243	360,331
Others	1,201,464	2,228,167
	$ 34,140,917	$ 25,044,149

Customer Type	Years Ended December 31 2025	2024
System House	$ 24,565,516	$ 15,313,502
Fabless	9,575,401	9,730,647
	$ 34,140,917	$ 25,044,149

Resolution	Year Ended December 31, 2025 Net Revenue from NRE Service	Year Ended December 31, 2025 Net Revenue from Sale of Goods	Year Ended December 31, 2024 Net Revenue from NRE Service	Year Ended December 31, 2024 Net Revenue from Sale of Goods
3-nanometer	$ 2,993,566	$ 8,901,528	$ 969,757	$ 661,823
5-nanometer	2,015,268	6,168,233	2,425,239	863,368
7-nanometer	1,607,830	1,433,738	2,175,214	2,071,099
16-nanometer and above	1,415,720	9,232,241	2,865,648	12,564,694
Others	372,793	-	447,307	-
	$ 8,405,177	$ 25,735,740	$ 8,883,165	$ 16,160,984

19. INTEREST INCOME

	Years Ended December 31 2025	2024
Bank deposits	$ 163,696	$ 134,235
Repurchase agreements collateralized by bonds	766	483
	$ 164,462	$ 134,718

20. OTHER INCOME

	Years Ended December 31 2025	2024
Past due over 2 years’ contract liabilities transferred to income	$ 16,737	$ 4,322
Rental income	198	269
Other income	2,231	3,222
	$ 19,166	$ 7,813

21. OTHER GAINS AND LOSSES

	Years Ended December 31 2025	2024
Gain on financial assets at fair value through profit or loss	$ 39,906	$ 50,270
Gain on modification of lease	94	-
Gain on disposal of property, plant and equipment, net	71	-
Foreign exchange gain (loss), net	(139,243)	40,603
	$ (99,172)	$ 90,873

22. FINANCE COSTS

	Years Ended December 31	
	2025	2024
Interest on lease liabilities	$ 1,349	$ 1,501

23. INCOME TAX

a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following:

	Years Ended December 31	
	2025	2024
Current income tax expense		
In respect of the current year	$ 664,853	$ 597,845
Adjustments to income tax of prior years	(7,687)	(995)
	657,166	596,850
Deferred income tax expense		
In respect of the current year	(3,964)	(3,430)
Income tax expense recognized in profit or loss	$ 653,202	$ 593,420

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	Years Ended December 31	
	2025	2024
Income before tax	$ 4,422,768	$ 4,044,008
Income tax expense at the statutory rate	$ 884,554	$ 808,802
Tax effect of adjusting items:		
Adjusting items in determining taxable income	(4,316)	(3,516)
Investment tax credits used	(219,349)	(256,220)
Additional income tax expense on unappropriated earnings	-	45,349
Adjustments to income tax of prior years	(7,687)	(995)
Income tax expense recognized in profit or loss	$ 653,202	$ 593,420

b. Deferred income tax

The analysis of deferred income tax assets and liabilities in the parent company only balance sheets was as follows:

	December 31	
	2025	2024
Deferred income tax assets		
Temporary differences		
Write-down of inventory	$ 9,002	$ 6,039
Others	15,365	30,572
	$ 24,367	$ 36,611

(Continued)

	December 31	
	2025	2024
Deferred income tax liabilities		
Temporary differences		
Share of profit of subsidiaries accounted for using equity method	$ (129,301)	$ (145,509)

(Concluded)

Movements of deferred income tax assets and deferred income tax liabilities were as follows:

Year ended December 31, 2025

	Balance, Beginning of Year	Recognized in Profit or Loss	Balance, End of Year
Deferred income tax assets			
Temporary differences			
Write-down of inventory	$ 6,039	$ 2,963	$ 9,002
Others	30,572	(15,207)	15,365
	$ 36,611	$ (12,244)	$ 24,367

Year ended December 31, 2024

	Balance, Beginning of Year	Recognized in Profit or Loss	Balance, End of Year
Deferred income tax assets			
Temporary differences			
Write-down of inventory	$ 5,091	$ 948	$ 6,039
Others	10,207	20,365	30,572
	$ 15,298	$ 21,313	$ 36,611

Year ended December 31, 2025

	Balance, Beginning of Year	Recognized in Profit or Loss	Balance, End of Year
Deferred income tax liabilities			
Temporary differences			
Share of profit of subsidiaries accounted for using equity method	$ (145,509)	$ 16,208	$ (129,301)

Year ended December 31, 2024

	Balance, Beginning of Year	Recognized in Profit or Loss	Balance, End of Year
Deferred income tax liabilities			
Temporary differences			
Share of profit of subsidiaries accounted for using equity method	$ (127,626)	$ (17,883)	$ (145,509)

c. Deductible temporary differences for which no deferred tax assets have been recognized in the parent company only balance sheets

As of December 31, 2025 and 2024, the aggregate deductible temporary differences for which no deferred income tax assets have been recognized amounted to $3,173 thousand and $627 thousand, respectively.

d. Income tax examination

The income tax returns of the company through 2023 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

	Years Ended December 31	
	2025	2024
Basic EPS	$ 28.13	$ 25.75
Diluted EPS	$ 28.01	$ 25.56

EPS is computed as follows:

	Amounts (Numerator)	Number of Shares (Denominator) (In Thousands)	EPS (NT$)
Year ended December 31, 2025			
Basic EPS			
Net income available to common shareholders	$ 3,769,566	134,011	$ 28.13
Effect of dilutive potential common stock	-	575	
Diluted EPS			
Net income available to common shareholders (including effect of dilutive potential common stock)	$ 3,769,566	134,586	$ 28.01
Year ended December 31, 2024			
Basic EPS			
Net income available to common shareholders	$ 3,450,588	134,011	$ 25.75
Effect of dilutive potential common stock	-	983	
Diluted EPS			
Net income available to common shareholders (including effect of dilutive potential common stock)	$ 3,450,588	134,994	$ 25.56

The Company may settle the employees' compensation in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. ADDITIONAL INFORMATION OF EXPENSES BY NATURE

Net income included the following items:

	Years Ended December 31	
	2025	**2024**
a. Depreciation expense		
Depreciation of property, plant and equipment		
Recognized in cost of revenue	$ 18,568	$ 21,427
Recognized in operating expenses	157,986	136,795
	176,554	158,222
Depreciation of right-of-use assets		
Recognized in cost of revenue	4,323	4,819
Recognized in operating expenses	34,123	35,138
	38,446	39,957
	$ 215,000	$ 198,179
b. Amortization of intangible assets		
Recognized in cost of revenue	$ 19,181	$ 19,257
Recognized in operating expenses	385,152	356,546
	$ 404,333	$ 375,803
c. Employee benefits expense		
Post-employment benefits (Note 16)		
Defined contribution plans	$ 58,073	$ 55,141
Defined benefit plans	(1,591)	1,426
	56,482	56,567
Other employee benefits	2,607,595	2,732,968
	$ 2,664,077	$ 2,789,535
Employee benefits expense summarized by function		
Recognized in cost of revenue	$ 376,954	$ 414,929
Recognized in operating expenses	2,287,123	2,374,606
	$ 2,664,077	$ 2,789,535

d. Employees' compensation and remuneration to directors

The Company shall allocate employees' compensation and remuneration to directors no less than 2% and no more than 2%, respectively, of net income before tax and before the employees' compensation and remuneration to directors. Directors who also serve as executive officers of the Company are not entitled to receive the remuneration to directors. The Company shall first offset its losses in previous years before allocating for employees’ compensation and remuneration to directors. The Company may issue stock or cash compensation to employees of an affiliated company upon meeting the conditions set by the Board of Directors.

In accordance with the amendments to the Securities and Exchange Act in August 2024, the company resolved the amendments to the Articles of Incorporation at the 2025 shareholders meeting. The amendments explicitly stipulate that no less than 0.7% of employees’ compensation should be allocated as distributions for non-executive employees.

The Company accrued employees’ compensation and remuneration to directors in accordance with the provisions of the above Articles of Incorporation. If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate and are recognized in the period of the change.

For 2025 and 2024, the employees’ compensation and remuneration to directors of the Company were approved in the meetings of the Board of Directors held on January 29, 2026 and January 23, 2025, respectively. The approved amounts were as follows:

	Years Ended December 31	
	2025	**2024**
Employees’ compensation	$ 1,109,016	$ 1,158,948
Remuneration to directors	40,120	41,933

There was no difference between the approved amounts of employees’ compensation and the amounts reported as expenses in 2025. However, the remuneration to directors approved for 2025 differed from the amounts reported as expenses in 2025; the difference was adjusted to profit and loss for 2026.

	Year Ended December 31, 2025
	Remuneration to Directors
The approved amounts by the Board of Directors	$ 40,120
The amounts recognized in the consolidated financial statements	$ 41,000

The approved amounts of employees’ compensation and the remuneration to directors approved for 2024 differed from the amounts reported as expenses in 2024; the difference was adjusted to profit and loss for 2025.

	Year Ended December 31, 2024	
	Employees’ Compensation	**Remuneration to Directors**
The approved amounts by the Board of Directors	$ 1,158,948	$ 41,933
The amounts recognized in the consolidated financial statements	$ 1,245,288	$ 45,000

The employees’ compensation and remuneration to directors of the Company in the amounts of $1,271,103 thousand and $45,000 thousand in cash for 2023, respectively, were approved by the Board of Directors in their meeting held on January 31, 2024. There was no difference between the approved amounts of compensation of employees and remuneration of directors and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023.

The information about appropriations of employees’ compensation and remuneration to directors of the Company is available at the Market Observation Post System website.

26. CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities:

	Balance as of January 1, 2025	Cash Flows	Non-cash Changes			Balance as of December 31, 2025
			Lease Additions	Lease Modification	Foreign Exchange Movement	
Guarantee deposits	$ 3,278	$ -	$ -	$ -	$ (135)	$ 3,143
Lease liabilities	94,013	(38,602)	46,164	(7,657)	-	93,918

	Balance as of January 1, 2024	Cash Flows	Non-cash Changes			Balance as of December 31, 2024
			Lease Additions	Lease Modification	Foreign Exchange Movement	
Guarantee deposits	$ 3,071	$ -	$ -	$ -	$ 207	$ 3,278
Lease liabilities	121,664	(40,114)	12,463	-	-	94,013

27. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company are able to operate sustainability while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company engages in the semiconductor design services, which is closely tied with customer demand. Business is influenced by the cyclical nature of the semiconductor industry but not significantly. In consideration of the industry dynamics, the Company manages its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital asset purchases, research and development activities, debt service requirements, dividend payments and other business requirements associated with its existing operations over the next 12 months. Through capital management, the Company is capable of coping with changes in the industry, striving for improvement, and ultimately creating shareholder value.

28. FINANCIAL INSTRUMENTS

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

At the end of financial reporting period, the carrying amounts of the Company’s financial assets and financial liabilities measured at amortized cost in the parent company only financial statements approximate their fair values.

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

1) Fair value measurement hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 2,081,945	$ -	$ -	$ 2,081,945

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 2,980,000	$ -	$ -	$ 2,980,000

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

There were no transfers between Levels 1 and 2 in the current and prior years.

c. Categories of financial instruments

	December 31	
	2025	**2024**
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 2,081,945	$ 2,980,000
Amortized cost		
Cash and cash equivalents	5,766,503	9,589,907
Accounts receivable, net (including related parties)	3,417,349	2,007,396
Other financial assets	252,201	5,709
Refundable deposits	254,258	159,086
Pledged time deposits	22,200	22,200
	$ 11,794,456	$ 14,764,298
Financial liabilities		
Amortized cost		
Accounts payable (including related parties)	$ 4,181,296	$ 1,788,332
Payables on machinery and equipment	28,583	94,955
Accrued expenses and other current liabilities	999,948	1,189,725
Payable for license fees	493,104	266,499
Guarantee deposits	3,143	3,278
	$ 5,706,074	$ 3,342,789

d. Financial risk management objectives and policies

The Company's objectives in financial risk management are to manage its exposure to market risk, credit risk and liquidity risk related to its operating activities. To reduce the related financial risks, the Company engages in identifying, assessing and avoiding the market uncertainties with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

Plans for material treasury activities are reviewed by the Audit and Corporate Governance Committee and the Board of Directors in accordance with procedures required by relevant regulations and internal controls. During the implementation of such plans, the treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

1) Market risk

Foreign currency risk

The Company's operating activities are mainly denominated in foreign currency and exposed to foreign exchange risk. To protect against the volatility of future cash flows arising from changes in foreign exchange rates, the Company adopts an economic hedging strategy to maintain a balance of net foreign currency assets and liabilities.

The Company's sensitivity analysis to foreign currency risk mainly focuses on the foreign currency monetary items at the end of the reporting period. Assuming a 10% strengthening of New Taiwan Dollars against the relevant currencies, the net income before tax for the years ended December 31, 2025 and 2024 would have decreased by $184,114 thousand and $29,856 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from operating activities, primarily accounts receivable, and from investing activities, primarily deposits with banks. Credit risk is managed separately for business related and financial related exposures. As of the balance sheet date, the Company's maximum credit risk exposure is mainly from the carrying amount of financial assets recognized in the parent company only balance sheet.

Business related credit risk

The Company has considerable accounts receivable from its customers worldwide. The majority of the Company's outstanding accounts receivable are not covered by collateral or credit insurance. While the Company has procedures to monitor and limit exposure to credit risk on accounts receivable, there can be no assurance such procedures will effectively limit its credit risk and avoid losses.

As of December 31, 2025 and 2024, the Company's ten largest customers accounted for 75% and 43% of accounts receivable, respectively.

Financial credit risk

The Company monitors and reviews the transaction limit applied to counterparties and adjusts the concentration limit according to market conditions and the credit standing of the counterparties regularly. The Company mitigates its exposure by selecting financial institution with high credit rating.

3) Liquidity risk management

The objective of liquidity risk management is to ensure the Company has sufficient liquidity to fund its business requirements. The Company manages its liquidity risk by maintaining adequate cash and banking facilities.

As of December 31, 2025 and 2024, the unused financing facilities of the Company amounted to $2,300,000 thousand, $1,600,000 thousand, respectively.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Non-derivative Financial Liabilities	**Less Than 1 Year**	**1-4 Years**	**4+ Years**	**Total**
December 31, 2025				
Accounts payable (including related parties)	$ 4,181,296	$ -	$ -	$ 4,181,296
Payables on machinery and equipment	28,583	-	-	28,583
Accrued expenses and other current liabilities	999,948	-	-	999,948
Lease liabilities	35,440	18,892	52,823	107,155
Payable for license fees	324,310	168,794	-	493,104
Guarantee deposits	-	-	3,143	3,143
	$ 5,569,577	$ 187,686	$ 55,966	$ 5,813,229

Additional information about the maturity analysis of lease liabilities:

	Less than 4 Year	4-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 54,332	$ 12,388	$ 10,324	$ 10,324	$ 19,787

Non-derivative Financial Liabilities	Less Than 1 Year	1-4 Years	4+ Years	Total
December 31, 2024				
Accounts payable (including related parties)	$ 1,788,332	$ -	$ -	$ 1,788,332
Payables on machinery and equipment	94,955	-	-	94,955
Accrued expenses and other current liabilities	1,189,725	-	-	1,189,725
Lease liabilities	38,245	12,958	57,113	108,316
Payable for license fees	193,432	73,067	-	266,499
Guarantee deposits	-	-	3,278	3,278
	$ 3,304,689	$ 86,025	$ 60,391	$ 3,451,105

Additional information about the maturity analysis of lease liabilities:

	Less than 4 Year	4-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 51,203	$ 12,901	$ 10,740	$ 10,740	$ 22,732

29. RELATED PARTY TRANSACTIONS

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and its related parties are disclosed below:

a. Related party name and category

Related Party Name	Related Party Category
Taiwan Semiconductor Manufacturing Co., Ltd. (TSMC)	An investor that accounts for its investment in GUC by using the equity method
TSMC North America (TSMC-NA)	A subsidiary of TSMC
TSMC Europe B.V. (TSMC-EU)	A subsidiary of TSMC
VisEra Technologies Co., Ltd. (VisEra)	A subsidiary of TSMC
Vanguard International Semiconductor Corporation (VIS)	An associate of TSMC
Bank SinoPac Co., Ltd (Bank SinoPac)	Affiliate of the GUC president’s spouse
GUC - NA	Subsidiary
GUC - Japan	Subsidiary
GUC - Europe	Subsidiary
GUC - Korea	Subsidiary
GUC - Nanjing	Subsidiary
GUC - Vietnam	Subsidiary
GUC - Shanghai	Subsidiary

b. Operating transactions

Line Item	Related Party Name and Category	Years Ended December 31	
		2025	2024
Net revenue	Investors with significant influence over the Company and their subsidiaries	$ 258,577	$ 391,602
Purchases	Investors with significant influence over the Company and their subsidiaries		
	TSMC-NA	$ 19,195,564	$ 4,671,773
	TSMC	3,960,304	4,367,165
		23,155,868	9,038,938
	Others	21,806	27,327
		$ 23,177,674	$ 9,066,265
Manufacturing overhead	Subsidiaries		
	GUC-Nanjing	$ 72,495	$ 824,839
	Investors with significant influence over the Company and their subsidiaries		
	TSMC-NA	4,101,062	1,835,721
	TSMC	1,479,435	1,166,984
		$ 5,652,992	$ 3,827,544
Operating expenses	Subsidiaries	$ 922,375	$ 865,770
	Investors with significant influence over the Company and their subsidiaries	82,809	58,515
		$ 1,005,184	$ 924,285

The following balances were outstanding at the end of the reporting period:

Line Item	Related Party Name and Category	December 31	
		2025	2024
Receivables from related parties	Investors with significant influence over the Company and their subsidiaries		
	TSMC	$ 14,016	$ 19,368
Prepayment for purchases	Investors with significant influence over the Company and their subsidiaries		
	TSMC	$ 1,025,140	$ 1,044,878
	TSMC-NA	230,368	4,217,110
		$ 1,255,508	$ 5,261,988

(Continued)

Line Item	Related Party Name and Category	December 31 2025	December 31 2024
Refundable deposits	Investors with significant influence over the Company and their subsidiaries		
	VisEra	$ 3,304	$ 3,304
Contract liabilities	Investors with significant influence over the Company and their subsidiaries	$ 5,074	$ 5,074
Payables to related parties	Investors with significant influence over the Company and their subsidiaries		
	TSMC-NA	$ 1,542,092	$ 239,428
	TSMC	428,655	470,460
		1,970,747	709,888
	Others	1,713	-
		$ 1,972,460	$ 709,888
Accrued expenses and other current liabilities	Subsidiaries	$ 67,782	$ 81,994

(Concluded)

The terms of sales to related parties were not significantly different from those of sales to third parties. For other related party transactions, the terms of transactions were determined in accordance with mutual agreement because there were no comparable terms for third-party transactions. The payment term granted to related parties is due 30 days from the invoice date or 30 days from the end of the month when the invoice is issued, while the payment term granted to third parties is due 30 days from the invoice date or 75 days from the end of the month when the invoice is issued.

c. Lease arrangements

Line Item	Related Party Name and Category	December 31 2025	December 31 2024
Lease liabilities - current	Investors with significant influence over the Company and their subsidiaries		
	VisEra	$ 21,045	$ 19,717

Line Item	Related Party Name and Category	Years Ended December 31 2025	Years Ended December 31 2024
Finance costs	Investors with significant influence over the Company and their subsidiaries		
	VisEra	$ 138	$ 304

The Company leased server room from related parties. The lease terms and prices were determined in accordance with mutual agreements. The rental expense was paid monthly.

d. Bank deposits and interest income

Line Item	Related Party Name and Category	December 31 2025	December 31 2024
Cash and cash equivalents	Substantive related parties Bank SinoPac	$ 155,028	$ 472,367
Other financial assets	Substantive related parties Bank SinoPac	$ 123	$ 123
Pledged time deposits	Substantive related parties Bank SinoPac	$ 20,000	$ 20,000

Range of interest rates for bank deposits was as follows:

Line Item	Related Party Name and Category	December 31 2025	December 31 2024
Cash and cash equivalents	Substantive related parties Bank SinoPac	0.001%-2.000%	0.001%-2.850%
Pledged time deposits	Substantive related parties Bank SinoPac	1.0078%	0.8828%-1.0078%

Line Item	Related Party Name and Category	Years Ended December 31 2025	Years Ended December 31 2024
Interest income	Substantive related parties Bank SinoPac	$ 8,031	$ 16,288

e. Compensation of key management personnel:

The remuneration to directors and other key management personnel were as follows:

	Years Ended December 31 2025	Years Ended December 31 2024
Short-term employee benefits	$ 183,518	$ 198,635
Post-employment benefits	364	469
	$ 183,882	$ 199,104

The remuneration to directors and other key management personnel were determined by the Compensation Committee of the Company in accordance with the individual performance and the market trends.

30. PLEDGED OR MORTGAGED ASSETS

As of December 31, 2025 and 2024 the Company provided pledged time deposits of $20,000 thousand as collateral for customs clearance and also provided pledged time deposits of $2,200 thousand as collateral for lease of a parcel of land from the Science Park Administration (SPA).

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The Company has entered into license agreements with several companies that own intellectual property rights. According to the agreements, the Company shall pay specific amounts of money to obtain licenses of their intellectual property rights or shall pay royalties at specific percentages of sales amount of identified products. Under the agreements, the Company shall pay at least US$4,000 thousand to the counterparty in the period from February 2024 to January 2027.

Under the agreement, the Company shall pay at least US$1,500 thousand to the counterparty in the period from June 2022.

Under the agreements, the Company shall pay at least US$3,850 thousand, US$1,000 thousand, US$1,071 thousand and US$2,100 thousand to the counterparty in the period from December 2025 to March 2028, December 2025 to December 2028, March 2026 to March 2028 and December 2026 to December 2029.

The Company has entered into a long-term advanced packaging capacity agreement with the counterparty. The contract service period is from July 2026 to December 2035. The Company should pay US$37,500 thousand in installments as security deposits to ensure the advanced packaging capacity supply in accordance with the contract, and the Company has paid US$12,500 thousand as of December 31, 2025. The amount of the security deposits refund will be calculated based on the annual production capacity utilization rate with the contract. However, if the certain level of production capacity utilization rate will not be achieved, the security deposits will not be refunded.

The Company has entered into multiple construction contracts and purchase orders with various companies for the data center in Zhunan, with a total payable amount of $789,400 thousand, and the Company has paid $486,830 thousand as of December 31, 2025.

The Company has entered into an equipment procurement contract with a certain company, under which it is obligated to pay US$2,650 thousand for the acquisition of the equipment.

The Company has entered into an equipment purchase order with a certain company, under which it is obligated to pay $536,455 thousand for the acquisition of the equipment.

32. EXCHANGE RATE INFORMATION OF FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES

The significant foreign-currency financial assets and liabilities were as follows:

(Unit: Foreign Currency in Thousands)

	Foreign Currency	Exchange Rate (Note)	Carrying Amount
December 31, 2025			
Monetary item - financial assets			
USD	$ 214,693	31.43	$ 6,747,807
RMB	21,464	4.4960	96,500
Non-monetary item -financial assets			
RMB	160,800	4.4960	722,956
USD	6,125	31.43	192,513
JPY	491,679	0.2008	98,729
VND	27,846,655	0.00118	32,859
EUR	517	36.900	19,092
KRW	354,011	0.02201	7,792

(Continued)

	Foreign Currency	Exchange Rate (Note)	Carrying Amount
Monetary item - financial liabilities			
USD	$ 157,528	31.43	$ 4,951,120
JPY	137,088	0.2008	27,527
RMB	4,368	4.4960	19,641
VND	3,581,386	0.00118	4,226
December 31, 2024			
Monetary item - financial assets			
USD	92,881	32.785	3,045,097
Non-monetary item -financial assets			
RMB	156,996	4.4780	703,028
USD	5,842	32.785	191,545
JPY	433,186	0.2099	90,926
VND	25,780,060	0.00127	32,741
EUR	504	34.140	17,217
KRW	333,357	0.02246	7,487
Monetary item - financial liabilities			
USD	81,727	32.785	2,679,421
JPY	208,219	0.2099	43,705
RMB	4,413	4.4780	19,763
VND	2,474,330	0.00127	3,142

(Concluded)

Note: Exchange rate represents the amount of NT$ that can be exchanged to one unit of foreign currency.

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

	Years Ended December 31			
	2025		2024	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	31.1797 (USD:NTD)	$ (145,284)	32.1123 (USD:NTD)	$ 40,709

33. OPERATING SEGMENT INFORMATION

The Company operates in a single industry and is viewed by the Company’s chief operating decision maker as one segment when reviewing information in order to allocate resources and assess performance. The basis for the measurement of the operating segment profit (loss), assets and liabilities is the same as that for the preparation of financial statements. For operating segment information, refer to the consolidated financial statements for the years ended December 31, 2025 and 2024.

34. ADDITIONAL DISCLOSURES

a. Significant transactions and b. Related information of reinvestment

1) Financing provided: None;

2) Endorsements/guarantees provided: None;

3) Significant marketable securities held (excluding investments in subsidiaries, associates and jointly controlled entities): See Table 1 attached;

4) Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: See Table 2 attached;

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None;

6) Names, locations, and related information of investees over which the Company exercises significant influence (excluding information on investment in Mainland China): See Table 3 attached;

c. Information on investment in Mainland China

1) The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, net income (losses) of the investee, investment income (losses), ending balance, amount received as dividends from the investee, and the limitation on investee: See Table 4 attached.

2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: See Table 5 attached.

TABLE 1

GLOBAL UNICHIP CORP.

SIGNIFICANT MARKETABLE SECURITIES HELD
DECEMBER 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2025				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Mutual funds							
	Fubon Money Market Fund	-	Financial assets at fair value through profit or loss - current	53,778,060	$ 844,783	-	$ 844,783	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	35,695,108	630,447	-	630,447	
	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,246,123	203,032	-	203,032	
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,129,445	203,023	-	203,023	
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,271,441	100,339	-	100,339	
	Fuh Hwa Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,604,845	100,321	-	100,321	

TABLE 2

GLOBAL UNICHIP CORP.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	TSMC	TSMC is an investor that accounts for its investment in GUC by using the equity method	Sales	$ 258,577	1	30 days after monthly closing	Note 29	Note 29	$ 14,016	-	
			Purchases	3,960,304	16	30 days after invoice date	Note 29	Note 29	(428,655)	(10)	
	TSMC-NA	TSMC-NA is a subsidiary of TSMC	Purchases	19,195,564	75	30 days after invoice date	Note 29	Note 29	(1,542,092)	(37)	

GLOBAL UNICHIP CORP.

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2025			Net Income (Losses) of the Investee	Investment Income (Losses)	Note
				December 31, 2025 (Foreign Currencies in Thousands)	December 31, 2024 (Foreign Currencies in Thousands)	Shares	Percentage of Ownership (%)	Carrying Amount			
The Company	GUC-NA	U.S.A.	Products consulting, design and technical support service	$ 25,627 (US$ 800)	$ 25,627 (US$ 800)	800,000	100	$ 192,513	$ 8,800	$ 8,800	Note 1
	GUC-Japan	Japan	Products consulting, design and technical support service	15,393 (YEN 55,000)	15,393 (YEN 55,000)	1,100	100	98,729	12,247	12,247	Note 2
	GUC-Europe	Netherlands	Products consulting, design and technical support service	8,109 (EUR 200)	8,109 (EUR 200)	-	100	19,092	462	462	Note 2
	GUC-Korea	Korea	Products consulting, design and technical support service	5,974 (KRW 222,545)	5,974 (KRW 222,545)	44,000	100	7,792	452	452	Note 2
	GUC-Vietnam	Vietnam	Products consulting design and technical support service	30,602 (VND23,670,000)	30,602 (VND23,670,000)	-	100	32,859	2,427	2,427	Note 2

Note 1: Investment income (loss) was determined based on audited financial statements.

Note 2: Investment income (loss) was determined based on unaudited financial statements.

GLOBAL UNICHIP CORP.

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (US$ in Thousands)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2025 (US$ in Thousands)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025 (US$ in Thousands)	Net Income (Losses) of the Investee	Percentage of Ownership	Investment Income (Losses)	Carrying Amount as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow						
GUC-Nanjing	Products consulting, design and technical support service	$ 305,104 (US$ 10,000)	(Note 1)	$ 180,332 (US$ 6,000)	$ 124,772 (US$ 4,000)	$ -	$ 305,104 (US$ 10,000)	$ 26,440	100%	$ 26,440 (Note 2)	$ 649,066	$ 201,787
GUC-Shanghai	Products consulting, design and technical support service	31,165 (US$ 1,000)	(Note 1)	31,165 (US$ 1,000)	-	-	31,165 (US$ 1,000)	5,468	100%	5,468 (Note 3)	73,890	-

Accumulated Investment in Mainland China as of December 31, 2025 (US$ in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (US$ in Thousands)	Upper Limit on Investment
$ 336,269 (US$ 11,000)	$ 336,269 (US$ 11,000)	$ 7,747,675 (Note 4)

Note 1: The Company invested the investee directly.

Note 2: Investment income (loss) was determined based on audited financial statements.

Note 3: Investment income (loss) was determined based on unaudited financial statements.

Note 4: Subject to 60% of net asset value of the Company according to the revised “Guidelines Governing the Approval of Investment or Technical Cooperation in Mainland China” issued by the Investment Commission.

TABLE 5

GLOBAL UNICHIP CORP.

SIGNIFICANT INTERCOMPANY TRANSACTIONS WITH INVESTEE IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands of New Taiwan Dollars)

No.	Company Name	Counter Party	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statement Account	Amount	Terms (Note 2)	Percentage to Net Revenue or Total Assets
0	The Company	GUC-Shanghai	1	Operating expenses	$ 110,614	-	-
				Accrued expenses and other current liabilities	8,264	-	-
		GUC-Nanjing	1	Manufacturing overhead	72,495	-	-
				Operating expenses	158,094	-	-
				Accrued expenses and other current liabilities	11,377	-	-

Note 1: No. 1 represents the transactions from parent company to subsidiary.

Note 2: The intercompany transactions, prices and terms are determined in accordance with mutual agreements and no other similar transactions could be used for comparison.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

STATEMENT 1

GLOBAL UNICHIP CORP.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description	Amount
Cash		
Cash in banks		
Time deposits	From 2025.6.18 to 2026.7.25, interest rates at 0.67%-1.70%	$ 2,344,200
RMB time deposits	From 2025.12.19 to 2026.1.20, interest rates at 0.90%	96,214
Checking accounts and demand deposits		213,128
Foreign currency deposits	Including US$98,110 thousand @31.43, EUR21 thousand @36.9, JPY1,581 thousand @0.2008, and RMB64 thousand @4.496	3,084,981
Repurchase agreements collateralized by bonds	From 2025.12.10 to 2026.3.11, interest rates at 1.20%	50,000
Petty cash		180
		5,788,703
Less: Pledged time deposits	As collateral for customs clearance	20,000
	As collateral for leasing a parcel of land from the Science Park Administration (SPA).	2,200
Total		$ 5,766,503

GLOBAL UNICHIP CORP.

STATEMENT OF ACCOUNTS RECEIVABLE, NET
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Client A	$ 1,705,660
Client B	628,631
Client C	330,746
Others (Note)	738,296
Total	$ 3,403,333

Note: The amount of individual client in others does not exceed 5% of the account balance.

GLOBAL UNICHIP CORP.

STATEMENT OF INVENTORIES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net Realizable Value (Note)
Finished goods	$ 1,345,697	$ 1,570,969
Work in process	6,312,868	7,612,044
Raw materials	2,489,458	3,071,363
Total	$ 10,148,023	$ 12,254,376

Note: Net realizable value is the estimated selling price of inventories less all estimated costs of completion and necessary selling costs.

STATEMENT 4

GLOBAL UNICHIP CORP.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investees	Balance, January 1, 2025		Additions in Investment		Decreases in Investment (Note 1)		Share of Profit or Loss of Subsidiaries	Exchange Differences on Translation of Foreign Operations	Balance, December 31, 2025			Net Asset Value
	Shares	Amount	Shares	Amount	Shares	Amount			Shares	%	Amount	
GUC-Nanjing	-	$ 635,073	-	$ 124,772	-	$ 137,338	$ 26,440	$ 119	-	100	$ 649,066	$ 649,066
GUC-NA	800,000	191,545	-	-	-	-	8,800	(7,832)	800,000	100	192,513	192,513
GUC-Japan	1,100	90,926	-	-	-	-	12,247	(4,444)	1,100	100	98,729	98,729
GUC-Shanghai	-	67,955	-	-	-	-	5,468	467	-	100	73,890	73,890
GUC-Vietnam	-	32,741	-	-	-	-	2,427	(2,309)	-	100	32,859	32,859
GUC-Europe	-	17,217	-	-	-	-	462	1,413	-	100	19,092	19,092
GUC-Korea	44,000	7,487	-	-	-	-	452	(147)	44,000	100	7,792	7,792
Total		$ 1,042,944		$ 124,772		$ 137,338	$ 56,296	$ (12,733)			$ 1,073,941	$ 1,073,941

Note 1: Mainly from cash dividends received from the investees.

Note 2: The amounts of investments in subsidiaries were not pledged as collateral.

GLOBAL UNICHIP CORP.

STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Siliconware Precision Industries Co., Ltd.	$ 792,728
King Yuan Electronics Co., Ltd.	395,995
Advanced Semiconductor Engineering, Inc.	204,876
SK hynix America Inc	127,414
Others (Note)	687,823
Total	$ 2,208,836

Note: The amount of individual vendor in others does not exceed 5% of the account balance.

GLOBAL UNICHIP CORP.

STATEMENT OF CONTRACT LIABILITIES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Client I	$ 1,062,562
Client II	993,403
Client III	755,058
Client IV	705,077
Client V	625,278
Client VI	460,742
Others (Note)	2,736,767
Total	$ 7,338,887

Note: The amount of individual client in others does not exceed 5% of the account balance.

STATEMENT 7

GLOBAL UNICHIP CORP.

STATEMENT OF NET REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Quantity	Amount
Wafer product	106,199,066	$ 25,735,740
NRE		8,032,384
Others		372,793
Total		$ 34,140,917

STATEMENT 8

GLOBAL UNICHIP CORP.

STATEMENT OF COST OF REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials, beginning of year	$ 411,750
Raw material purchased	25,447,458
Raw materials, end of year	(2,489,458)
Others	(10,712)
Raw materials used	23,359,038
Manufacturing overhead	10,491,445
Manufacturing cost	33,850,483
Work in process, beginning of year	1,446,825
Work in process, end of year	(6,312,868)
Cost of finished goods	28,984,440
Finished goods, beginning of year	935,866
Finished goods, end of year	(1,345,697)
Others	(2,885,363)
Total	$ 25,689,246

GLOBAL UNICHIP CORP.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Sales and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses	Expected Credit Impairment Gain
Salaries	$ 139,313	$ 319,209	$ 1,587,894	$ -
Professional service fee	202,979	43,732	795,727	-
Amortization	-	8,232	376,920	-
Repairs and maintenance expense	-	29,895	49,187	-
Remuneration and others to directors	-	43,248	-	-
Expected credit impairment gain	-	-	-	(146,023)
Others (Note)	52,564	81,567	583,862	-
Total	$ 394,856	$ 525,883	$ 3,393,590	$ (146,023)

Note: The amount of each item in others does not exceed 5% of the account balance.

GLOBAL UNICHIP CORP.

STATEMENT OF EMPLOYEE BENEFITS EXPENSES, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Year Ended December 31, 2025			Year Ended December 31, 2024		
	Classified as Cost of Revenue	Classified as Operating Expenses	Total	Classified as Cost of Revenue	Classified as Operating Expenses	Total
Employee benefits expenses						
Salaries	$ 340,029	$ 2,046,416	$ 2,386,445	$ 379,819	$ 2,139,877	$ 2,519,696
Labor and health insurance	17,609	98,001	115,610	17,311	92,832	110,143
Pension	9,175	47,307	56,482	8,913	47,654	56,567
Remuneration to directors	-	43,248	43,248	-	49,956	49,956
Others	10,141	52,151	62,292	8,886	44,287	53,173
	$ 376,954	$ 2,287,123	$ 2,664,077	$ 414,929	$ 2,374,606	$ 2,789,535
Depreciation	$ 22,891	$ 192,109	$ 215,000	$ 26,246	$ 171,933	$ 198,179
Amortization	$ 19,181	$ 385,152	$ 404,333	$ 19,257	$ 356,546	$ 375,803

Note 1: For the years ended December 31, 2025 and 2024, the Company had 721 and 701 monthly average number of employees, respectively, which included 7 and 7 non-employee directors, respectively.

Note 2: Average employee benefits expenses for the years ended December 31, 2025 and 2024 was NT$3,671 thousand and NT$3,948 thousand, respectively.

Note 3: Average amount of salaries for the years ended December 31, 2025 and 2024 was NT$3,342 thousand and NT$3,631 thousand, respectively.

Note 4: The average salaries decreased by 8% year over year.

Note 5: The Company has established the Audit and Corporate Governance Committee, and the remuneration of independent directors has been incorporated into the remuneration to directors.

Note 6: Compensation and Remuneration Policy

a. Remuneration to Directors is paid at prevailing rates according to Directors' Remuneration Policy of the Company. Guided by the established compensation and remuneration policy in the profit of the Company, compensation and remuneration to directors is accrued and reviewed by the Compensation Committee and the Board of Directors. The compensation arrangement shall be reported in the shareholders' meeting. Directors who also serve as executive officers will receive compensation based on the following rules b & c.

b. The compensation and remuneration of the President and Vice Presidents of the Company is guided in accordance with Performance Management Policy. Executives' compensation packages are based on individual performance and their contribution to the Company's overall performance with benchmarking to market compensation surveys. The Compensation Committee shall review the KPIs and measurements, followed by performance appraisal, and consequently reward the Executives with the approval of the Board of Directors.

c. Compensation and Remuneration Policy of the Company is based on individual competence, contribution, and performance appraisal results, which shows positive relation to the Company's overall performance. The combination of compensation and remuneration are base salary, incentive & profit sharing, and benefits. Base salary is determined based on an employee's capabilities, roles & responsibilities, the market competitiveness of the position, and company pay policy. Incentives & profit sharing are awarded in accordance with the operating performance of the company and goal achievement of each department and individual employee. Benefits are not intended to only meet regulations and requirements but also designed to meet individuals' needs and for mutual good of all employees.