

**SIGURD MICROELECTRONICS  
CORPORATION AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

---

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

## **Representation Letter**

In connection with the Consolidated Financial Statements of Affiliated Enterprises of Sigurd Microelectronics Corporation (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2025 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of Sigurd Microelectronics Corporation and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10. In addition, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, Sigurd Microelectronics Corporation does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

Sigurd Microelectronics Corporation

By

Shin-Yang Huang, Chairman

March 9, 2026

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25000492

To the Board of Directors and Shareholders of Sigurd Microelectronics Corporation

***Opinion***

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

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

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statements 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 *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Sigurd Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matter***

Key audit matters are the matters that, in our professional judgement, were of most significance in our audit of consolidated financial statements of the current period. This matter was addressed in the context of our audit of consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on this matter.

Key audit matter for Sigurd Group's consolidated financial statements of the current period is stated as follows:

## ***Capitalisation of property, plant and equipment***

### Description

Sigurd Group increased its capital expenditure to meet its operational needs. Please refer to Note 4(15) for accounting policies on property, plant and equipment, and Note 6(7) for details of property, plant and equipment. Considering that capitalisation of property, plant and equipment is significant to Sigurd Group's consolidated financial statements, thus, we identified the audit of capitalisation of property, plant and equipment as a key audit matter.

### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:  
Assessed and validated the effectiveness of the internal control system over additions to property, plant and equipment, as well as sample tested and examined respective purchase orders and invoices to ensure that transactions were approved accordingly and recognised amounts were accurate. Sample tested and examined the acceptance documents to validate the appropriateness of the timing that assets are ready for use and capitalisation (timing of starting depreciation).

***Other matter – Audited by other independent auditors***

We did not audit the financial statements of certain consolidated subsidiaries. Those financial statements were audited by other independent auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements, is based solely on the reports of other independent auditors. Total assets of those consolidated subsidiaries amounted to NT\$299,756 thousand and NT\$253,805 thousand, constituting 0.70% and 0.64% of the consolidated total assets as at December 31, 2025 and 2024, respectively, and total operating revenues amounted to NT\$295,269 thousand and NT\$270,429 thousand, constituting 1.51% and 1.48% of the total operating revenues for the years then ended, respectively.

***Other matter – Parent company only financial statements***

We have also expressed an unmodified opinion on the parent company only financial statements of Sigurd Microelectronics Corporation as of and for the years ended December 31, 2025 and 2024.

***Responsibilities of management and those charged with governance for consolidated financial statements***

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

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

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

***Auditor's responsibilities for the audit of the consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

From those matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe the matter in our 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.

---

Li, Tien-Yi

---

Hsieh, Chih-Cheng

For and on behalf of PricewaterhouseCoopers, Taiwan

March 9, 2026

---

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

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

**SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2025 AND 2024**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 12,718,818	30	\$ 11,249,315	29
1110	Current financial assets at fair value through profit or loss	6(2)	355,272	1	281,277	1
1136	Current financial assets at amortised cost	6(4) and 8	1,401,516	3	1,732,623	4
1140	Current contract assets	6(19)	188,018	-	135,555	-
1150	Notes receivable, net	6(5)	305	-	109	-
1170	Accounts receivable, net	6(5)	4,732,665	11	4,520,853	12
1180	Accounts receivable - related parties, net	6(5) and 7	-	-	1,590	-
1200	Other receivables		24,137	-	83,892	-
1220	Current tax assets		151	-	-	-
130X	Inventories	6(6)	588,253	1	414,994	1
1410	Prepayments		664,649	2	730,383	2
1470	Other current assets		64,105	-	107,805	-
11XX	<b>Total current assets</b>		<u>20,737,889</u>	<u>48</u>	<u>19,258,396</u>	<u>49</u>
<b>Non-current assets</b>						
1510	Non-current financial assets at fair value through profit or loss	6(2)	42,172	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	3,026,565	7	3,502,732	9
1535	Non-current financial assets at amortised cost	6(4) and 8	833,625	2	376,738	1
1600	Property, plant and equipment	6(7) and 8	16,816,421	39	15,440,055	39
1755	Right-of-use assets	6(9)	760,948	2	478,141	1
1780	Intangible assets		149,859	-	143,115	-
1840	Deferred tax assets	6(26)	373,983	1	302,464	1
1900	Other non-current assets		280,163	1	133,007	-
15XX	<b>Total non-current assets</b>		<u>22,283,736</u>	<u>52</u>	<u>20,376,252</u>	<u>51</u>
1XXX	<b>Total assets</b>		<u>\$ 43,021,625</u>	<u>100</u>	<u>\$ 39,634,648</u>	<u>100</u>

(Continued)

**SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2025 AND 2024**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
	<b>Current liabilities</b>					
2100	Short-term borrowings	6(10)	\$ 418,884	1	\$ 185,000	1
2130	Current contract liabilities	6(19)	11,076	-	20,322	-
2150	Notes payable		19,420	-	3,951	-
2170	Accounts payable		376,187	1	407,906	1
2200	Other payables	6(11)	3,219,313	7	3,242,497	8
2230	Current income tax liabilities		345,493	1	418,325	1
2250	Current provisions		10,934	-	1,538	-
2280	Current lease liabilities		96,820	-	86,095	-
2320	Long-term borrowings, current portion	6(13) and 8	5,024,597	12	2,672,433	7
2399	Other current liabilities, others	6(19)	179,630	-	271,850	1
21XX	<b>Total current liabilities</b>		<u>9,702,354</u>	<u>22</u>	<u>7,309,917</u>	<u>19</u>
	<b>Non-current liabilities</b>					
2530	Bonds payable	6(12)	-	-	2,987,713	7
2540	Long-term borrowings	6(13) and 8	7,409,954	17	5,521,913	14
2570	Deferred tax liabilities	6(26)	75,503	-	82,332	-
2580	Non-current lease liabilities		691,856	2	421,604	1
2600	Other non-current liabilities	6(14)	265,979	1	262,459	1
25XX	<b>Total non-current liabilities</b>		<u>8,443,292</u>	<u>20</u>	<u>9,276,021</u>	<u>23</u>
2XXX	<b>Total liabilities</b>		<u>18,145,646</u>	<u>42</u>	<u>16,585,938</u>	<u>42</u>
	<b>Equity</b>					
	<b>Equity attributable to owners of parent</b>					
	Share capital	6(15)				
3110	Ordinary share		4,839,123	11	4,839,123	12
	Capital surplus	6(16)				
3200	Capital surplus		1,037,732	3	1,763,600	4
	Retained earnings	6(17)				
3310	Legal reserve		2,572,578	6	2,292,092	6
3350	Unappropriated retained earnings		11,824,884	28	10,157,726	26
	Other equity interest	6(18)				
3400	Other equity interest		1,897,101	4	898,858	2
3500	Treasury shares	6(15)	( 385,473)	( 1)	-	-
31XX	<b>Equity attributable to owners of parent</b>		<u>21,785,945</u>	<u>51</u>	<u>19,951,399</u>	<u>50</u>
36XX	<b>Non-controlling interests</b>	4(3)	<u>3,090,034</u>	<u>7</u>	<u>3,097,311</u>	<u>8</u>
3XXX	<b>Total equity</b>		<u>24,875,979</u>	<u>58</u>	<u>23,048,710</u>	<u>58</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the reporting period	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 43,021,625</u>	<u>100</u>	<u>\$ 39,634,648</u>	<u>100</u>

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

**SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

	Items	Notes	Year ended December 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19) and 7	\$ 19,587,196	100	\$ 18,218,144	100
5000	Operating costs	6(6)(24)(25)	( 13,863,903)	( 71)	( 13,462,234)	( 74)
5950	Gross profit from operations		<u>5,723,293</u>	<u>29</u>	<u>4,755,910</u>	<u>26</u>
	Operating expenses	6(24)(25)				
6100	Selling and marketing expenses		( 224,007)	( 1)	( 211,678)	( 1)
6200	General and administrative expenses		( 1,084,762)	( 6)	( 1,032,800)	( 6)
6300	Research and development expenses		( 452,640)	( 2)	( 435,322)	( 2)
6450	Expected credit loss	12(2)	<u>5,668</u>	<u>-</u>	<u>( 2,086)</u>	<u>-</u>
6000	Total operating expenses		<u>( 1,755,741)</u>	<u>( 9)</u>	<u>( 1,681,886)</u>	<u>( 9)</u>
6900	Operating profit		<u>3,967,552</u>	<u>20</u>	<u>3,074,024</u>	<u>17</u>
	Non-operating income and expenses					
7100	Interest income	6(20)	270,570	1	351,949	2
7010	Other income	6(21)	165,219	1	134,942	1
7020	Other gains and losses	6(22)	( 291,405)	( 1)	589,119	3
7050	Finance costs	6(23)	( 218,600)	( 1)	( 242,391)	( 2)
7000	Total non-operating income and expenses		<u>( 74,216)</u>	<u>-</u>	<u>833,619</u>	<u>4</u>
7900	<b>Profit before income tax</b>		<u>3,893,336</u>	<u>20</u>	<u>3,907,643</u>	<u>21</u>
7950	Income tax expense	6(26)	( 562,963)	( 3)	( 736,906)	( 4)
8200	<b>Profit for the year</b>		<u>\$ 3,330,373</u>	<u>17</u>	<u>\$ 3,170,737</u>	<u>17</u>
	<b>Other comprehensive income (loss)</b>					
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311	Gains on remeasurements of defined benefit plans	6(14)	( \$ 7,746)	-	\$ 26,997	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	1,263,259	6	( 61,393)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	( 464)	-	( 1,460)	-
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		<u>1,255,049</u>	<u>6</u>	<u>( 35,856)</u>	<u>-</u>
	<b>Components of other comprehensive income (loss) that might be reclassified to profit or loss</b>					
8361	Exchange differences on translation of foreign operations	6(18)	1,945	-	188,887	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(26)	( 723)	-	-	-
8360	Components of other comprehensive income that might be reclassified to profit or loss		<u>1,222</u>	<u>-</u>	<u>188,887</u>	<u>1</u>
8300	<b>Other comprehensive income</b>		<u>\$ 1,256,271</u>	<u>6</u>	<u>\$ 153,031</u>	<u>1</u>
8500	<b>Total comprehensive income</b>		<u>\$ 4,586,644</u>	<u>23</u>	<u>\$ 3,323,768</u>	<u>18</u>
	Profit, attributable to:					
8610	Owners of the parent		\$ 2,954,578	15	\$ 2,771,956	15
8620	Non-controlling interests		<u>375,795</u>	<u>2</u>	<u>398,781</u>	<u>2</u>
	Total profit		<u>\$ 3,330,373</u>	<u>17</u>	<u>\$ 3,170,737</u>	<u>17</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 4,224,320	21	\$ 2,839,728	15
8720	Non-controlling interests		<u>362,324</u>	<u>2</u>	<u>484,040</u>	<u>3</u>
	Total comprehensive income		<u>\$ 4,586,644</u>	<u>23</u>	<u>\$ 3,323,768</u>	<u>18</u>
	Basic earnings per share (in dollars)	6(27)				
9750	Basic earnings per share		<u>\$ 6.14</u>		<u>\$ 5.89</u>	
	Diluted earnings per share (in dollars)	6(27)				
9850	Diluted earnings per share		<u>\$ 6.08</u>		<u>\$ 5.67</u>	

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

**SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

		Equity Attributable To Owners Of The Parent									
		Retained Earnings				Other Equity Interest					
		Capital Surplus, Additional Paid-In Capital	Legal Reserve	Unappropriated Retained Earnings	Exchange Differences On Translation Of Foreign Financial Statements	Unrealised Gains (Losses) From Financial Assets Measured At Fair Value Through Other Comprehensive Income	Treasury Shares	Total	Non-Controlling Interests	Total Equity	
Notes	Ordinary Share										
<b>2024</b>											
	Balance at January 1, 2024	\$ 4,567,446	\$ 539,458	\$ 2,117,155	\$ 8,750,118	\$ 60,183	\$ 803,801	\$ -	\$ 16,838,161	\$ 2,961,425	\$ 19,799,586
	Profit for the year	-	-	-	2,771,956	-	-	-	2,771,956	398,781	3,170,737
	Other comprehensive income (loss)	-	-	-	23,091	106,074	( 61,393 )	-	67,772	85,259	153,031
	Total comprehensive income (loss)	-	-	-	2,795,047	106,074	( 61,393 )	-	2,839,728	484,040	3,323,768
	Appropriation of 2023 earnings	-	-	-	-	-	-	-	-	-	-
	Legal reserve	-	-	174,937	( 174,937 )	-	-	-	-	-	-
	Cash dividends	-	-	-	( 1,222,309 )	-	-	-	( 1,222,309 )	-	( 1,222,309 )
	Conversion of corporate bonds	271,677	1,224,142	-	-	-	-	-	1,495,819	-	1,495,819
	Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
	Cash dividends paid to non-controlling interest from a subsidiary	-	-	-	9,807	-	( 9,807 )	-	-	-	-
	Decrease in non-controlling interest	-	-	-	-	-	-	-	-	( 314,569 )	( 314,569 )
	Balance at December 31, 2024	<u>\$ 4,839,123</u>	<u>\$ 1,763,600</u>	<u>\$ 2,292,092</u>	<u>\$ 10,157,726</u>	<u>\$ 166,257</u>	<u>\$ 732,601</u>	<u>\$ -</u>	<u>\$ 19,951,399</u>	<u>\$ 3,097,311</u>	<u>\$ 23,048,710</u>
<b>2025</b>											
	Balance at January 1, 2025	<u>\$ 4,839,123</u>	<u>\$ 1,763,600</u>	<u>\$ 2,292,092</u>	<u>\$ 10,157,726</u>	<u>\$ 166,257</u>	<u>\$ 732,601</u>	<u>\$ -</u>	<u>\$ 19,951,399</u>	<u>\$ 3,097,311</u>	<u>\$ 23,048,710</u>
	Profit for the year	-	-	-	2,954,578	-	-	-	2,954,578	375,795	3,330,373
	Other comprehensive income (loss)	-	-	-	( 7,203 )	13,686	1,263,259	-	1,269,742	( 13,471 )	1,256,271
	Total comprehensive income (loss)	-	-	-	2,947,375	13,686	1,263,259	-	4,224,320	362,324	4,586,644
	Appropriation of 2024 earnings	-	-	-	-	-	-	-	-	-	-
	Legal reserve	-	-	280,486	( 280,486 )	-	-	-	-	-	-
	Cash distribution from capital surplus	-	-	-	( 1,209,781 )	-	-	-	( 1,209,781 )	-	( 1,209,781 )
	Issuance of corporate bonds	-	( 725,868 )	-	-	-	-	-	( 725,868 )	-	( 725,868 )
	Disposal of financial assets at fair value through other comprehensive income	-	-	-	285,219	-	( 285,219 )	-	-	-	-
	Cash dividends paid to non-controlling interest from a subsidiary	-	-	-	-	-	-	-	-	( 303,541 )	( 303,541 )
	Transactions with non-controlling interest	-	-	-	( 75,169 )	6,517	-	-	( 68,652 )	( 66,060 )	( 134,712 )
	Treasury shares acquired	-	-	-	-	-	-	( 385,473 )	( 385,473 )	-	( 385,473 )
	Balance at December 31, 2025	<u>\$ 4,839,123</u>	<u>\$ 1,037,732</u>	<u>\$ 2,572,578</u>	<u>\$ 11,824,884</u>	<u>\$ 186,460</u>	<u>\$ 1,710,641</u>	<u>(\$ 385,473)</u>	<u>\$ 21,785,945</u>	<u>\$ 3,090,034</u>	<u>\$ 24,875,979</u>

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

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31	
		2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 3,893,336	\$ 3,907,643
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(9)(24)	3,964,582	4,187,500
Amortisation	6(24)	73,866	80,413
Expected credit (loss) gain	12(2)	( 5,668 )	2,086
Net profit on financial assets at fair value through profit or loss	6(2)(22)	( 12,753 )	( 20,363 )
Finance costs	6(23)	218,600	242,391
Interest income	6(20)	( 270,570 )	( 351,949 )
Dividends income	6(21)	( 48,214 )	( 32,056 )
Gains on disposal of property, plant and equipment	6(7)(9)(22)	( 90,288 )	( 130,546 )
Impairment loss on property, plant and equipment	6(7)(9)(22)	-	102,389
Other non-current assets reclassified as expenses		-	436
Prepayments reclassified as loss		62,744	-
Gains arising from lease modifications	6(9)(22)	-	( 58 )
Government grants	6(13)	( 34,266 )	( 31,854 )
(Loss) gain on disposal of an investment	6(22)	3,138	( 1,091 )
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		-	84,433
Contract assets	(	53,218 )	( 6,364 )
Notes receivable	(	196 )	( 80 )
Accounts receivable	(	205,147 )	( 826,990 )
Accounts receivable-related parties		1,590	1,743
Other receivables		71,959	( 18,838 )
Inventories	(	347,730 )	( 11,008 )
Prepayments		7,397	( 36,505 )
Other current assets		43,803	( 58,745 )
Net defined benefit assets		-	383
Other non-current assets	(	1,787 )	( 8,363 )
Changes in operating liabilities			
Contract liabilities	(	9,246 )	( 10,393 )
Notes payable		15,469	( 2,645 )
Accounts payable	(	30,290 )	( 27,992 )
Other payables	(	162,204 )	( 628,527 )
Provisions		9,313	345
Other current liabilities	(	92,219 )	( 6,753 )
Net defined benefit liabilities	(	12,580 )	( 8,906 )
Other non-current liabilities		-	( 46 )
Cash inflow generated from operations		6,989,421	7,759,036
Interest received		275,791	353,759
Interest paid	(	180,907 )	( 171,974 )
Dividends received		48,214	32,056
Income tax paid	(	716,117 )	( 835,349 )
Net cash flows from operating activities		6,416,402	7,137,528

(Continued)

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 281,023 )	(\$ 30,809 )
Proceeds from disposal of financial assets at fair value through profit or loss		177,609	-
Acquisition of financial assets at fair value through other comprehensive income		( 12,600 )	( 1,454,207 )
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	1,752,026	49,049
Acquisition of financial assets at amortised cost		( 4,403,594 )	( 7,380,553 )
Proceeds from disposal of financial assets at amortised cost		4,271,506	8,803,590
Acquisition of property, plant and equipment	6(29)	( 5,311,235 )	( 3,799,871 )
Proceeds from disposal of property, plant and equipment		257,809	423,564
Acquisition of intangible assets		( 77,567 )	( 28,932 )
Increase in refundable deposits		( 8,125 )	( 18,107 )
Decrease in refundable deposits		2,442	8,279
Net cash flows used in investing activities		( 3,632,752 )	( 3,427,997 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(30)	524,212	1,453,700
Repayments of short-term borrowings	6(30)	( 295,000 )	( 1,417,069 )
Proceeds from long-term borrowings	6(30)	10,193,925	9,327,650
Repayments of long-term borrowings	6(30)	( 8,952,269 )	( 9,598,956 )
Increase in guarantee deposits received	6(30)	167	5,843
Decrease in guarantee deposits received	6(30)	( 185 )	( 7,138 )
Repayments of lease liabilities	6(30)	( 97,773 )	( 101,632 )
Purchase of treasury shares	6(15)	( 385,473 )	-
Cash dividends paid	6(17)	( 1,209,781 )	( 1,222,309 )
Cash distribution from capital surplus	6(16)(17)	( 725,868 )	-
Transactions with non-controlling interest	6(29)	( 96,135 )	-
Cash dividends paid to non-controlling interests	4(3)	( 303,541 )	( 314,569 )
Returning cash to non-controlling interests for a subsidiary liquidation	4(3)	-	( 33,864 )
Net cash flows used in financing activities		( 1,347,721 )	( 1,908,344 )
Effect of changes in exchange rate		33,574	41,908
Net increase in cash and cash equivalents		1,469,503	1,843,095
Cash and cash equivalents at beginning of year	6(1)	11,249,315	9,406,220
Cash and cash equivalents at end of year	6(1)	<u>\$ 12,718,818</u>	<u>\$ 11,249,315</u>

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

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

Sigurd Microelectronics Corporation (formerly named More Power Electronic Co., Ltd., the “Company”) was established in the Republic of China (R.O.C.) on December 15, 1988. In 1998, the Company acquired Sigurd Corporation, via assets purchase (the acquired company was liquidated and dissolved after the merger), in order to expand and provide turnkey assembly and testing services to customers. The name of the Company was changed to Sigurd Microelectronics Corporation on November 27, 1998. The main business activities of the Company and its subsidiaries (collectively referred herein as “Sigurd Group” or the “Group”) include the design, processing, testing, burn-in treatment, manufacture, trading, etc., of integrated circuits.

On February 11, 2004, the Company’s Board of Directors resolved to acquire Ucomm Caesar Technology Co., Ltd., whose main business was RF testing. The Company is the surviving company and Ucomm Caesar Technology Co., Ltd. is the dissolved company. After the merger, the Company’s name was retained. The effective date for the merger was March 1, 2005.

On December 30, 2005, the Company’s Board of Directors resolved to acquire ASI Semiconductor Co., Ltd., whose main business was integrated circuit testing. The Company is the surviving company and ASI Semiconductor Co., Ltd. is the dissolved company. After the merger, the Company’s name was retained. The effective date for the merger was June 12, 2006.

On May 8, 2013, the Company’s Board of Directors resolved to acquire Meicer Semiconductor Co., Ltd., whose main business was integrated circuits packaging. The Company is the surviving company and the effective date for the merger was May 31, 2013.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 9, 2026.

### 3. APPLICATION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS

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

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

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

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

#### (2) Effect of new issuances of or amended IFRSs Accounting Standards as endorsed by the FSC but not yet adopted

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

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

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

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

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

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

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

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment. The quantitative impact will be disclosed when the assessment is complete:

IFRS 18, ‘Presentation and disclosure in financial statements’

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

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

##### (1) Compliance statement

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

##### (2) Basis of preparation

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

- (a) Financial assets at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit assets (liabilities) recognised based on the net amount of pension funds assets less present value of defined benefit obligation.

B. The preparation of consolidated financial statements in conformity with IFRSs requires the use of

certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Sigurd Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
Sigurd Microelectronics Corporation	Sigurd International Co., Ltd.	Investment company	100	100	Note 2
Sigurd Microelectronics Corporation	Burgurd Co., Ltd.	International trade company	100	100	-
Sigurd Microelectronics Corporation	TEST-SERV Inc.	Semiconductor assembly and testing	100	100	-
Sigurd Microelectronics Corporation	Bloomeria Limited	Investment company	100	100	-
Sigurd Microelectronics Corporation	AMBERSAN Medical Technology Co., Ltd.	Medical equipment manufacturing and sales	55	55	-

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
Sigurd Microelectronics Corporation	Flatek, Inc.	Digital information supply service	100	58.77	Note 4
Sigurd Microelectronics Corporation	Flusol Co., Ltd.	Investment company	96.66	96.66	Note 2
Sigurd Microelectronics Corporation	SIGWIN Cooperation	Investment company	85	85	Note 1
Sigurd Microelectronics Corporation	UTC Holdings Corporation	Investment company	100	100	-
Sigurd International Co., Ltd.	Sigurd Microelectronics (Cayman) Co., Ltd.	Investment company	-	78.33	Note 3
Sigurd International Co., Ltd.	Flusol Co., Ltd.	Investment company	3.34	3.34	-
Flusol Co., Ltd.	SIRIZE Technology (Suzhou) Corp.	Design of testing application for integrated circuits and advanced service of circuits testing	100	100	-
Bloomeria Limited	SIGWIN Cooperation	Investment company	15	15	-
SIGWIN Cooperation	Winstek Semiconductor Co., Ltd.	Research, design and testing of integrated circuits	51.90	51.90	-
TEST-SERV Inc.	Winstek Semiconductor Co., Ltd.	Research, design and testing of integrated circuits	0.03	0.03	-
Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Co., Ltd.	Services of turnkey wafer bumping and wafer level packaging	100	100	-
Winstek Semiconductor Co., Ltd.	TST Co., Ltd.	Plant development and leasing	100	100	-
FLATEK, INC.	OPS Electronic Limited	Investment company	100	100	-
FLATEK, INC.	TPFUSION, INC.	Digital information supply service	99.92	83.77	Note 4
FLATEK, INC.	Valuenet International	Digital information supply service	100	100	-

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
OPS Electronic Limited	OPS Electronic (ShenZhen) Limited	Manufacture and sales of IC programmers and its parts, IC copiers, components for chip testers and electronic	100	100	-
TPFUSION INC.	TPfusion Corp.	Digital information supply service	100	98	Note 4
UTC Holdings Corporation	Sigurd UTC Corporation	Testing service of integrated circuits and manufacture, sales and design of dies, flip chip and substrate based boards	100	100	-

Note 1: On October 28, 2024, the Board of Directors of SIGWIN Corporation resolved to increase cash capital amounting to \$420,680 by issuing 6,472,000 shares of SIGWIN Corporation at NT\$65 (in dollars) per share, which were fully subscribed by the Company on the effective date of capital increase, December 3, 2024. The legal registration procedures had been completed.

Note 2: The related legal liquidation procedures of Sigurd International Co., Ltd. are still in progress.

Note 3: The deregistration of Sigurd Microelectronics (Cayman) Co., Ltd. was approved by the local government in April 2025.

Note 4: Details of the transactions with non-controlling interest are provided in Note 6(28).

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to Sigurd Group:

As of December 31, 2025 and 2024, the non-controlling interests amounted to \$3,090,034 and \$3,097,311, respectively. The information on non-controlling interests and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				Description
		December 31, 2025		December 31, 2024		
		Amount	Ownership (%)	Amount	Ownership (%)	
Winstek Semiconductor Co., Ltd. and	Taiwan	\$ 3,051,926	48.10%	\$ 3,056,783	48.10%	-

Summarised financial information of subsidiaries:

Balance sheets

	Winstek Semiconductor Co., Ltd. and Subsidiaries	
	December 31, 2025	December 31, 2024
Current assets	\$ 3,936,244	\$ 3,759,864
Non-current assets	5,253,878	3,952,692
Current liabilities	( 1,147,321)	( 1,252,407)
Non-current liabilities	( 1,680,822)	( 96,084)
Total net assets	\$ 6,361,979	\$ 6,364,065

Statements of comprehensive income

	Winstek Semiconductor Co., Ltd. and Subsidiaries	
	Years ended December 31,	
	2025	2024
Revenue	\$ 4,647,786	\$ 4,166,570
Profit before income tax	914,360	1,040,240
Income tax expense	( 167,824)	( 191,696)
Profit from continuing operations	746,536	848,544
Profit for the year	746,536	848,544
Other comprehensive (loss) income, net of tax	( 121,818)	175,449
Total comprehensive income for the year	\$ 624,718	\$ 1,023,993
Comprehensive income attributable to non-controlling interests	\$ 300,459	\$ 492,491
Dividends paid to non-controlling interests	\$ 301,462	\$ 314,569

Statements of cash flows

	Winstek Semiconductor Co., Ltd. and Subsidiaries	
	Years ended December 31,	
	2025	2024
Net cash provided by operating activities	\$ 1,364,911	\$ 1,330,863
Net cash used in investing activities	( 687,083)	( 532,407)
Net cash provided by (used in) financing activities	510,803	( 993,595)
Effect of exchange rates on cash and cash equivalents	( 28,604)	37,166
Increase (decrease) in cash and cash equivalents	1,160,027	( 157,973)
Cash and cash equivalents, beginning of year	1,140,120	1,298,093
Cash and cash equivalents, end of year	\$ 2,300,147	\$ 1,140,120

(4) Foreign currency translation

Items included in the consolidated financial statements of each of Sigurd Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollar,

which is the Company's functional and Sigurd Group's presentation currency.

A. Foreign currency transactions and balances

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

B. Translation of foreign operations

- (a) The operating results and financial position of all Sigurd Group entities, that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period;
  - iii. All resulting exchange differences are recognised in other comprehensive income (loss).
- (b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when Sigurd Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (c) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months after the reporting period;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

Sigurd Group classifies the assets which do not meet the above criteria as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are due to be settled within twelve months after the reporting period;
- (d) Liabilities that does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the balance sheet date.

Sigurd Group classifies the liabilities which do not meet the above criteria as non-current liabilities.

(6) Cash equivalents

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

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

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

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which Sigurd Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
  - (a) The objective of Sigurd Group's business model is achieved both by collecting contractual

cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, Sigurd Group measures the financial assets at fair value plus transaction costs. Sigurd Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as income when the right to receive payment is established, future economic benefits associated with the dividend will flow to Sigurd Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of Sigurd Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, Sigurd Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method, and recognising impairment loss. A gain or loss is recognised in profit or loss when the asset is derecognised.

D. Sigurd Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle Sigurd Group a legal right to receive consideration in exchange for transferred goods or rendered services.

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

(11) Impairment of financial assets

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

Sigurd Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

Sigurd Group derecognises a financial asset when one of the following conditions is met:

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

(13) Operating leases (lessor)

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

(14) Inventories

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

(15) Property, plant and equipment

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

Buildings and structures	4 ~ 60 years
Machinery and equipment	1 ~ 9 years
Office equipment	3 ~ 5 years
Other equipment	2 ~ 15 years

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

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

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable; and
- (b) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option.

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

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date; and
- (c) Any initial direct costs incurred by the lessee.

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

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(17) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 years.

(18) Impairment of non-financial assets

Sigurd Group assesses at each balance sheet date the recoverable amounts of those assets where

there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(19) Borrowings

- A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(20) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Provisions

- A. Provisions are recognised when Sigurd Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense.
- B. In the process of service provision, customers were unable to sell their products due to Sigurd Group's operational errors or poor product yield. Sigurd Group has assessed the liability for compensation when facts occur, and therefore has estimated related expenses and the provision for the recognition of liabilities. The provision is measured based on historical data and all possible outcomes.
- C. Under the Climate Change Response Act and its regulations in the ROC, carbon fees levied are

not applicable under IFRIC 21, 'Levies' but are recognised and measured in accordance with IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. If the estimated annual emissions are probable to exceed the threshold for levying, liabilities in relation to emission fees are estimated and accrued based on the proportion of emissions already incurred to the estimated annual emissions in the interim financial statements.

(22) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with Sigurd Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, Sigurd Group uses interest rates of government bonds (at the balance sheet date) instead.

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

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

C. Termination benefits

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

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(23) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'Finance costs'.

(24) Convertible bonds payable

Convertible bonds issued by Sigurd Group contain conversion options (that is, the bondholders have the right to convert the bonds into Sigurd Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares). Sigurd Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity in accordance with the contract terms. They are accounted for as follows:

- A. The embedded redemption rights are recognised initially at net fair value as 'Financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'Gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to "Finance costs" over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of equity are initially recognised in 'Capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total carrying amount of the abovementioned liability component and "Capital surplus—share options".

(25) Income tax

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

items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by Sigurd Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax assets shall be recognised for the carry forward of unused tax credits resulting from acquisitions of equipment or technology and research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(26) Share capital

Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is

deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(27) Dividends

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

(28) Revenue recognition

A. Sales of goods

- (a) Sigurd Group manufactures and sells electronic components. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or Sigurd Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) Since the time interval between the transfer of the promised services to the customer and payment by the customer has not exceeded one year, Sigurd Group has not adjusted the transaction price to reflect the time value of money.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Provision of services

- (a) Sigurd Group provides the services of research and design, engineering and testing of integrated circuits as well as the related services such as wafer bumping and wafer assembly services. An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; (b) the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. The testing and packaging services provided by Sigurd Group are in compliance with the (b) above, and shall be gradually recognised as revenue over time, and recognised as revenue via the progress towards satisfaction of completion performance obligation.

- (b) Since the time interval between the transfer of the promised services to the customer and payment by the customer has not exceeded one year, Sigurd Group has not adjusted the transaction price to reflect the time value of money.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(29) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(30) Operating segments

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

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

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

(1) Critical judgements in applying Sigurd Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

None.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 1,024	\$ 903
Checking accounts and demand deposits	4,208,714	3,601,344
Time deposits	8,509,080	7,647,068
	<u>\$ 12,718,818</u>	<u>\$ 11,249,315</u>

- A. Sigurd Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. Sigurd Group has no cash and cash equivalents pledged to others.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ -	\$ 434
Beneficiary certificates	330,000	160,000
Corporate bonds	-	98,507
	<u>330,000</u>	<u>258,941</u>
Valuation adjustment	<u>25,272</u>	<u>22,336</u>
	<u>\$ 355,272</u>	<u>\$ 281,277</u>
Non-current items:		
Simple agreement for future equity (Note)	\$ 41,025	\$ -
Valuation adjustment	<u>1,147</u>	<u>-</u>
	<u>\$ 42,172</u>	<u>\$ -</u>

Note: In March 2025, Sigurd Group signed a simple agreement for future equity with Power Lattice Technology Incorporated for consideration of US\$1,250 thousand (\$41,025). According to the agreement, Sigurd Group can convert the equity into ordinary shares in the future. As of December 31, 2025, none of the equity was converted.

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

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 63	\$ 35
Beneficiary certificates	16,200	8,550
Corporate bonds	( 4,657)	11,778
Simple agreement for future equity	<u>1,147</u>	<u>-</u>
	<u>\$ 12,753</u>	<u>\$ 20,363</u>

B. Information relating to price risk and fair value of financial assets at fair value through profit or loss is provided in Notes 12(2) and (3).

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

Items	December 31, 2025	December 31, 2024
Non-current items:		
Equity instruments		
Listed stocks	\$ 113,509	\$ 1,567,716
Emerging stocks	132,167	132,167
Unlisted stocks	1,070,248	1,070,248
	1,315,924	2,770,131
Valuation adjustment	1,710,641	732,601
	\$ 3,026,565	\$ 3,502,732

- A. Sigurd Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$ 3,026,565 and \$3,502,732 as at December 31, 2025 and 2024, respectively.
- B. In 2025 and 2024, Sigurd Group disposed investments in listed and emerging stocks in the fair value amount of \$1,752,026 and \$49,049, respectively, and the accumulated gain from disposal amounted to \$285,219 and \$9,807 was reclassified to retained earnings, respectively.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 1,263,259	(\$ 61,393)
Cumulative gains reclassified to retained earnings due to derecognition	(\$ 285,219)	(\$ 9,807)
Dividend income recognised in profit or loss held at end of year	\$ 28,601	\$ 28,956
Derecognised during the year	17,713	1,200
	\$ 46,314	\$ 30,156

- D. Information relating to price risk and fair value of financial assets at fair value through other comprehensive income is provided in Notes 12(2) and (3).

(4) Financial assets at amortised cost

Items	December 31, 2025	December 31, 2024
Current items:		
Time deposits	\$ 1,401,516	\$ 1,732,623
Non-current items:		
Restricted bank deposits	\$ 26,064	\$ -
Pledged time deposits	53,387	53,925
Corporate bonds	754,174	322,813
	\$ 833,625	\$ 376,738

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Years ended December 31,	
	2025	2024
Interest income	\$ 54,224	\$ 62,366

B. As of December 31, 2025 and 2024, without taking into account other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by Sigurd Group were \$2,235,141 and \$2,109,361, respectively.

C. On December 31, 2025 and 2024, time deposits amounting to \$79,451 and \$53,925, respectively, which were restricted for the purpose of customs guarantee and rental guarantee were shown as “Non-current financial assets at amortised cost”. Please refer to Note 8 for details.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of Sigurd Group’s investments in certificates of deposit are financial institutions with high credit quality, so Sigurd Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	\$ 305	\$ 109
Accounts receivable	\$ 4,739,799	\$ 4,533,914
Accounts receivable - related parties	-	1,590
	4,739,799	4,535,504
Less: Loss allowance	( 7,134)	( 13,061)
	\$ 4,732,665	\$ 4,522,443

A. As of December 31, 2025 and 2024, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to \$3,699,881.

B. The ageing analysis of accounts receivable and notes receivable is as follows:

	December 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 4,662,810	\$ 305	\$ 4,414,573	\$ 109
Up to 30 days	57,478	-	100,534	-
31 to 90 days	9,021	-	6,249	-
91 to 180 days	1,537	-	1,023	-
Over 181 days	8,953	-	13,125	-
	<u>\$ 4,739,799</u>	<u>\$ 305</u>	<u>\$ 4,535,504</u>	<u>\$ 109</u>

The above ageing analysis was based on past due date.

C. As at December 31, 2025 and 2024, without taking into account other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents Sigurd Group's notes receivable were \$305 and \$109, respectively, and the maximum exposure to credit risk in respect of Sigurd Group's accounts receivable were \$4,732,665 and \$4,522,443, respectively.

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

(6) Inventories

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 452,438	(\$ 28,783)	\$ 423,655
Supplies	101,073	( 3,000)	98,073
Work in progress	57,316	( 1,546)	55,770
Merchandises and finished goods	13,893	( 3,138)	10,755
	<u>\$ 624,720</u>	<u>(\$ 36,467)</u>	<u>\$ 588,253</u>

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 311,666	(\$ 30,833)	\$ 280,833
Supplies	89,665	( 2,681)	86,984
Work in progress	31,298	( 6,405)	24,893
Merchandises and finished goods	52,908	( 30,624)	22,284
	<u>\$ 485,537</u>	<u>(\$ 70,543)</u>	<u>\$ 414,994</u>

The cost of inventories recognised as expense for the years:

	Years ended December 31,	
	2025	2024
Cost of goods used	\$ 13,883,308	\$ 13,427,657
(Gain on reversal of) loss on decline in market value	( 33,916)	34,266
Inventory scrapped loss	14,845	-
Gain on physical inventory	( 174)	-
Net exchange differences	( 160)	311
	<u>\$ 13,863,903</u>	<u>\$ 13,462,234</u>

For the year ended December 31, 2025, Sigurd Group reversed from a previous inventory write-down and accounted for as reduction of operating costs because of consumption or scrap of certain inventories which were previously provided with allowance.

(7) Property, plant and equipment

	2025						Total
	Land	Buildings and structures	Machinery and equipment	Office equipment	Other equipment	Construction in progress and equipment to be inspected	
At January 1							
Cost	\$ 936,020	\$ 4,554,556	\$ 31,777,670	\$ 485,849	\$ 2,866,752	\$ 2,047,879	\$ 42,668,726
Accumulated depreciation and impairment	-	( 1,848,432)	( 22,951,096)	( 316,760)	( 2,112,383)	-	( 27,228,671)
	<u>\$ 936,020</u>	<u>\$ 2,706,124</u>	<u>\$ 8,826,574</u>	<u>\$ 169,089</u>	<u>\$ 754,369</u>	<u>\$ 2,047,879</u>	<u>\$ 15,440,055</u>
<u>2025</u>							
At January 1	\$ 936,020	\$ 2,706,124	\$ 8,826,574	\$ 169,089	\$ 754,369	\$ 2,047,879	\$ 15,440,055
Additions	-	176,148	3,684,444	60,087	164,202	1,214,253	5,299,134
Transferred from right-of-use assets	-	-	23,929	-	-	-	23,929
Reclassifications (Note)	-	1,642,226	406,409	4,176	4,558	( 1,880,779)	176,590
Disposals	-	-	( 167,161)	-	( 360)	-	( 167,521)
Depreciation	-	( 225,048)	( 3,308,572)	( 82,380)	( 245,568)	-	( 3,861,568)
Net exchange differences	-	( 27,331)	( 56,310)	( 1,348)	( 8,055)	( 1,154)	( 94,198)
At December 31	<u>\$ 936,020</u>	<u>\$ 4,272,119</u>	<u>\$ 9,409,313</u>	<u>\$ 149,624</u>	<u>\$ 669,146</u>	<u>\$ 1,380,199</u>	<u>\$ 16,816,421</u>
At December 31, 2025							
Cost	\$ 936,020	\$ 6,224,521	\$ 31,596,836	\$ 493,348	\$ 2,580,093	\$ 1,380,199	\$ 43,211,017
Accumulated depreciation and impairment	-	( 1,952,402)	( 22,187,523)	( 343,724)	( 1,910,947)	-	( 26,394,596)
	<u>\$ 936,020</u>	<u>\$ 4,272,119</u>	<u>\$ 9,409,313</u>	<u>\$ 149,624</u>	<u>\$ 669,146</u>	<u>\$ 1,380,199</u>	<u>\$ 16,816,421</u>

2024							
	Land	Buildings and structures	Machinery and equipment	Office equipment	Other equipment	Construction in progress and equipment to be inspected	Total
At January 1							
Cost	\$ 894,486	\$ 4,268,309	\$ 31,987,032	\$ 430,299	\$ 2,880,105	\$ 688,823	\$ 41,149,054
Accumulated depreciation and impairment	-	( 1,643,233)	( 21,343,100)	( 299,934)	( 1,947,064)	-	( 25,233,331)
	<u>\$ 894,486</u>	<u>\$ 2,625,076</u>	<u>\$ 10,643,932</u>	<u>\$ 130,365</u>	<u>\$ 933,041</u>	<u>\$ 688,823</u>	<u>\$ 15,915,723</u>
<u>2024</u>							
At January 1	\$ 894,486	\$ 2,625,076	\$ 10,643,932	\$ 130,365	\$ 933,041	\$ 688,823	\$ 15,915,723
Additions	41,534	86,186	1,530,460	75,791	89,692	2,023,472	3,847,135
Transferred from right-of-use assets	-	-	26,324	-	-	-	26,324
Reclassifications (Note)	-	175,753	419,701	57,600	8,952	( 664,454)	( 2,448)
Disposals	-	-	( 286,325)	-	( 6,693)	-	( 293,018)
Depreciation	-	( 199,485)	( 3,506,169)	( 96,359)	( 284,333)	-	( 4,086,346)
Impairment loss	-	-	( 102,051)	-	( 338)	-	( 102,389)
Net exchange differences	-	18,594	100,702	1,692	14,048	38	135,074
At December 31	<u>\$ 936,020</u>	<u>\$ 2,706,124</u>	<u>\$ 8,826,574</u>	<u>\$ 169,089</u>	<u>\$ 754,369</u>	<u>\$ 2,047,879</u>	<u>\$ 15,440,055</u>
At December 31, 2024							
Cost	\$ 936,020	\$ 4,554,556	\$ 31,777,670	\$ 485,849	\$ 2,866,752	\$ 2,047,879	\$ 42,668,726
Accumulated depreciation and impairment	-	( 1,848,432)	( 22,951,096)	( 316,760)	( 2,112,383)	-	( 27,228,671)
	<u>\$ 936,020</u>	<u>\$ 2,706,124</u>	<u>\$ 8,826,574</u>	<u>\$ 169,089</u>	<u>\$ 754,369</u>	<u>\$ 2,047,879</u>	<u>\$ 15,440,055</u>

Note: In 2025 and 2024, the reclassifications during the year include construction in progress and equipment to be inspected, transfers to prepaid expenses (shown as “Prepayments”) and inventories which were transferred into machinery and equipment.

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	Years ended December 31,	
	2025	2024
Amount capitalised	\$ 24,989	\$ 12,099
Range of the interest rates for capitalisation	1.528%~1.783%	1.534%~1.719%

B. Impairment information about the property, plant and equipment is provided in Note 6(8).

C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

D. As of December 31, 2025 and 2024, 5,053 square meters of Sigurd Group’s farming and grazing land were held in the name of others, respectively. Sigurd Group has obtained the mortgage set by the landowner to secure Sigurd Group’s right on the untransferred part of the land.

(8) Impairment of non-financial assets

A. Sigurd Group recognised impairment loss for the years ended December 31, 2025 and 2024 were \$0 and \$102,389, respectively.

Details of such loss are as follows:

For the year ended December 31, 2025: None.

	Year ended December 31, 2024	
	Recognised in Current profit or loss	Recognised in other comprehensive income
Impairment loss - machinery and equipment	\$ 102,051	\$ -
Impairment loss - others	338	-
	<u>\$ 102,389</u>	<u>\$ -</u>

B. For the years ended December 31, 2024, due to prolonged idle time and unsuitability for production use, Sigurd Group experienced an impairment of machinery and equipment. Sigurd Group has adjusted their carrying amount according to their residual value and recognised an impairment loss of \$102,389.

(9) Leasing arrangements – lessee

A. Sigurd Group leases various assets, including buildings, machinery and equipment and transportation equipment, office equipment for the purposes of manufacture and operations. Lease agreements are typically made for periods of 1 to 32 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases consisted of machinery and equipment and transportation equipment leased by Sigurd Group with lease terms no more than 12 months, and low-value assets are comprised of office equipment.

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

	December 31,	
	2025	2024
	Carrying amount	Carrying amount
Land	\$ 507,771	\$ 183,969
Buildings	140,297	171,222
Machinery and equipment	90,764	102,911
Transportation equipment (business vehicles)	21,509	19,180
Office equipments	607	859
	<u>\$ 760,948</u>	<u>\$ 478,141</u>

	Years ended December 31,	
	2025	2024
	Depreciation	Depreciation
Land	\$ 12,544	\$ 6,455
Buildings	61,850	62,930
Machinery and equipment	18,667	24,900
Transportation equipment (business vehicles)	9,702	6,618
Office equipments	251	251
	<u>\$ 103,014</u>	<u>\$ 101,154</u>

- D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$400,734 and \$66,595, respectively.
- E. When the lease terms ceased, Sigurd Group had preemptive right on some of leased machinery and equipment. For the years ended December 31, 2025 and 2024, aforementioned lease contracts with preemptive right were due, Sigurd Group exercised the preemptive right to buy machinery and equipment in the amount of \$23,929 and \$26,324, respectively.
- F. The information on profit and loss accounts relating to lease agreements is as follows:

	Years ended December 31,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 21,566	\$ 18,664
Expense on short-term lease agreements	222,035	102,526
Expense on leases of low-value assets	12,570	9,897
Gains arising from lease modifications	-	58

- G. For the years ended December 31, 2025 and 2024, Sigurd Group's total cash outflow for leases were \$353,945 and \$232,719, respectively.

(10) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 418,884</u>	1.85%~3.80%	None
<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 185,000</u>	2.22%~2.26%	None

(11) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accrued salaries and bonuses	\$ 873,065	\$ 790,655
Accrued employees' compensation and directors' remuneration	576,404	613,945
Payable for equipment and construction	568,058	426,187
Others	1,201,786	1,411,710
	<u>\$ 3,219,313</u>	<u>\$ 3,242,497</u>

(12) Bonds payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bonds payable	\$ 3,000,000	\$ 3,000,000
Premium (discount) on bonds payable	8,093	( 12,287)
	<u>3,008,093</u>	<u>2,987,713</u>
Less: Current portion (shown as "Long-term borrowings, current portion")	( 3,008,093)	-
	<u>\$ -</u>	<u>\$ 2,987,713</u>

Issuance of 1st domestic secured convertible bonds as approved by the regulatory authority

In order to fulfill working capital, on March 10, 2021, the Company's Board of Directors approved to issue domestic first secured corporate bonds, the issuance has been filed to Taipei Exchange and has been effective. Main terms of the issuance were as follows:

- A. Total issuance amount: The bonds were issued at face value of \$1,000, the issuance number was 3,000 with a total issuance amount of \$3,000,000.
- B. Issuance duration: 5 years, from March 29, 2021 to March 29, 2026.
- C. Coupon rate and payment method: The coupon rate was fixed rate at 0.58%. Interest will be paid annually. The principal will be paid at once when it is due.
- D. Secured method: The corporate bond was guaranteed by the syndicated guaranteed contract and performance obligation contract of corporate bond guarantee which were entered by banks.

Issuance of 4th domestic unsecured convertible bonds as approved by the regulatory authority

A. To raise the capital for acquiring machinery and equipment, the Board of Directors of the Company resolved to issue the 4th domestic unsecured convertible bonds on August 4, 2021, which had been approved by the FSC. The aforementioned unsecured convertible bonds were priced on October 2, 2021 and were issued on October 13, 2021. The major terms of issuance are as follows:

- (a) Issue amount: Issued at 106.2% of par value of \$100. The units for this offering were 15,000, with aggregated offering amount of \$1,592,946.
- (b) Issuance duration: Three years, from October 13, 2021 to October 13, 2024.
- (c) Coupon rate and principal payment method: The coupon rate is 0% per annum. Except for

- converting the corporate bonds into the Company's ordinary share by the holder or redemption and written off by the Company through a securities firm, the Company shall repay the nominal amount of the bonds via cash in one lump sum at the time of maturity.
- (d) Conversion period: Except for exercising the right of conversion, provided by the law, or due to a transfer suspension period stipulated in a contract (if any); the corporate bonds held by the bondholders shall be converted into ordinary shares of the Company from three months after the issuance (January 14, 2022) until the maturity date (October 13, 2024).
  - (e) Conversion price and its adjustment: The conversion price at the time of issuance is set at \$65.4 (in dollars) per share. However, in case of ex-rights or ex-dividends after the issuance of the Company's bonds, the closing price used to calculate the conversion price shall first be calculated as the price after ex-rights or ex-dividends. After the conversion price is determined and prior to the actual issuance date, it should be adjusted according to the conversion price adjustment formula in case of ex-dividend or ex-rights. The conversion price was adjusted from \$65.4 (in dollars) to \$60.5 (in dollars) on July 20, 2022; and the conversion price was adjusted from \$60.5 (in dollars) to \$56.1 (in dollars) on August 2, 2023; and the conversion price was adjusted from \$56.1 (in dollars) to \$54.3 (in dollars) on July 5, 2024.
  - (f) The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
  - (g) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- B. Regarding the issuance of the domestic 4th unsecured convertible bonds, the equity conversion options amounting to \$3,670 were separated from the liability component and were recognised in "Capital surplus—share options" in accordance with IAS 32. The embedded in bonds payable were separated from their host contracts and were recognised in 'Financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation was 0.09%.
- C. The 4th unsecured convertible bonds totaling \$1,500,000 (face value) had been fully converted into 27,171,305 shares of common stock.

(13) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Long-term bank borrowings				
Credit borrowings	Borrowing period is from February 8, 2021 to April 15, 2032; principal and interest are repayable by instalments	1.275%~6.667%	(Note 1)	\$ 6,770,282
Secured borrowings	Borrowing period is from January 17, 2022 to April 17, 2032; principal and interest are repayable by instalments	1.35%~2.253%	Land, plant and machinery and equipment (Note 2)	<u>2,666,479</u>
				9,436,761
Less: Syndicated loan arrangement fees				( 10,303)
Current portion				<u>( 2,016,504)</u>
				<u>\$ 7,409,954</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Long-term bank borrowings				
Credit borrowings	Borrowing period is from August 13, 2020 to April 15, 2032; principal and interest are repayable by instalments	1.275%~6.667%	(Note 1)	\$ 6,750,179
Secured borrowings	Borrowing period is from January 17, 2022 to February 15, 2029; principal and interest are repayable by instalments	1.35%~2.157%	Land, plant and machinery and equipment (Note 2)	<u>1,444,167</u>
				8,194,346
Less: Current portion				<u>( 2,672,433)</u>
				<u>\$ 5,521,913</u>

For the years ended December 31, 2025 and 2024, interest expenses arising from long-term and short-term bank borrowings amounted to \$184,224 and \$190,246, respectively.

#### Note 1: Credit borrowings

- A. According to the signed loan agreements, the following financial ratios and terms should be maintained before the full settlement of the debts:
- B. Committed that in the borrowing period, there cannot be new machinery and equipment pledged to others.
- C. Shares of TEST-SERV Inc. and Sigurd UTC Corporation held by the Company shall not be less than 51%.
- D. Shares of Winstek Semiconductor Co., Ltd. held by the Company shall not be less than 51% and not less than half of the total number of directors. Shares of Winstek Semiconductor Technology Co., Ltd. held by Winstek Semiconductor Co., Ltd. shall not be less than 100%.
- E. The balance of deposits of Winstek Semiconductor Co., Ltd. and its subsidiaries at the contracted bank over the recent three months on average shall not be less than \$ 60,000.
- F. On July 1, 2019, Ministry of Economic Affairs, R.O.C. (“MOEA”) implemented the “Action Plan for Accelerated Investment by Domestic Corporations” and companies are subsidised by financial institutions with preferential interest loans, 0.60%~1.975% of loan interest for qualified investment projects. The Company has obtained the qualification from the MOEA, and signed loan agreements with financial institutions for the line of credit amounted to \$3,590,000 with terms of 5 years. Funding from these borrowings were used in machinery and equipment and working capital. For the years ended December 31, 2025 and 2024, Sigurd Group recognised grant revenue from the borrowing project in the amount of \$6,554 and \$8,339, respectively (shown as ‘Other income’).
- G. On July 1, 2019 Ministry of Economic Affairs R.O.C. (“MOEA”) implemented the “Action Plan for welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan” and companies are subsidised by financial institutions with preferential interest loans 1.275%~1.475% of loan interest for qualified investment projects. The Group has obtained the qualification from the MOEA and signed loan agreements with financial institutions for the line of credit amounted to \$3,180,000 with term of 10 years. For the years ended December 31, 2025 and 2024, the Company recognised grant revenue from the borrowing project in the amount of \$9,949 and \$5,110, respectively (shown as ‘Other income’).

#### Note 2: Credit borrowings

- A. According to the signed loan agreements, the following financial ratios and terms should be maintained before the full settlement of the debts:
  - B. The purpose of bank borrowings shall be acquisition of equipment and working capital.
- The abovementioned ratios terms of loan agreements were calculated based on the quarterly consolidated financial statements audited or reviewed by the independent auditors. The 2025 and 2024 consolidated financial statements met the requirements of the abovementioned ratios.

(14) Pensions

A. (a) The Company and its domestic subsidiaries have defined benefit pension plans in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plans, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the pension funds deposited with Bank of Taiwan, the trustee, under the name of the independent pension funds committees. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	(\$ 469,280)	(\$ 448,797)
Fair value of plan assets	<u>266,201</u>	<u>238,335</u>
Net defined benefit liabilities	<u>(\$ 203,079)</u>	<u>(\$ 210,462)</u>

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

	2025		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
At January 1	(\$ 448,797)	\$ 238,335	(\$ 210,462)
Current service cost	( 875)	-	( 875)
Interest (expense) income	( 6,719)	3,669	( 3,050)
	<u>( 456,391)</u>	<u>242,004</u>	<u>( 214,387)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	16,477	16,477
Change in financial assumptions	( 4,897)	-	( 4,897)
Experience adjustments	( 19,326)	-	( 19,326)
	<u>( 24,223)</u>	<u>16,477</u>	<u>( 7,746)</u>
Pension fund contribution	-	19,054	19,054
Paid pension	11,334	( 11,334)	-
At December 31	<u>(\$ 469,280)</u>	<u>\$ 266,201</u>	<u>(\$ 203,079)</u>
		2024	
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
At January 1	(\$ 458,569)	\$ 206,621	(\$ 251,948)
Current service cost	( 875)	-	( 875)
Interest (expense) income	( 5,559)	2,549	( 3,010)
	<u>( 465,003)</u>	<u>209,170</u>	<u>( 255,833)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	18,891	18,891
Change in demographic assumptions	-	-	-
Change in financial assumptions	11,005	-	11,005
Experience adjustments	( 2,899)	-	( 2,899)
	<u>8,106</u>	<u>18,891</u>	<u>26,997</u>
Pension fund contribution	-	18,374	18,374
Paid pension	8,100	( 8,100)	-
At December 31	<u>(\$ 448,797)</u>	<u>\$ 238,335</u>	<u>(\$ 210,462)</u>

(d) The Bank of Taiwan was commissioned to manage the funds of the Company's and its domestic subsidiaries' defined benefit pension plan in accordance with the funds' annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Funds" (Article 6: The scope of utilisation for the

funds includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the funds their minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and its domestic subsidiaries have no right to participate in managing and operating that funds and hence the Company and its domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Funds Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Discount rate	<u>1.25%~1.44%</u>	<u>1.3%~1.625%</u>
Future salary increase rate	<u>3.00%~4.00%</u>	<u>3.00%~4.00%</u>

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

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

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
<u>December 31, 2025</u>				
Effect on present value of defined benefit obligations	(\$ 9,764)	\$ 10,194	\$ 34,311	(\$ 32,182)
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligations	(\$ 10,071)	\$ 10,523	\$ 35,388	(\$ 33,311)

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

The method of analysing sensitivity and the method of assumptions did not change compared to the previous period.

- (f) Expected amount of contributions to the defined benefit pension plans of Sigurd Group for the year ending December 31, 2026 is \$8,138.
- (g) As of December 31, 2025, the weighted average duration of Sigurd Group’s retirement plan is 9.1 to 11 years.
- B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established defined contribution pension plans (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company’s mainland China subsidiaries, Sigurd Micro Electronics (Wuxi) Co., Ltd. and SIRIZE Technology (Suzhou) Corp., have defined contribution plans. Monthly contributions to an independent funds administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. The contribution percentage for the years ended December 31, 2025 and 2024, were both 16%. Other than the monthly contributions, Sigurd Group has no further obligations.
- (c) The pension costs under defined contribution pension plans of Sigurd Group for the years ended December 31, 2025 and 2024 were \$152,690 and \$146,010, respectively.

(15) Share capital

- A. As of December 31, 2025, the Company’s authorised capital was \$10,000,000, consisting of 1,000,000 thousand shares of ordinary stock (including 20,000 thousand shares reserved for employee stock options), and the paid-in capital was \$4,839,123 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

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

	2025	2024
At January 1	483,912,325	456,744,584
Conversion of corporate bands	-	27,167,741
Purchase of treasury shares	( 5,131,000)	-
At December 31	<u>478,781,325</u>	<u>483,912,325</u>

B. Treasury shares

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

Name of company holding the shares	Reason for reacquisition	December 31, 2025	
		Number of shares	Carrying amount
The Company's	To be reissued to employees	5,131,000	\$ <u>385,473</u>

As of December 31, 2024: None.

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

(16) Capital surplus

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

	2025			
	Share premium	Consolidation premium	Share options	Total
At January 1	\$ 1,519,471	\$ 244,129	\$ -	\$ 1,763,600
Cash from capital surplus	( 725,868)	-	-	( 725,868)
At December 31	\$ <u>793,603</u>	\$ <u>244,129</u>	\$ <u>-</u>	\$ <u>1,037,732</u>

	2024			
	Share premium	Consolidation premium	Share options	Total
At January 1	\$ 158,435	\$ 244,129	\$ 136,894	\$ 539,458
Conversion of corporate bonds	1,361,036	-	( 136,894)	1,224,142
At December 31	<u>\$ 1,519,471</u>	<u>\$ 244,129</u>	<u>\$ -</u>	<u>\$ 1,763,600</u>

(17) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Legal reserve is not necessary once the reserve is equal to total paid-in capital. The balance plus past undistributed earnings is the distributable earnings.
- B. The Company's shareholders approved to appropriate earnings in cash or in shares, the first priority when appropriating earnings is cash, it also can be appropriated in shares. The appropriation of shareholders dividends was 10%~80% of distributable earnings in the current year, the ratio of cash dividends can not be lower than 10%.

The Company's shareholders approved the Company may, pursuant to a resolution to adopted by the Board of Directors as required in Item 5 Article 240 of the Company Act, distribute its dividends and bonuses, in whole or in part by cash ; and in addition there to a report of such distribution shall be submitted to the shareholders' meeting.

The Company may pursuant to be adopted by the Board of Directors as required in Article 241 of the Company Act, distribute its legal reserve and the following capital reserve, in whole or in part; by cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity interests is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. The appropriations for 2024 and 2023 earnings had been resolved at shareholders' meeting on May 29, 2025 and May 24, 2024, respectively. Details are as follows:

	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 280,486		\$ 174,937	
Cash dividends	<u>1,209,781</u>	\$ 2.50	<u>1,222,309</u>	\$ 2.68
Total	<u>\$ 1,490,267</u>		<u>\$ 1,397,246</u>	

- E. On May 29, 2025, the Board of Directors proposed the distribution of cash from Capital Surplus - Share Premium amounting to \$725,868 (\$1.5 (in dollars) per share) in proportion to shareholders' shareholding interests. The cash from capital surplus of 2024 was resolved by the shareholders on May 29, 2025.
- F. On March 9, 2026, the Board of Directors resolved the appropriation for 2025 earnings through distribution of cash dividends amounting to \$1,306,563 in cash (\$2.7 (in dollars) per share).
- G. On March 9, 2026, the Board of Directors proposed the distribution of cash from Capital Surplus - Share Premium amounting to \$725,868 (\$1.5 (in dollars) per share) in proportion to shareholders' shareholding interests.
- H. Information of appropriation resolved by shareholder's meeting and the Board of Directors will be posted in the "Market Observation Post System".

(18) Other equity interest

	2025		
	Financial statements translation difference of foreign operations	Unrealised gains (losses) on valuation of financial assets at fair value through other comprehensive income	Total
At January 1	\$ 166,257	\$ 732,601	\$ 898,858
Revaluation			
– Parent company	-	792,128	792,128
– Subsidiaries	-	471,131	471,131
Revaluation transferred to retained earnings			
– Parent company	-	( 82,756)	( 82,756)
– Subsidiaries	-	( 202,463)	( 202,463)
Transfers from non- controlling interest:			
Currency translation			
– Subsidiaries	6,517	-	6,517
	13,686	-	13,686
At December 31	<u>\$ 186,460</u>	<u>\$ 1,710,641</u>	<u>\$ 1,897,101</u>

	2024		
	Financial statements translation difference of foreign operations	Unrealised gains (losses) on valuation of financial assets at fair value through other comprehensive income	Total
At January 1	\$ 60,183	\$ 803,801	\$ 863,984
Revaluation			
– Parent company	-	( 25,776)	( 25,776)
– Subsidiaries	-	( 35,617)	( 35,617)
Revaluation transferred to retained earnings			
– Parent company	-	5,110	5,110
– Subsidiaries	-	( 14,917)	( 14,917)
Currency translation			
– Subsidiaries	106,074	-	106,074
At December 31	<u>\$ 166,257</u>	<u>\$ 732,601</u>	<u>\$ 898,858</u>

(19) Operating revenue

	Years ended December 31,	
	2025	2024
Revenue from contracts with customers	<u>\$ 19,587,196</u>	<u>\$ 18,218,144</u>

A. Disaggregation of Sigurd Group's revenue from contracts with customers:

2025	Assembly and testing service revenue	Sales revenue	Others service revenue	Total
Revenue from external customer contracts	<u>\$ 19,430,336</u>	<u>\$ 112,301</u>	<u>\$ 44,559</u>	<u>\$ 19,587,196</u>
Timing of revenue recognition				
Over time	<u>\$ 19,430,336</u>	<u>\$ -</u>	<u>\$ 44,559</u>	<u>\$ 19,474,895</u>
At a point in time	<u>\$ -</u>	<u>\$ 112,301</u>	<u>\$ -</u>	<u>\$ 112,301</u>
2024	Assembly and testing service revenue	Sales revenue	Others service revenue	Total
Revenue from external customer contracts	<u>\$ 18,103,786</u>	<u>\$ 88,221</u>	<u>\$ 26,137</u>	<u>\$ 18,218,144</u>
Timing of revenue recognition				
Over time	<u>\$ 18,103,786</u>	<u>\$ -</u>	<u>\$ 26,137</u>	<u>\$ 18,129,923</u>
At a point in time	<u>\$ -</u>	<u>\$ 88,221</u>	<u>\$ -</u>	<u>\$ 88,221</u>

B. Contract assets and liabilities

Sigurd Group has recognised the following revenue-related contract assets and liabilities:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract assets:			
Contract assets –			
Assembly and testing	\$ 188,018	\$ 135,555	\$ 127,696
Contract liabilities:			
Contract liabilities –			
Unearned sales revenue	\$ 11,076	\$ 20,322	\$ 9,929

C. Revenue recognised that was included in the contract liabilities balance at the beginning of the years.

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Revenue recognised that was included in the contract liabilities balance at the beginning of the year		
Revenue from external customer contracts	\$ 16,051	\$ 8,800

D. Refund liabilities (shown as “Other current liabilities”)

The Company estimated sales discounts based on historical experience, the estimates was updated on every balance sheet dates, the details of related refund liabilities were as follows:

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Refund liabilities - current	\$ 124,316	\$ 222,057

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

(20) Interest income

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ 215,309	\$ 288,775
Interest income from financial assets measured at amortised cost	54,224	62,366
Other interest income	1,037	808
	<u>\$ 270,570</u>	<u>\$ 351,949</u>

(21) Other income

	Years ended December 31,	
	2025	2024
Rental revenue	\$ 646	\$ 712
Dividend income	48,214	32,056
Government grants	35,282	32,553
Other income, others	81,077	69,621
	<u>\$ 165,219</u>	<u>\$ 134,942</u>

(22) Other gains and losses

	Years ended December 31,	
	2025	2024
Gains on disposals of property, plant and equipment	\$ 90,288	\$ 130,546
(Losses) gains on disposals of investments	( 3,138)	1,091
Gains arising from lease modifications	-	58
Net currency exchange (losses) gains	( 327,268)	535,496
Gains on financial assets at fair value through profit or loss	12,753	20,363
Impairment loss on property, plant and equipment	-	( 102,389)
Other (losses) gains	( 64,040)	3,954
	<u>(\$ 291,405)</u>	<u>\$ 589,119</u>

(23) Finance costs

	Years ended December 31,	
	2025	2024
Bank borrowings	\$ 184,224	\$ 190,246
Bonds payable	37,780	45,578
Lease liabilities	21,566	18,664
Others	19	2
Less: Capitalisation of assets	( 24,989)	( 12,099)
	<u>\$ 218,600</u>	<u>\$ 242,391</u>

(24) Expenses by nature

	Years ended December 31,	
	2025	2024
Employee benefit expense	<u>\$ 5,064,170</u>	<u>\$ 4,834,649</u>
Depreciation expenses on property, plant and equipment	<u>\$ 3,861,568</u>	<u>\$ 4,086,346</u>
Depreciation expenses on right-of-use assets	<u>\$ 103,014</u>	<u>\$ 101,154</u>
Amortisation expenses on intangible assets and other asstes	<u>\$ 73,866</u>	<u>\$ 80,413</u>

(25) Employee benefit expense

	Years ended December 31,	
	2025	2024
Wages and salaries	\$ 4,298,353	\$ 4,121,519
Labour and health insurance fees	375,736	343,716
Pension costs	156,616	149,895
Other personnel expenses	233,465	219,519
	<u>\$ 5,064,170</u>	<u>\$ 4,834,649</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall range between 8%~12% for employees' compensation and shall not be higher than 3% for directors' remuneration.
- B. For the years ended December 31, 2025 and 2024, employees' compensation were accrued at \$364,000 and \$365,000, respectively; while directors' remuneration were accrued at \$19,800 and \$15,600, respectively. The aforementioned amounts were recognised in wages and salaries. The employees' compensation and directors' remuneration were estimated and accrued based on 10.05% and 0.55%, respectively, of distributable profit of 2025.
- C. Employees' compensation and directors' remuneration of 2025 and 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2025 and 2024 financial statements.
- D. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System."

(26) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 750,870	\$ 690,107
Tax on unappropriated retained earnings	7,822	22,771
Prior year income tax overestimation	( 116,194)	( 31,998)
Total current tax	<u>642,498</u>	<u>680,880</u>
Deferred tax:		
Origination and reversal of temporary differences	( 79,535)	56,026
Total deferred tax	<u>( 79,535)</u>	<u>56,026</u>
Income tax expense	<u>\$ 562,963</u>	<u>\$ 736,906</u>

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

	Years ended December 31,	
	2025	2024
Remeasurements of defined benefit plans	\$ 464	(\$ 1,460)
Currency translation differences	723	-
	<u>\$ 1,187</u>	<u>(\$ 1,460)</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 1,116,426	\$ 1,088,197
Tax exempt income by tax regulation	( 346,135)	( 326,757)
Expenses disallowed by tax regulation	5,504	9,869
Temporary difference not recognised as deferred tax assets	59	-
Taxable losses not recognised as deferred tax assets	( 6,600)	36,852
Effect from investment tax credits	( 20,965)	( 75,384)
Tax on unappropriated retained earnings	7,822	22,771
Change in assessment of realisation of deferred tax assets	( 99,392)	( 2,815)
Prior year income tax overestimation	( 116,194)	( 31,998)
Effect from alternative minimum tax	1,543	-
Other	20,895	16,171
Income tax expense	<u>\$ 562,963</u>	<u>\$ 736,906</u>

Note: The applicable tax rate is calculated based on the income tax rates of each country.

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

	2025			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
—Temporary differences:				
Unrealised inventory valuation loss	\$ 4,236	\$ 687	\$ -	\$ 4,923
Defined benefit liabilities	14,273	( 2,063)	( 464)	11,746
Long-term investment	6,436	101,773	-	108,209
Depreciation expense	17,493	( 982)	-	16,511
Unrealised exchange loss	996	6,608	-	7,604
Others	98,602	( 33,781)	( 209)	64,612
—Tax losses	160,428	( 50)	-	160,378
Subtotal	<u>302,464</u>	<u>72,192</u>	<u>( 673)</u>	<u>373,983</u>
Deferred tax assets:				
—Temporary differences:				
Defined benefit liabilities	( 145)	-	-	( 145)
Unrealised exchange gain	( 29,445)	7,545	-	( 21,900)
Bargain purchase gain	( 40,434)	-	-	( 40,434)
Currency translation differences	( 1,810)	-	( 514)	( 2,324)
Others	( 10,498)	( 202)	-	( 10,700)
Subtotal	<u>( 82,332)</u>	<u>7,343</u>	<u>( 514)</u>	<u>( 75,503)</u>
Total	<u>\$ 220,132</u>	<u>\$ 79,535</u>	<u>(\$ 1,187)</u>	<u>\$ 298,480</u>

		2024				
		January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31	
Deferred tax assets:						
—Temporary differences:						
Unrealised inventory						
valuation loss	\$	2,991	\$	1,245	\$	4,236
Unrealised pension	(	395)	(	87)	(	482)
Defined benefit liabilities		17,933	(	1,718)	(	1,460)
Long-term investment		6,436		-		6,436
Depreciation expense		19,913	(	2,420)		17,493
Unrealised exchange loss		37,676	(	36,680)		996
Others		101,804	(	3,202)		98,602
—Tax losses		<u>160,428</u>		-		<u>160,428</u>
Subtotal		<u>346,786</u>	(	<u>42,862</u> )	(	<u>1,460</u> )
Deferred tax assets:						
—Temporary differences:						
Defined benefit liabilities	(	145)		-	(	145)
Unrealised exchange gain	(	17,381)	(	12,064)	(	29,445)
Bargain purchase gain	(	40,434)		-	(	40,434)
Currency translation						
differences	(	972)	(	838)	(	1,810)
Others	(	10,236)	(	262)	(	10,498)
Subtotal	(	<u>69,168</u> )	(	<u>13,164</u> )	(	<u>82,332</u> )
Total	\$	<u>277,618</u>	(\$	<u>56,026</u> )	(\$	<u>1,460</u> )
	\$				\$	<u>220,132</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Deductible temporary differences	<u>\$ 145,092</u>	<u>\$ 254,238</u>

E. The expiration periods for the tax losses not yet utilised by Sigurd Group and the related amounts of unrecognised deferred tax assets are as follows:

December 31, 2025				
Year of occurrence	Reported Amount/ Approved Amount	Unutilised amount	Amount of unrecognised tax losses	Last year for offset
2018	Approved Amount	\$ 99,809	\$ -	2028
2020	Approved Amount	336,640	-	2030
2021	Approved Amount	365,443	-	2031

December 31, 2024				
Year of occurrence	Reported Amount/ Approved Amount	Unutilised amount	Amount of unrecognised tax losses	Last year for offset
2018	Approved Amount	\$ 99,902	\$ -	2028
2020	Approved Amount	336,689	-	2030
2021	Approved Amount	365,551	-	2031

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

(27) Earnings per share

	Year ended December 31, 2025		
	Amount after income tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,954,578	480,970	\$ 6.14
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	2,954,578	480,970	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,871	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,954,578	485,841	\$ 6.08

	Year ended December 31, 2024		
	Amount after income tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,771,956	470,977	\$ 5.89
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	2,771,956	470,977	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	5,915	
Convertible bonds	6,443	12,849	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,778,399	489,741	\$ 5.67

(28) Transactions with non-controlling interest

Acquisition of additional equity interest in a subsidiary

- A. In June and July 2025, the Company acquired shares of non-controlling interest of FLATEK, INC. for a total cash consideration of \$78,685. As a result, the Company increased its share interest by 41.23%.
- B. In August 2025, TPFUSION INC. acquired shares of non-controlling interest of TPFusion Corp. for a total cash consideration of \$1,000. As a result, TPFUSION INC. increased its share interest by 2%.
- C. In December 2025, FLATEK, INC. acquired shares of non-controlling interest of TPFUSION INC. for a total cash consideration of \$46,000. As a result, FLATEK, INC. increased its share interest by 16.15%.

	Year ended December 31, 2025
Consideration paid to non-controlling interest	(\$ 125,685)
Exchange difference on translation of foreign financial statements	( 6,517)
Decrease in the carrying amount of non-controlling interest	57,033
Decrease in retained earnings	(\$ 75,169)

For the year ended December 31, 2024: None.

(29) Supplemental cash flow information

A. Investing activities with partial cash payments

	Years ended December 31,	
	2025	2024
Acquisition of property, plant and equipment	\$ 5,299,134	\$ 3,847,135
Add: Opening balance of payable on equipment	426,187	361,782
Add: Ending balance of prepaid on equipment	161,122	19,550
Add: Payment of preemptive right of lease liabilities	12,400	9,413
Less: Opening balance of prepaid on equipment	( 19,550)	( 11,822)
Less: Ending balance of payable on equipment	( 568,058)	( 426,187)
Cash paid during the year	<u>\$ 5,311,235</u>	<u>\$ 3,799,871</u>

B. Financing activities with no cash flow effects

	Years ended December 31,	
	2025	2024
Convertible bonds being converted to capital stocks	<u>\$ -</u>	<u>\$ 1,495,819</u>

	Years ended December 31,	
	2025	2024
Transactions with non-controlling interest Recorded as notes payable at end of year (including non-current)	\$ 134,712	\$ -
	( 38,577)	-
	<u>\$ 96,135</u>	<u>\$ -</u>

(30) Changes in liabilities from financing activities

	2025					
	Short-term borrowings	Long-term borrowings	Bonds payable (include current portion)	Lease liabilities	Guarantee deposits received	Total liabilities from financing activities
At January 1	\$ 185,000	\$ 8,194,346	\$ 2,987,713	\$ 507,699	\$ 6,818	\$ 11,881,576
Changes in cash flow from financing activities	229,212	1,241,656	-	( 97,773)	( 18)	1,373,077
Interest paid	-	-	( 17,400)	( 21,566)	-	( 38,966)
Payment of preemptive right of lease liabilities	-	-	-	( 12,400)	-	( 12,400)
Changes in other non-cash items:						
Interest expense	-	1,204	37,780	21,566	-	60,550
Effect of foreign exchange	4,672	( 10,748)	-	( 140)	-	( 6,216)
Increase in lease liabilities	-	-	-	398,734	-	398,734
Decrease in lease liabilities	-	-	-	( 7,444)	-	( 7,444)
At December 31	<u>\$ 418,884</u>	<u>\$ 9,426,458</u>	<u>\$ 3,008,093</u>	<u>\$ 788,676</u>	<u>\$ 6,800</u>	<u>\$ 13,648,911</u>
	2024					
	Short-term borrowings	Long-term borrowings	Bonds payable (include current portion)	Lease liabilities	Guarantee deposits received	Total liabilities from financing activities
At January 1	\$ 147,985	\$ 8,437,767	\$ 4,455,354	\$ 547,326	\$ 8,113	\$ 13,596,545
Changes in cash flow from financing activities	36,631	( 271,306)	-	( 101,632)	( 1,295)	( 337,602)
Interest paid	-	-	( 17,400)	( 18,664)	-	( 36,064)
Payment of preemptive right of lease liabilities	-	-	-	( 9,413)	-	( 9,413)
Changes in other non-cash items:						
Interest expense	-	-	-	18,664	-	18,664
Effect of foreign exchange	384	27,885	-	18,338	-	46,607
Option exercised	-	-	( 1,495,819)	-	-	( 1,495,819)
Discount on bonds payable	-	-	45,578	-	-	45,578
Increase in lease liabilities	-	-	-	66,595	-	66,595
Decrease in lease liabilities	-	-	-	( 13,515)	-	( 13,515)
At December 31	<u>\$ 185,000</u>	<u>\$ 8,194,346</u>	<u>\$ 2,987,713</u>	<u>\$ 507,699</u>	<u>\$ 6,818</u>	<u>\$ 11,881,576</u>

## 7. RELATED PARTY TRANSACTIONS

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

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Ene Technology Inc.	The Company was the Director of Ene Technology Inc. (Note 1)
Yann Yuan Investments Co., Ltd	The Company was the Director of Yann Yuan Investments Co., Ltd
Mr. LIN, ZONG-YI	The director of the Company's subsidiary (Note 2)

Note 1: On April 15, 2025, the Company no longer served as the director of the company. The company was no longer a related party of the Company since then.

Note 2: On June 20, 2025, the individual no longer served as the director of the Company's subsidiary, FLATEK, INC. The individual was no longer a related party of the Company since then.

### (2) Significant related party transactions

#### A. Operating revenue:

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Operating revenue:		
Other related party - Ene Technology Inc.	\$ <u>3,859</u>	\$ <u>11,702</u>

Transaction prices are based on the price lists in force and terms that would be available to third parties.

#### B. Receivables from related parties:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Receivables from related parties:		
Other related party - Ene Technology Inc.	\$ <u>-</u>	\$ <u>1,590</u>

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

#### C. Property transactions

	<u>No. of shares</u>	<u>Objects</u>	<u>Year ended December</u>
			<u>31, 2025</u>
			<u>Consideration</u>
Acquisition of financial assets:			
Others-Mr. LIN, ZONG-YI (share in thousands)	3,843	Ordinary Shares of FLATEK, INC.	\$ <u>43,276</u>

For the year ended December 31, 2024: None.

#### D. Other transactions

	Items	Years ended December 31,	
		2025	2024
Yann Yuan Investments Co., Ltd.	Dividends income	\$ 24,990	\$ 20,580
Ene Technology Inc.	Dividends income	712	799
		<u>\$ 25,702</u>	<u>\$ 21,379</u>

#### (3) Key management compensation

	Years ended December 31,	
	2025	2024
Short-term employee benefits	\$ 167,819	\$ 159,647
Post-employment benefits	2,047	1,984
	<u>\$ 169,866</u>	<u>\$ 161,631</u>

#### 8. PLEDGED ASSETS

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

Assets	Book value		Purpose
	December 31, 2025	December 31, 2024	
Property, plant and equipment	\$ 2,796,835	\$ 957,417	Long-term borrowings
Pledged time deposits (Note)	53,387	53,925	Guarantee for import customs and lease
Reserve accounts - Demand deposits (Note)	26,064	-	Reserve accounts for long-term borrowings
	<u>\$ 2,876,286</u>	<u>\$ 1,011,342</u>	

Note : Shown as "Non-current financial assets at amortised cost".

#### 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

##### (1) Contingencies

None.

##### (2) Commitments

Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	December 31, 2025	December 31, 2024
Property, plant and equipment	<u>\$ 6,039,500</u>	<u>\$ 3,645,030</u>

#### 10. SIGNIFICANT DISASTER LOSS

None.

#### 11. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

A. Please refer to Note 6(17) for the appropriation for 2025 earnings.

B. On February 24, 2026, the Company's Board of Directors resolved to sign a real estate sale and purchase agreement with Unimicron Technology Corp. in order to acquire the company's land and buildings, and the total transaction amount was expected to be \$1,540,000 (tax included).

## 12. OTHERS

### (1) Capital management

Sigurd Group's capital management objectives are to ensure that Sigurd Group can continue to operate, maintain the best capital structure to reduce capital costs, and provide compensation to shareholders. To maintain or adjust the capital structure, Sigurd Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Sigurd Group uses the debt-to-capital ratio to monitor its capital, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as reported in the consolidated balance sheet) less cash and cash equivalents. The calculation of total capital is the equity reported in the consolidated balance sheet plus the net debt.

Sigurd Group's strategy for 2025 remained the same as that of 2024, which was committed to maintain the debt-to-capital ratio at around 40%. As of December 31, 2025 and 2024, Sigurd Group's debt ratio was both less than 40%.

### (2) Financial instruments

#### A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss (including non-current portion)	\$ 397,444	\$ 281,277
Financial assets at fair value through other comprehensive income	3,026,565	3,502,732
Financial assets at amortised cost		
Cash and cash equivalents	12,718,818	11,249,315
Financial assets at amortised cost (including non-current portion)	2,235,141	2,109,361
Notes receivable	305	109
Accounts receivable (including related parties)	4,732,665	4,522,443
Other receivables	24,137	83,892
Guarantee deposits paid	64,011	58,328
	<u>\$ 23,199,086</u>	<u>\$ 21,807,457</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 418,884	\$ 185,000
Notes payable (including current portion)	45,459	3,951
Accounts payable	376,187	407,906
Other payables	3,219,313	3,242,497
Corporate bonds payable (including current portion)	3,008,093	2,987,713
Long-term borrowings (including current portion)	9,426,458	8,194,346
Guarantee deposits received	6,800	6,818
	<u>\$ 16,501,194</u>	<u>\$ 15,028,231</u>
Lease liabilities	<u>\$ 788,676</u>	<u>\$ 507,699</u>

#### B. Financial risk management policies

- (a) Sigurd Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The overall risk management policies are carried out to focus on unforeseen events in markets and to minimise any adverse effects on the financial position and financial performance of Sigurd Group.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with Sigurd Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### C. Significant financial risks and degrees of financial risks

##### (a) Market risk

##### Foreign exchange risk

- i. Sigurd Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and subsidiaries using various functional currencies, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up policies to require group companies to manage their foreign exchange risk against their functional currencies. Group companies are required to hedge their entire foreign exchange risk exposure through coordination with Sigurd Group treasury. Foreign exchange rate risk is resulted by each business unit records their future commercial transactions and recognised assets or liabilities as foreign currency instead of

their functional currency.

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

December 31, 2025			
	Foreign currency amount		Book value (NTD)
	(in thousands)	Exchange rate	
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 151,715	31.430	\$ 4,768,402
NTD:USD	1,000,169	0.032	1,000,169
USD:RMB	15,827	6.991	497,443
JPY:NTD	804,491	0.201	161,703
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 26,668	31.430	\$ 838,175
USD:RMB	15,118	6.991	475,159
NTD:USD	2,093,292	0.032	2,093,292
JPY:NTD	425,365	0.201	85,498
December 31, 2024			
	Foreign currency amount		Book value (NTD)
	(in thousands)	Exchange rate	
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 237,797	32.785	\$ 7,796,175
NTD:USD	229,290	0.031	229,290
USD:RMB	9,411	7.321	308,540
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 5,162	32.785	\$ 169,236
USD:RMB	12,082	7.321	396,108
NTD:USD	847,136	0.031	847,136

- iv. The total exchange (losses) gains (including unrealised gain or loss on financial instrument and realised gain or loss on financial instrument) from significant foreign exchange

variations on the monetary items held by Sigurd Group for the years ended December 31, 2025 and 2024 amounted to (\$327,268) and \$535,496, respectively.

- v. Analysis of foreign currency market risk arising from significant foreign exchange variations:

		Year ended December 31, 2025		
		Sensitivity analysis		
		Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 47,684	\$ -
	NTD:USD	1%	10,002	-
	USD:RMB	1%	4,974	-
	JPY:NTD	1%	1,617	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	1%	(\$ 8,382)	\$ -
	USD:RMB	1%	( 4,752)	-
	NTD:USD	1%	( 20,933)	-
	JPY:NTD	1%	( 855)	-
		Year ended December 31, 2024		
		Sensitivity analysis		
		Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 77,962	\$ -
	NTD:USD	1%	2,293	-
	USD:RMB	1%	3,085	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	1%	(\$ 1,692)	\$ -
	USD:RMB	1%	( 3,961)	-
	NTD:USD	1%	( 8,471)	-

### Price risk

- i. Sigurd Group's investments in equity securities, which are exposed to price risk, consist of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, Sigurd Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by Sigurd Group.
- ii. Sigurd Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$3,974 and \$1,723, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss; other comprehensive income would have increased/decreased by \$30,266 and \$35,027, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

### Cash flow and fair value Interest rate risk

- i. Sigurd Group's main interest rate risk arises from short-term and long-term borrowings with floating rates, which expose Sigurd Group to cash flow interest rate risk. During 2025 and 2024, Sigurd Group's borrowings at floating rate were mainly denominated in New Taiwan dollars and US dollars.
- ii. Sigurd Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit before tax for the years ended December 31, 2025 and 2024 would have decreased/increased by \$98,453 and \$83,793, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

### (b) Credit risk

- i. Credit risk refers to the risk of financial loss to Sigurd Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. Sigurd Group manages their credit risk taking into consideration the entire group's perspective. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to Sigurd Group's credit policy, each entity in Sigurd Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their

financial position, past experience and other factors. Individual credit limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. Sigurd Group adopts the assumptions under IFRS 9, and the default occurs when the contract payments are past due over 90 days.
- iv. Sigurd Group categorised customers' accounts receivable and contract assets in accordance with credit rating of customer. Sigurd Group applies the modified approach using provision matrix, loss rate methodology to estimate expected credit loss under the provision matrix basis.
- v. Sigurd Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
  - (i) If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
  - (ii) For investments in bonds that are traded over the counter, if any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is treated low.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
  - (i) It becomes probable that the issuer will enter into bankruptcy or other financial reorganisation due to financial difficulties;
  - (ii) The disappearance of an active market for that financial asset because of financial difficulties of the issuer;
  - (iii) Default or delinquency in interest or principal repayments; and
  - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. Sigurd Group used the forecastability of the future to adjust historical and current information to assess the default possibility of accounts receivable and contract assets. As of December 31, 2025 and 2024, the provision matrix is as follows:

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~90 days past due</u>	<u>91~180 days past due</u>	<u>Over 180 days</u>	<u>Total</u>
<u>At December 31, 2025</u>						
Expected loss rate	0.001%~0.04%	0.052%~0.83%	8.14%~50%	38%~80.51%	85%~100%	
Total book value	\$ 4,850,828	\$ 57,478	\$ 9,021	\$ 1,537	\$ 8,953	\$ 4,927,817
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ 7,134	\$ 7,134
	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~90 days past due</u>	<u>91~180 days past due</u>	<u>Over 180 days</u>	<u>Total</u>
<u>At December 31, 2024</u>						
Expected loss rate	0.001%~0.03%	0.001%~0.56%	4.81%~50%	50%~87.3%	50%~100%	
Total book value	\$ 4,550,128	\$ 100,534	\$ 6,249	\$ 1,023	\$ 13,125	\$ 4,671,059
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ 13,061	\$ 13,061

viii. Sigurd Group writes off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, Sigurd Group will continue executing the recourse procedures to secure their rights. Sigurd Group has no financial assets subject to write off on December 31, 2025 and 2024.

ix. Movements in loss allowance for investments in debt instruments carried at amortised cost are as follows:

	December 31, 2025			
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortised cost	<u>\$ 2,235,141</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,235,141</u>
	December 31, 2024			
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortised cost	<u>\$ 2,109,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,109,361</u>

The financial assets at amortised cost held by Sigurd Group are all time deposits with maturity over three months, pledged time deposit and corporate bonds. The credit risk rating has no significant abnormal situation.

x. Movements in relation to the Group applying the modified approach to provide loss allowance for notes receivable and accounts receivable are as follows:

	2025	
	Notes receivable and accounts receivable	
At January 1	\$	13,061
Reversal of impairment loss	(	5,668)
Effect of foreign exchange	(	259)
At December 31	<u>\$</u>	<u>7,134</u>
	2024	
	Notes receivable and accounts receivable	
At January 1	\$	10,405
Provision for impairment		2,086
Effect of foreign exchange		570
At December 31	<u>\$</u>	<u>13,061</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of Sigurd Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of Sigurd Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn borrowing facilities at all times so that Sigurd Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration Sigurd Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.
- ii. Sigurd Group has the following undrawn borrowing facilities:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Floating rate:		
Expiring within one year	\$ 3,635,043	\$ 1,975,909
Expiring beyond one year	8,045,906	4,765,925
	<u>\$ 11,680,949</u>	<u>\$ 6,741,834</u>

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

<u>December 31, 2025</u>	<u>Less than 6 months</u>	<u>Between 6 months and 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities</u>					
Short-term borrowings	\$ 386,612	\$ 35,498	\$ -	\$ -	\$ 422,110
Notes payable	19,420	-	12,537	13,502	45,459
Accounts payable	376,187	-	-	-	376,187
Other payables	3,219,313	-	-	-	3,219,313
Lease liabilities	52,978	55,031	81,600	826,355	1,015,964
Bonds payable	3,017,400	-	-	-	3,017,400
Guarantee deposits received	-	-	-	6,800	6,800
Long-term borrowings (including current portion)	1,061,185	1,103,915	2,525,236	5,199,070	9,889,406

December 31, 2024	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Over 2 years	Total
<u>Non-derivative financial liabilities</u>					
Short-term borrowings	\$ 185,546	\$ -	\$ -	\$ -	\$ 185,546
Notes payable	3,951	-	-	-	3,951
Accounts payable	407,906	-	-	-	407,906
Other payables	3,242,497	-	-	-	3,242,497
Lease liabilities	59,296	58,250	76,841	434,557	628,944
Bonds payable	17,400	-	3,017,400	-	3,034,800
Guarantee deposits received	-	-	-	6,818	6,818
Long-term borrowings (including current portion)	1,469,894	1,481,722	2,420,395	4,505,660	9,877,671

(3) Fair value information

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

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

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

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

B. Financial instruments not measured at fair value

Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, short-term and long-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

	December 31, 2025			
	<u>Book value</u>	<u>Fair value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial liabilities:				
Bonds payable (including current portion)	<u>\$ 3,008,093</u>	<u>\$ -</u>	<u>\$ 2,985,582</u>	<u>\$ -</u>

	December 31, 2024			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable				
(including current portion)	\$ 2,987,713	\$ -	\$ 2,928,394	\$ -

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

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

December 31, 2025	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 355,272	\$ -	\$ -	\$ 355,272
Unimicron Technology Corp.	-	-	42,172	42,172
Financial assets at fair value through other comprehensive income				
Equity securities	395,516	-	2,631,049	3,026,565
	<u>\$ 750,788</u>	<u>\$ -</u>	<u>\$ 2,673,221</u>	<u>\$ 3,424,009</u>

December 31, 2024	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Listed company stocks	\$ 391	\$ -	\$ -	\$ 391
Beneficiary certificates	171,878	-	-	171,878
Corporate bonds	109,008	-	-	109,008
Financial assets at fair value through other comprehensive income				
Equity securities	1,570,718	-	1,932,014	3,502,732
	<u>\$1,851,995</u>	<u>\$ -</u>	<u>\$ 1,932,014</u>	<u>\$ 3,784,009</u>

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

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

	Listed shares	Open-end fund	Corporate bond	Convertible (exchangeable) bond
Market quoted price	Closing price	Closing price	Weighted average quoted price	Closing price

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

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

E. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
	<u>Equity securities</u>	<u>Equity securities</u>
At January 1	\$ 1,932,014	\$ 2,022,379
Gains and losses recognised in profit or loss		
Recorded as non-operating income and expenses	1,147	-
Gains and losses recognised in other comprehensive income		
Recorded as unrealised gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	699,035	286,411
Sold in the year	-	( 15,430)
Acquired in the year	41,025	-
Transfers out from level 3	-	( 361,346)
At December 31	<u>\$ 2,673,221</u>	<u>\$ 1,932,014</u>

F. Certain equity instruments registered as emerging stocks in March 2024 and with stably increased transaction volume, observable quoted prices could be obtained. Therefore, the Group transferred those equity instruments from level 3 to level 1. For the year ended December 31, 2025, there was no transfer into or out from Level 3.

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

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

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 2,631,049	Net asset value	Not applicable	0.90	Not applicable
Simple agreement for future equity	42,172	Market comparable companies	Discount for lack of marketability	0.2030	Not applicable
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 1,932,014	Net asset value	Not applicable	0.90	Not applicable

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

		December 31, 2025				
		Recognised in profit or loss		Recognised in other comprehensive income		
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	\$ 422	(\$ 422)	\$ -	\$ -

As of December 31, 2024: None.

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- Loans to others: Please refer to table 1.
- Provision of endorsements and guarantees to others: Please refer to table 2.
- Holding of significant marketable securities at the end of the year (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.

E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.

F. Significant inter-company transactions during the reporting period: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China: Please refer to table 6.

14. SEGMENT INFORMATION

(1) General information

The management of Sigurd Group has identified reporting segments based on the information used by the chief operating decision-maker in decision making.

Sigurd Group's chief operating decision-maker has conducted businesses from a product line perspective. Sigurd Group's segments include assembly and testing and international trading.

(2) Measurement of segment information

The General Manager evaluates the performance of reporting segments based on a measure excluded the effects of non-recurring expenditure such as restructuring costs, legal fees and goodwill impairments when the impairment is the result of an isolated, non-recurring event, as well as the effects of equity-settled share-based payment and unrealised gains/losses on financial instruments. Interest income and expense are not allocated to reporting segments, as these types of activities are driven by Sigurd Group's treasury, which manages the cash position of Sigurd Group.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reporting segments is as follows:

	Year ended December 31, 2025		
	Assembly and testing	International trading	Total
Revenue from external customers	\$ 19,527,085	\$ 60,111	\$ 19,587,196
Depreciation and amortisation charges	\$ 4,035,862	\$ 2,586	\$ 4,038,448
Segment income (Note)	\$ 3,473,959	\$ 361,116	\$ 3,835,075
Segment assets - Capital expenditure	\$ 5,376,701	\$ -	\$ 5,376,701

	December 31, 2025		
	Assembly and testing	International trading	Total
Segment Assets	\$ 41,797,333	\$ 1,073,985	\$ 42,871,318

  

	December 31, 2024		
	Assembly and testing	International trading	Total
Revenue from external customers	\$ 18,159,382	\$ 58,762	\$ 18,218,144
Depreciation and amortisation charges	\$ 4,265,200	\$ 2,713	\$ 4,267,913
Segment income (Note)	\$ 3,878,741	\$ 28,902	\$ 3,907,643
Segment assets - Capital expenditure	\$ 3,874,161	\$ 1,906	\$ 3,876,067

  

	December 31, 2024		
	Assembly and testing	International trading	Total
Segment Assets	\$ 38,599,141	\$ 1,035,507	\$ 39,634,648

Note: Exclusive of income tax.

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

Revenue, profit and loss, assets and liabilities under reporting segments are carried out the same manner as in the consolidated financial statements. Thus, no reconciliation is needed.

(5) Information on products and services

External customer revenue is mainly derived from the assembly and testing services of integrated circuits. The performance of reporting segments is the same as that in Note 6(19).

(6) Geographical information

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

	Year ended December 31, 2025		Year ended December 31, 2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 14,236,864	\$ 17,047,676	\$ 12,759,390	\$ 15,143,136
Singapore	2,414,734	-	2,689,154	-
America	1,069,319	-	848,245	-
China	1,241,041	875,074	981,922	1,050,371
Others	625,238	20,630	939,433	811
Total	\$ 19,587,196	\$ 17,943,380	\$ 18,218,144	\$ 16,194,318

(7) Major customers information

Major customers information of Sigurd Group for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Revenue	Segment	Revenue	Segment
A	\$ 4,373,234	Assembly and testing	\$ 2,568,767	Assembly and testing
D	2,265,710	Assembly and testing	1,467,991	Assembly and testing
B	2,241,506	Assembly and testing	1,408,900	Assembly and testing

Sigurd Microelectronics Corporation and subsidiaries

Loans to others

For the year ended December 31, 2025

Table 1

Number (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended	Balance at December 31, 2025 (Note 2)	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowancef or doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					December 31, 2025								Item	Value			
1	FLATEK, Inc.	Greenflatek, Inc.	Other receivables	N	\$ 847	-	-	1.0%	Reason for short-term financing	\$ -	Operational need	-	-	-	\$ 14,741	\$ 14,741	Note 4 & Note 6
1	FLATEK, Inc.	TPFUSION, INC.	Other receivables	Y	1,500	1,500	-	1.0%	Reason for short-term financing	-	Operational need	-	-	-	14,741	14,741	Note 4 & Note 6 & Note 8
2	Valuenet International Ltd.	Greenflatek, Inc.	Other receivables	N	7,835	-	-	1.0%	Reason for short-term financing	-	Operational need	-	-	-	23,731	23,731	Note 4 & Note 6
2	Valuenet International Ltd.	OPS Electronic Limited	Other receivables - related party	Y	31,853	-	-	1.0%	Reason for short-term financing	-	Operational need	-	-	-	177,981	177,981	Note 5
2	Valuenet International Ltd.	TPfusion Corp.	Other receivables - related party	Y	9,963	9,429	9,429	1.0%	Reason for short-term financing	-	Operational need	-	-	-	23,731	23,731	Note 4
3	TEST-SERV Inc.	SIGWIN Cooperation	Other receivables - related party	Y	135,000	-	-	1.75%	Reason for short-term financing	-	Operational need	-	-	-	140,259	561,039	Note 4
4	OPS Electronic Limited	TPfusion Corp.	Other receivables - related party	Y	7,536	-	-	1.0%	Reason for short-term financing	-	Operational need	-	-	-	13,170	13,170	Note 6 & Note 7

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

(1)The Company is '0'.

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

Number (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended	December 31, 2025 (Note 2)	Balance at December 31, 2025	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowancef or doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					Item									Value				

Note 2: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2025.

Note 3: The column of 'Nature of loan' shall fill in 'Business transaction or 'Short-term financing'.

Note 4: In accordance with this entity's Procedures for Provision of Loans: the ceiling on total loans granted is 40% of its net equity, and the limit on loans granted to a single party is 40% of its net equity, except loans to subsidiaries.

Note 5: In accordance with this entity's Procedures for Provision of Loans: ceiling on total loans granted by an overseas subsidiary to all overseas subsidiaries is

300% of the creditor's net assets; limit on loans granted by an overseas subsidiary to a single subsidiary is 300% of the creditor's net assets.

Note 6: The loans provided by FLATEK, Inc. its fully owned subsidiary, Valuenet International Ltd. ("Valuenet") to Greenflatek, Inc. were expired on November 24, 2023. The Company's dealing methods are explained as follows:

1. As Greenflatek, Inc. did not repay the loan before the originally loan agreed repayment date (November 24, 2023), FLATEK and Valuenet did not provide the loan to Greenflatek, Inc.
2. To protect the company's rights and interests, FLATEK, Inc. and Valuenet had issued certified letter to greenflatek, Inc. on November 22, 2023 and December 13, 2023, respectively.
3. To protect the company's rights and interests, FLATEK and Valuenet had issued an application for civil payment order to Greenflatek, Inc. on February 2, 2024.
4. FLATEK, Inc. and Valuent International Ltd. have been pursuing demand letters to Greenflatek, Inc. for over two years. The accounts receivable have been reclassified as bad debts on November 3, 2025.

Note 7: The period of loan agreement between OPS Electronic Limited (OPS) and TPFusion Corp. (TPfusion) was from November 10 2025 to November 30, 2025, and the loan was settled on November 20, 2025.

Note 8: The period of loan agreement between FLATEK and TPFUSION INC. (TPFUSION) was from June 30, 2025 to June 29, 2026, and the loan was settled on December 3, 2025.

Sigurd Microelectronics Corporation and subsidiaries  
Provision of endorsements and guarantees to others  
For the year ended December 31, 2025

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 8)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2025 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2025 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee		Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
									amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of guarantees provided (Note 9)				
0	Sigurd Microelectronics Corp.	SIRIZE Technology (Suzhou) Corp.	3	\$ 9,803,675	\$ 2,105,810	\$ 2,105,810	\$ 340,910	\$ -	9.67%	\$ 9,803,675	Y	N	Y	
0	Sigurd Microelectronics Corp.	Flatek, Inc.	3	9,803,675	300,000	150,000	90,000	-	0.69%	9,803,675	Y	N	N	

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

- (1)The Company is '0'.
- (2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1)Having business relationship.
- (2)The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3)The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4)The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed company.
- (5)Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6)Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7)Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: As of the end of the year, the Company shall bear the responsibility for endorsement/guarantee upon the signing of the endorsement/guarantee contract with the bank or upon the approval of limit.

Other relevant endorsements/guarantees should be included in the endorsement/guarantee balance.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 8: In accordance with the Company's Procedures for Provision of Loans: the limit on endorsements/guarantees to a single party is 45% of its net assets.

Note 9: In accordance with the Company's Procedures for Provision of Loans: the ceiling on total endorsements/guarantees is 45% of the Company's net assets,

Sigurd Microelectronics Corporation and subsidiaries  
Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures)  
December 31, 2025

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

		As of December 31, 2025						
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Sigurd Microelectronics Corp.	Fuh Hua Global Bond Fund	None	Current financial assets at fair value through profit or loss	1,983,786	\$ 29,687	-	\$ 29,687	
Sigurd Microelectronics Corp.	Fuh Hua Rising Dragon Fund.	None	Current financial assets at fair value through profit or loss	1,000,000	11,941	-	11,941	
Sigurd Microelectronics Corp.	UPAMC. CB Strategy Fund	None	Current financial assets at fair value through profit or loss	5,000,000	66,146	-	66,146	
Sigurd Microelectronics Corp.	Yuanta Global Leaders Balanced Fund	None	Current financial assets at fair value through profit or loss	625,391	12,470	-	12,470	
Sigurd Microelectronics Corp.	UPAMC Quality Low Volatility Multi-Asset Fund	None	Current financial assets at fair value through profit or loss	3,000,000	34,281	-	34,281	
Sigurd Microelectronics Corp.	Union Money Market Fund	None	Current financial assets at fair value through profit or loss	7,197,092	100,554	-	100,554	
Sigurd Microelectronics Corp.	Yuanta De-Li Money Market Fund	None	Current financial assets at fair value through profit or loss	5,808,516	100,193	-	100,193	
Sigurd Microelectronics Corp.	PowerLattice Technologies Incorporated	None	Current financial assets at fair value through profit or loss	2,683,555	42,172	Not applicable	42,172	
Sigurd Microelectronics Corp.	ENE Technology Inc.	None	Non-current financial assets at fair value through other comprehensive income	593,543	22,169	1.31%	22,169	
Sigurd Microelectronics Corp.	Advanplating Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	1,185,000	-	11.36%	-	
Sigurd Microelectronics Corp.	Ordinary Shares of EGTRAN Inc.	None	Non-current financial assets at fair value through other comprehensive income	21,689	-	2.16%	-	
Sigurd Microelectronics Corp.	iDESYN Semiconductor Corp. Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	17,280	-	0.12%	-	
Sigurd Microelectronics Corp.	Yann Yuan Investments Co., Ltd.	The Company was its director	Non-current financial assets at fair value through other comprehensive income	49,980,000	2,631,049	5.70%	2,631,049	
Sigurd Microelectronics Corp.	Chailease Holding Co., Ltd-PFD (5871ATT)	None	Non-current financial assets at fair value through other comprehensive income	500,000	50,500	0.33%	50,500	

Sigurd Microelectronics Corporation and subsidiaries  
Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures)  
December 31, 2025

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2025				
				Number of shares	Book value	Ownership (%)	Fair value	Footnote
Sigurd Microelectronics Corp.	Cathe life insurance accumulated subordinate corporate bonds without maturity	None	Non-current financial assets at amortised cost	300,000	\$ 30,000	-	\$ 30,000	
Sigurd Microelectronics Corp.	The First Issue of Unsecured Cumulative Subordinated Corporate Bonds of Taiwan Life in 2024 – Tranche B	None	Non-current financial assets at amortised cost	3,000,000	300,000	-	300,000	
Sigurd Microelectronics Corp.	Cathaylife Singapore Pte. Ltd. Overseas Issuance of Subordinated USD Bonds	None	Non-current financial assets at amortised cost	-	66,024	-	66,024	
Sigurd Microelectronics Corp.	Fubon Life Insurance Co., Ltd. Unsecured Accumulated Subordinated Corporate Bonds	None	Non-current financial assets at amortised cost	3,000,000	300,000	-	300,000	
Sigurd Microelectronics Corp.	Taiwan Semiconductor Manufacturing Company Limited 111-1 Unsecured Corporate Bond-B	None	Non-current financial assets at amortised cost	500,000	48,100	-	48,100	
Sigurd Microelectronics Corp.	TCC Group Holdings Co., Ltd. 1st Domestic Unsecured Convertible Bond	None	Non-current financial assets at amortised cost	100,500	10,050	-	10,050	
TEST-SERV Inc.	Samhop Microelectronics Corp.	None	Non-current financial assets at fair value through other comprehensive income	114,757	-	1.07%	-	
TEST-SERV Inc.	Sitec Semiconductor Ltd.	None	Non-current financial assets at fair value through other comprehensive income	20,545,354	-	1.22%	-	
TEST-SERV Inc.	Deepwaters Digital Support Inc.	None	Non-current financial assets at fair value through other comprehensive income	190,476	-	0.70%	-	
TEST-SERV Inc.	Chailease Holding Co., Ltd-PFD (5871ATT)	None	Non-current financial assets at fair value through other comprehensive income	100,000	10,100	0.07%	10,100	
Sigurd UTC Corporation	Paradigm I Venture Capital Company	None	Non-current financial assets at fair value through other comprehensive income	875,000	-	7.92%	-	
Sigurd UTC Corporation	Nano Electronics and Micro System Technologies, INC.	None	Non-current financial assets at fair value through other comprehensive income	3,021,708	312,747	8.73%	312,747	

Sigurd Microelectronics Corporation and subsidiaries  
Purchases or sales of goods from or to related parties reaching NTS\$100 million or 20% of paid-in capital or more  
For the year ended December 31, 2025

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note)		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Wintek Semiconductor Co., Ltd.	Wintek Semiconductor Technology Co., Ltd.	Subsidiary	Sales	(\$ 261,163)	(5.6%)	Net 30 days from the end of the month of when invoice is issued	-	-	\$ 40,041	3.9%	Note
Wintek Semiconductor Technology Co., Ltd.	Wintek Semiconductor Co., Ltd.	Parent Company	Purchases	261,163	7.6%	Net 30 days from the end of the month of when invoice is issued	-	-	( 40,041)	(24.6%)	Note
Sigurd Microelectronics Corp.	SIRIZE Technology (Suzhou) Corp.	Subsidiary	Sales	( 197,839)	(2%)	Net 30 days from the end of the month of when invoice is issued	-	-	199,251	7%	Note
SIRIZE Technology (Suzhou) Corp.	Sigurd Microelectronics Corp.	Parent Company	Purchases	197,839	3%	Net 30 days from the end of the month of when invoice is issued	-	-	( 199,251)	(231%)	Note

Note : The sales prices and payment terms of intercompany sales are not significantly different from those to third parties. For other intercompany transactions, prices and terms are determined in accordance with mutual agreements.

Sigurd Microelectronics Corporation and subsidiaries  
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
 For the year ended December 31, 2025

Table 5

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2025	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Sigurd Microelectronics Corp.	SIRIZE Technology (Suzhou) Corp.	Subsidiary	\$ 199,251	0.98	\$ -	-	\$ 23,107	\$ -	Shown as 'Accounts receivable'
Sigurd Microelectronics Corp.	SIRIZE Technology (Suzhou) Corp.	Subsidiary	221,867	Not applicable	-	-	-	-	Shown as 'Other receivable'

Sigurd Microelectronics Corporation and subsidiaries  
Significant inter-company transactions during the reporting periods  
For the year ended December 31, 2025

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transactions			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Sigurd Microelectronics Corporation	SIRIZE Technology (Suzhou) Corp.	1	Purchase of equipment	\$ 309,757	Note 6	0.72%
0	Sigurd Microelectronics Corporation	SIRIZE Technology (Suzhou) Corp.	1	Disposal of equipment	218,686	Note 6	0.51%
0	Sigurd Microelectronics Corporation	SIRIZE Technology (Suzhou) Corp.	1	Other payables	30,968	Note 6	0.07%
0	Sigurd Microelectronics Corporation	SIRIZE Technology (Suzhou) Corp.	1	Other receivable	221,867	Note 6	0.52%
0	Sigurd Microelectronics Corporation	SIRIZE Technology (Suzhou) Corp.	1	Operating revenue	197,839	Note 6	1.01%
0	Sigurd Microelectronics Corporation	SIRIZE Technology (Suzhou) Corp.	1	Accounts receivable	199,251	Note 6	0.46%
0	Sigurd Microelectronics Corporation	TEST-SERV Inc.	1	Dividend income	121,904	-	0.62%
0	Sigurd Microelectronics Corporation	TEST-SERV Inc.	1	Rental expense	32,583	-	0.17%
0	Sigurd Microelectronics Corporation	Sigurd UTC Corporation	1	Dividend income	86,845	-	0.44%
0	Sigurd Microelectronics Corporation	SIGWIN Cooperation	1	Dividend income	60,451	-	0.31%
0	Sigurd Microelectronics Corporation	Winstek Semiconductor Technology Co., Ltd.	1	Outsourcing processing fee	36,528	-	0.19%
1	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	3	Operating revenue	261,163	Note 6	1.33%
1	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	3	Accounts receivable	40,041	Note 6	0.09%
2	Winstek Semiconductor Technology Co., Ltd.	Sigurd UTC Corporation	2	Purchase plant	1,695,330	Note 6	3.94%
3	Sigurd UTC Corporation	Sigurd UTC Corporation	2	Dividend income	229,342	-	1.17%
4	FLATEK INC.	TPFUSION INC.	3	Other receivable	61,272	Note 6	0.14%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is '0'.

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

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on year-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the year to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Note 5: Including the amount of the parent company's fund loaned to subsidiary, according to the agreed interest rate plus interest.

Note 6: For these transactions, the prices and times were determined in accordance with mutual agreements.

Note 7: Only the transactions over \$20,000 are disclosed, and the related party transactions are not disclosed.

Sigurd Microelectronics Corporation and subsidiaries

Information on investees

For the year ended December 31, 2025

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss)	Investment income (loss)	Footnote
				Balance	Balance	Number of shares	Ownership (%)	Book value	of the investee for the	recognised by the Company	
				as at December 31, 2025	as at December 31, 2024				year ended December 31, 2025	for the year ended December 31, 2025	
									(Note 2(2))	(Note 2(3))	
Sigurd Microelectronics Corp.	Sigurd International Co., Ltd.	British Virgin Islands	Investment company	\$ 975,135	\$ 975,135	30,254,043	100.00	\$ -	\$ 4,129	\$ 4,129	Note 3
Sigurd Microelectronics Corp.	Burgurd Co., Ltd.	Hongkong	International trade company	62,391	62,391	-	100.00	1,167	(49)	(49)	
Sigurd Microelectronics Corp.	TEST-SERV Inc.	Taiwan	Semiconductor assembly and testing	1,403,337	1,403,337	80,200,031	100.00	1,547,584	171,871	172,765	
Sigurd Microelectronics Corp.	Bloomeria Limited	Singapore	Investment company	1,019,588	139,564	773,343,902	100.00	1,592,513	10,013	5,854	
Sigurd Microelectronics Corp.	AMBERSAN medical technology Co., Ltd.	Taiwan	Medical equipment manufacturing and sales	36,300	36,300	3,630,000	55.00	46,996	16,865	9,278	
Sigurd Microelectronics Corp.	FLATEK, INC.	Taiwan	Digital Information supply service	258,685	100,000	16,508,000	100.00	141,856	34,111	26,060	
Sigurd Microelectronics Corp.	Flusol Co., Ltd.	Hongkong	Investment company	1,359,400	1,359,400	-	96.66	387,607	41,360	(12,455)	
Sigurd Microelectronic Corp.	SIGWIN Cooperation	Taiwan	Investment company	1,921,952	1,921,952	52,250,988	85.00	3,620,214	396,617	337,123	
Sigurd Microelectronic Corp.	Sigurd UTC Corporation	Taiwan	Investment company	2,287,569	2,699,319	310,000,000	100.00	3,824,717	350,029	340,600	

Sigurd Microelectronics Corporation and subsidiaries

Information on investees

For the year ended December 31, 2025

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss)	Investment income (loss)	Footnote
				Balance	Balance	Number of shares	Ownership (%)	Book value	of the investee for the	recognised by the Company	
				as at December 31, 2025	as at December 31, 2024				year ended December 31, 2025	for the year ended December 31, 2025	
Sigurd International Co., Ltd.	Sigurd Microelectronics (Cayman) Co., Ltd.	Cayman Islands	Investment company	\$ -	\$ 795,850	-	0.00	\$ -	\$ -	\$ -	Note 4
Sigurd International Co., Ltd.	Flusol Co., Ltd.	Hongkong	Investment company	47,106	47,106	-	3.34	-	41,360	-	
Bloomeria Limited	SIGWIN Cooperation	Taiwan	Investment company	1,048,833	1,048,833	9,221,012	15.00	638,879	396,617	-	
Ge-Shing Cooperation	Winstek Semiconductor Co., Ltd.	Taiwan	Packaging testing	2,390,790	2,390,790	70,726,438	51.90	3,302,177	746,536	-	
Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	Taiwan	Packaging testing	1,875,740	1,875,740	210,000,000	100.00	3,045,913	193,741	-	
Winstek Semiconductor Co., Ltd.	TST Co., Ltd.	Taiwan	Plant development and leasing	200,000	200,000	20,000,000	100.00	201,579	1,272	-	
TEST-SERV Inc.	Winstek Semiconductor Co., Ltd.	Taiwan	Investment company	1,120	1,120	43,000	0.03	5,439	746,536	-	
FLATEK, INC.	OPS Electronic Ltd.	Hongkong	Investment company	40	40	10,000	0.13	114	21,611	-	
FLATEK, INC.	TPFUSION INC.	Taiwan	Digital Information supply service	46,194	19,350	4,619,350	99.92	( 16,517)	2,352	-	
FLATEK, INC.	Valuenet International Ltd.	British Virgin Islands	Digital Information supply service	1,568	1,568	50,000	100.00	105,775	( 10,645)	-	

Sigurd Microelectronics Corporation and subsidiaries

Information on investees

For the year ended December 31, 2025

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss)	Investment income (loss)	Footnote
				Balance	Balance	Number of shares	Ownership (%)	Book value	of the investee for the	recognised by the Company	
				as at December 31, 2025	as at December 31, 2024				year ended December 31, 2025	for the year ended December 31, 2025	
TPFUSION INC.	TPfusion Corp.	Japan	Digital Information supply service	\$ 11,782	\$ 6,684	99,971	100.00	(\$ 56,363)	\$ 2,402	\$ -	
Valuenet International Limited	OPS Electronic Ltd.	Hong kong	Investment company	29,685	-	7,481,175	99.87	85,490	21,611	-	
Holding UTC Corporation	Sigurd UTC Corporation	Taiwan	Packaging testing	6,247,262	6,247,262	101,929,982	100.00	3,546,213	348,076	-	

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1)The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2025' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column..
- (2)The 'Net profit (loss) of the investee for the year ended December 31, 2025' column should fill in amount of net profit (loss) of the investee for this year.
- (3)The 'Investment income (loss) recognised by the Company for the December 31, 2025 column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this year. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this year has included its investment income (loss) which shall be recognised by regulations.

Note 3: The related legal liquidation procedures of Sigurd International Co., Ltd. are still in progress.

Note 4: The deregistration of Sigurd Microelectronics (Cayman) Co., Ltd. was approved by the local government in April 2025.

Sigurd Microelectronics Corporation and subsidiaries  
Information on investments in Mainland China  
For the year ended December 31, 2025

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method ( Note 1 )	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee as of December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2025 (Note 2(2) )	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
OPS Electronic (ShenZhen) Limited	Manufacture and sales of IC programmers and its parts, IC copiers, components for chip testers and electronic components	\$ 26,033	Investment in Mainland China companies through a company invested and established in a third region	\$ 40	\$ -	\$ -	\$ 40	\$ 18,990	100	\$ 18,990	\$ 61,428	\$ -	Note 2(2)B
SIRIZE Technology (Suzhou) Corp.	Design of testing application for integrated and advanced services of packing and testing for integrated circuit	1,359,700	Investment in Mainland China companies through a company invested and established in a third region	1,359,700	-	-	1,359,700	41,775	100	6,540	443,213	-	Note 2(2)B

Sigurd Microelectronics Corporation and subsidiaries  
Information on investments in Mainland China  
For the year ended December 31, 2025

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

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

- (1) Directly invest in a company in Mainland China.
- (2) Through Investment in an existing company in the third area, which then invested in the investee in Mainland China.  
(invested SIRIZE Technology (Suzhou) Corp. through Flusol Co., Ltd and invested OPS Electronic (ShenZhen) Limited through OPS Electronic Limited.)
- (3) Others

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

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

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
OPS Electronic (ShenZhen) Limited	\$ 40	\$ 40	\$ 85,288
SIRIZE Technology (Suzhou) Corp.	1,359,700	1,359,700	14,925,587