STAR FUSION GROUP CO., LTD.
(FORMERLY NAMED SOFTSTAR ENTERTAINMENT INC.)
PARENT COMPANY ONLY
FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS
FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024

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The reader is advised that parent company only financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Independent Auditors' Report Translated from Chinese

To Star Fusion Group Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Star Fusion Group Co., Ltd. (the "Company") as of December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and notes to the parent company only financial statements, including the summary of material accounting policies (together "the parent company only financial statements").

In our opinion, based on our audits and the reports of the other auditors (please refer to the Other Matter – Making Reference to the Audits of Other Auditors section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and cash flows for the years ended December 31, 2025 and 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition－Royalties

The Company's royalties are revenue from licensing its solely developed intellectual property (IP) to others that grant use in game development, game operations and film content. As the circumstances and developed products of each license agreement vary, it is necessary to identify performance obligations and determine whether the licensing nature provides a customer with a right to access the Company's IP over time or with a right to use the Company's IP at a point in time. Also, it is important to consider the expected development period of the games, game operation cycles, industry practices and historical experiences to estimate the duration of revenue allocation and variable consideration estimation, and to regularly review the reasonableness of estimation assumptions. As the Company's revenue recognition of royalties is significant and requires management judgement, we therefore consider this as a key audit matter.

In response to the risk of material misstatement regarding recognition of royalties revenue, our audit procedures included, but were not limited to:

1. Understanding the approach in which royalty revenue is recognized, evaluating and testing the internal controls regarding the recognition of royalties;

2. Obtaining the license agreements, identifying performance obligations, defining the transaction prices, and determining whether revenues are recognized over time or at a point in time;

3. Obtaining the details of recognition of royalties and confirming whether the performance obligations of the license agreement have been fulfilled; obtaining the details of royalty revenue allocation of games development and confirming the correctness of the development period and revenue allocation stated in the license agreements; and

4. Reviewing the reasonableness of the estimated allocation periods and the correctness of the calculation of royalty revenues allocation provided by the Company.

We also considered the appropriateness of the parent company only financial statements disclosure regarding royalty revenue and contract liabilities in Note 5 and 6.

Goodwill Impairment Assessment (recognized as investments accounted for using equity method)

The Company conducted the impairment tests annually on the goodwill (recognized as investments accounted for using equity method) acquired through business combinations in accordance with the regulations of International Financial Reporting Standards (IFRSs). As the carrying amount of goodwill is material to the Company and the assumptions involved management's judgement, we therefore considered this as a key audit matter.

Our audit procedures included, but were not limited to:

1. Understanding management's assessment processes and policies related to goodwill impairment;

2. Understanding management's criteria for identifying cash generating units and determining the measurement methods of recoverable amount, and reviewing the calculation process using the fair value less costs of disposal and value-in-use methods;

3. Understanding management's assessment process and basis for the projected growth rates and gross profit margins of the acquired companies' future operating prospects; and

4. Using internal expert to assist evaluating the valuation models and significant assumptions (including discount rates, etc.) utilized by management, and comparing the assumptions with market data and historical financial information to assess the reasonableness of management's judgments.

We also considered the appropriateness of the parent company only financial statements disclosure regarding investments accounted for using equity method in Note 4 and 6.

Valuation of Investments Accounted for Using Equity Method

As of December 31, 2025, the investments accounted for using the equity method amounted to NT$2,396,482 thousand, representing 85% of the total assets of the Company. As the amount is significant to the parent company only financial statements, we therefore consider this as a key audit matter.

Our audit procedures included, but were not limited to:

1. Assessing processes and policies related to valuation of investments accounted for using equity method.

2. Obtaining the financial statements of the investees and the audit reports issued by other auditors, and understanding and assessing whether significant matters identified therein had an impact on the parent company only financial statements of the Company.

3. Recalculating the share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method and the carrying amount of the investments accounted for using the equity method, and assessing the appropriateness of the related accounting methods.

We also considered the appropriateness of the parent company only financial statements disclosure regarding investments accounted for using equity method in Note 4 and 6.

Other Matter – Making Reference to the Audits of Other Auditors

We did not audit the financial statements of certain investments accounted for using the equity method. Those statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using equity method and information disclosed in Note 13 relating to these equity investments, is based solely on the audit reports of other auditors. The investment accounted for using the equity method amounted to NT$563,027 thousand and NT$963,290 thousand, representing 20% and 34% of total assets as of December 31, 2025 and 2024, respectively. The related shares of profit or loss from the subsidiaries, associates and joint ventures under the equity method amounted to NT$14,906 thousand and NT$10,872 thousand, representing (3)% and 18% of the (loss) profit before tax for the years ended 31 December, 2025 and 2024, respectively, and the related shares of other comprehensive income (loss) from the subsidiaries, associates and joint ventures under the equity method amounted to NT$3,241 thousand and NT$3,956 thousand, representing (7)% and 48% of the other comprehensive income (loss) for the years ended 31 December, 2025 and 2024, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only 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 control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2025 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/Lu, Chian-Uen
/s/Wang, Mu-Fan

Ernst & Young, Taiwan
March 31, 2026

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

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

STAR FUSION GROUP CO., LTD.

(FORMERLY NAMED SOFTSTAR ENTERTAINMENT INC.)

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of December 31, 2025	As of December 31, 2024 (Adjusted) (Note)
Current assets			
Cash and cash equivalents	6	$96,773	$121,730
Financial assets at fair value through profit or loss, current	6	60	125,275
Contract assets, current	6	-	2,979
Accounts receivable, net	6	7,762	23,829
Accounts receivable-related parties, net	6 and 7	3,741	15,092
Other receivables		16,470	17,469
Other receivables-related parties	7	42,844	100,918
Current income tax assets		2,014	2,791
Prepayment	7	22,419	100,822
Other financial assets, current	6 and 8	40,681	16,067
Other current assets	7	135	525
Total current assets		232,899	527,497
Non-current assets			
Financial assets at fair value through profit or loss, non-current	6	68,203	59,648
Financial assets at fair value through other comprehensive income, non-current	6	26,681	35,994
Investments accounted for using the equity method	6	2,430,749	2,109,246
Property, plant and equipment	6 and 7	26,723	14,963
Right-of-use assets	6	15,621	36,118
Intangible assets	6	1,236	5,133
Deferred tax assets	6	19,566	17,895
Refundable deposits	7	4,124	4,712
Other financial assets, non-current	6 and 8	-	6,000
Total non-current assets		2,592,903	2,289,709
Total assets		$2,825,802	$2,817,206

Liabilities and Equity	Notes	As of December 31, 2025	As of December 31, 2024 (Adjusted) (Note)
Current liabilities			
Short-term borrowings	6 and 8	$513,470	$205,000
Contract liabilities, current	6	24,088	37,783
Accounts payable		22,704	14,236
Accounts payable-related parties	7	1,997	6,298
Other payables	6	49,668	46,108
Other payables-related parties	7	1,466	1,679
Current income tax liabilities	6	17,189	7,108
Lease liabilities, current	6	8,324	12,800
Current portion of long-term borrowings	6 and 8	14,248	15,441
Other current liabilities	7	22,932	49,309
Total current liabilities		676,086	395,762
Non-current liabilities			
Financial liabilities at fair value through profit or loss, non-current	6	2,370	2,610
Bonds payable	6	286,716	279,030
Long-term borrowings	6 and 8	69,000	32,248
Deferred tax liabilities	6	61	-
Lease liabilities, non-current	6	8,216	25,641
Net defined benefit liabilities	6	4,594	6,603
Negative balances from investments accounted for using the equity method	6	34,267	25,473
Total non-current liabilities		405,224	371,605
Total liabilities		1,081,310	767,367
Equity			
Common stock	6	1,090,911	1,091,861
Additional paid-in capital	6	933,780	657,753
Retained earnings	6		
Legal reserve		182,605	175,480
Special reserve		125,778	138,608
Unappropriated earnings		(132,685)	334,738
Other components of equity		(171,543)	(133,317)
Treasury shares		(284,354)	(215,284)
Total equity		1,744,492	2,049,839
Total liabilities and equity		$2,825,802	$2,817,206

Note: The Company had completed the purchase price allocation of Ahead.m on the control acquisition date, thus the parent company only balance sheet as of December 31, 2024 was adjusted,resulting in a decrease in investments accounted for using the equity method by NT$117 thousand.

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

STAR FUSION GROUP CO., LTD.

(FORMERLY NAMED SOFTSTAR ENTERTAINMENT INC.)

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	For the Years Ended December 31, 2025	2024 (Adjusted) (Note)
Net sales	6 and 7	$135,354	$270,568
Cost of goods sold		(65,483)	(51,965)
Gross profit		69,871	218,603
Operating expenses	6 and 7		
Sales and marketing expenses		(104,282)	(114,209)
General and administrative expenses		(146,613)	(174,231)
Research and development expenses		(80,759)	(102,658)
Expected credit losses		(2,611)	(4,818)
Subtotal		(334,265)	(395,916)
Operating loss		(264,394)	(177,313)
Non-operating income and expenses	6 and 7		
Interest income		3,526	1,696
Other income		15,837	21,362
Other gains and losses		57,182	223,032
Finance costs		(19,655)	(9,992)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method		(243,383)	2,193
Subtotal		(186,493)	238,291
(Loss) profit before income tax		(450,887)	60,978
Income tax (expense) benefit	6	(19,053)	16,544
Net (loss) income		(469,940)	77,522
Other comprehensive income (loss)	6		
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		1,907	2,050
Unrealized gains or losses from financial assets at fair value through other comprehensive income		(9,313)	12,987
Share of other comprehensive income (loss) of subsidiaries, associates, and joint ventures accounted for using equity method		(17,141)	2,952
Tax of items that will not be reclassified subsequently to profit or loss		(910)	(509)
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income (loss) of subsidiaries, associates, and joint ventures accounted for using equity method		(19,015)	(9,200)
Total other comprehensive income (loss), net of tax		(44,472)	8,280
Total comprehensive income (loss)		$(514,412)	$85,802
Earnings (losses) per share (NTD)	6		
Earnings (losses) per share-basic		$(4.63)	$0.77
Earnings (losses) per share-diluted		$(4.63)	$0.77

Note:The Company had completed the purchase price allocation of Ahead.m on the control acquisitiondate,thus the parent company only statement of comprehensive income for the year ended 2024 was adjusted, resulting in a decrease in net income by NT$117 thousand.

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

STAR FUSION GROUP CO., LTD.

(FORMERLY NAMED SOFTSTAR ENTERTAINMENT INC.)

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

			Retained Earnings			Others Components of Equity				
Description	**Common Stock**	**Additional Paid-in Capital**	**Legal Reserve**	**Special reserve**	**Unappropriated Earnings**	**Exchange Differences Resulting from Translating the Financial Statements of Foreign Operations**	**Unrealized Gains or Losses from Financial Assets at Fair Value Through Other Comprehensive Loss**	**Unearned stock-Based Employee Compensation**	**Treasury Shares**	**Total**
Balance as of January 1, 2024	$1,038,836	$263,061	$175,480	$146,211	$255,999	$6,799	$(145,407)	$(44,714)	$(143,448)	$1,552,817
Appropriation and distribution of 2023 retained earnings										
Reversal of special reserve	-	-	-	(7,603)	7,603	-	-	-	-	-
Donated surplus	-	13,601	-	-	-	-	-	-	-	13,601
Equity component of convertible bonds	-	17,820	-	-	-	-	-	-	-	17,820
Net income in 2024 (Adjusted) (Note)	-	-	-	-	77,522	-	-	-	-	77,522
Other comprehensive income (loss) in 2024	-	-	-	-	1,541	(9,200)	15,939	-	-	8,280
Total comprehensive income (loss) in 2024	-	-	-	-	79,063	(9,200)	15,939	-	-	85,802
Cash capital increase	52,000	286,000	-	-	-	-	-	-	-	338,000
Acquisition of company's stocks by subsidiaries recognized as treasury shares	-	(112)	-	-	-	-	-	-	(71,836)	(71,948)
Disposal of investments using the equity method	-	-	-	-	(607)	-	607	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired	-	12,287	-	-	(990)	-	-	-	-	11,297
Changes in ownership interests in subsidiaries	-	61,640	-	-	(330)	-	(516)	-	-	60,794
Share-based payment transactions	2,100	10,836	-	-	-	-	-	37,175	-	50,111
Disposal of equity instruments investments measured at fair value through other comprehensive loss	-	-	-	-	(6,000)	-	6,000	-	-	-
Employee restricted shares for cancellation	(1,075)	(7,380)	-	-	-	-	-	-	-	(8,455)
Balance as of December 31, 2024 (Adjusted) (Note)	$1,091,861	$657,753	$175,480	$138,608	$334,738	$(2,401)	$(123,377)	$(7,539)	$(215,284)	$2,049,839
Balance as of January 1, 2025	$1,091,861	$657,753	$175,480	$138,608	$334,738	$(2,401)	$(123,377)	$(7,539)	$(215,284)	$2,049,839
Appropriation and distribution of 2024 retained earnings										
Legal reserve	-	-	7,125	-	(7,125)	-	-	-	-	-
Reversal of special reserve	-	-	-	(12,830)	12,830	-	-	-	-	-
Donated surplus	-	3,073	-	-	-	-	-	-	-	3,073
Net loss in 2025	-	-	-	-	(469,940)	-	-	-	-	(469,940)
Other comprehensive income (loss) in 2025	-	-	-	-	997	(19,015)	(26,454)	-	-	(44,472)
Total comprehensive income (loss) in 2025	-	-	-	-	(468,943)	(19,015)	(26,454)	-	-	(514,412)
Organizational Restructuring	-	31,051	-	-	-	-	-	-	-	31,051
Treasury shares repurchase	-	-	-	-	-	-	-	-	(15,264)	(15,264)
Acquisition of company's stocks by subsidiaries recognized as treasury shares	-	-	-	-	-	-	-	-	(53,806)	(53,806)
Disposal of investments using the equity method	-	-	-	-	(623)	-	623	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired	-	250,565	-	-	-	-	-	-	-	250,565
Changes in ownership interests in subsidiaries	-	(3,108)	-	-	(3,562)	-	(315)	-	-	(6,985)
Share-based payment transactions	-	-	-	-	-	-	-	5,908	-	5,908
Employee restricted shares for cancellation	(950)	(5,554)	-	-	-	-	-	1,027	-	(5,477)
Balance as of December 31, 2025	$1,090,911	$933,780	$182,605	$125,778	$(132,685)	$(21,416)	$(149,523)	$(604)	$(284,354)	$1,744,492

Note:The Company had completed the purchase price allocation of Ahead.m on the control acquisitiondate, thus the parent company only statements of changes in equity for the year ended December 31, 2024 and the balance as of January 1, 2025 were adjusted,please refer Note 6.

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

STAR FUSION GROUP CO., LTD.
(FORMERLY NAMED SOFTSTAR ENTERTAINMENT INC.)
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

Description	For the Years Ended December 31, 2025	2024 (Adjusted) (Note)
Cash flows from operating activities:		
(Loss) income before tax	$(450,887)	$60,978
Adjustments for:		
Depreciation	20,536	23,945
Amortization	17,915	10,875
Expected credit impairment losses	2,611	4,818
Losses (gains) on financial assets and liabilities at fair value through profit or loss	43,165	(11,666)
Interest expense	19,655	9,992
Interest income	(3,526)	(1,696)
Dividend income	(3,505)	-
Share-based payments expense	(195)	48,557
Share of profit or loss of associates and joint ventures accounted for using equity method	243,383	(2,193)
Losses on disposal of property, plant and equipment	403	2,036
Gains on disposal of intangible assets	-	(8,024)
Gains on disposal of mobile game intellectual property	(162,642)	(212,472)
Gains on lease modification	(1,296)	(175)
Changes in operating assets and liabilities:		
Contract assets	2,979	483
Accounts receivable, net	13,456	(15,655)
Accounts receivable-related parties, net	11,351	2,088
Other receivables	999	6,926
Other receivables-related parties	(22,163)	(2,649)
Prepayment	78,403	(25,477)
Other current assets	390	1,486
Contract liabilities	(13,695)	83,726
Notes payable	-	(201)
Accounts payable	8,468	2,807
Accounts payable-related parties	(4,301)	4,178
Other payables	3,560	7,139
Other payables-related parties	(213)	1,224
Other current liabilities	(26,377)	47,578
Net defined benefit liabilities	(2,009)	(2,248)
Cash generated from operations	(223,535)	36,380
Interest received	3,526	1,696
Dividends received	3,505	-
Interest paid	(11,149)	(6,631)
Income tax paid	(9,805)	(18,563)
Net cash (used in) provided by operating activities	(237,458)	12,882
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	$(66,345)	$(18,050)
Proceeds from disposal of financial assets at fair value through profit or loss	139,600	5,088
Acquisition of investments accounted for using equity method	(855,530)	(514,890)
Gains on disposals of investments accounted for using equity method	481,220	-
Proceeds from disposal of subsidiaries	162,642	-
Acquisition of property, plant and equipment	(20,719)	(16,005)
Proceeds from disposal of property, plant and equipment	292	449
Decrease in guarantee deposits paid	588	382
Other receivables-related parties	80,237	(94,000)
Acquisition of intangible assets	(14,018)	(10,202)
Proceeds from disposal of intangible assets	-	19,589
Decrease in other financial assets	(18,614)	18,498
Net cash used in investing activities	(110,647)	(609,141)
Cash flows from financing activities:		
Increase in short-term borrowings	1,039,670	310,000
Decrease in short-term borrowings	(731,200)	(247,000)
Proceeds from bonds issued	-	298,845
Proceeds from long-term borrowings	60,000	60,000
Repayment of long-term borrowings	(24,441)	(225,021)
Repayment of the principal portion of lease liabilities	(13,200)	(16,608)
Cash capital increase	-	338,000
Treasury stock transactions	(13,364)	-
Disposal of ownership interests in subsidiaries (without losing control)	2,610	5,597
Others	3,073	13,601
Net cash provided by financing activities	323,148	537,414
Net decrease in cash and cash equivalents	(24,957)	(58,845)
Cash and cash equivalents at beginning of year	121,730	180,575
Cash and cash equivalents at end of year	$96,773	$121,730

Note：The Company had completed the purchase price allocation of Ahead.m on the control acquisitiondate, thus the parent company only statement of cash flows for the year ended December 31, 2024 was adjusted.

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

STAR FUSION GROUP CO., LTD.
(FORMERLY NAMED SOFTSTAR ENTERTAINMENT INC.)
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Stated)

1. History and organization

Softstar Entertainment Inc. ("the Company"), formerly known as Cyber Power Systems, Inc., was incorporated in August 1998 in the Republic of China and it changed its name to Softstar Entertainment Inc. the same year. On December 23, 2025, the Company's general shareholders' meeting resolved to change the Company's name to Star Fusion Group Co., Ltd. The name change was approved and registered by the competent authority on January 7, 2026.

The Company main business include online games, game software; instructional software; and research, design, sales of computer peripherals. On August 8, 2001, the Company listed its shares of stock on the Taipei Stock Exchange (TPEX). The Company's registered office and the main business location is at 7F, No. 8, Ln 11, Sec. 2, Dunhua S. Road, Da'an District, Taipei, Taiwan.

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company for the years ended December 31, 2025 and 2024 were authorized for issue by the Board of Directors on March 31, 2026.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2025.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which have been endorsed by FSC, and not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 17 “Insurance Contracts”	January 1, 2023
b	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
c	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
d	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

(a) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(b) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.

(2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

(3) Clarify the treatment of non-recourse assets and contractually linked instruments.

(4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(c) Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1
(2) Amendments to IFRS 7
(3) Amendments to Guidance on implementing IFRS 7
(4) Amendments to IFRS 9
(5) Amendments to IFRS 10
(6) Amendments to IAS 7

(d) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify the application of the ‘own-use’ requirements.
(2) Permit hedge accounting if these contracts are used as hedging instruments.
(3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and amendments are applicable for annual periods beginning on or after 1 January 2026 and have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group’s financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
c	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
d	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027

(a) IFRS 10"Consolidated Financial Statements" and IAS 28"Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

a. Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

b. Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

c. Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(c) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments permit subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(d) Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

a. Clarify that when the entity's functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.

b. In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.

c. When the entity's functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (b), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of material accounting policies

(1) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the Regulations) and IAS 34 *Interim Financial Reporting* as endorsed and became effective by the FSC.

(2) Basis of preparation

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Foreign currency transactions

The Company's parent company only financial statements are presented in NT$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Company entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(A) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(B) Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.

(C) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

(A) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
(B) when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and non-current distinction

An asset is classified as current when:

(A) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
(B) The Company holds the asset primarily for the purpose of trading.
(C) The Company expects to realize the asset within twelve months after the reporting period.
(D) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(A) The Company expects to settle the liability in its normal operating cycle.
(B) The Company holds the liability primarily for the purpose of trading.
(C) The liability is due to be settled within twelve months after the reporting period.
(D) The Company does not have a right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

(A) Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) the Company's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, other financial assets, current, refundable deposits and other financial assets, non-current etc., on balance sheet as at the reporting date:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
    a. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
    b. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(B) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Company measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) the time value of money; and
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(C) Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(D) Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity.

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments*.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

(a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
(b) a Company of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(E) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(A) In the principal market for the asset or liability, or
(B) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9) Investments accounted for using the equity method

According to Art. 21 of Regulation Governing the Preparation of Financial Reports by Securities Issuers, the Company's investments in its subsidiaries are presented as Investments accounted for using equity method with necessary adjustments so that the net income and other comprehensive income of individual financial report equal the net income and other comprehensive income attributed to the parent of consolidated financial report, and that the shareholder's equity of individual financial report equals the shareholder's equity attributed to the parent of consolidated financial report. Considering the accounting treatment for investment in subsidiaries specified in IFRS 10 "Consolidated Financial Reports", and the different accounting treatments for different level of investees, necessary adjustments are made by debiting or crediting "Investments accounted for using equity method", "Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method", and "Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method".

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangements have rights to the net assets of the arrangement.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's related interest in the associate or joint venture.

When changes in the net assets of an associate or joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro rata basis.

When the associate or joint venture issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional paid in capital and investments accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Company estimates:

(a) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate or joint venture and the proceeds on the ultimate disposal of the investment; or
(b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS *36 Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss, furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method and does not remeasure the retained interest.

(10) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. 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 is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Machinery and equipment	1~5 years
Office equipment	1~5 years
Right-of-use assets	3~5 years
Leasehold improvements	3 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(11) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

(A) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(B) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(A) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(B) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(C) amounts expected to be payable by the lessee under residual value guarantees;
(D) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
(E) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(A) the amount of the initial measurement of the lease liability;
(B) any lease payments made at or before the commencement date, less any lease incentives received;
(C) any initial direct costs incurred by the lessee; and
(D) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(12) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (3 to 5 years).

A summary of the policies applied to the Company's intangible assets is as follows:

	Computer software	Other intangible assets
Useful lives	Finite	Indefinite
Amortization method used	Amortized on a straight- line basis over the estimated useful life	No amortization. Tested for impairment quarterly.
Internally generated or acquired	Acquired	Acquired

(13) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(14) Treasury stocks

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(15) Revenue recognition

The Company's revenue arising from contracts are primarily related to royalties. Licensing content includes licensing its solely developed intellectual property (IP) to others that grant use in game development, game operations and film content and online game operation services. The accounting policies are explained as follow:

Rendering of services

(A) The Company provides services related to game licensing. The Company identifies performance obligations and determines whether the licensing provides a customer with a right to access the Company's IP over time or with a right to use the Company's IP at a point in time. Based on experience, the Company uses the expected value method to estimate variable consideration. The scope is limited to the accumulated amount of the revenue recognized which is likely to not be significantly reversed in the subsequent period, when the uncertainty associated with the contracts are eliminated. For some contracts, if the Company has fulfilled the performance obligation but does not have a right to an unconditional consideration, these contacts should be presented as contract assets. Besides, loss allowance for contract assets was assessed in accordance with IFRS 9. For some rendering of services contracts, when part of the consideration was received from customers upon signing the contract, and the Company owns the obligation to provide the services subsequently, these contracts should be recognized as contract liabilities.

(B) The Company provides services related to online games. The Company sells online game time points to subsequently provide services, therefore sales amount from online game time points is recognized as a contract liabilities and revenue is subsequently recognized based on actual usage.

The Company usually fulfills its obligation and reclasses the contract liabilities to revenue within an year, thus, no significant financing component arose.

(C) The Company provides services related to the operation of online games. When the players recharge their game credits, they can subsequently use the credits to buy virtual items in the game. The Company recognizes the proceeds received from the sales of game points as contract liabilities. Revenue is recognized in accordance with the estimated lifetime of the virtual items after players recharge their game credits and subsequently use the credits to by virtual items.

The Company usually fulfills its obligation and reclasses the contract liabilities to revenue within a year, thus, no significant financing component arose.

Costs to fulfill a contract

The Company determines fulfillment costs should be capitalized if all the following criteria are met:

(A) costs relate directly to a contract or to an anticipated contract the entity can specifically identify (e.g., costs relating to services to be provided under renewal of an existing contract or costs of designing an asset to be transferred under a specific contract not yet approved);
(B) costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future;
(C) costs are expected to be recovered.

(16) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company's parent company only financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(A) the date of the plan amendment or curtailment, and
(B) the date that the Company recognizes restructuring-related costs or termination benefits

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(17) Share-based payment transactions

The cost of equity-settled transactions between the Company is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Company recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

(18) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(A) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
(B) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(A) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
(B) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's parent company only financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty arising from these assumptions and estimates could result in material adjustments to the carrying amount of the assets or liabilities in future periods.

(1) Judgement

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

A. Revenue recognition – royalties

In accordance with IRFS 15, the Company identifies performance obligations and determine whether the licensing provides a customer with a right to access the Company's IP over time or with a right to use the Company's IP at a point in time and recognizes royalty revenue when performance obligations have been satisfied.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date bear a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. These estimates and assumptions are discussed below.

A. Estimate of variable consideration

With the Company's business practices, the Company expects to provide a price concession. This price concession will depend on the situation of the industry at the time and the customer. The expected value method is used to estimate variable consideration to predict the amount of the consideration that the Company will be entitled to. When the aforementioned method for estimating variable consideration is included in the transaction price, the scope is limited to the accumulated amount of the revenue recognized, which is likely to not be significantly reversed in the subsequent period when the uncertainty associated with the contracts are eliminated.

B. Accounts receivables–estimate of impairment loss

The Company estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (forward-looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

C. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recognized in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (i.e. the discounted cash flows model) or market approach. Changes in assumptions used in the valuation model could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

D. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

E. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2025	2024
Cash on hand & petty cash	$230	$240
Checking and saving accounts	96,543	121,490
Total	$96,773	$121,730

(2) Accounts receivable and Accounts receivable-related parties

	As of December 31,	
	2025	2024
Accounts receivable	$10,591	$42,190
Less: loss allowance	(2,829)	(18,361)
Subtotal	7,762	23,829
Accounts receivable from related parties	3,741	15,092
Less: loss allowance	-	-
Subtotal	3,741	15,092
Total	$11,503	$38,921

Accounts receivables were not pledged.

Accounts receivables are generally on 30-90 day terms. The total carrying amount as of December 31, 2025 and 2024 are NT$14,332 thousand and NT$57,282 thousand, respectively. Please refer to Note 6 (17) for more details on loss allowance of accounts receivable for the years ended December 31, 2025 and 2024. Please refer to Note 12 for more details on credit risk management.

(3) Other financial assets

	As of December 31,	
	2025	2024
Reserve account-demand deposits	$40,681	$22,067
Current	$40,681	$16,067
Non-current	$-	$6,000

Please refer to Note 8 for further details on pledged other financial assets.

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

	As of December 31,	
	2025	2024
Financial assets designated at fair value through profit or loss:		
Vertex Ventures (SG) SEA V LP	$42,895	$18,640
Cathy Private Equity Smart Technology Limited Partnership	23,708	20,991
Deluxe Technology Group Ltd. (Note 3)	1,600	-
Film investment agreement (Note1)	30	651
CMGE Technology Group Limited (Note 2)	-	124,594
Cathy Private Equity Ecology Limited Partnership (Note 3)	-	20,017
Embedded derivative	30	30
Total	$68,263	$184,923
Current	$60	$125,275
Non-current	$68,203	$59,648

Note1 :The profit generated from the film would be allocated to the Company and other corporations based on the signed investment agreement.

Note2 :The Company was approved by the Board of Directors on September 11, 2024 to dispose of the intellectual property rights of *Chinese Paladin: Sword and Fairy* (excluding China), the transaction consideration and the acquisition of financial assets at fair value through profit or loss, please note 6 (24) for details.

Note3 :Upon the expiration of the term of the Cathay Private Equity Ecology Fund, the Company entered into an equity transfer agreement with Cathay Private Equity Co., Ltd. on November 3, 2025. Pursuant to the agreement, the Company received 312 thousand common shares of Deluxe Technology Group Ltd. based on its pro rata interest in the fund.

Financial assets at fair value through profit or loss were not pledged.

(5) Financial assets at fair value through other comprehensive income, noncurrent

	As of December 31,	
	2025	2024
Equity instrument investments measured at fair value through other comprehensive income, noncurrent:		
Over-the-counter stocks		
Newretail Co., Ltd.	$8,045	$14,493
Emerging market stock		
Meimaii Technology Co., Ltd	1,850	2,707
Private company stocks		
Taiwan Smart Card Co.	16,786	18,794
Funfia Inc. (Note1)	-	-
Total	$26,681	$35,994

Note1 : Funfia Inc. was dissolved on November 26, 2024 by the resolution of the shareholders'meeting, and as of December 31, 2024, the liquidation procedure has not been completed, and the liquidation procedure was approved in June 2025.

Financial assets at fair value through other comprehensive income were not pledged.

(6) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Company:

	As of December 31,				
	2025		2024		
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Note
Investments in subsidiaries:					
Spectrum Electrics Corporation	$910,916	42.85%	$850,569	42.66%	1, 9
Luminous Rise Investment Co., Ltd.	399,983	40%	-	-%	13
Lanjing Ltd.	371,492	100%	368,336	100%	2
Zhu International Group Inc.	204,498	100%	134,178	86.91%	5
Red Sunrise Co., Ltd.	194,127	41.32%	196,006	50.20%	1, 4
JFN Investment Holding Corp.	88,751	100%	88,155	100%	2
Chander Electronics Corp.	74,995	14.50%	62,981	12.85%	1, 2, 8
Array Inc.	42,191	3.68%	-	-%	7
Yu Chuan Intelligence Co., Ltd.	38,877	83.78%	9,970	100%	9
Time Vision International Limited	40,556	100%	62,411	100%	
New Profit Holding Limited	28,208	100%	28,089	100%	2
Gamebase Digital Media Corporation	26,129	100%	68,304	100%	6
Softstar Singapore Private Limited	1,604	100%	2,242	100%	
Activision Entertainment Ltd.	756	100%	799	100%	
Jiwei Technology Ltd.	-	100%	218,862	100%	3, 8
GOLGEN AVENUE Group Ltd.	-	-%	546	100%	10
Softstar Animation Limited	(1,682)	100%	7,622	100%	14
Loftstar Interactive Entertainment Inc.	(32,585)	100%	(25,473)	100%	5, 11
Subtotal	2,388,816		2,073,597		
Investments in associates:					
Double Edge Entertainment Corp.	7,666	30.31%	10,176	30.31%	
A.R.T. Games Co., Ltd.	-	-%	-	-%	12
Chia-e International Inc.	-	28.21%	-	28.21%	
Subtotal	7,666		10,176		
Net amount of investments accounted for using the equity method	$2,396,482		$2,083,773		
Carrying amount of investments accounted for using the equity method	$2,430,749		$2,109,246		
Less: credit balance of investments accounted for using the equity method	(34,267)		(25,473)		10
Total	$2,396,482		$2,083,773		

Note1: In January and April 2025, the Company purchased 809 thousand shares of Spectrum Electric Co., Ltd. in the open market, and Red Sunrise Co., Ltd. returned 21 thousand shares that had been re-subscribed by the original shareholders of Spectrum Electric Co., Ltd. in the cash capital increase conducted in December 2024. In September 2025, Spectrum Electric Co., Ltd. issued 800 thousand restricted shares to employees, resulting in a decrease in the Company's ownership to 42.85%.

In November 2025, Uniplus Electronics Co., Ltd. filed an application to change its company name to Spectrum Electric Co., Ltd.

The Company, directly and through its subsidiaries, Red Sunrise Co., Ltd. and Chander Electronics Corp., indirectly held 43.25% and 43.04%, respectively, of the equity interest in Spectrum Electric Co., Ltd. as of December 31, 2025 and 2024.

Note2: On December 31, 2025 and 2024, the Company directly and through its subsidiaries, Lanjing Ltd., JFN Investment Holding Corp. and New Profit Holding Limited, indirectly held 42.83% and 43.32% of Chander Electronics Corp.'s shares, respectively. The financial statements of Chander Electronics Corp. were audited by other auditors.

Note3: The Company's board of directors approved an organizational restructuring on July 29, 2025, under which the Company transferred its 100% equity interest in its subsidiary, Zhiwei Technology Co., Ltd., to ALi Corporation.

Note4: In October 2025, Red Sunrise Co., Ltd. increased its capital by cash through the issuance of 2,500 thousand new shares. As the Company did not participate in the subscription of the new shares, and the Company disposed of 339 thousand shares of Red Sunrise Co., Ltd. in December 2025, its shareholding percentage decreased to 41.32%.

Note5: In the first quarter of 2025, Zhu International Group Inc. increased its capital by cash, and the Company subscribed to all of the new shares. In July 2025, Loftstar Interactive Entertainment Inc. disposed of all of its 2,500 thousand shares of Zhu International Group Inc. to the Company, resulting in an increase in the Company's shareholding percentage to 100%.

Note6: On December 31, 2025 and 2024, the Company through the subsidiary, Gamebase Digital Media Corporation, indirectly held 37.56% shareholdings of Niusnews Co., Ltd. in both years. The financial statements of Niusnews Co., Ltd. were audited by other auditors.

Note7: In February 2025, the Company fully subscribed to the private placement of ordinary shares of Array Inc. In addition, Array Inc. issued a total of 502 thousand shares upon the exercise of employee stock options during the first four quarters of 2025, resulting in the Company's ownership decreasing to 3.68% as of December 31, 2025.

Note8: In April and June 2025, the Company purchased 409 thousand shares of Chander Electronics Corp. in the open market, and in July 2025, purchased 920 thousand shares from Zhiwei Technology Co., Ltd., resulting in an increase in its shareholding percentage to 14.50%.

Note9: In April 2025, Yu Chuan Intelligence Co., Ltd. increased its capital by cash in the amount of NT$184,900 thousand, issuing 18,490 thousand new shares. The Company and Spectrum Electric Co., Ltd. subscribed to 15,490 thousand and 3,000 thousand shares, respectively. After completion of the cash capital increase, the Company and Spectrum Electric Co., Ltd. held 83.78% and 16.22%, respectively, of the equity interest in Yu Chuan Intelligence Co., Ltd.

Note10:The Company invested and established GOLDEN AVENUE GROUP Ltd. on November 1, 2024. On June 24, 2025, the Company disposed of its 100% equity interest in GOLDEN AVENUE GROUP to Huandong (Hong Kong) Technology Co., Ltd. For the related information, please refer to Note 6(24).

Note 11: On December 31, 2025 and 2024, the investments accounted for using equity method of Loftstar Interactive Entertainment Inc. was recognized in credit balance.

In March 2026, Loftstar Interactive Entertainment Inc. filed an application to change its company name to Softstar Entertainment Inc.

Note 12: A.R.T. Games Co., Ltd. was resolved by the shareholders' meeting on July 17, 2024, and the liquidation procedures were approved in April 2025

Note 13: The Company invested in and established Luminous Rise Investment Co., Ltd. on July 14, 2025, to meet operational planning needs. In July 2025, Luminous Rise Investment Co., Ltd. increased its capital by cash in the amount of NT$1,000,000 thousand, issuing 100,000 thousand new shares. The Company, ALi Corporation, Spectrum Electric Co., Ltd., San Jiang Electric MFG. Co., Ltd., and Loftstar Interactive Entertainment Inc. subscribed to 40,000 thousand, 27,000 thousand, 5,000 thousand, 15,000 thousand, and 13,000 thousand shares, respectively. After completion of the cash capital increase, their shareholding percentages were 40%, 27%, 5%, 15%, and 13%, respectively.

Note 14: On December 31, 2025, the investments accounted for using equity method of Softstar Animation Limited. was recognized in credit balance.

A. Investment in subsidiaries

The investments in subsidiaries were represented as “investments accounted for using the equity method” and adjusted for valuation if necessary.

B. Investment in associates

The Company’s investments in Double Edge Entertainment Corp., A.R.T. Games Co., Ltd., and Chia-e International Inc. are not individually material. The aggregate carrying amount of the Company’s interests in Double Edge Entertainment Corp., A.R.T. Games Co., Ltd., and Chia-e International Inc. is NT$7,666 thousand and NT$10,176 thousand as of December 31, 2025 and 2024. The aggregate financial information of the Company’s investments is as follows:

	For the years ended December, 31	
	2025	2024
Loss from continuing operations	$ (2,348)	$(4,146)
Other comprehensive income (net of tax)	(6,000)	-
Total comprehensive loss	$ (8,348)	$(4,146)

C. The Company recognized the investment income(loss) based on the financial information of the investees recognized in investments accounted for under the equity method. Such financial information is as follows:

	Gain (loss) on investment	
	For the years ended December 31	
	2025	2024
Double Edge Entertainment Corp.	$(712)	$(908)
A.R.T. Games Co., Ltd.	-	(360)
Total	$(712)	$(1,268)

D. The aforementioned the subsidiaries and associates had no contingent liabilities or capital commitments as of December 31, 2025 and 2024. Please refer to Note 8 for further details on pledged bank borrowings.

E. We did not audit the financial statements of certain investments accounted for using the equity method. Those statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using equity method and information disclosed in Note 13 relating to these equity investments, is based solely on the audit reports of other auditors. The investment accounted for using the equity method amounted to NT$563,027 thousand and NT963,290 thousand, representing 20% and34% of total assets as of December 31, 2025 and 2024, respectively. The related shares of profit or loss from the subsidiaries, associates and joint ventures under the equity method amounted to NT$14,906 thousand and NT$10,872 thousand, representing (3)% and 18% of the (loss) profit before tax for the years ended 31 December, 2025 and 2024, respectively, and the related shares of other comprehensive income (loss) from the subsidiaries, associates and joint ventures under the equity method amounted to NT$3,241 thousand and NT$3,956 thousand, representing (7)% and 48% of the other comprehensive income (loss) for the years ended 31 December, 2025 and 2024, respectively.

(7) Property, plant and equipment

	As of December 31,	
	2025	2024
Owner occupied property, plant and equipment	$26,723	$14,963

	Machinery and equipment	Office equipment	Leasehold improvements	Total
Cost:				
As of January 1, 2025	$5,568	$16,262	$13,295	$35,125
Additions	8,242	8,822	3,655	20,719
Disposals	(382)	(3,146)	(3,962)	(7,490)
Transfers	(905)	905	-	-
As of December 31, 2025	$12,523	$22,843	$12,988	$48,354
As of January 1, 2024	$7,893	$12,364	$8,222	$28,479
Additions	1,089	2,039	12,877	16,005
Disposals	(168)	(1,387)	(7,804)	(9,359)
Transfers	(3,246)	3,246	-	-
As of December 31, 2024	$5,568	$16,262	$13,295	$35,125
Depreciation and impairment:				
As of January 1, 2025	$3,852	$13,493	$2,817	$20,162
Depreciation	1,745	1,993	4,526	8,264
Disposals	(344)	(3,088)	(3,363)	(6,795)
Transfers	(482)	482	-	-
As of December 31, 2025	$4,771	$12,880	$3,980	21,631

As of January 1, 2024	$6,119	$10,583	$2,951	$19,653
Depreciation	621	1,169	5,593	7,383
Disposals	(168)	(979)	(5,727)	(6,874)
Transfers	(2,720)	2,720	-	-
As of December 31, 2024	$3,852	$13,493	$2,817	$20,162
Net carrying amounts as of:				
December 31, 2025	$7,752	$9,963	$9,008	$26,723
December 31, 2024	$1,716	$2,769	$10,478	$14,963

Property, plant and equipment were not pledged.

(8) Intangible assets

	Computer software	Other intangible assets	Total
Cost:			
As of January 1, 2025	$23,309	$9,233	$32,542
Addition-acquired separately	858	13,160	14,018
Deduction-derecognized	(799)	-	(799)
As of December 31, 2025	$23,368	$22,393	$45,761
As of January 1, 2024	$22,498	$11,578	$34,076
Addition-acquired separately	969	9,233	10,202
Deduction-derecognized	(158)	(11,578)	(11,736)
As of December 31, 2024	$23,309	$9,233	$32,542
Amortization and impairment:			
As of January 1, 2025	$19,652	$7,757	$27,409
Amortization	3,279	14,636	17,915
Deduction-derecognized	(799)	-	(799)
As of December 31, 2025	$22,132	$22,393	$44,525
As of January 1, 2024	$16,692	$13	$16,705
Amortization	3,118	7,757	10,875
Impairment	(158)	(13)	(171)
Deduction-derecognized	$19,652	$7,757	$27,409
As of December 31, 2024	$16,692	$13	$16,705
Net carrying amount as of:			
December 31, 2025	$1,236	$-	$1,236
December 31, 2024	$3,657	$1,476	$5,133

Amortization expense of intangible assets under the statement of comprehensive income:

	For the years ended December, 31	
	2025	2024
Operating costs	$14,636	$7,757
Sales and marketing expenses	$23	$29
General and administrative expenses	$172	$203
Research and development expenses	$3,084	$2,886

(9) Short-term borrowings

	As of December 31, 2025		
	Interest Rate	Expiration date	Amount
Secured loan	2.3%~3%	October 30, 2026	$513,470

	As of December 31, 2024		
	Interest Rate	Expiration date	Amount
Secured loan	2.46%~2.85%	December 20, 2025	$205,000

The Company's unused short-term line of credit amounted to NT$4,430 thousand and NT$0 thousand as of December 31, 2025 and 2024.

Please refer to Note 8 for further details on pledged short-term borrowings.

(10) Other payables

	As of December 31,	
	2025	2024
Salary payable	$26,330	$24,681
Professional service fees payable	9,438	8,033
Advertisement payable	4,393	1,896
Insurance payable	2,108	2,250
Pension payable	1,126	1,158
VAT payable	720	828
Equipment payable	340	3,200
Other accrued expenses	5,213	4,062
Total	$49,668	$46,108

(11) Long-term borrowings

Details of long-term loans are as follows:

Lenders	As of December 31, 2025	Interest Rate (%)	Maturity date and terms of repayment
King's Town Bank of Taiwan secured loan	$51,000	3.25%	From March 17, 2025 to March 17, 2027, the interest is paid monthly and the principal is repaid at NT$1,000 thousand per month, with the remaining balance refunded at maturity.
Land Bank of Taiwan secured loan	30,000	2.66%	From December 28, 2023 to December 28, 2026, the interest is paid monthly and the principal of loans should be refunded at maturity.
First Bank unsecured loan	2,248	2.65%	Repayable monthly from May 29, 2023 to May 29, 2026 and interest is paid monthly.
Subtotal	$83,248		
Less: current portion	(14,248)		
Total	$69,000		

Lenders	As of December 31, 2024	Interest Rate (%)	Maturity date and terms of repayment
Land Bank of Taiwan secured loan	$30,000	2.66%	From December 28, 2023 to December 28, 2026, the interest is paid monthly and the principal of loans should be refunded at maturity.
Shin Kong Bank secured loan	10,147	2.99%	Repayable monthly from December 1, 2023 to December 1, 2025 and interest is paid monthly.
First Bank unsecured loan	7,542	2.65%	Repayable monthly from May 29, 2023 to May 29, 2026 and interest is paid monthly.
Subtotal	$47,689		
Less: current portion	(15,441)		
Total	$32,248		

Please refer to Note 8 for further details on pledged long-term borrowings.

(12) Bonds payable

	As of December 31,	
	2025	2024
Convertible domestic bonds payable	$286,716	$279,030
Less: current portion	-	-
Total	$286,716	$279,030

(1) Convertible domestic bonds payable

	As of December 31,	
	2025	2024
Liability:		
Principal amount	$300,000	$300,000
Premiums (discounts) on bonds payable	(13,284)	(20,970)
Subtotal	286,716	279,030
Less: current portion	-	-
Total	$286,716	$279,030
Embedded derivative-asset	$30	$30
Embedded derivative-liability	$2,370	$2,610
Equity component	$17,820	$17,820

Please refer to Note 6(20) for the amount of Embedded derivative – Redemption Valuation Gains and Losses and Interest Expense on Bond Recognition.

(2) The Company issued the second domestic unsecured convertible bonds on September 10, 2024, with the following terms :

A. Total issued amount: NT$300,000 thousand.

B. Issue price: 101% of par value.

C. Issue period: September 10, 2024 to September 10, 2027

D. Important redemption terms:

(a) From the day after the expiration of three months from the date of issuance (December 11, 2024) to the forty days before the expiration of the issue date (August 1, 2027), if the closing price of the Company's ordinary shares at the business premises of the securities dealer, exceeds the current conversion price by 30% (inclusive) for 30 consecutive business days, the Company may notify the Company to withdraw the outstanding convertible bonds in cash according to the face value of the bonds.

(b) From the day after the expiration of three months from the date of issuance (December 11, 2024) to the forty days before the expiration of the issue date (August 1, 2027), if the outstanding balance of the converted bonds is less than 10% of the total amount of the original issuance, the Company may recover the outstanding outstanding bonds in cash according to the face value of the bonds at any time.

(c) If the bondholder fails to reply in writing to the Company's stock agency before the base date of the bond call as stated in the Bond Call Notice, the Company will recover the bond in cash within five business days after the base date of the call.

E. Conversion method:

(a) Conversion subject : Common shares.

(b) Conversion Period: Bondholders may apply for conversion into ordinary shares instead of cash repayment from the day following the expiration of three months from the date of issuance (December 11, 2024) to the maturity date (September 10, 2027) of the convertible bonds, except for the period of suspension of conversion stipulated in the conversion measures.

(c) Conversion Price and Adjustment: The conversion price shall be set at NT$67 per share when issue. And in the event of an adjustment of the conversion price of the Company's ordinary shares in accordance with the provisions of the offering regulations, the conversion price shall be adjusted in accordance with the formula prescribed in the offering regulations.

Redemption on maturity date: When the convertible bond has not been converted at maturity, it will be redeemed according to the face value of the bond.

(13) Post-employment benefits

Defined contribution plan

The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, and the Company will make monthly contributions of no less than 6% of the employee's monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2025 and 2024 are NT$7,257 thousand and NT$6,317 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor standards Act, The Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. At the end of each year, if the balance in the designated labor pension reserve funds is inadequate to cover the benefit estimated to be paid in the following year, the Company will make up the difference in one appropriation before the end of March in the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the regulations for revenues, expenditures, safeguard and utilization of the labor retirement fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$189 thousand to its defined benefit plan during the 12 months after December 31, 2025.

The weighted-average durations of the defined benefits plan obligation were 8 and 9 years as of December 31, 2025 and 2024, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2025 and 2024:

	For the years ended December 31,	
	2025	2024
Current period service costs	$-	$-
Interest income or expense	106	107
Total	$106	$107

Reconciliation of present value of the pension obligation under defined benefit pension plans and fair value of the plan assets are as follows:

	As of		
	December 31, 2025	December 31, 2024	January 1, 2024
Present value of the pension obligation under defined benefit pension plans	$9,950	$14,415	$20,446
Fair value of plan assets	(5,356)	(7,812)	(11,595)
Net defined benefit liabilities, noncurrent	$4,594	$6,603	$8,851

Reconciliation of liability (asset) of the defined benefit plan are as follows:

	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/ (assets)
As of January 1, 2024	$20,446	$(11,595)	$8,851
Current period service costs	-	-	-
Net interest expense (income)	245	(138)	107
Subtotal	245	(138)	107
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	(489)	-	(489)
Experience adjustments	(453)	(1,108)	(1,561)
Subtotal	(942)	(1,108)	(2,050)
Payments from the plan	(5,334)	5,334	-
Contributions by employer	-	(305)	(305)
As of December 31, 2024	14,415	(7,812)	6,603
Current period service costs	-	-	-
Net interest expense (income)	230	(124)	106
Subtotal	230	(124)	106
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	219	-	219
Experience adjustments	(1,351)	(775)	(2,126)
Subtotal	(1,132)	(775)	(1,907)
Payments from the plan	(3,563)	3,563	-
Contributions by employer	-	(208)	(208)
As of December 31, 2025	$9,950	$(5,356)	$4,594

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2025	2024
Discount rate	1.30%	1.60%
Expected rate of salary increases	2.00%	2.00%

Sensitivity analysis:

	2025		2024	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increase by 0.25%	$-	$(183)	$-	$(294)
Discount rate decrease by 0.25%	188	-	302	-
Future salary increase by 0.25%	162	-	264	-
Future salary decrease by 0.25%	-	(158)	-	(259)

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(14) Equities

(A) Common stock

The Company's authorized capital was NT$1,300,000 thousand as of December 31, 2025 and 2024. The Company has issued capital amounted to NT$1,090,911 thousand and NT$1,091,861 thousand, with 109,091 thousand shares and 109,186 thousand shares, respectively, each at a par value of NT$10. Each share has one voting right and a right to receive dividends.

On August 11, 2023, the Board of Directors of the Company resolved to issue 1,670 thousand restricted employee shares for employee at a par value of NT$10 per share, totaling NT$16,700 thousand, and set August 11, 2023 as the record date for the capital increase. This capital increase was approved by the competent authority, and the change registration was completed on September 1, 2024. In 2025 and 2024, the Company forfeited and cancelled 70 thousand and 107 thousand shares, respectively, of issued but unvested restricted shares for employee in accordance with the issuance play. The aforementioned capital reduction arising from such cancellation was approved by the competent authority and the relevant change registration procedures were completed.

On August 13, 2024, the Board of Directors of the Company resolved to issue 210 thousand new shares of restricted employee stock, at a par value of NT$10 per share, totaling NT$2,100 thousand, and set August 20, 2024 as the record date for the capital increase. The capital increase was approved by the competent authority, and the change registration was completed on September 16, 2024. In 2025, the Company repurchased and cancelled 25 thousand shares of issued but unvested restricted employee stock in accordance with the issuance regulations. The capital reduction resulting from such cancellation was approved by the competent authority, and the change registration procedures were completed.

On May 24, 2024, the Board of Directors of the Company decided to issue 5,200 thousand ordinary shares at a subscription price of NT$65 per share, and the paid-in share proceeds of NT$338,000 thousand were fully collected on July 17, 2024, and were approved on August 28, 2024, and the change of registration has been completed.

(B) Capital surplus

	As of December,	
	2025	2024
Additional Paid-in Capital	$536,866	$505,951
Difference between consideration and carrying amount of subsidiaries acquired	283,593	33,028
Share of changes in net assets of associates and joint ventures accounted for using equity method	67,835	70,943
Stock options	17,820	17,820
Donated assets	16,674	13,601
Treasury shares	10,992	10,992
Restricted employee stock	-	5,418
Total	$933,780	$657,753

According to the Company Act, the capital reserve shall not be used except for offset the deficit of the company. When a company incurs no loss, it may distribute the capital surplus generated from the excess of the issuance price over the per value of capital and donations. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares.

(C) Treasury stocks

The details of the carrying amounts and the number of shares held by the Company and its subsidiaries were as follows:

	Amount (in thousand NT$)	
	As of December 31,	
	2025	2024
The Company	$46,539	$31,275
Spectrum Electrics Corporation	117,878	87,383
Chander Electronics Corp.	99,601	84,764
Toptrend Technologies Corp.	12,005	11,862
Red Sunrise Co., Ltd.	8,331	-
Total	$284,354	$215,284

	Number of shares (in thousands)	
	As of December 31,	
	2025	2024
The Company	830	510
Spectrum Electrics Corporation	7,771	6,370
Chander Electronics Corp.	4,048	3,378
Toptrend Technologies Corp.	821	821
Red Sunrise Co., Ltd.	440	-
Total	13,910	11,079

(D) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

(a) Payment of all taxes and dues;
(b) Offset prior years' operation losses;
(c) Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
(d) Set aside or reverse special reserve in accordance with law and regulations; and
(e) The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The company's dividend distribution adopts conservative principle. Paying stock dividend is preferred. If there is a surplus, it will be distributed to shareholders as cash dividends, but the ratio of cash dividend distribution is expected to be lower than 50% of the total dividend distribution.

According to the Company Act, the Company is required to set aside an amount from its earnings to legal reserve unless such legal reserve reaches the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

In accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865 and "Applicable question and answer for the provision of special reserves after the adoption of International Financial Reporting Standards (IFRSs)", the Company sets aside and reverses special reserves.

Details of the 2024 earnings distribution and dividends per share approved by the Board of Directors and the shareholder's meeting held on June 25, 2025, respectively, were as follows:

	Appropriation of earnings		Dividend per share (NTD)	
	2025	2024	2025	2024
Legal reserve appropriated	(Note)	$7,125	(Note)	$-
Special reserve reversed	(Note)	(12,830)	(Note)	-
Cash dividend on common stock	(Note)	-	(Note)	-

The appropriation of 2025 unappropriated retained earnings has not yet been resolved by the Board of Directors as of the reporting date.

Please refer to Note 6 (19) for details on employees' compensation and remuneration to directors and supervisors.

(15) Share-based payment plans

Certain employees of the Company are entitled to share-based payment as part of their remunerations. The company grants the equity instruments to the employees in return for the services they provide. These plans are accounted for as equity-settled share-based payment transactions.

(A) On June 26, 2023, the shareholders' meeting of the Company resolved to issue 2,500 thousand restricted stocks in installments, applicable to issue in one tranche or in installments within two years from the resolution date. Each share shall be issued at a par value of NT$0, provided as non-cash consideration through gratuitous distribution to employees. On August 13, 2024, and August 11, 2023, the Board of Directors resolved to issue 210 thousand and 1,670 thousand restricted ordinary shares to employees, and the price per share on the grant date was NT$61.60 and NT$75.60. The share-based payment plan was as follows:

Type of grant	Date of grant	Total numbers of options granted (thousand)	Contract period	Vesting Conditions
Restricted employee stock plan (Note 1)	August 11, 2023	1,670	16 months	Achievement of performance conditions (Note 2)
	August 20, 2024	210	16 months	

Note 1: The restricted employee stock rights issued by the Company were not transferable during the contract period, but they did not restrict voting rights and included in the distribution of dividends. Employees who leave during the vested period were required to return the shares without the need to return the dividends obtained.

Note 2: Employees who are still employed by the Company as of the grant date of the restricted stocks for employees with grade A in the latest performance appraisal shall be entitled to 50% of the allocated shares. Employees who remain employed by the Company for 16 months from the grant date of the restricted stocks for employees with grade A in the latest performance appraisal as of the grant date shall be entitled to the remaining 50% of the allocated shares.

As of December 31, 2025 and 2024, since the employees had not yet met the vesting conditions, the balances of unearned compensation recognized as a deduction from equity were NT$604 thousand and NT$7,539 thousand, respectively, which will be recognized as salary expenses over the future vesting periods.

(B) The (benefit) expense recognized by the company for employee shared-based payment plans is as follows:

	For the years ended December 31,	
	2025	2024
Total expense arising from equity-settled share-based payment transactions	$(195)	$48,557

(16) Operating revenue

	For the years ended December 31,	
	2025	2024
Revenue from contracts with customers		
Rendering of service	$135,354	$270,568

Analysis of revenue from contracts with customers during the years ended December 31, 2025 and 2024 are as follows:

(A) Disaggregation of revenue

	For the years ended December 31,	
	2025	2024
Timing of revenue recognition:		
At a point in time	$23,854	$56,793
Over time	111,500	213,775
Total	$135,354	$270,568

(B) Contract balances

Net contract assets (liabilities) are as follows:

	December 31, 2025	December 31, 2024	Difference	%
Contract assets, current	$-	$2,979	$(2,979)	(100)%
Contract assets, noncurrent	-	-	-	-
Contract liabilities, current	(24,088)	(37,783)	13,695	36%
Contract liabilities, noncurrent	-	-	-	-

As the rights to receive consideration had become unconditional during the current year, contract assets decreased by NT$2,979 thousand from December 31, 2024 to December 31, 2025, primarily due to the reclassification of contract assets to accounts receivable.

Contract liabilities decreased by NT$13,695 thousand from December 31, 2024 to December 31, 2025, mainly due to revenue recognized upon satisfaction of performance obligations amounting to NT$19,719 thousand, partially offset by an increase in advance receipts of approximately NT$6,024 thousand.

(C) Transaction price allocated to unsatisfied performance obligations

The Company's transaction price allocated to unsatisfied performance obligations amounted to NT$24,088 thousand as of December 31, 2025. Management expects that the transaction price allocated to unsatisfied performance obligations will be recognized as revenue within one year.

The Company's transaction price allocated to unsatisfied performance obligations amounted to NT$37,783 thousand as of December 31, 2024. Management expects that the transaction price allocated to unsatisfied performance obligations will be recognized as revenue within one year.

(17) Expected credit losses

	For the years ended December 31,	
	2025	2024
Operating expenses – Expected credit losses		
Contract assets	$-	$3,033
Accounts receivable	2,611	1,785
Total	$2,611	$4,818

The credit risk for the Company's financial assets measured at amortized cost were assessed as low (the same as the assessment result in the beginning of the period) as of December 31, 2025 and 2024. As the Company's trade partners are financial institutions with good credit, the loss allowance was NT$0 thousand measured at a loss ratio of 0%.

The Company measures the loss allowance of its contract assets and trade receivables (including notes receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The assessments of the Company's loss allowance as of December 31, 2025 and 2024 are as follows:

(A) The gross carrying amount of contract assets are NT$0 thousand and NT$2,979 thousand as of December 31, 2025 and 2024, respectively. The loss allowance was NT$0 thousand for both years, measured using an expected credit loss rate of 0%.

(B) The Company groups its trade receivables by counterparties' credit rating, geographical region and industry sector, and its loss allowance is measured by using a provision matrix, details are as follow:

As of December 31, 2025

Group 1

		Overdue				
	Not yet due	<=30 days	31-60 days	61-150 days	>=151 days	Total
Gross carrying amount	$11,133	$261	$28	$2	$2,908	$14,332
Loss ratio	0.10%	4.48%	8.85%	22.69%	96.41%	
Lifetime expected credit losses	(11)	(12)	(2)	(1)	(2,803)	(2,829)
Subtotal	$11,122	$249	$26	$1	$105	$11,503

As of December 31, 2024

Group 1

		Overdue				
	Not yet due	<=30 days	31-60 days	61-150 days	>=151 days	Total
Gross carrying amount	$34,194	$1,580	$2,926	$-	$18,582	$57,282
Loss ratio	-%	-%	13.70%	-%	96.66%	
Lifetime expected credit losses	-	-	(400)	-	(17,961)	(18,361)
Subtotal	$34,194	$1,580	$2,526	$-	$621	$38,921

(C) The Company measures the loss allowance of its other receivable at an amount equal to lifetime expected credit losses. The Company recognized NT$0 thousand allowance loss as of December 31, 2025 and 2024.

The movement in the provision for impairment of contract assets and accounts receivable during the years ended December 31, 2025 and 2024 is as follows:

	Contract Assets	Accounts Receivable
As of January 1, 2025	$-	$18,361
Addition/(reversal) for the current period	-	2,611
Write off due to inability to receive	-	(18,143)
As of December 31, 2025	$-	$2,829
As of January 1, 2024	$-	$16,576
Addition/(reversal) for the current period	3,033	1,785
Write off due to inability to receive	(3,033)	-
As of December 31, 2024	$-	$18,361

Please refer to Note 12 for further details on credit risk.

(18) Leases

A. Company as a lessee

The Company leases various properties, including buildings and transportation equipment. The lease terms range from 1 to 5 years.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

(A) Amounts recognized in the balance sheet

(a) Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2025	2024
Buildings	$15,621	$36,118

The Company's right-of-use assets increased by NT$5,788 thousand and NT$22,844 thousand as for the years ended December 31, 2025 and 2024.

(b) Lease liabilities

	As of December 31,	
	2025	2024
Lease liabilities	$16,540	$38,441
Current	$8,324	$12,800
Non-current	$8,216	$25,641

Please refer to Note 6 (20) (D) for the interest on lease liabilities recognized during the years ended December 31, 2025 and 2024 and Note 12 (5) Liquidity Risk Management for the maturity analysis for lease liabilities as of December 31, 2025 and 2024.

(B) Amounts recognized in the statement of profit or loss

Depreciation expense of right-of-use assets

	For the year ended December 31,	
	2025	2024
Buildings	$12,272	$16,562

(C) Income and costs relating to leasing activities

	For the year ended December 31,	
	2025	2024
The expenses relating to short-term leases	$2,999	$6,378
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	5,745	88

(D) Cash outflow relating to leasing activities

During the years ended December 31, 2025 and 2024, the Company's total cash outflows for leases amounting to NT$21,944 thousand and NT$23,074 thousand, respectively.

B. Company as a lessor

As of December 31, 2025, the operating lease contract of property signed by the Company had matured. The total amount of undiscounted lease payment uncollected amounted to NT$0 thousand and NT$0 thousand as of December 31, 2025 and 2024, respectively.

	For the years ended December 31,	
	2025	2024
Rental income from operating lease		
Fixed rental	$6,447	$11,144

(19) Summary statement of employee benefits, depreciation and amortization expense by function during the years ended December 31, 2025 and 2024:

	For the years ended December 31,					
	2025			2024		
	Operating costs	Operating expenses	Total amount	Operating Costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$-	$139,365	$139,365	$-	$176,970	$176,970
Labor and health insurance	-	14,165	14,165	-	12,694	12,694
Pension	-	7,363	7,363	-	6,424	6,424
Directors' remuneration	-	2,968	2,968	-	3,049	3,049
Other employee benefits expense	-	8,126	8,126	-	8,208	8,208
Depreciation	-	20,536	20,536	-	23,945	23,945
Amortization	14,636	3,279	17,915	7,757	3,118	10,875

The number of employees for the Company as of December 31, 2025 and 2024 was 154 and 160, respectively, of which the number of directors were not concurrent employees was 6 and 5, respectively.

The average number of employees for the Company in 2025 and 2024 was 155 and 150 respectively.

The Company's average employee benefit expenses for the years ended December 31, 2025 and 2024 were NT$1,090 thousand and NT$1,362 thousand, respectively.

The Company's average salary expenses for the years ended December 31, 2025 and 2024 were NT$899 thousand and NT$1,180 thousand, respectively. The Company's average salary expenses adjustment for the year ended December 31, 2025 changed by (24)%.

According to the Company's Articles of Incorporation, if there is profit for the year, the Company shall appropriate no less than 3% of such profit as employees' compensation and no more than 3% of such profit as directors' remuneration. However, if the Company still has accumulated losses (including adjustments to the amount of unappropriated retained earnings), an amount shall first be reserved to cover such losses. Of the employees' compensation to be appropriated as described above, no less than 20% shall be allocated to basic-level employees. Employees' compensation may be distributed in the form of shares or cash, as resolved by the Board of Directors, and the recipients may include employees of subordinate companies who meet the conditions prescribed by the Board of Directors. Directors' remuneration shall be distributed in cash only. The distribution of employees' compensation and directors' remuneration shall be resolved by the Board of Directors and reported to the shareholders' meeting. Information on the Board of Directors' resolutions regarding employees' compensation and directors' remuneration can be obtained from the "Market Observation Post System" on the website of the TWSE.

The Company set the compensation policy for directors and employees, the amount of distributed compensation was determined by the salary price level of the industry, the responsibilities and authority of the position and the individual contribution to the operating goal. The determination of compensation to directors and executive officers is based on the operation results and contributions, domestic and foreign industry trends was considered also. The distribution of directors' and executive officers' compensations were approved through the compensation committee, and resolved by the meeting of the Board of Directors.

For the year ended December 31, 2025, the Company incurred a net loss after tax, hence employees' compensation and remuneration to directors and supervisors were not estimated.

On June 5, 2025, the shareholders' meeting of the Company resolved to distribute employees' compensation and directors' remuneration for 2024 in cash in the amounts of NT$1,909 thousand and NT$636 thousand, respectively, which did not differ materially from the amounts recognized as expenses in the 2024 financial statements.

(20) Non-operating income and expenses

(A) Interest income

	For the years ended December 31,	
	2025	2024
Financial assets measured at amortized cost	$3,526	$1,696

(B) Other income

	For the years ended December 31,	
	2025	2024
Rental income	$6,447	$11,144
Tax refund	3,505	-
Other income	-	456
Total	5,885	9,762

(C) Other gains and losses

	For the years ended December 31,	
	2025	2024
Gains on disposal of mobile game intellectual property (Note)	$162,642	$212,472
Gains on lease modification	1,296	175
Gains (loss) on disposal of intangible assets	-	8,024
Losses on disposal of property, plant and equipment	(403)	(2,036)
Foreign exchange (losses) gains, net	(2,237)	(1,122)
Losses from financial assets at fair value through profit or loss	(43,165)	11,666
Loss on project termination	(60,951)	(6,110)
Others	-	(37)
Total	$57,182	$223,032

Note: For the transaction regarding the gain on disposal of mobile game intellectual property rights, please refer to Note 6(24).

(D) Finance costs

	For the years ended December 31,	
	2025	2024
Interest on borrowings from bank	$11,149	$6,631
Interest on bonds payable	7,686	2,516
Interest on lease liabilities	820	845
Total	$19,655	$9,992

(21) Components of other comprehensive loss

For the year ended December 31, 2025:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income (loss)	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$1,907	$-	$1,907	$(910)	$997
Unrealized gains or losses from financial assets at fair value through other comprehensive income	(9,313)	-	(9,313)	-	(9,313)
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	(17,141)	-	(17,141)	-	(17,141)
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(19,015)	-	(19,015)	-	(19,015)
Total of other comprehensive loss	$(43,562)	$-	$(43,562)	$(910)	$(44,472)

For the year ended December 31, 2024:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income (loss)	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$2,050	$-	$2,050	$(509)	$1,541
Unrealized gains or losses from financial assets at fair value through other comprehensive income	12,987	-	12,987	-	12,987
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	2,952	-	2,952	-	2,952
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	(9,200)	-	(9,200)	-	(9,200)
Total of other comprehensive loss	$8,789	$-	$8,789	$(509)	$8,280

(22) Income tax

The major components of income tax expense for the years ended December 31, 2025 and 2024 are as follows:

(A) Income tax expense recognized in profit or loss

	For the years ended December 31,	
	2025	2024
Current income tax expense (income):		
Current income tax charge	$18,125	$10,983
Tax adjustments on prior years	3,448	(31,644)
Deferred tax (income) expense:		
Deferred tax (income) expense relating to origination and reversal of temporary differences	(2,520)	4,117
Total income tax expense	$19,053	$(16,544)

Income tax expense recognized in other comprehensive income

	For the years ended December 31,	
	2025	2024
Deferred tax expense (income)		
Remeasurements of defined benefit plans	$(910)	$(509)

(B) Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2025	2024 (Adjusted)
Accounting profit (loss) before tax from continuing operations	$(450,887)	$60,978
Tax at the domestic rates applicable to profits in the country concerned	$(90,177)	$12,195
Tax effect of revenues exempt from taxation	94,739	(4,024)
Corporate income surtax on undistributed retained	3,848	-
Surtax on undistributed retained earnings	3,448	(31,644)
Tax effect of deferred tax assets/liabilities	5,670	5,533
Overseas withholding tax	1,525	1,396
Total income tax expense (income) recognized in profit or loss	$19,053	$(16,544)

(C) Deferred tax assets (liabilities) relate to the following

For the year ended December 31, 2025

	Beginning balance as of January 1, 2025	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2025
Temporary differences				
Unrealized bad debt expenses	$3,557	$(3,020)	$-	$537
Investment Losses	12,311	723	-	13,034
Unrealized impairment loss	1,321	508	(910)	919
Defined benefit liability, non-current	265	(326)	-	(61)
Unrealized foreign exchange losses	441	4,635	-	5,076
Others		$2,520	$(910)	
Deferred tax income/ (expense)	$17,895			$19,505
Net deferred tax assets/(liabilities)				
Reflected in balance sheet as follows:	$17,895			$19,566
Deferred tax assets	$-			$61
Deferred tax liabilities	$3,557	$(3,020)	$-	$537

For the year ended December 31, 2024

	Beginning balance as of January 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2024
Temporary differences				
Unrealized bad debt expenses	$3,228	$329	$-	$3,557
Investment Losses	14,194	(1,883)	-	12,311
Unrealized impairment loss	2,395	(2,395)	-	-
Defined benefit liability, non-current	1,770	60	(509)	1,321
Unrealized foreign exchange losses	28	237	-	265
Unrealized foreign exchange gains	906	(465)	-	441
Others		$(4,117)	$(509)	
Deferred tax income/ (expense)	$22,521			$17,895
Net deferred tax assets/(liabilities)				
Reflected in balance sheet as follows:	$22,521			$17,895
Deferred tax assets	$-			$-
Deferred tax liabilities	$3,228	$329	$-	$3,557

The assessment of income tax returns

As of December 31, 2025, the company’s income tax returns for all the fiscal years up to 2023 have been assessed and approved by the R.O.C. Tax Authority.

(23) Earnings per share

Basic (losses) earnings per share amounts are calculated by dividing net (loss) profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted (losses) earnings per share amounts are calculated by dividing the net (loss) profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2025 (Note)	2024 (Adjusted)
(A) Basic (losses) earnings per share		
Net (loss) income attributable to ordinary equity holders of the Company (in thousand NT$)	$(469,940)	$77,522
Weighted average number of ordinary shares outstanding for basic (losses) earnings per share (in thousands)	101,497	100,448
Basic (losses) earnings per share (NT$)	$(4.63)	$0.77
(B) Diluted (losses) earnings per share	$(469,940)	$77,522
Net (loss) income attributable to ordinary equity holders of the Company after dilution (in thousand NT$)	101,497	100,448
Weighted average number of ordinary shares outstanding for basic (losses) earnings per share (in thousands)		
Effect of dilution:	-	34
Employee compensation-stock (in thousands)	-	770
Weighted average number of ordinary shares outstanding after dilution (in thousands)	101,497	101,252
Diluted (losses) earnings per share (NT$)	$(4.63)	$0.77

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

Note1: For the year ended December 31, 2023, the net loss caused the potential ordinary shares into anti-dilutive.

Note2: The Company issued convertible bonds in 2024 Q3, and the conversion price set was higher than the stock price at the end of the year 2024, caused the potential ordinary shares into anti-dilutive.

(24) Disposal the important assets

On May 14, 2024, the Board of Directors resolved to dispose of the intellectual property rights (except China including Taiwan) of Sword and Fairy and Xuan-Yuan Sword (global), and authorize the chairman to plan and negotiate

1. The company was approved by the board of directors on September 11, 2024 to dispose of the intellectual property rights of Sword and Fairy (except China) cases are as follows:

A. Transaction Counterparty and Price: SuperNova Overseas Limited is Hong Kong CMGE
Technology Group Limited 100% owned subsidiary. The price is RMB18,300 thousand in cash and 38,000 thousand ordinary shares issued by CMGE, with a total conversion price of approximately NT$190,816 thousand.

a. The relevant disposition gains and losses are presented as follows: In the fourth quarter of 2024, the intellectual property transfer procedure of Sword and Fairy was completed, and the disposal benefits were recognized NT$212,472 thousand was included in other benefits and losses, and the first instalment of cash consideration was received RMB14,640 thousand (approximately NT$65,748 thousand) and 38,000 thousand ordinary shares issued by CMGE, the second instalment of RMB 3,660 thousand was recorded in other receivables - others.

2. The company was approved by the board of directors on September 11, 2024 to dispose of the intellectual property rights of Xuan-Yuan Sword (global) cases are as follows:

A. Transaction Counterparty and Price: Huandong (Hong Kong) Technology Co., Ltd. (hereinafter referred to as "Huandong Company"),and the price is US$10,450 thousand.

B. The Company intends to transfer the entire equity interest in the newly established 100% Samoa subsidiary through the transfer Xuan-Yuan Sword (global).

a. The Company established a new subsidiary in Samoa with 100% ownership, GOLDEN AVENUE GROUP, (hereinafter referred to as "GOLDEN")
b. The Company intends to use Xuan-Yuan Sword (global) as the price for US$10,450 thousand for 1 new share of GOLDEN.
c. The Company transferred all the shares of Golden to Huandong Company.

As of December 31, 2025, the Company had completed the transfer of its entire equity interest in Golden to Huandong Company. The Company received US$1,400 thousand (approximately NT$43,372 thousand) and US$3,850 thousand (approximately NT$119,270 thousand) in the fourth quarter of 2024 and the second quarter of 2025, respectively, and recognized disposal benefits of NT$162,642 thousand. The remaining consideration and the related disposal benefits will be recognized upon completion of the intellectual property transfer procedures and satisfaction of the relevant transaction conditions.

7. Related party transactions

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Global Angel Investments Limited	The chairman of the Company is the chairman of this company
Bacchus Wine Group Co., Ltd.	The chairman of the Company is the chairman of this company
Loftstar Interactive Entertainment Inc.	Subsidiary
Gamebase Digital Media Corporation	Subsidiary
Red Sunrise Co., Ltd.	Subsidiary
Sun Tech Co., Ltd.	Subsidiary
Chander Electronics Corp.	Subsidiary
Spectrum Electrics Corporation	Subsidiary
Green Bless Co., Ltd.	Subsidiary
Array Taiwan Inc.	Subsidiary
Array Inc.	Subsidiary
San Jiang Electric MFG. Co., Ltd.	Subsidiary
Dara Power Co., Ltd.	Subsidiary
Yun Fang Co., Ltd.	Subsidiary
Zhu International Group Inc.	Subsidiary
Changshin Sustainable Management Consulting Co., Ltd.	Subsidiary
Changyun Co., Ltd.	Subsidiary
Jiwei Technology Ltd.	Subsidiary
Lanjing Ltd.	Subsidiary
Yu Chuan Intelligence Co., Ltd.	Subsidiary
Luminous Rise Investment Co., Ltd.	Subsidiary
ALi Corporation	Subsidiary
MEGA MEDIA GROUP LIMITED	Subsidiary
Double Edge Entertainment Corp.	Associate

Significant transactions with the related parties

(1) Rendering of services

	For the years ended December 31,	
	2025	2024
Subsidiaries		
Loftstar Interactive Entertainment Inc.	$22,416	$27,408
Dara Power Co., Ltd.	5,143	5,793
Red Sunrise Co., Ltd.	356	6,134
Green Bless Co., Ltd.	300	437
Sun Tech Co., Ltd.	262	200
Chander Electronics Corp.	240	136
Zhu International Group Inc.	95	-
Other related parties		
Bacchus Wine Group Co., Ltd.	114	177
Total	$28,926	$40,285

The sales price to the above related parties was determined through mutual agreement. The collection period from sales to the related party customers are 30~60 days, which is the same with third party customers.

(2) Operating costs

	For the years ended December 31,	
	2025	2024
Subsidiary		
Loftstar Interactive Entertainment Inc.	$6,298	$7,337
Other related parties		
Double Edge Entertainment Corp.	797	1,162
Total	$7,095	$8,499

Operating costs relate to subsidiary database fees and royalty costs.

(3) Accounts receivable-related parties

	As of December 31,	
	2025	2024
Subsidiaries		
Dara Power Co., Ltd.	$1,800	$400
Loftstar Interactive Entertainment Inc.	1,772	14,634
Zhu International Group Inc.	100	-
Chander Electronics Corp.	43	21
Green Bless Co., Ltd.	26	26
Sun Tech Co., Ltd.	-	11
Total	$3,741	$15,092

(4) Other receivables-related parties

	As of December 31,	
	2025	2024
Subsidiaries		
Loftstar Interactive Entertainment Inc.	$20,893	$1,190
Array Inc.	11,394	39,024
Array Taiwan Inc.	6,284	57,076
Zhu International Group Inc.	2,148	1,330
San Jiang Electric MFG. Co., Ltd.	1,050	1,492
Luminous Rise Investment Co., Ltd.	675	-
Spectrum Electrics Corporation	168	328
Red Sunrise Co., Ltd.	123	-
Chander Electronics Corp.	52	309
Changyun Co., Ltd.	31	-
Lanjing Ltd.	23	-
Jiwei Technology Ltd.	3	-
Dara Power Co., Ltd.	-	169
Total	$42,844	$100,918

Other receivables-related parties mainly related to subsidiary assistance of daily operations and office rental.

(5) Prepayment

	As of December 31,	
	2025	2024
Subsidiaries		
Changshin Sustainable Management Consulting Co., Ltd.	$50	$-
Loftstar Interactive Entertainment Inc.	-	33,719
Associates		
Double Edge Entertainment Corp.	257	516
Other related party		
Global Angel Investments Limited	814	677
Total	$1,121	$34,912

Prepayment-related parties mainly related to game outsourcing costs, licensing fees and rent prepayment.

(6) Refundable deposits

	As of December 31,	
	2025	2024
Subsidiaries		
Sun Tech Co., Ltd.	$900	$-
Other related party		
Global Angel Investments Limited	1,749	2,070
	$2,649	$2,070

(7) Prepayments (listed under other current assets)

	As of December 31,	
	2025	2024
Subsidiaries		
Loftstar Interactive Entertainment Inc.	$55	$-

(8) Accounts payable-related parties

	As of December 31,	
	2025	2024
Subsidiaries		
Loftstar Interactive Entertainment Inc.	$1,657	$6,050
Associates		
Double Edge Entertainment Corp.	340	248
Total	$1,997	$6,298

(9) Other payables-related parties

	As of December 31,	
	2025	2024
Subsidiaries		
Changshin Sustainable Management Consulting Co., Ltd.	$525	$-
Loftstar Interactive Entertainment Inc.	435	1,524
Zhu International Group Inc.	401	-
Gamebase Digital Media Corporation	105	42
San Jiang Electric MFG. Co., Ltd.	-	64
Yun Fang Co., Ltd.	-	49
Total	$1,466	$1,679

(10) Temporary receipts (listed under other current liabilities)

	As of December 31,	
	2025	2024
Subsidiaries		
MEGA MEDIA GROUP LIMITED	$16,547	$-

(11) Property transactions

The Company sold property, plant and equipment to the related parties, the amount is as follows:

	As of December 31,	
	2025	2024
Subsidiaries		
ALi Corporation	$99	$-
Spectrum Electrics Corporation	39	49
San Jiang Electric MFG. Co., Ltd.	10	11
Chander Electronics Corp.	6	2
Array Taiwan Inc.	3	-
Zhu International Group Inc.	-	206
Loftstar Interactive Entertainment Inc.	-	178
Total	$157	$446

The Company acquired property, plant and equipment to the related parties, the amount is as follows:

	As of December 31,	
	2025	2024
Subsidiaries		
Array Taiwan Inc.	$7,987	$-
Loftstar Interactive Entertainment Inc.	39	-
Total	$8,026	$-

(12) Interest income

	As of December 31,	
	2025	2024
Subsidiaries		
Luminous Rise Investment Co., Ltd.	$1,598	$-
Array Taiwan Inc.	670	366
Array Inc.	540	25
Yu Chuan Intelligence Co., Ltd.	80	-
Sun Tech Co., Ltd.	3	-
Other related party		
Global Angel Investments Limited	33	25
Total	$2,924	$416

During July 2025, the Company acquired 10,200 thousand preferred shares of Luminous Rise Investment Co., Ltd. at a par value of NT$10 per share, for a total amount of NT$102,000 thousand. On October 20, 2025 and December 31, 2025, Luminous Rise Investment Co., Ltd. redeemed 2,400 thousand and 3,800 thousand preferred shares, respectively, from the Company for total amount of NT$62,000 thousand each, and paid a dividend of NT$850 thousand to the Company.

(13) Other

Other transactions between the Company and subsidiaries are shown below:

	For the years ended December 31,	
Item	2025	2024
Other income	$19,796	$25,273
Rental income	6,447	11,144
Rental expenses	(1,259)	(1,037)
Professional expenses	(700)	(7,158)
Business hospitality expenses	(268)	(204)
Miscellaneous expenses	(261)	71
Advertisement expenses	(236)	(6,865)
Purchase of miscellaneous items	(39)	(190)
Administrative expenses	-	23
Electricity expenses	-	40
Total	$23,480	$21,097

Other transactions between the Company and associate are shown below:

	For the years ended December 31,	
Item	2025	2024
Professional expenses	$145	$46

Other transactions between the Company and other related parties are shown below:

	For the years ended December 31,	
Item	2025	2024
Other income - other	$-	$793
Rental expenses	(7,266)	(6,064)
Entertainment expenses	(134)	(164)
Maintenance expenses	(35)	-
Purchase of miscellaneous items	(14)	-
Professional expenses	-	(668)
Miscellaneous expenses	-	(61)
Postage fee	-	(26)
Total	$(7,449)	$(6,190)

(14) Key management personnel compensation

	For the years ended December 31,	
	2025	2024
Short-term employee benefits	$26,031	$27,222
Post-employment benefits	406	449
Share-based payment	-	26,335
Other long-term benefits	1,448	1,464
Total	$27,885	$55,470

8. Assets pledged as security

The following table lists assets of the Company pledged as security:

	Carrying amount		
Items	December 31, 2025	December 31, 2024	Secured liabilities
Other financial assets, current (demand deposits)	$40,681	$16,067	Short-term borrowings and long-term borrowings
Other financial assets, non-current (demand deposits)	-	6,000	Long-term borrowings
Total	$40,681	$22,067	

9. Commitments and contingencies

None.

10. Loss due to major disasters

None.

11. Significant subsequent events

A. On January 22, 2026, the Board of Directors of the Company approved the acquisition of 100% equity interests in Zao Long Electrical Engineering Co., Ltd. and Qin Yao Electrical Engineering Co., Ltd.The preliminary estimated purchase price is NT$350,000 thousand; however, the final purchase price will be determined based on the completion date of the relevant due diligence procedures and subsequent negotiations between the parties regarding the terms of future cooperation. The purchase price allocation for each target company shall be subject to the definitive transaction agreements.

B. On March 31, 2026, the Board of Directors of the Company resolved to approve the cash capital increase of its subsidiary, Jiu He Yi Technology Co., Ltd. The capital increase price was NT$10 per share, with a total of 4,150 thousand ordinary shares and an aggregate amount of NT$41,500 thousand. Upon completion of the capital increase, the Company held 47.32% of the equity interest in Jiu He Yi Technology Co., Ltd.

C. On March 31, 2026, the Board of Directors of the Company approved its subsidiary, Jiu He Yi Technology Co., Ltd. to participate in the private placement of Array Inc. through a cash capital increase. The subscription price was NT$13 per share, with a total of 6,670 thousand ordinary shares and an aggregate amount of NT$86,710 thousand. Upon completion of the capital increase, Jiu He Yi Technology Co., Ltd. held 9.27% of the equity interest in Array Inc.

12. Others

(1) Categories of financial instruments

Financial assets	As of December 31,	
	2025	2024
Financial assets at fair value through profit or loss	$68,263	$184,923
Financial assets at fair value through other comprehensive income	26,681	35,994
Financial assets measured at amortized cost		
Cash and cash equivalents (except for cash on hand)	96,543	121,490
Accounts receivable, net	7,762	23,829
Accounts receivable-related parties, net	3,741	15,092
Other receivables	16,470	17,469
Other receivables-related parties	42,844	100,918
Other financial assets	40,681	22,067
Refundable deposits	4,124	4,712
Total	$307,109	$526,494

Financial liabilities	As of December 31,	
	2025	2024
Financial liabilities at fair value through profit or loss	$2,370	$2,610
Financial liabilities at amortized cost:		
Short-term borrowings	513,470	205,000
Accounts payable	22,704	14,236
Accounts payable-related parties	1,997	6,298
Other payables	49,668	46,108
Other payables-related parties	1,466	1,679
Bonds payable	286,716	279,030
Long-term borrowings (including current portion)	83,248	47,689
Lease liabilities	16,540	38,441
Total	$978,179	$641,091

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency A and foreign currency B. The information of the sensitivity analyses as follows:

(A) When NTD strengthens/weakens against USD by 1%, the profit or loss for the years ended December 31, 2025 and 2024 is decreased/increased by NT$15 thousand and increased/ decreased by NT$(99) thousand, respectively.
(B) When NTD strengthens/weakens against RMB by 1%, the profit or loss for the years ended December 31, 2025 and 2024 is decreased/increased by NT$182 thousand and NT$469 thousand, respectively.

(C) When NTD strengthens/weakens against JPY by 1%, the profit or loss for the years ended December 31, 2025 and 2024 is decreased/increased by NT$7 thousand and NT$(376) thousand, respectively.

Interest rate risk

The interest rate risk is the risk that the fluctuation of fair value and future cash flow of financial instruments caused by the movement of the market interest rate. The Group's interest rate risk arises from the investments of fixed rate borrowings, and floating rate borrowings.

The Company managed interest rate risk by sustaining appropriate combination of fixed and floating interest rate, but it's not applicable to hedge accounting because of not meeting the criteria of hedge accounting.

The sensitivity analysis of the interest rate risk pertains primarily to the interest rate exposure items at the end of financial statement reporting period, including floating rate borrowings. Assuming holding in a whole fiscal year, an increase/ decrease of 10% in interest rate, the profit for the years ended December 31, 2025 and 2024 is decreased/increased by NT$597 thousand and NT$253 thousand, respectively.

Equity price risk

The fair value of the Company's listed and unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified under financial asset at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

As of December 31, 2025 and 2024, an increase/decrease of 10% in the price of the listed companies' stocks classified as equity instruments investments measured at fair value through other comprehensive income will be increase/decrease by NT$805 thousand and NT$1,449 thousand on the equity attributable to the Company for the years ended December 31, 2025 and 2024, respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2025 and 2024, accounts receivable and contract assets from top ten customers represent 62.83% and 44.86% of the total accounts receivables of the Company, respectively. The credit concentration risk of other accounts receivable and contract assets is relatively insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions and companies with good credit rating. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2025					
Short-term borrowings	$522,834	$-	$-	$-	$522,834
Accounts payable (including other payables)	75,835	-	-	-	75,835
Long-term borrowings (including estimated interest)	16,007	72,642	-	-	88,649
Bonds payable	-	286,716	-	-	286,716
Lease liabilities (Note)	12,997	8,473	-	-	21,470
As of December 31, 2024					
Short-term borrowings	$210,461	$-	$-	$-	$210,461
Accounts payable (including other payables)	68,321	-	-	-	68,321
Long-term borrowings (including estimated interest)	15,885	33,104	-	-	48,989
Bonds payable	-	279,030	-	-	279,030
Lease liabilities (Note)	17,757	30,050	114	-	47,921

Note: Including cash flows resulted from short-term leases or leases of low-value assets.

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2025:

	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities	Bonds payable	Total liabilities from financing activities
As of January 1, 2025	$205,000	$47,689	$38,441	$ 279,030	$570,160
Cash flows	308,470	35,559	(13,200)	-	330,829
Non-cash changes	-	-	(8,701)	7,686	(1,015)
As of December 31, 2025	$513,470	$83,248	$16,540	$286,716	$899,974

Reconciliation of liabilities for the year ended December 31, 2024:

	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities	Bonds payable	Total liabilities from financing activities
As of January 1, 2024	$142,000	$212,710	$34,589	$-	$389,299
Cash flows	63,000	(165,021)	(16,608)	298,845	180,216
Non-cash changes	-	-	20,460	(19,815)	645
As of December 31, 2024	$205,000	$47,689	$38,441	$ 279,030	$570,160

(7) Fair values of financial instruments

(A) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, accounts receivables, refundable deposits, accounts payable and other current liabilities approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method or income approach valuation techniques. The market method valuation is based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities). The income method is based on the estimated recoverable amount of the present value of similar financial assets that are expected to be received from cash dividends or disposals of investments.

(d) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(B) Fair value of financial instruments measured at amortized cost

The carrying amount of the Company’s financial assets and financial liabilities measured at amortized cost is approximate their fair value.

(C) Fair value measurement hierarchy for financial instruments

Please refer to Note 12 (8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Fair value measurement hierarchy

(A) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(B) Fair value measurement hierarchy of the Company’s assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company’s assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities listed	$-	$-	$1,600	$1,600
Limited partnership	-	-	66,603	66,603
Film investment agreement	-	-	30	30
Redemption Right of Convertible Bonds	-	30	-	30
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	8,045	1,850	16,786	26,681

As of December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	$124,594	$-	$-	$124,594
Limited partnership	-	-	59,648	59,648
Film investment agreement	-	-	651	651
Redemption Right of Convertible Bonds	-	30	-	30
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	14,493	2,707	18,794	35,994

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for

movements during the period is as follows:

	Assets			Assets
	Measured at fair value through profit or loss			Measured at fair value through other comprehensive income
	Limited partnership	Movie investment agreement	Equity securities listed	Stocks
Beginning balances as of January 1, 2025	$59,648	$651	$-	$18,794
Total gains and losses recognized for the year ended December 31, 2025				
Amount recognized in net income (presented in "Unrealized gains (losses) from financial asset at fair value through profit or loss)	(3,660)	-	(26,265)	-
Amount recognized in OCI (presented in "Unrealized gains (losses) from financial asset at fair value through other comprehensive income)	-	-	-	(2,008)
Acquired in 2025	38,480	-	27,865	-
Disposed in 2025	(27,865)	(621)	-	-
Ending balances as of December 31, 2025	$66,603	$30	$1,600	$16,786

	Assets		Assets
	Measured at fair value through profit or loss		Measured at fair value through other comprehensive income
	Limited partnership	Movie investment agreement	Stocks
Beginning balances as of January 1, 2024	$26,131	$3,000	$12,971
Total gains and losses recognized for the year ended December 31, 2024			
Amount recognized in net income (presented in "Unrealized gains (losses) from financial asset at fair value through profit or loss)	17,698	-	-
Amount recognized in OCI (presented in "Unrealized gains (losses) from financial asset at fair value through other comprehensive income)	-	-	5,823
Acquired in 2024	18,050	-	-
Disposed in 2024	(2,231)	(2,349)	-
Ending balances as of December 31, 2024	$59,648	$651	$18,794

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

The fair value of fund and unlisted stocks are estimated by the asset-based approach. The asset-based approach involves assessing the total value of individual assets and liabilities to reflect the overall value of the enterprise or business and calculating the equity value of the company based on the fair value of its net assets.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

(Expressed in thousands)

	December 31, 2025		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
JPY	$151	0.20	$30
USD	122	31.43	3,831
RMB	4,391	4.50	19,760
Financial liabilities			
Monetary items:	$3,641	0.20	$731
JPY	168	31.43	5,296
USD	352	4.50	1,583
RMB	$151	0.20	$30

(Expressed in thousands)

	December 31, 2024		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
JPY	$180,151	0.21	$37,814
USD	325	32.79	10,644
RMB	10,464	4.48	46,881
Financial liabilities			
Monetary items:			
JPY	$1,150	0.21	$241
USD	22	32.79	707

The above information is disclosed based on the carrying amount of foreign currency (after conversion of functional currency).

The Company has a variety of functional currencies, therefore the monetary impact on financial assets and liabilities impact for each individual currency cannot be disclosed. For the years ended December 31, 2025 and 2024, foreign exchange gain (loss) were net loss NT$2,237 thousand and net gain NT$1,122 thousand, respectively.

(10) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional disclosure

(1) The following are additional disclosures for the Company and its affiliates as required by the R.O.C. Securities and Futures Bureau and information on investees:

(A) Financing provided to other: Please refer to Attachment 1-1 to 1-9.

(B) Endorsement/Guarantee provided to others: Please refer to Attachment 2-1 to 2-4.

(C) Securities held (excluding subsidiaries, associates and joint venture): Please refer to Attachment 3.

(D) Business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions: Please refer to Attachment 5.

(E) Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million and 20 percent of the capital stock: None.

(F) Receivables from related parties with amounts exceeding the lower of NT$100 million and 20 percent of capital stock: Please refer to Attachment 4.

(2) Information on investments in mainland China

(A) Basic information: Please refer to Attachment 6-1 to 6-3.

(B) Directly or indirectly significant transactions through third regions with the investees in Mainland China: None.

Attachment 1-1: Financing provided to others - Star Fusion Group Co., Ltd.

NO. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum amount of current period	Ending balance	Amount actually drawn	Interest rate	Nature of financing (Note 3)	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note 4)	Limit of financing amount (Note 4)
													Item	Value		
0	Star Fusion Group Co., Ltd.	Array Taiwan Inc.	Other Receivables - related parties	Yes	$30,000	$-	$-	3.244%	2	-	Operating capital	-	-	-	$528,947	$705,263
0	Star Fusion Group Co., Ltd.	Array Taiwan Inc.	Other Receivables - related parties	Yes	$30,000	$-	$-	3.244%	2	-	Operating capital	-	-	-	$528,947	$705,263
0	Star Fusion Group Co., Ltd.	Array Taiwan Inc.	Other Receivables - related parties	Yes	$15,000	$15,000	$2,391	3.244%	2	-	Operating capital	-	-	-	$528,947	$705,263
0	Star Fusion Group Co., Ltd.	Array Inc.	Other Receivables - related parties	Yes	$39,000	$-	$-	3.244%	2	-	Operating capital	-	-	-	$528,947	$705,263
0	Star Fusion Group Co., Ltd.	Array Inc.	Other Receivables - related parties	Yes	$11,372	$11,372	$11,372	3.244%	2	-	Operating capital	-	-	-	$528,947	$705,263
0	Star Fusion Group Co., Ltd.	Yu Chuan Intelligence Co., Ltd.	Other Receivables - related parties	Yes	$30,000	$30,000	$-	3.244%	2	-	Operating capital	-	-	-	$528,947	$705,263
0	Star Fusion Group Co., Ltd.	Yu Chuan Intelligence Co., Ltd.	Other Receivables - related parties	Yes	$15,000	$15,000	$-	3.244%	2	-	Operating capital	-	-	-	$528,947	$705,263

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

(1) The Company is "0".

(2) The subsdiaries are numbered in order starting from "1".

Note 2: Name of account in which the loans are recognized including but not limited to accounts receivables-related parties, other receivables-related parties and, current account with stockholders, prepayments, and temporary payments, etc.

Note 3: The number filled in for nature of loan are as follows:

(1) Business transaction is "1".

(2) Short-term financing is "2".

Note 4: Limit of financing amount for individual counter-party shall not exceed 30% of the Company's net value; limit of total financing amount shall not exceed 40% of the Company’s net asset value.

Attachment 1-2: Financing provided to others - Chander Electronics Corp.

NO. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum amount of current period	Ending balance	Amount actually drawn	Interest rate	Nature of financing (Note 3)	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note 4)	Limit of financing amount (Note 4)
													Item	Value		
1	San Jiang Electric MFG. Co., Ltd.	Innova Vision Inc.	Other Receivables - related parties	Yes	$13,000	$-	$-	3.24%	2	-	Operating capital	-	-	-	$71,784	$143,568
1	San Jiang Electric MFG. Co., Ltd.	Luminous Rise Investment Co., Ltd.	Other Receivables - related parties	Yes	$43,000	$-	$-	3.24%	2	-	Operating capital	-	-	-	$71,784	$143,568

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

(1) The Company is "0".

(2) The subsdiaries are numbered in order starting from "1".

Note 2: Name of account in which the loans are recognized including but not limited to accounts receivables-related parties, other receivables-related parties and, current account with stockholders, prepayments, and temporary payments, etc.

Note 3: The number filled in for nature of loan are as follows:

(1) Business transaction is "1".

(2) Short-term financing is "2".

Note 4: For those who have business transactions, the total amount of loans granted by San Jiang Electric MFG. Co., Ltd. should not exceed 40% of the net value of San Jiang Electric MFG. Co., Ltd., and the individual financing amount should not exceed 10% of the net value of San Jiang Electric MFG. Co., Ltd.

Note 5: The limit on loans to a single company is as follows:

(1) For those who have business transactions, the individual limit of loans granted by San Jiang Electric MFG. Co., Ltd. should not exceed 40% of the net value of San Jiang Electric MFG. Co., Ltd.'s latest financial report, and should not exeed the total amount of business transactions between the two parties during the recent fiscal year.

(2) For short-term financing, the individual limit of loans granted by San Jiang Electric MFG. Co., Ltd. should not exceed 20% of the net value of San Jiang Electric MFG. Co., Ltd.'s latest financial report.

Attachment 1-3: Financing provided to others - Array Inc.

NO. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum amount of current period	Ending balance	Amount actually drawn (Note4)	Interest rate	Nature of financing (Note 3)	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note 4)	Limit of financing amount (Note 4)
													Item	Value		
1	Array Inc.	Array Networks, Inc. (Array US)	Accounts receivable – related parties	Yes	$25,144 (USD800)	$-	$-	-	2	-	Operating capital	-	-	-	$137,142	$137,142
1	Array Inc.	Array Taiwan Inc.	Accounts receivable – related parties	Yes	$18,858 (USD600)	$-	$-	-	2	-	Operating capital	-	-	-	$137,142	$137,142
1	Array Inc.	Array Networks, Inc. (Array US)	Accounts receivable – related parties	Yes	$31,430 (USD1,000)	$-	$-	-	2	-	Operating capital	-	-	-	$137,142	$137,142
1	Array Inc.	Array Networks, Inc. (Array US)	Accounts receivable – related parties	Yes	$25,144 (USD800)	$25,144 (USD800)	$23,903 (USD761)	-	2	-	Operating capital	-	-	-	$137,142	$137,142
1	Array Inc.	Array Taiwan Inc.	Accounts receivable – related parties	Yes	$9,429 (USD300)	$9,429 (USD300)	$8,954 (USD285)	-	2	-	Operating capital	-	-	-	$137,142	$137,142
1	Array Inc.	Array Networks, Inc. (Array US)	Accounts receivable – related parties	Yes	$26,716 (USD850)	$26,716 (USD850)	$26,310 (USD837)	-	2	-	Operating capital	-	-	-	$137,142	$137,142
1	Array Inc.	Array Taiwan Inc.	Accounts receivable – related parties	Yes	$32,687 (USD1,040)	$32,687 (USD1,040)	$32,687 (USD1,040)	-	2	-	Operating capital	-	-	-	$137,142	$137,142

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

(1) The Company is "0".

(2) The subsdiaries are numbered in order starting from "1".

Note 2: Name of account in which the loans are recognized including but not limited to accounts receivables-related parties, other receivables-related parties and, current account with stockholders, prepayments, and temporary payments, etc.

Note 3: Maximum outstanding balance of loans to others during the year period ended December 31, 2025

Note 4: The nature of loans to others shall be specified as either arising from business transactions or based on a necessary short-term financing need.

(1) Business transaction is "1".

(2) Short-term financing is "2".

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7 : For those who have business transactions, the individual limit of loans granted should not exceed 40% of the net value of the latest financial report audited or reviewed by independent certified public accountants.

Note 8 : The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Attachment 1-4: Financing provided to others - Array Taiwan Inc.

NO. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum amount of current period	Ending balance	Amount actually drawn (Note4)	Interest rate	Nature of financing (Note 3)	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note 4)	Limit of financing amount (Note 4)
													Item	Value		
1	Array Taiwan Inc.	Array Inc.	Accounts receivable – related parties	Yes	$15,715 (USD500)	$-	$-	-	2	-	Operating capital	-	-	-	$137,142	$137,142

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

(1) The Company is "0".

(2) The subsdiaries are numbered in order starting from "1".

Note 2: Name of account in which the loans are recognized including but not limited to accounts receivables-related parties, other receivables-related parties and, current account with stockholders, prepayments, and temporary payments, etc.

Note 3: Maximum outstanding balance of loans to others during the year period ended December 31, 2025

Note 4: The nature of loans to others shall be specified as either arising from business transactions or based on a necessary short-term financing need.

(1) Business transaction is "1".

(2) Short-term financing is "2".

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7 : For those who have business transactions, the individual limit of loans granted should not exceed 40% of the net value of the latest financial report audited or reviewed by independent certified public accountants.

Note 8 : The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Attachment 1-5: Financing provided to others - Spectrum Electrics Corporation

NO. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum amount of current period	Ending balance	Amount actually drawn (Note4)	Interest rate	Nature of financing (Note 3)	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note 4)	Limit of financing amount (Note 4)
													Item	Value		
1	San Jiang Electric MFG. Co., Ltd.	Array Taiwan Inc.	Accounts receivable – related parties	Yes	$72,500	$12,500	$12,000	3.244%	2	-	Operating capital	-	-	-	$309,096	$309,096
1	San Jiang Electric MFG. Co., Ltd.	Array Inc.	Accounts receivable – related parties	Yes	$29,500	$29,500	$29,500	3.244%	2	-	Operating capital	-	-	-	$309,096	$309,096
1	San Jiang Electric MFG. Co., Ltd.	Yu Chuan Intelligence Co., Ltd.	Accounts receivable – related parties	Yes	$30,000	$-	$-	3.244%	2	-	Operating capital	-	-	-	$309,096	$309,096
1	San Jiang Electric MFG. Co., Ltd.	Luminous Rise Investment Co., Ltd.	Accounts receivable – related parties	Yes	$122,000	$-	$-	3.244%	2	-	Operating capital & necessity for Subsidiary Investment	-	-	-	$309,096	$309,096
1	San Jiang Electric MFG. Co., Ltd.	Loftstar Interactive Entertainment Inc.	Accounts receivable – related parties	Yes	$20,000	$-	$-	3.244%	2	-	Operating capital	-	-	-	$309,096	$309,096
1	San Jiang Electric MFG. Co., Ltd.	Spectrum Electrics Corporation	Accounts receivable – related parties	Yes	$40,000	$-	$-	3.244%	2	-	Operating capital	-	-	-	$309,096	$309,096

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

(1) The Company is "0".

(2) The subsdiaries are numbered in order starting from "1".

Note 2: Name of account in which the loans are recognized including but not limited to accounts receivables-related parties, other receivables-related parties and, current account with stockholders, prepayments, and temporary payments, etc.

Note 3: Maximum outstanding balance of loans to others during the year period ended December 31, 2025

Note 4: The number filled in for nature of loan are as follows:

(1) Business transaction is "1".

(2) Short-term financing is "2".

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: For short-term financing, the individual limit of loans granted by company should not exceed 20% of the net value of it's latest financial report.

Note 8 :The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Attachment 1-6: Financing provided to others - Red Sunrise Co., Ltd.

NO. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum amount of current period	Ending balance	Amount actually drawn (Note4)	Interest rate	Nature of financing (Note 3)	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note 4)	Limit of financing amount (Note 4)
													Item	Value		
1	Red Sunrise Co., Ltd.	Yousing Co. Ltd.	Other Receivables - related parties	Yes	$20,000	$-	$20,000	3.244%	2	-	Operating capital	-	-	-	$90,847	$121,129
2	Red Sunrise Co., Ltd.	Array Taiwan Inc.	Other Receivables - related parties	Yes	$11,650	$-	$-	3.244%	2	-	Operating capital	-	-	-	$28,348	$37,798
2	Red Sunrise Co., Ltd.	Xsense Technology Corporation, Inc.	Other Receivables	Yes	$9,900	$-	-	3.244%	2	-	Operating capital	-	-	-	$28,348	$37,798
2	Red Sunrise Co., Ltd.	Luminous Rise Investment Co., Ltd.	Other Receivables	Yes	$15,000	$-	-	3.244%	2	-	Operating capital	-	-	-	$28,348	$37,798

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

(1) The Company is "0".

(2) The subsdiaries are numbered in order starting from "1".

Note 2: Name of account in which the loans are recognized including but not limited to accounts receivables-related parties, other receivables-related parties and, current account with stockholders, prepayments, and temporary payments, etc.

Note 3: The amount represents the loan limit that remains valid as of the financial reporting date.

Note 4: The number filled in for nature of loan are as follows:

(1) Business transaction is "1".

(2) Short-term financing is "2".

Note 5: For loans granted by Red Sunrise Co., Ltd., the cumulative amount of loans provided for business transaction purposes should not exceed 40% of the net value of the company. For those who have business transactions, the individual limit of loans granted by Red Sunrise Co., Ltd. should not exeed the total amount of business transactions between the two parties during the recent fiscal year.

For loans granted by Sun Tech Co., Ltd., the cumulative amount of loans provided for business transaction purposes should not exceed 40% of the net value of the company. For those who have business transactions, the individual limit of loans granted by Sun Tech Co., Ltd. should not exeed the total amount of business transactions between the two parties during the recent fiscal year.

Attachment 1-7: Financing provided to others - ALi Corporation

NO. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum amount of current period	Ending balance	Amount actually drawn (Note4)	Interest rate	Nature of financing (Note 3)	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note 4)	Limit of financing amount (Note 4)
													Item	Value		
1	ALi Corporation	Jiwei Technology Ltd.	Accounts receivable – related parties	Yes	$69,000	$69,000	$69,000	3.244%	2	-	Operating capital	-	-	-	$147,682	$295,365
2	ALi (China) Corporation	ALi Corporation	Accounts receivable – related parties	Yes	$91,460	$-	$-	1%	2	-	Operating capital	-	-	-	$404,274	$404,274
3	Jiwei Technology Ltd.	Array Taiwan Inc.	Accounts receivable – related parties	Yes	$86,000	$26,065	$26,065	3.244%	2	-	Operating capital	-	-	-	$88,955	$88,955
4	Array Holding for APGFHI Fund LPs	Loftstar Interactive Entertainment Inc.	Accounts receivable – related parties	Yes	$10,653	$10,372	-	3.244%	2	-	Operating capital	-	-	-	$41,338	$41,338
4	Array Holding for APGFHI Fund LPs	Array Taiwan Inc.	Accounts receivable – related parties	Yes	$10,700	$10,700	$10,700	3.244%	2	-	Operating capital	-	-	-	$41,338	$41,338

Note 1: The number 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'. The code should be the same for the same company.

Note 2: Fill in the name of account in which the loans are recognized, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2025.

Note 4: The calculation and corresponding amount of the loan are detailed as follows.
(1) Fill in 1 for business transactions.
(2) Fill in 2 for short-term financing

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's"Procedures for Provision of Loans", and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.
(a) For companies having short-term loans, financial limit on loans granted to others and to a single party shall not exceed 20% of the Company's net assets, and shall not exceed 10% of the Company's net assets as well as 25% of the borrower's net assets based on the most recent audited financial statements of the company respectively.
(b) ALi (China) Corporation's limit on total loans granted to others and to a single party shall both not exceed 40% of the company's net assets based on the most recent audited financial statements of the company, loans to the parent company are not subject to the restriction; however, the loan amount shall not exceed the parent company's net assets.
(c) For companies or businesses that have a short-term financing need with Jiwei Technology Ltd., the total amount of loans extended by the Company and its subsidiaries, as well as the lending limit for any individual borrower, shall not exceed 40% of the Company's net assets.
(d) For companies or businesses that have a short-term financing need with Array Holding for APGFHI Fund LPs, the total amount of loans extended by the Company and its subsidiaries, as well as the lending limit for any individual borrower, shall not exceed 40% of the Company's net assets.

Note 8 :The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Attachment 1-8: Financing provided to others - Taiwan Mask Corporation

NO. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum amount of current period	Ending balance	Amount actually drawn (Note4)	Interest rate	Nature of financing (Note 3)	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note 4)	Limit of financing amount (Note 4)
													Item	Value		
1	Taiwan Mask Corporation	Guang Ju Holding Co., Ltd.	Other Receivables - related parties	Yes	$800,000	$20,000	-	2.7%	2	-	Working Capital Turnover	-	Promissory note	$20,000	$1,711,471	$1,711,471
1	Taiwan Mask Corporation	Aptos Technology Inc.	Other Receivables - related parties	Yes	$130,000	$-	-	2.7%	2	-	Working Capital Turnover	-	Promissory note	-	$1,711,471	$1,711,471
1	Taiwan Mask Corporation	Innova Vision Inc.	Other Receivables - related parties	Yes	$50,000	$-	-	2.7%	2	-	Working Capital Turnover	-	Promissory note	-	$1,711,471	$1,711,471
2	Guang Ju Holding Co., Ltd.	Aptos Technology Inc.	Other Receivables - related parties	Yes	$350,000	$-	-	2.7%	2	-	Working Capital Turnover	-	Promissory note	-	$410,038	$410,038
2	Guang Ju Holding Co., Ltd.	Xsense Technology Corporation (B.V.I.)	Other Receivables - related parties	Yes	$320,000	$300,000	$300,000	2.7%	2	-	Working Capital Turnover	$300,000	Promissory note	$300,000	$410,038	$410,038
2	Guang Ju Holding Co., Ltd.	Innova Vision INC.	Other Receivables - related parties	Yes	$180,000	$-	-	2.7%	2	-	Working Capital Turnover	-	Promissory note	-	$410,038	$410,038
3	Miracle Technology CO., LTD.	Aptos Technology Inc.	Other Receivables - related parties	Yes	$170,000	$170,000	$170,000	2.7%	2	-	Working Capital Turnover	$170,000	Promissory note	$170,000	$79,547	$79,547
4	Miko-China Enterprise (Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	Other Receivables - related parties	Yes	$109,752	$62,944	$40,464	2.51%	2	-	Working Capital Turnover	-	None	-	$147,970	$147,970
5	Pilot Energy Co., Ltd.	Xsense Technology Corporation (B.V.I.)	Other Receivables - related parties	Yes	$90,000	$40,000	$40,000	2.7%	2	-	Working Capital Turnover	-	Promissory note	$40,000	$40,025	$40,025
6	ADL Energy Corp	Pilot Energy Co., Ltd.	Other Receivables - related parties	Yes	$10,000	$-	-	2.7%	2	-	Working Capital Turnover	-	Promissory note	-	$11,242	$11,242

Note 1: The description of the number columns are as follows:
(1) Fill in "0" for the issuer.
(2) The investee company is numbered in sequence starting from the Arabic numeral 1 according to company type.

Note 2: Fill in the name of account in which the loans are recognized, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: The number filled in for nature of loan are as follows:
(1) Business transaction is "1".
(2) Short-term financing is "2".

Note 4: Amendment to the Procedures for Lending Funds to Others:
(1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.
(2) For companies or businesses that have business dealings with the Company, the loan amount of each individual borrowers shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company net value.
(3) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.
(4) Inter-company loans of funds between overseas companies in which the Company owns, directly or indirectly, 100% of the voting shares, are not restricted by the abovementioned paragraphs. However, the total amount of loans and the amount of loan to a single party shall not exceed 50% of the Company's net value.

Note 5: Subsidiary - Miracle Technology Procedures for Lending Funds to Others
(1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.
(2) For companies or businesses that have business dealings with the Company, the loan amount of each individual borrowers shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company net value.
(3) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.
(4) Inter-company loans of funds between overseas companies in which the Company owns, directly or indirectly, 100% of the voting shares, are not restricted by the abovementioned paragraphs. However, the total amount of loans and the amount of loan to a single party shall not exceed 50% of the Company's net value.

Note 6: Subsidiary - Guang Ju Holding Co., Ltd. Procedures for Lending Funds to Others
(1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.
(2) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.

Note 7: Subsidiary - Pilot Energy Co., Ltd. Procedures for Lending Funds to Others:
The Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:
(1) Where an inter-company or inter-firm business transaction calls for a loan arrangement.
(2) Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40% of the lender's net worth.

Note 8: Subsidiary - Miko-China Enterprise (Shanghai) Co., Ltd. Procedures for Lending Funds to Others:
(1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.
(2) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.

Note 9: Subsidiary - ADL Energy Corp Procedures for Lending Funds to Others:
(1) Total amount of loans: The total amount of the Company's loans shall not exceed 50% of the Company's net value.
(2) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.

Attachment 1-9: Financing provided to others - Zhu International Group Inc.

NO. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum amount of current period	Ending balance	Amount actually drawn (Note4)	Interest rate	Nature of financing (Note 3)	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note 4)	Limit of financing amount (Note 4)
													Item	Value		
1	Yoshimoto Co., Ltd	DineVita Group	Accounts receivable – related parties	Yes	$20,340	$-	$-	2.200%	2	$-	Operating capital	$-	-	-	$242,081	$242,528
1	Yoshimoto Co., Ltd	Cocoro International Japan	Accounts receivable – related parties	Yes	$30,381	$30,381	$30,381	2.200%	2	$-	Operating capital	$-	-	-	$242,081	$242,528

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

(1) The Company is "0".

(2) The subsdiaries are numbered in order starting from "1".

Note 2: Name of account in which the loans are recognized including but not limited to accounts receivables-related parties, other receivables-related parties and, current account with stockholders, prepayments, and temporary payments, etc.

Note 3: The number filled in for nature of loan are as follows:

(1) Business transaction is "1".

(2) Short-term financing is "2".

Note 4: Yoshimoto Co., Ltd's limit on total loans granted to others and to a single party shall both not exceed 40% of the company's net assets based on the most recent audited financial statements of the company. However, where the borrower is a foreign subsidiary in which the parent company holds a 100% equity interest, the total amount of loans and the lending limit for any individual borrower shall not exceed 100% of the Company's net assets.

Attachment 2-1: Endorsement/Guarantee provided to others - Star Fusion Group Co., Ltd.

No. (Note 1)	Endorsor/Guarantor	Guaranteed Party		Limits on Endorsement/Guarantee to Each Guaranteed Party (Note 3)	Maximum Balance for the Period (Note 4)	Ending Balance (Note 5)	Amount Actually Drawn (Note 6)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee Amount to Net Equity per Latest Financial Statement	Maximum Endorsement/Guarantee Amount Allowable (Note 3)	Guarantee Provided by Parent Company (Note 7)	Guarantee Provided by A Subsidiary (Note 7)	Guarantee Provided to Subsidiaries in Mainland China (Note 7)
		Company Name	Relationship (Note 2)										
0	Star Fusion Group Co., Ltd.	Yu Chuan Intelligence Co., Ltd.	2	$1,763,158	$160,000	$160,000	$122,500	$ -	9.07%	$1,763,158	Y	N	N
0	Star Fusion Group Co., Ltd.	Luminous Rise Investment Co., Ltd.	2	$1,763,158	$220,000	$220,000	$220,000	$ -	12.48%	$1,763,158	Y	N	N

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

(1) The Company is "0".

(2) The subsdiaries 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:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 90% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides 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 the limits and maximum amount on endorsement/guarantee to individual guaranteed party which are in accordance with the operating procedures of endorsement/guarantee provided to others by the Company. According to the "operating procedures of endorsement/guarantee" of Star Fusion Group Co., Ltd., the total amount of endorsement/guarantee of Star Fusion Group Co., Ltd. shall not exceed 300% of the net value of Star Fusion Group Co., Ltd. for the current period and the limits on endorsement/guarantee to each guaranteed party shall not exceed 100% of the net value of Star Fusion Group Co., Ltd. for the current period.

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

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

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

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

Attachment 2-2: Endorsement/Guarantee provided to others - Spectrum Electrics Corporation

No. (Note 1)	Endorsor/Guarantor	Guaranteed Party		Limits on Endorsement/Guarantee to Each Guaranteed Party (Note 3)	Maximum Balance for the Period (Note 4)	Ending Balance (Note 5)	Amount Actually Drawn (Note 6)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee Amount to Net Equity per Latest Financial Statement	Maximum Endorsement/Guarantee Amount Allowable (Note 3)	Guarantee Provided by Parent Company (Note 7)	Guarantee Provided by A Subsidiary (Note 7)	Guarantee Provided to Subsidiaries in Mainland China (Note 7)
		Company Name	Relationship (Note 2)										
1	Spectrum Electrics Corporation	San Jiang Electric MFG. Co., Ltd.	2	$2,247,446	$1,465,000	$1,465,000	$584,171	$ -	65.19%	$4,494,892	Y	N	N

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

(1) The Company is "0".

(2) The subsdiaries 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:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 90% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides 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 the limits and maximum amount on endorsement/guarantee to individual guaranteed party which are in accordance with the operating procedures of endorsement/guarantee provided to others by the Company. According to the "operating procedures of endorsement/guarantee" of Uniplus Electronics Co., Ltd., the total amount of endorsement/guarantee of Uniplus Electronics Co., Ltd. shall not exceed 200% of the net value of Uniplus Electronics Co., Ltd. for the current period and the limits on endorsement/guarantee to each guaranteed party shall not exceed 150% of the net value of Uniplus Electronics Co., Ltd. for the current period.

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

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

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

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

Attachment 2-3: Endorsement/Guarantee provided to others - Array Inc.

No. (Note 1)	Endorsor/Guarantor	Guaranteed Party		Limits on Endorsement/Guarantee to Each Guaranteed Party (Note 3)	Maximum Balance for the Period (Note 4)	Ending Balance (Note 5)	Amount Actually Drawn (Note 6)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee Amount to Net Equity per Latest Financial Statement	Maximum Endorsement/Guarantee Amount Allowable (Note 3)	Guarantee Provided by Parent Company (Note 7)	Guarantee Provided by A Subsidiary (Note 7)	Guarantee Provided to Subsidiaries in Mainland China (Note 7)
		Company Name	Relationship (Note 2)										
1	Array Taiwan Inc.	Array Inc.	3	$342,855	$14,400	$14,400	$2,175	$ -	4.20%	$342,855	N	Y	N
2	Array Inc.	Array Taiwan Inc.	2	$342,855	$12,000	$12,000	$12,000	$ -	3.50%	$342,855	Y	N	N

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

(1) The Company is "0".

(2) The subsdiaries 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:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 90% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides 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: In accordance with Array Inc.'s Procedures for Endorsements and Guarantees, the limits applicable to external endorsements and guarantees are as follows: the total amount of endorsements and guarantees, as well as the limit for any single entity, shall be capped at the net worth of either the parent company or the guaranteed entity. The maximum limit for the current period is NT$342,855 thousand.

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

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

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

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

Attachment 2-4: Endorsement/Guarantee provided to others - Taiwan Mask Corporation

No. (Note 1)	Endorsor/Guarantor	Guaranteed Party		Limits on Endorsement/Guarantee to Each Guaranteed Party (Note 3)	Maximum Balance for the Period (Note 4)	Ending Balance (Note 5)	Amount Actually Drawn (Note 6)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee Amount to Net Equity per Latest Financial Statement	Maximum Endorsement/Guarantee Amount Allowable (Note 3)	Guarantee Provided by Parent Company (Note 7)	Guarantee Provided by A Subsidiary (Note 7)	Guarantee Provided to Subsidiaries in Mainland China (Note 7)
		Company Name	Relationship (Note 2)										
1	Taiwan Mask Corporation	Miracle Technology CO., LTD.	2	$229,550	$132,820	$125,720	$-	$-	2.94%	$1,711,471	Y	N	N
1	Taiwan Mask Corporation	Guang Ju Holding Co., Ltd.	2	$316,849	$180,000	$180,000	$80,000	$80,000	4.21%	$1,711,471	Y	N	N
1	Taiwan Mask Corporation	Innova Vision INC.	2	$316,849	$314,000	$314,000	$278,000	$168,000	7.34%	$1,711,471	Y	N	N
1	Taiwan Mask Corporation	Xsense Technology Corporation (B.V.I.)	2	$230,000	$146,000	$146,000	$146,000	$146,000	3.41%	$1,711,471	Y	N	N
1	Taiwan Mask Corporation	Pilot Energy Co., Ltd.	2	$180,000	$73,000	$73,000	$58,000	$58,000	1.74%	$1,711,471	Y	N	N
2	Miracle Technology CO., LTD.	Xsense Technology Corporation (B.V.I.)	1	$86,970	$150,000	$-	$-	$-	0.00%	$79,547	N	N	N
2	Miracle Technology CO., LTD.	Aptos Technology Inc.	1	$86,970	$20,000	$-	$-	$-	0.00%	$79,547	N	N	N
3	Guang Ju Holding Co., Ltd.	Xsense Technology Corporation (B.V.I.)	2	$230,000	$57,000	$57,000	$57,000	$57,000	5.56%	$410,038	Y	N	N
3	Guang Ju Holding Co., Ltd.	Pilot Energy Co., Ltd.	2	$180,000	$13,000	$-	$-	$-	0.00%	$410,038	Y	N	N
3	Guang Ju Holding Co., Ltd.	Innova Vision INC.	2	$351,000	$38,000	$-	$-	$-	0.00%	$410,038	Y	N	N
4	Miko-China Enterprise (Shanghai) Co., Ltd.	Miracle Technology CO., LTD.	3	$454,362	$233,233	$53,952	$53,952	$53,952	14.58%	$369,926	N	Y	N
4	Miko-China Enterprise (Shanghai) Co., Ltd.	Taiwan Mask Corporation	3	$454,362	$175,344	$175,344	$175,344	$175,344	47.40%	$369,926	N	Y	N

Note 1: The description of the number columns are as follows:

(1) Fill in "0" for the issuer.

(2) The investee company is numbered in sequence starting from the Arabic numeral 1 according to company type.

Note 2: The relationship between the guarantor and the guarantee is one of the seven types indicated below:

(1) A company with which it does business.

(2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.

(3) A company that directly and indirectly holds more than 50% of the voting shares in the Company.

(4) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other.

(5) A company that is mutually insured by a contract between peers or co-founders based on the needs of the contracted work.

(6) A company guaranteed by contributing shareholders in proportion to their shareholdings due to a joint investment relationship.

(7) Companies that are engaged in joint and several guarantees for the performance guarantee of pre-sale housing sales contracts in accordance with the regulations of the Consumer Protection Act.

Note 3: The Company's endorsement and guarantee practices for others provide that:

(1) The total amount of the Company's external endorsement guarantee shall not exceed 30% of the Company's paid-in capital.

(2) The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.

(3) Companies with which the Company has a parent-child relationship: The endorsement and guarantee for a single enterprise shall not exceed 10% of the Company's paid-in capital and the company's paid-in capital being endorsed and guaranteed.

(4) The aggregate amount of the endorsement and guarantee of the Company and its subsidiaries as a whole shall not exceed 40% of the net worth of the Company, of which the endorsement and guarantee of a single subsidiary shall not exceed 20% of the net worth of the Company.

Note 4: Miko-China Enterprise (Shanghai) Co., Ltd. Endorsement and Guarantee Procedures:

The total amount of endorsement guarantee liability is limited to RMB 30 million, and the amount of endorsement guarantee for a single enterprise shall not exceed RMB 30 million; however, for the parent company that directly or indirectly holds, through a subsidiary, more than 50% of the common stock equity of a company, it may endorse up to its net value.

Note 5: Subsidiary - Miracle Technology Co., Ltd. Endorsement and Guarantee Procedures:

The cumulative amount of external endorsements and guarantees shall not exceed 40% of the company's net worth as stated in its most recent financial statements audited or reviewed by certified public accountants.

Note 6: Subsidiary - Guang Ju Holding Co., Ltd. Endorsement and Guarantee Procedures:

(1) The total amount of the Company's external endorsements/guarantees: shall not exceed 30% of the Company's net value.

(2) The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.

(3) Companies with which the Company has a parent-child relationship: The endorsement and guarantee for a single enterprise shall not exceed 10% of the Company's paid-in capital and the company's paid-in capital being endorsed and guaranteed.

(4) The aggregate amount of the endorsement and guarantee of the Company and its subsidiaries as a whole shall not exceed 40% of the net worth of the Company, of which the endorsement and guarantee of a single subsidiary shall not exceed 20% of the net worth of the Company.

Attachment 3: Securities held as of December 31, 2025

Names of companies held	Type of securities (Note 1)	Name of securities (Note 1)	Relationship with the Issuer (Note 2)	Financial statement account	December 31, 2025				Note (Note 4)
					Shares (in thousand)	Carrying amount (Note 3)	Shareholding (%)	Fair value	
Star Fusion Group Co., Ltd.	Stock	Taiwan Smart Card Co.	-	Financial assets at fair value through other comprehensive income, non-current	2,552	16,786	15.95	16,786	None
Star Fusion Group Co., Ltd.	Emerging stock	Meimaii Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	266	1,850	0.67	1,850	None
Star Fusion Group Co., Ltd.	Listed stock	Newretail Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	657	8,045	0.95	8,045	None
Star Fusion Group Co., Ltd.	Limited partnership	Cathy Private Equity Smart Technology Limited Partnership	-	Designated as financial assets at fair value through profit or loss, non-current	-	23,708	4.43	23,708	None
Star Fusion Group Co., Ltd.	Limited partnership	Vertex Ventures (SG) SEA V LP	-	Designated as financial assets at fair value through profit or loss, non-current	-	42,895	1.02	42,895	None
Star Fusion Group Co., Ltd.	Preferred Stock	Luminous Rise Investment Co., Ltd.	-	Designated as financial assets at fair value through profit or loss, non-current	10,200	102,000	40.00	102,000	None
Star Fusion Group Co., Ltd.	Stock	Deluxe Technology Group	-	Designated as financial assets at fair value through profit or loss, non-current	312	1,600	0.395	1,600	None
Mega Media Group Limited	Stock	Boom Fintech Inc.	-	Financial assets at fair value through other comprehensive income, non-current	250	-	9.22	-	None
Spectrum Electrics Corporation	Limited partnership	Outstanding Capital Limited Partnership	-	Designated as financial assets at fair value through profit or loss, non-current	-	28,023	4.86	28,022	None
Spectrum Electrics Corporation	Listed stock	Star Fusion Group Co., Ltd.	Parent company	Financial assets at fair value through other comprehensive income, non-current	7,771,290	378,462	7.12	378,462	None
Spectrum Electrics Corporation	Preferred Stock	Yu Chuan Intelligence Co., Ltd.	-	Financial assets at fair value through profit or loss, non-current	15,000	160,500	-	160,500	None
Spectrum Electrics Corporation	Preferred Stock	Luminous Rise Investment Co., Ltd.	-	Financial assets at fair value through profit or loss, non-current	2,000	31,060	-	31,060	None
Chander Electronics Corp.	Listed stock	Array Inc.	Other related parties	Financial assets at fair value through other comprehensive income, non-current	2	36	-	36	None
Chander Electronics Corp.	Listed stock	Star Fusion Group Co., Ltd.	Parent company	Financial assets at fair value through other comprehensive income, non-current	4,048	197,121	3.71	197,121	None
Chander Electronics Corp.	Stock	Super Energy Materials Inc.	Other related parties	Financial assets at fair value through other comprehensive income, non-current	4,544	78,085	9.51	78,085	None
Chander Electronics Corp.	Bonds	Star Fusion Group Co., Ltd.	Parent company	Designated as financial assets at fair value through profit or loss, non-current	400	38,800	13.33	38,800	5
Chander Electronics Corp.	Limited partnership	Cathay Private Equity Global Select Limited Partnership	-	Designated as financial assets at fair value through profit or loss, non-current	-	34,024	-	34,024	None
Chander Electronics Corp.	Listed stock	Spectrum Electrics Corporation	Other related parties	Designated as financial assets at fair value through profit or loss, non-current	1,120	27,216	0.46	27,216	None
Chander Electronics Corp.	Stock	Neweb Technologies Co., Ltd.	-	Designated as financial assets at fair value through profit or loss, current	5,379	186,996	7.12	186,996	None
Chander Electronics Corp.	Preferred Stock	Yu Chuan Intelligence Co., Ltd.	Other related parties	Financial assets at fair value through other comprehensive income, non-current	5,000	50,350	-	50,350	None
Chander Electronics Corp.	Preferred Stock	Luminous Rise Investment Co., Ltd.	Other related parties	Financial assets at fair value through other comprehensive income, non-current	8,500	132,005	-	132,005	None
Toptrend Technologies Corp.	Limited partnership	Wisdom Capital Limited Partnership	-	Designated as financial assets at fair value through profit or loss, non-current	-	29,560	-	29,560	None
Toptrend Technologies Corp.	Listed stock	Star Fusion Group Co., Ltd.	Parent company	Financial assets at fair value through other comprehensive income, non-current	821	39,960	0.75	39,960	None
Toptrend Technologies Corp.	Stock	Hanbang Precision Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	93	71	1.56	71	None
Toptrend Technologies Corp.	Preferred Stock	Zhu International Group Inc.	Other related parties	Financial assets at fair value through other comprehensive income, non-current	5,000	88,750	-	88,750	None
Toptrend Technologies Corp.	Preferred Stock	Luminous Rise Investment Co., Ltd.	Other related parties	Financial assets at fair value through other comprehensive income, non-current	3,500	54,355	-	54,355	None
Taiwan Mask Corporation	Common stock	China Steel Structure Co., Ltd.	-	Financial assets at fair value through profit or loss, current	14,299	599,128	7.15	599,128	None
Taiwan Mask Corporation	Common stock	Avision Inc. through private placement.	-	Financial assets at fair value through profit or loss, non-current	10,000	37,400	4.61	37,400	None
Taiwan Mask Corporation	Common stock	3S Silicon Tech Inc.	-	Financial assets at fair value through profit or loss, non-current	1,000	22,740	2.69	22,740	None
Taiwan Mask Corporation	Unsecured corporate bonds	Xsense Technology Corp	The parent company of the Company	Financial assets measured at amortized cost, current	-	100,000	-	100,000	None
Guang Ju Holding Co., Ltd.	Common stock	Microtek International	-	Financial assets at fair value through profit or loss, current	22,893	251,823	11.13	251,823	None
Guang Ju Holding Co., Ltd.	Common stock	Taiwan Mask	Parent company	Financial assets at fair value through profit or loss, non-current	35,331	1,248,966	11.14	1,248,966	None
Guang Ju Holding Co., Ltd.	Common stock	China Steel Structure Co., Ltd.	-	Financial assets at fair value through profit or loss, current	21,750	911,325	10.88	911,325	None
Guang Ju Holding Co., Ltd.	Common stock	B Current Impact Investment	The Company is a director of that company	Financial assets at fair value through profit or loss, non-current	1,000	10,000	10.00	10,000	None

Attachment 3: Securities held as of December 31, 2025

Names of companies held	Type of securities (Note 1)	Name of securities (Note 1)	Relationship with the Issuer (Note 2)	Financial statement account	December 31, 2025				Note (Note 4)
					Shares (in thousand)	Carrying amount (Note 3)	Shareholding (%)	Fair value	
Guang Ju Holding Co., Ltd.	Limited partnership	B Current Impact Investment Partnership	-	Financial assets at fair value through profit or loss, non-current	1,000	10,000	-	10,000	None
Guang Ju Holding Co., Ltd.	Limited partnership	Intellectual Property Innovation Corporation Partnership Fund	-	Financial assets at fair value through profit or loss, non-current	-	17,500	-	17,500	None
Guang Ju Holding Co., Ltd.	Limited partnership	Wisdom Capital Limited Partnership	-	Financial assets at fair value through profit or loss, non-current	-	82,802	-	82,802	None
Jing Hao Investment Co., Ltd.	Common stock	G-TECH ELECTRONICS LTD.	-	Financial assets at fair value through profit or loss, non-current	1,097	-	8.08	-	None
Jing Hao Investment Co., Ltd.	Common stock	MEMCHIP TECHNOLOGY CO., LTD.	-	Financial assets at fair value through profit or loss, non-current	187	-	3.13	-	None
Aptos Technology INC.	Common stock	TOPFUN TECHNOLOGY	-	Financial assets at fair value through other comprehensive income, non-current	100	-	12.27	-	None
Miko-China Enterprise (Shanghai)	Common stock	Shenzhen He Mei Jing Yi	-	Financial assets at fair value through profit or loss, non-current	480	21,581	0.27	21,581	None
Miracle Technology CO., LTD.	Common corporate bonds	Innova Vision Inc.	Related party	Financial assets measured at amortized cost, non-current	-	30,000	-	30,000	None
Red Sunrise Co., Ltd.	Stock	Spectrum Electrics Corporation	Other related parties	Designated as financial assets at fair value through profit or loss, current	979	23,792	0.40	23,792	None
Red Sunrise Co., Ltd.	Preferred Stock	Luminous Rise Investment Co., Ltd.	Other related parties	Designated as financial assets at fair value through profit or loss, current	4,700	72,991	0.37	72,991	None
Red Sunrise Co., Ltd.	Stock	Field System Inc.	-	Financial assets at fair value through other comprehensive income, non-current	10	-	2.39	-	None
Red Sunrise Co., Ltd.	Stock	Spreadsun Information Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	190	-	19.00	-	None
Red Sunrise Co., Ltd.	Limited partnership	CDIB-SKM Limited Partnership	-	Designated as financial assets at fair value through profit or loss, non-current	-	8,894	-	8,894	None
Red Sunrise Co., Ltd.	Stock	Star Fusion Group Co., Ltd.	Parent company	Financial assets at fair value through other comprehensive income, non-current	440	21,428	0.40	21,428	None
ALi Corporation	Stock	MiiiCasa Holding (Cayman) Inc.	-	Financial assets at fair value through profit or loss, non-current	5,000	-	6.90	-	None
ALi Corporation	Stock	EE SOLUTIONS, Inc.	-	Financial assets at fair value through profit or loss, non-current	696	-	2.40	-	None
ALi Corporation	Beneficiary certificates	NFC Fund III, LP.	-	Financial assets at fair value through profit or loss, non-current	228,269	227,672	-	227,672	None
Ali (BVI) Microelectronics Corporation	Beneficiary certificates	CMC Capital Investment, L.P.	-	Financial assets at fair value through profit or loss, non-current	-	8,496	-	8,496	None
ALi (China) Corporation	Convertible bonds	AIXlink Ltd.	Associate	Financial assets at fair value through profit or loss, current	-	-	-	-	6
ALi Corporation	Convertible preference share	Loftstar Interactive Entertainment Inc.	-	Financial assets at fair value through profit or loss, non-current	18,500	185,000	-	185,000	None
ALi Corporation	Convertible preference share	KIWI CAMPUS INC.	-	Financial assets at fair value through profit or loss, non-current	315	24,251	0.57	24,251	None
ALi (Zhuhai) Corporation	Structured deposit	Bank of Communications yuntong wealth fixed term structured deposit for 63 days	-	Financial assets at fair value through profit or loss, current	-	26,994	-	26,994	None

Note 1: Securities on the list refer to securities such as stocks, bonds, beneficiary certificates and securities derived from those items included in IFRS 9 “Financial Instruments”.
Note 2: Fields do not have to be filled in if the security issuer is not a related party.
Note 3: Securities which were acquired by using fair value method, please fill in amount based on calculating after adjustment from fair value minus accumulated impairment; fill in the rest amount based on original acquired cost or after amortization minus accumulated impairment.
Note 4: Listed securities due to guarantees, pledged loans, or others who are restricted by agreement shall specify in the remarks column the number of guarantees or the number of shares borrowed, the amount of the guarantee or the amount of the loan, and restrictions on use.
Note 5: During the third quarter of 2024, the Company’s subsidiary, Chander Electronics Corp., purchased domestic convertible bonds, issued by the Company in the open market. The transaction has been eliminated in the preparation of the consolidated financial statements.
Note 6: The above amount of convertible bonds held by ALi (China) Corporation was fully recognized as valuation loss on December 31, 2023.

Attachment 4: Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

Creditor	Counter-party	Relationship with the counter-party	Balance of receivables from related parties	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Array US	Array Networks India Private Limited	Same parent company	Accounts receivable-related parties	-	$397,903	-	$-	$-

Attachment 5: Names, locations and related information of investee companies (Not including investment in Mainland China)

Investor company	Investee company	Location	Main business and products	Original investment amount		Investment as of December 31, 2025			Net income (loss) of investee (Note 1)	Investment income (loss) recognized (Note 1)	Note
				Ending balance	Beginning balance	Number of shares (in thousand)	Percentage of ownership (%)	Book value			
Star Fusion Group Co., Ltd.	Loftstar Interactive Entertainment Inc.	Taiwan	Software wholesale and information software services	$177,533	$157,533	16,850	100.00	$(32,585)	$(5,707)	$(36,122)	Subsidiary
Star Fusion Group Co., Ltd.	Activision Entertainment Ltd.	Taiwan	Performing arts	6,000	6,000	-	100.00	756	(43)	(43)	Subsidiary
Star Fusion Group Co., Ltd.	Red Sunrise Co., Ltd.	Taiwan	Third-party payment services	183,149	191,519	7,417	41.32	194,127	3,373	(11,605) (Note4)	Subsidiary
Star Fusion Group Co., Ltd.	Gamebase Digital Media Corporation	Taiwan	Software publishing and information software services	187,000	187,000	18,700	100.00	26,129	(50,467)	(50,467)	Subsidiary
Star Fusion Group Co., Ltd.	Softstar Animation Limited	Samoa	Investment holding	20,831	29,888	692	100.00	(1,682)	(247)	(247)	Subsidiary
Star Fusion Group Co., Ltd.	Chia-e International Inc.	Taiwan	Internet-related	20,000	20,000	814	28.21	-	(1,039) (Note3)	-	Investee accounted for using the equity method
Star Fusion Group Co., Ltd.	Time Vision International Limited	Samoa	Investment holding	87,646	79,210	2,760	100.00	40,556	(8)	(7)	Subsidiary
Star Fusion Group Co., Ltd.	Spectrum Electrics Corporation	Taiwan	Electronic component manufacturing, lamination, research and development and trade of business operation	848,608	834,110	104,797	42.85	910,916	173,719	71,688 (Note4)	Subsidiary
Star Fusion Group Co., Ltd.	New Profit Holding Limited	Seychelles	Investment holding	24,703	24,703	1,616	100.00	28,208	449	449	Subsidiary
Star Fusion Group Co., Ltd.	JFN Investment Holding Corp.	BVI	Investment holding	78,605	78,605	13	100.00	88,751	1,664	1,664	Subsidiary
Star Fusion Group Co., Ltd.	Lanjing Ltd.	Taiwan	Investment holding	317,318	317,118	-	100.00	371,492	7,476	7,476	Subsidiary
Star Fusion Group Co., Ltd.	Jiwei Technology Ltd.	Taiwan	Investment holding	-	229,197	-	-	-	(143,253)	(50,104)	Subsidiary
Star Fusion Group Co., Ltd.	Chander Electronics Corp.	Taiwan	Electronic products distribution	256,197	230,523	11,707	14.50	74,995	98,947	5,122 (Note4)	Subsidiary
Star Fusion Group Co., Ltd.	Double Edge Entertainment Corp.	Taiwan	Film production and media distribution	34,926	34,926	1,591	30.31	7,666	(2,348)	(712) (Note4)	Investee accounted for using the equity method
Star Fusion Group Co., Ltd.	Softstar Singapore Private Limited	Singapore	Investment holding	3,191	3,191	135	100.00	1,604	(423)	(423)	Subsidiary
Star Fusion Group Co., Ltd.	Zhu International Group Inc.	Taiwan	Catering business	315,900	166,000	31,590	100.00	204,498	(54,401)	(52,626)	Subsidiary
Star Fusion Group Co., Ltd.	Yu Chuan Intelligence Co., Ltd.	Taiwan	Investment holding	155,000	10,000	15,500	83.78	38,877	(918,383)	(76,996)	Subsidiary
Star Fusion Group Co., Ltd.	Array Inc.	British Cayman Islands	Research, development, and sales of systems related to network connectivity security and network traffic acceleration	51,600	-	2,400	3.68	42,191	(356,789)	(12,897)	Subsidiary
Star Fusion Group Co., Ltd.	GOLDEN AVENUE GROUP Ltd.	Samoa	Investment holding	-	-	-	-	-	7,803	7,803	Subsidiary
Star Fusion Group Co., Ltd.	Luminous Rise Investment Co., Ltd.	Taiwan	Investment holding	400,100	-	40,010	40.00	399,983	(113,300)	(45,336)	Subsidiary
Loftstar Interactive Entertainment Inc.	Zhu International Group Inc.	Taiwan	Catering business	-	25,000	2,500	8.40	-	(54,401)	(1,774)	Subsidiary
Loftstar Interactive Entertainment Inc.	Tomohane Co., Ltd.	Japan	Game agent	9,500	-	1,500	100.00	9,345	(142)	(142)	Subsidiary
Loftstar Interactive Entertainment Inc.	Luminous Rise Investment Co., Ltd.	Taiwan	Investment holding	130,000	-	130,000	13.00	399,983	(113,300)	(14,726)	Subsidiary
Lanjing Ltd.	Chander Electronics Corp.	Taiwan	Electronic products distribution	316,703	316,703	17,479	21.64	371,299	98,947	7,473 (Note4)	Subsidiary
Zhu International Group Inc.	Yoshimoto Co., Ltd	Japan	Catering business	262,565	182,164	12	100.00	242,528	(4,687)	(4,687)	Subsidiary
Yoshimoto Co., Ltd	Dine Vita Group	Japan	Catering business	207,156	182,164	9,847	100.00	204,596	2,656	2,656 (Note4)	Subsidiary
Yoshimoto Co., Ltd	Cocoro International Japan	Japan	Real Estate Leasing	25,040	-	3,550	100.00	21,269	3,911	3,911	Subsidiary
Jiwei Technology Ltd.	Chander Electronics Corp.	Taiwan	Electronic products distribution	-	17,480	-	-	-	98,947	575 (Note4)	Subsidiary
Jiwei Technology Ltd.	Array Holdings for APGFIII Fund LPs	British Cayman Islands	Investment holding	284,535	201,134	-	100.00	211,752	(42,362)	(42,362)	Indirect subsidiary
New Profit Holding Limited	Chander Electronics Corp.	Taiwan	Electronic products distribution	24,213	24,213	1,274	1.58	28,109	98,947	546	Subsidiary
JFN Investment Holding Corp.	Chander Electronics Corp.	Taiwan	Electronic products distribution	78,480	78,480	4,131	5.11	88,624	98,947	1,765 (Note4)	Subsidiary
Yu Chuan Intelligence Co., Ltd.	ALi Corporation	Taiwan	Research, development, design and sales of chipsets for consumer electronic products and the provision of design and intellectual property rights services for the aforementioned integrated circuits.	500,319	-	23,152	16.51	386,789	(423,155)	(58,111)	Subsidiary
Luminous Rise Investment Co., Ltd.	Taiwan Mask Corporation	Taiwan	Research, development, manufacturing and sales of photomask and integrated circuits, providing technical assistance, consultation, inspection and repair of abovementioned products, and manufacturing and buying and selling of medical equipment	1,546,228	-	23,152	20.00	1,457,069	(1,184,514)	(102,318)	Subsidiary
Gamebase Digital Media Corporation	Niusnews Co., Ltd.	Taiwan	Advertisement and information software services	53,916	53,916	2,212	28.87	-	(1,505)	(435)	Investee accounted for using the equity method
Gamebase Digital Media Corporation	Mega Media Group Limited	Seychelles	General investment	93,260	93,260	2,800	100.00	16,551	(39,480)	(39,480)	Indirect subsidiary
Mega Media Group Limted	Niusnews Co., Ltd.	Taiwan	Advertisement and information software services	73,260	73,260	666	8.69	-	(1,505)	(131)	Investee accounted for using the equity method
Array Holdings for APGFIII Fund LPs	Array Inc.	British Cayman Islands	General investment	275,779 (Note3)	190,303	20,686	40.31	189,050	(107,207)	(40,824) (Note4)	Indirect subsidiary
Softstar Singapore Private Limited	Starlight Gaming India Private Limited	India	Game agent and marketing	3,124	3,124	800	99.99	1,548	(416)	(416)	Indirect subsidiary
Spectrum Electrics Corporation	Green Bless Co., Ltd.	Taiwan	Beauty and skincare products	94,736	94,736	2,900	100.00	7,068	(2,993)	(2,993)	Indirect subsidiary
Spectrum Electrics Corporation	Hang Zheng Technology Co., Ltd.	Taiwan	Wholesale of electronic equipments	55,000	55,000	5,500	55.00	74,556	26,434	14,539	Indirect subsidiary
Spectrum Electrics Corporation	Jiu He Yi Technology Co., Ltd.	Taiwan	Wholesale of electronic equipments	1,000	1,000	100	100.00	567	(16)	(16)	Indirect subsidiary
Spectrum Electrics Corporation	San Jiang Electric MFG. Co., Ltd.	Taiwan	Production and sale of transformers and distribution boards	1,530,127	1,293,127	35,700	100.00	1,851,479	188,811	180,567	Indirect subsidiary
Spectrum Electrics Corporation	Yu Chuan Intelligence Co., Ltd.	Taiwan	Investment holding	30,000	-	3,000	16.22	23,180	(50,684)	(8,167)	Subsidiary
Spectrum Electrics Corporation	Luminous Rise Investment Co., Ltd.	Taiwan	Investment holding	50,000	-	5,000	5.00	48,074	(31,595)	(1,579)	Subsidiary
San Jiang Electric MFG. Co., Ltd.	Luminous Rise Investment Co., Ltd.	Taiwan	Investment holding	150,000	-	15,000	15.00	144,221	(31,595)	(4,735)	Subsidiary
Red Sunrise Co., Ltd.	Sun Tech Co., Ltd.	Taiwan	Sale of vouchers and BNPL	121,000	101,000	12,100	100.00	94,494	(4,639)	(4,639)	Indirect subsidiary
Red Sunrise Co., Ltd.	Yousing Co. Ltd.	Taiwan	Wholesale and Sales of Agricultural Products	20,000	-	240	21.05	19,283	(20,437)	(717)	Investee accounted for using the equity method
Red Sunrise Co., Ltd.	Soundnet Tech Co., Ltd.	Taiwan	Design of computer software	1,820	1,820	282	100.00	-	-	-	Indirect subsidiary
Chander Electronics Corp.	Chander Electronics (HK) Corporation	Hong Kong	Distribution and trade of electronic components, integrated circuits, computer equipment and related products	126,964	118,585	32,697	100.00	17,554	(4,807)	(4,807)	Indirect subsidiary
Chander Electronics Corp.	Yun Fang Co., Ltd.	Taiwan	Tobacco, liquor, beverage, food and medical equipment wholesale and retail	5,000	5,000	500	100.00	1,801	653	537	Indirect subsidiary
Chander Electronics Corp.	Quan Zhe Metal Corp.	Taiwan	Electronic component products, information software wholesale and retail, and data processing services	3,313	3,313	331	82.81	620	-	-	Indirect subsidiary
Chander Electronics Corp.	Toptrend Technologies Corp.	Taiwan	Distribution and trade of electronic components, integrated circuits, computer equipment and related products	321,440	321,440	18,040	94.37	399,515	(1,496)	(4,334)	Indirect subsidiary
Chander Electronics Corp.	Dara Power Co., Ltd.	Taiwan	Electronic parts and components manufacturing and energy technical service	81,000	81,000	6,300	57.27	47,442	(37,941)	(20,026)	Indirect subsidiary
Chander Electronics Corp.	Changshin Sustainable Management Consulting Co., Ltd.	Taiwan	Management consulting and employment Agency Services	3,000	3,000	300	100.00	2,880	287	239	Indirect subsidiary
Chander Electronics Corp.	Changyun Co., Ltd.	Taiwan	Automobile retail and rental services	8,300	5,000	830	100.00	7,064	(1,226)	(1,239)	Indirect subsidiary
Chander Electronics Corp.	Jetfi Technology Co., Ltd.	Taiwan	Manufacture of Wired Communication Machinery and Equipment	10,000	-	1,000	13.58	10,000	(7,995)	-	Investee accounted for using the equity method
Chander Electronics Corp.	Neweb Technologies Co., Ltd.	Taiwan	Third-party payment services	-	163,911	-	-	-	42,625	6,110	(Note5)
Toptrend Technologies Corp.	Moment Semiconductor, Inc.	Taiwan	Retail and wholesale of memory products	45,000	-	4,500	52.17	10,265	(41,325)	(2,953)	Indirect subsidiary
Toptrend Technologies Corp.	Jetfi Technology Co., Ltd.	Taiwan	Manufacture of Wired Communication Machinery and Equipment	20,000	-	2,000	27.15	20,943	(7,995)	1,456	Investee accounted for using the equity method
Array Inc.	Array Cayman	British Cayman Islands	Investment holding	370,326	370,326	37,032	100.00	336,302	23,931	23,931	Indirect subsidiary
Array Inc.	Array Taiwan Inc.	Taiwan	Research and development of network functional platform products	50,000	30,000	5,000	100.00	(64,944)	(55,987)	(55,987)	Indirect subsidiary
Array Cayman	Array US	US	Research, manufacture and sale of Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions	189,177 (US6,019)	197,323 (US6,019)	-	100.00	336,302	(115,220)	(115,220)	Indirect subsidiary

Attachment 5: Names, locations and related information of investee companies (Not including investment in Mainland China)

Investor company	Investee company	Location	Main business and products	Original investment amount		Investment as of December 31, 2025			Net income (loss) of investee (Note 1)	Investment income (loss) recognized (Note 1)	Note
				Ending balance	Beginning balance	Number of shares (in thousand)	Percentage of ownership (%)	Book value			
			and Application Acceleration								
Array Cayman	Zentry Security Inc.	US	Zentry modernizes the secure access with enhanced security, improved productivity, and ease of use. It helps customers migrate to Zero Trust Security model from obsolete perimeter model (Firewall & VPN)	-	367,192 (US11,200)	-	99.95	-	139,151	139,151	Indirect subsidiary
Array US	Array Networks Japan Kabishiki Kaisha	Japan	Research, manufacture and sale of Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	2,006 (JPY10,000)	2,754 (JPY10,000)	200	100.00	19,084	648	648	Indirect subsidiary
Array US	Array Networks India Private Limited	India	Research, manufacture and sale of Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	43,989 (INR125,774)	55,144 (INR125,774)	-	100.00	69,527	(7,795)	(7,795)	Indirect subsidiary
ALi Corporation	Ali (BVI) Micronics Corporation	BVI	Investment company	3,102,325	3,102,325	101,417	100.00	404,509	(90,249)	(89,133)	Indirect subsidiary
ALi Corporation	Alitech India LLP	India	Research and development and customer technical services	5,850	5,850	-	99.00	9,514	1,390	1,376	Indirect subsidiary
ALi Corporation	Ali Innovations Corporation	Cayman Islands	Investment company	105,571	105,571	3,700	100.00	(391,768)	(8,051)	(8,051)	Indirect subsidiary
ALi Corporation	Jiwei Technology Ltd.	Cayman Islands	Investment company	531,443	-	29,880	100.00	121,026	(143,253)	(106,852)	Indirect subsidiary
ALi Corporation	Luminous Rise Investment Co., Ltd.	Taiwan	Investment holding	270,000	-	27,000	27.00	242,989	(113,300)	(30,584)	Subsidiary
Jiwei Technology Ltd.	Array Holdings for APGFIII Fund LPs	British Cayman Islands	Investment holding	284,535	-	-	100.00	110,235	(143,069)	(143,069)	Indirect subsidiary
Array Holdings for APGFIII Fund LPs	Array Inc.	British Cayman Islands	Investment holding	275,779	-	20,686	40.31	87,533	(356,789)	(143,822)	Indirect subsidiary
Ali (BVI) Micronics Corporation	Alitech India LLP	India	Research and development and customer technical services	52	52	-	1.00	96	1,390	14	Indirect subsidiary
Taiwan Mask Corporation	SunnyLake Park International Holdings, Inc.	BVI	Re-investment	103,045	103,045	3,120	100.00	5,674	(73)	(73)	Indirect subsidiary
Taiwan Mask Corporation	Guang Ju Holding Co., Ltd.	Taiwan	Re-investment	1,960,000	1,260,000	404,878	100.00	111,445	(1,808,643)	(625,302)	Indirect subsidiary
Taiwan Mask Corporation	Advagene Biopharma Co., Ltd.	Taiwan	Medical, R&D, manufacturing	163,715	165,686	11,997	20.20	30,760	(68,289)	(13,868)	Investee accounted for using the equity method
Taiwan Mask Corporation	Miracle Technology CO., Ltd.	Taiwan	Electronics components manufacturing, electronics materials and precision equipment distribution and power component	252,651	252,651	22,955	100.00	316,749	(235,087)	(235,087)	Indirect subsidiary
Taiwan Mask Corporation	Weida Hi-Tech Co., Ltd.	Taiwan	Display panel control chip and other module's research, design, development, manufacturing and sales	293,371	293,371	12,177	28.20	13,347	(43,762)	(12,398)	Investee accounted for using the equity method
Taiwan Mask Corporation	Innova Vision Inc.	Taiwan	Manufacturing, retail, wholesale and international trade of medical equipment	688,924	598,721	23,417	53.11	89,857	(139,559)	(89,957)	Indirect subsidiary
Taiwan Mask Corporation	ONE TEST SYSTEMS	US	Research, development and design of test equipment and related components	121,372	121,372	940	100.00	(48)	(84,050)	(84,050)	Indirect subsidiary
Taiwan Mask Corporation	Pilot Energy Co., Ltd.	Taiwan	Electronic parts and components and energy technical services	130,800	180,000	3,380	20.00	23,098	(129,141)	(25,828)	Indirect subsidiary
Taiwan Mask Corporation	Magpie Energy Co., Ltd.	Taiwan	Chemical Products Manufacturing	49,200	-	1,640	20.00	25,165	(111)	(22)	Indirect subsidiary
Taiwan Mask Corporation	TrueLight Corporation	Taiwan	Fiber-optic communication related products	410,400	410,400	13,500	12.11	363,237	(155,331)	(18,811)	Investee accounted for using the equity method
Taiwan Mask Corporation	Aiwan Laser Welding Technology Corporation	Taiwan	Laser welding of thick steel plates	270,000	-	27,000	100.00	220,174	(11,341)	(11,341)	Indirect subsidiary
Guang Ju Holding Co., Ltd.	Xsense Technology Corporation	BVI	Precious metal coating	325,965	325,965	1	100.00	6,075	(149)	(149)	Indirect subsidiary
Guang Ju Holding Co., Ltd.	Xsense Technology Corporation (B.V.I.)	Taiwan	Precious metal coating	-	-	12,189	53.00	(381,545)	(341,492)	(180,980)	Indirect subsidiary
Guang Ju Holding Co., Ltd.	Aptos Technology Inc.	Taiwan	Design, packaging and testing of NAND flash memory, solid state drives and the related products	434,692	434,692	28,481	47.19	(169,468)	(75,095)	(35,436)	Indirect subsidiary
Guang Ju Holding Co., Ltd.	Innova Vision Inc.	Taiwan	Manufacturing, retail, wholesale and international trade of medical equipment	151,533	151,533	47	0.11	344	(139,559)	(175)	Indirect subsidiary
Guang Ju Holding Co., Ltd.	Digital-Can Tech. Co., Ltd.	Taiwan	3D Printing and Plastic Mold Design	139,072	139,072	7,281	57.39	117,209	(15,761)	(9,045)	Indirect subsidiary
Guang Ju Holding Co., Ltd.	Pilot Energy Co., Ltd.	Taiwan	Electronic parts and components and energy technical services	97,183	178,500	6,572	38.89	74,533	(129,141)	(50,221)	Indirect subsidiary
Guang Ju Holding Co., Ltd.	Magpie Energy Co., Ltd.	Taiwan	Chemical Products Manufacturing	81,317	-	3,189	38.89	53,765	(111)	(43)	Indirect subsidiary
Guang Ju Holding Co., Ltd.	Moment Semiconductor, Inc.	Taiwan	Retail and wholesale of memory products	43,590	43,590	2,180	25.27	15,753	(41,325)	(20,355)	Subsidiary
Guang Ju Holding Co., Ltd.	BKS Tec Corp.	Taiwan	Electronics Components Manufacturing	30,000	30,000	6,000	38.91	-	(47,562)	(18,589)	Investee accounted for using the equity method
Aptos Technology INC.	New Sunrise Limited	Samoa	Re-investment	-	-	-	100.00	-	-	-	(Note6)
ADL Energy Corp	Aptos Global Holding Corp.	Seychelles	Re-investment	29,795	29,795	10,000	100.00	-	-	-	Indirect subsidiary
Miracle Technology CO., Ltd.	Jing Hao Investment Co., Ltd.	Taiwan	Re-investment	10,012	10,012	23,875	100.00	298,218	19,308	19,308	Indirect subsidiary
Jing Hao Investment Co., Ltd.	Miko Technology Co., Ltd	Hong Kong	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	37	37	10	100.00	6,770	(3)	(3)	Indirect subsidiary
Innova Vision Inc.	Innova Technology	Taiwan	Sales of contact lens	64,650	64,650	3,000	100.00	(1,068)	2,432	2,432	Indirect subsidiary
Innova Vision Inc.	Innova Vision (B.V.I) Inc.	BVI	Re-investment	60,157	60,157	1,000	100.00	(405)	443	443	Indirect subsidiary
Innova Vision Inc.	iPro Vision Inc.	Japan	Sales of contact lens	84,204	84,204	6	52.03	(632)	924	481	Indirect subsidiary
Innova Vision (B.V.I) Inc.	iPro Vision Inc.	Japan	Sales of contact lens	56,420	56,420	6	47.97	(582)	924	443	Indirect subsidiary
Pilot Energy Co., Ltd.	ADL Energy Corp	Taiwan	Electronic parts and components and energy technical services	413,050	413,050	9,985	100.00	28,107	(3,816)	(3,816)	Indirect subsidiary

Note 1: If the listed company set up the overseas investment company and consolidated financial statements are primary financial statements under local regulations, information about overseas investees can be disclosed only to the extent of the overseas investment company.
Note 2: If not qualified for the situation stated in Note 1, the above table should be made under rules as follows:
(1)Information about the Company's investments should be filled in the "Investee", "Location", "Main business", "Original investment" and "Investment as of December 31, 2018" columns. The relationship between the investee and the Company should be filled in the "Note" column.
(2)The net income for the year of each investee should be filled in the "Net income (loss) of investee" column.
(3)Only the investment income (loss) of subsidiaries or investees accounted for using the equity method recognized by the Company should be filled in the "Investment income (loss) recognized" column. The investment income (loss) recognized should include investment income (loss) recognized by the investee.
Note 3: The original investment was completed through share swap.
Note 4: Including the amortization of differences between the carrying amount and the fair value based the purchase price allocation reports.
Note 5: Chander Electronics Corp. resigned from all board seats of Neweb Technologies Co., Ltd. on June 30, 2025, thereby losing significant influence over Neweb Technologies Co., Ltd. and discontinuing the application of the equity method of accounting.
Note 6: As of December 31, 2025, the share capital subscription amount had not yet been remitted

Attachment 6-1: Informations on investments in Mainland China - Chander Electronics Corp.

1. The following table presents names, main businesses and products, total amount of paid-in capital, method of investment, accumulated outflow of investment from Taiwan, investment income recognized, carrying amount, and accumulated inward remittance of earnings on investment of investees in Mainland China

Investee Company	Main business and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as at January 1,2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31,2025	Net income (loss) of investee Company	Percentage of ownership	Investment income (loss) recognized (Note 2)	Carrying value as of December 31,2025	Accumulated inward remittance of earnings as of December 31,2025	Note
					Outflow	Inflow							
Trendwin Electronics (Shenzhen) Corporation	Distribution and trade of electronic	HKD -	2	HKD 7,639	$-	$-	HKD 7,639	$-	-	$-	$-	$-	
(Note3)	components, integrated circuits,			(USD980)			(USD980)						
	computer equipment and related products.												
Changsha Zecheng Technology Co., Ltd.	Distribution and trade of electronic	41,313	1	30,981	10,332.00	-	41,313	(8,902)	100%	(8,545)	10,545	-	
(Note4)	components, integrated circuits,	(USD994)		(USD994)			(USD994)						
	computer equipment and related products.	(CNY2,400)			(CNY2,400)		(CNY2,400)						

2. Investment quota for Mainland China:

Accumulated investment in Mainland China as of December 31, 2025	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment in accordance with Ministry of Economic Affairs regulations (Note 5)
USD 1,974 CNY 2,400	USD 1,974 CNY 3,000	677,744

Note 1: The method for engaging in investment in Mainland China include the following：
(1) Direct investment in Mainland China with capital increase through companies registered in third region.
(2) Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of company in third region)
(3) Other method.

Note 2: For the investment income (loss) recognized in current period, the investment income (loss) was determined based on the following basis:
(1) It should be noted if it is in preparation which there is no investment profit or loss.
(2) The investment income (loss) were determined based on the following basis:
A.The financial statement was audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.
B.The financial statement was audited by the auditors of the parent company.
C.Others.

Note 3: Trendwin Electronics (Shenzhen) Corporation was liquidated in mainland China in August 2016, but the registration in the Investment Commission, MOEA has not yet been cancelled.

Note 4: All intra-group transactions, balances, income and expenses are eliminated in full uponconsolidation.

Note 5: The upper limit of investment amount in Mainland China is the higher of 60% of the net value or 60% of consolidated net value.

Attachment 6-2: Informations on investments in Mainland China - ALi Corporation

1. The following table presents names, main businesses and products, total amount of paid-in capital, method of investment, accumulated outflow of investment from Taiwan, investment income recognized, carrying amount, and accumulated inward remittance of earnings on investment of investees in Mainland China

Investee Company	Main business and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as at January 1,2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31,2025	Net income (loss) of investee Company	Percentage of ownership	Investment income (loss) recognized (Note 2)	Carrying value as of December 31,2025	Accumulated inward remittance of earnings as of December 31,2025	Note
					Outflow	Inflow							
ALi (Zhuhai) Corporation	Research and development and customer technical services	$25,700	2.1	$ 21,568	-	-	$ 21,568	$(47,208)	100%	$(47,208)	$ 105,773	-	
ALi (China) Corporation	Research and development and customer technical services	83,426	2.1	134,152	-	-	134,152	(83,660)	100%	(83,660)	404,274	-	Note5
Zhuhai Feiyang Management Consulting Partnership (Limited Partnership)	Investment company	1,798	2.1	-	-	-	-	(2,304)	91.75%	(2,114)	6,991	-	Note4
ALi (Chengdu) Corporation	Research and development and customer technical services	85,424	1	95,296	-	-	95,296	(4,672)	100%	6,235	7,283	-	
Xsail Technology Co., Ltd.	Research and development and customer technical services	8,992	2.1	-	-	-	-	(11,538)	98.35%	(11,347)	37,451	-	Note4
AIXlink Ltd.	Research and development and customer technical services	144,021	2.2	84,448	-	-	84,448	(4,637)	32.32%	-	-	-	

2. Investment quota for Mainland China:

Accumulated investment in Mainland China as of December 31, 2025	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment in accordance with Ministry of Economic Affairs regulations
$335,464	$510,871	Note6

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:
(1). Directly invest in a company in Mainland China
(2). Through investing in an existing company in the third area, which then invested in the investee in Mainland China
(2.1). Through investing in ALi (BVI) Microelectronics Corporation in the third area, which then invested in the investee in Mainland China
(2.2). Through investing in ALi Innovations Corporation in the third area, which then invested in the investee in Mainland China
(3). Others

Note 2: For the investment income (loss) recognized in current period, the investment income (loss) was determined based on the following basis:
(1) It should be noted if it is in preparation which there is no investment profit or loss.
(2) The investment income (loss) were determined based on the following basis:
A.The financial statement was audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.
B.The financial statement was audited by the auditors of the parent company.
C.Others.

Note 3: The upper limit of investment amount in Mainland China is the higher of 60% of the net value or 60% of consolidated net value.

Note 4: ALi (China) Corporation used its own capital to make capital contributions to Zhuhai Feiyang Management Consulting Partnership (Limited Partnership) and Xsail Technology Co., Ltd.

Note 5: The investment amount of US$1,290 thousand previously made by the Company in ALi (Shanghai) Corporation, which was liquidated in August 2019, has been recovered by the Company's subsidiary, ALi (China) Corporation.

Note 6: The Company received an approval letter issued by the Industrial Development Bureau of the Ministry of Economic Affairs on November 1, 2024, effective from October 24, 2024 to October 23, 2027. Hence, calculation of investment limit is not needed.

Attachment 6-3: Informations on investments in Mainland China - Taiwan Mask Corporation

1. The following table presents names, main businesses and products, total amount of paid-in capital, method of investment, accumulated outflow of investment from Taiwan, investment income recognized, carrying amount, and accumulated inward remittance of earnings on investment of investees in Mainland China

Investee Company	Main business and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as at January 1,2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31,2025	Net income (loss) of investee Company	Percentage of ownership	Investment income (loss) recognized (Note 2)	Carrying value as of December 31,2025	Accumulated inward remittance of earnings as of December 31,2025	Note
					Outflow	Inflow							
Miko-China Enterprise (Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	$3,283	1	$ 3,283	$-	$-	$ 3,283	$23,868	100%	$23,868	$ 369,926	$93,573	Note 2 (2) C
Miracle International Enterprise(Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	10,215	1	10,215	-	-	10,215	1,006	100%	1,006	105,300	-	Note 2 (2) C, Note 3
Sichuan Miracle Power Technology	IC product design, production and sales	53,676	1	-	-	-	-	(45,241)	100%	(45,241)	516	-	Note 2 (2) C

2. Investment quota for Mainland China:

Name of Company	Accumulated investment in Mainland China as of December 31, 2025	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment in accordance with Ministry of Economic Affairs regulations (Note 4)
Miracle Technology CO., LTD.	$13,498	$13,498	119,321

Note 1: The method for engaging in investment in Mainland China include the following：
(1) Direct investment in Mainland China with capital increase through companies registered in third region.
(2) Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of company in third region)
(3) Other method.

Note 2: For the investment income (loss) recognized in current period, the investment income (loss) was determined based on the following basis:
(1) It should be noted if it is in preparation which there is no investment profit or loss.
(2) The investment income (loss) were determined based on the following basis:
A.The financial statement was audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.
B.The financial statement was audited by the auditors of the parent company.
C.Others.

Note 3: It was originally invested through Misun Technology Co., Ltd. Since the aforementioned company has gone through dissolution and liquidation, it has been changed to Miracle Technology Co., Ltd. directly investing in Miracle International Enterprise (Shanghai) Co., Ltd.

Note 4: The upper limit of investment amount in Mainland China is the higher of 60% of the net value or 60% of consolidated net value.

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Statement of short-term borrowings	Note 6 (9)
Statement of accounts payable	6
Statement of other payables	Note 6 (10)
Statement of long-term borrowings (including current portion of long-term borrowings)	Note 6 (11)
Statement of lease liabilities	7
Major accounting items in profit or loss	
Statement of operating revenue	Note 6 (16)
Statement of operating costs	8
Statement of marketing expense	9
Statement of general and administrative expenses	10
Statement of research and development expenses	11
Statement of other gains and losses	Note 6 (20) (C)
Statement of financial costs	Note 6 (20) (D)
Statement of labor, depreciation and amortization by function for the current period	Note 6 (19)

STAR FUSION GROUP CO., LTD.

1. Statement of cash and cash equivalents

December 31, 2025

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Cash on hand	Including JPY $150,000.00 CNY $8,000.00 USD $2,500.00	$230	1. None of these savings was pledged. 2. As of December 31, 2025
Demand deposits	Including JPY $1,185.00 CNY $3,635.36 USD $4,762.73 HKD $2,575.94	96,543	Exchange rate: JPY1 = NTD 0.2008 CNY1 = NTD 4.5 USD1 = NTD 31.43 USD1 = HKD 4.04
Total		$96,773	

STAR FUSION GROUP CO., LTD.

2. Statement of accounts receivable, net

December 31, 2025

In Thousands of New Taiwan Dollars

Customer name	Amount	Note
Related Parties		
Dara Power Co., Ltd.	$1,800	
Loftstar Interactive Entertainment Inc.	1,772	
Zhu International Group Inc.	100	
Chander Electronics Corp.	43	
Green Bless Co., Ltd.	26	
Less: loss allowance	-	
Subtotal	3,741	
Third Parties		
Customer A	$3,211	
Customer B	2,908	
Customer C	2,093	
Customer D	968	
Others	1,411	The amount of individual customer in othersdoes not exceed 5% of the account balance.
Less: loss allowance	(2,829)	
Subtotal	7,762	
Total	$11,503	

STAR FUSION GROUP CO., LTD.

3. Statement of prepayment

December 31, 2025

In Thousands of New Taiwan Dollars

Customer name	Amount	Note
Prepayment for purchases	$15,197	
Prepaid professioanl fee	3,420	
Others	3,802	The amount of individual customer in others does not exceed 5% of the account balance.
Total	22,419	

STAR FUSION GROUP CO., LTD.

4. Statement of changes in investments accounted for using equity method

For the Year Ended December 31, 2025

In Thousands of Shares/ New Taiwan Dollars

Investee	Beginning balance		Additions (Note)		Disposals (Note)		Investment (Loss) Income	Ending balance			Fair value / Net assets value		Collateral	Note
	Shares	Amount (Adjusted)	Shares	Amount	Shares	Amount	Amount	Shares	%	Amount	Unit Price (NTD)	Total amount		
Spectrum Electrics Corporation	103,988	$850,569	809	$14,498	-	$(25,839)	$71,688	104,797	43%	$910,916	$8.69	$910,916		
Luminous Rise Investment Co., Ltd.	-	-	40,010	445,319	-	-	(45,336)	40,010	40%	399,983	10.00	399,983	None	
Lanjing Ltd.	-	368,336	-	200	-	(4,520)	7,476	-	100%	371,492	-	371,492	None	
Zhu International Group Inc.	16,600	134,178	14,990	149,900	-	(26,954)	(52,626)	31,590	100%	204,498	6.47	204,498	None	
Red Sunrise Co., Ltd.	7,756	196,006	-	18,097	339	(8,371)	(11,605)	7,417	41%	194,127	26.17	194,127	None	
JFN Investment Holding Corp.	13	88,155	-	-	-	(1,068)	1,664	13	100%	88,751	6,827.00	88,751	None	
Chander Electronics Corp.	10,378	62,981	1,329	25,673	-	(18,781)	5,122	11,707	14.50%	74,995	6.41	74,995	None	
Array Inc.	-	-	2,400	55,088	-	-	(12,897)	2,400	4%	42,191	17.58	42,191	None	
Yu Chuan Intelligence Co., Ltd.	1,000	9,971	14,500	145,000	-	(39,098)	(76,996)	15,500	83.78%	38,877	2.51	38,877	None	
Time Vision International Limited	2,500	62,411	260	8,437	-	(30,285)	(7)	2,760	100%	40,556	-	40,556	None	
New Profit Holding Limited	1,616	28,089	-	-	-	(330)	449	1,616	100%	28,208	17.46	28,208	None	
Gamebase Digital Media Corporation	18,700	68,304	-	8,292	-	-	(50,467)	18,700	100%	26,129	1.40	26,129	None	
Softstar Singapore Private Limited	135	2,242	-	-	-	(215)	(423)	135	100%	1,604	11.88	1,604	None	
Activision Entertainment Ltd.	-	799	-	-	-	-	(43)	-	100.00%	756	-	756	None	
Jiwei Technology Ltd.	-	218,862	-	-	-	(168,758)	(50,104)	-	100.00%	-	-	-	None	
GOLGEN AVENUE Group Ltd.	-	546	-	-	-	(8,349)	7,803	-	-%	-	-	-	None	
Softstar Animation Limited	980	7,622	-	-	288	(9,057)	(247)	692	100.00%	(1,682)	(2.43)	(1,682)	None	
Loftstar Interactive Entertainment Inc.	14,850	(25,473)	2,000	29,010	-	-	(36,122)	16,850	100.00%	(32,585)	(1.93)	(32,585)	None	
Double Edge Entertainment Corp.	1,591	10,175	-	-	-	(1,797)	(712)	1,591	30.31%	7,666	4.82	7,666	None	
Chia-e International Inc.	814	-	-	-	-	-	-	814	28.21%	-	-	-	None	
Total		$2,083,773		$899,514		$(343,422)	$(243,383)			$2,396,482				

Note: The increases and decreases for the current period include capital increases/decreases, changes in capital surplus, adjustments for accumulated exchange differences, and other items.

STAR FUSION GROUP CO., LTD.

5. Statement of changes in cost, accumulated depreciation and accumulated impairment of right-of-use assets

December 31, 2025

In Thousands of New Taiwan Dollars

Investee	Beginning balance	Additions	Disposals	Ending balance	Note
Cost					
Buildings	$55,044	$5,788	$(30,611)	$30,221	
Accumulated depreciation and accumulated impairment					
Buildings	(18,926)	(12,272)	16,598	$(14,600)	
Carrying amount, net	$36,118	$(6,484)	$(14,013)	$15,621	

STAR FUSION GROUP CO., LTD.

6. Statement of accounts payable

December 31, 2025

In Thousands of New Taiwan Dollars

Vendor name	Amount	Note
Third Parties		
Vendor A	$8,266	
Vendor B	5,241	
Vendor C	3,145	
Vendor D	2,335	
Others	3,717	The amount of individual item in others does not exceed 5% of the account balance.
Total	$22,704	

SOFTSTAR ENTERTAINMENT INC.

7. Statement of lease liabilities

December 31, 2025

In Thousands of New Taiwan Dollars

Item	Contract period	Discount rates applied	Description	Amount	Note
Buildings	2024.09~2027.10	2.68%	Current	$4,955	
		2.68%	Non-current	4,231	
			Subtotal	$9,186	
Buildings	2025.04~2028.03	2.79%	Current	$1,859	
		2.79%	Non-current	2,408	
			Subtotal	$4,267	
Buildings	2024.12~2028.01	2.68%	Current	$1,310	
		2.68%	Non-current	1,460	
			Subtotal	$2,770	
Others			Current	$200	The amount of individual item in others does not exceed 5% of the account balance.
			Non-current	117	
			Subtotal	$317	
			Total	$16,540	
			Current	$8,324	
			Non-current	$8,216	

STAR FUSION GROUP CO., LTD.

8. Statement of operating costs

For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Item	Amount		Note
	Description	Total	
Labor cost		$48,512	
Other operating costs		16,971	
Total		$65,483	

STAR FUSION GROUP CO., LTD.

9. Statement of marketing expenses

For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Item	Amount	Note
Advertising expense	$54,744	
Salaries	30,702	Including pension expense.
Other expenses	18,836	The amount of individual item in others does not exceed 5% of the account balance.
Total	$104,282	

STAR FUSION GROUP CO., LTD.

10. Statement of general and administrative expenses

For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Item	Amount	Note
Salaries	$64,088	Including pension expense.
Labor expense	32,451	
Miscellaneous expense	10,585	
Depreciation	8,818	
Rental expenses	8,246	
Other expenses	22,425	The amount of individual item in others does not exceed 5% of the account balance.
Total	$146,613	

STAR FUSION GROUP CO., LTD.

11. Statement of research and development expenses

For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Item	Amount	Note
Salaries	$51,938	Including pension expense.
Depreciation	$6,741	
Purchase of miscellaneous items	$5,649	
Insurance expense	5,186	
Other expenses	11,245	The amount of individual item in others does not exceed 5% of the account balance.
Total	$80,759	