

SOLOMON Technology Corporation and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Report
2025 and 2024
(Stock Code 2359)

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SOLOMON Technology Corporation and Subsidiaries
2025 and 2024 Consolidated Financial Statements and Independent Auditors' Report
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SOLOMON Technology Corporation
Declaration of Consolidated Financial Statements of Affiliates

The Company hereby declares that considering that the companies to be included in the consolidated financial statements of affiliates under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” were the same as those to be included in the consolidated financial statements of the parent and subsidiaries under IFRS 10 in 2025 (from January 1 to December 31, 2025), and the related information to be disclosed in the consolidated financial statements of affiliates was already disclosed in the said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliates were prepared separately.

This declaration is therefore made.

Company Name: SOLOMON Technology Corporation

Person in Charge: Chen Cheng-Lung

March 13, 2026

Independent Auditors' Report

(2026) Letter Cai-Shen-Bao-Zi No. 25005193

To SOLOMON Technology Corporation:

Audit Opinions

We audited the consolidated balance sheets of SOLOMON Technology Corporation and its subsidiaries (hereinafter referred to as "Solomon Group") as of December 31, 2025 and 2024, and their consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the periods from January 1 to December 31, 2025 and 2024 and the notes to the consolidated financial statements (including the summary of material accounting policies).

In our opinion, based on our audit results and other independent auditors' reports (please refer to Other Matters paragraphs), with respect to all material aspects, the foregoing consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and interpretation pronouncements endorsed and issued into effect by the Financial Supervisory Commission, and thus provided a fair presentation of the consolidated financial positions of Solomon Group on December 31, 2025 and 2024 and the consolidated financial performance and cash flows for the periods from January 1 to December 31, 2025 and 2024.

Basis for Audit Opinions

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards in the Republic of China. Our responsibilities under such standards are further described in the paragraph of Responsibilities of CPAs for the Audit of the Consolidated Financial Statements. As CPAs who are subject to independence requirements, we have, in accordance with the Standards of Professional Ethics for Certified Public Accountants of the Republic of China, remained independent from Solomon Group and fulfilled all other responsibilities under the requirements. According to our audit results and other independent auditors' reports, we believe that we have acquired sufficient and appropriate audit evidence as the basis of our audit opinions.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of Solomon Group for 2025. Such matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinions thereon, we have not provided any separate opinions on these matters.

The key audit matters for Solomon Group's consolidated financial statements for 2025 are described as follows:

Impairment Assessment of Accounts Receivable

Matter description

Please refer to Notes 4 (10) and 4 (11) to the consolidated financial statements for the accounting policies for accounts receivable. Please refer to Note 5 (2) to the consolidated financial statements for the uncertainty of accounting estimates and assumptions for impairment on accounts receivable. Please refer to Note 6 (5) to the consolidated financial statements for the description of the accounts receivable account. Solomon Group's accounts receivable and loss allowance as of December 31, 2025 were NT\$852,489 thousand and NT\$18,143 thousand, respectively.

Solomon Group's assessment of impairment on accounts receivable is affected by many factors, such as customers' financial position, internal credit ratings, and historical transaction records, which may affect the credit quality of customers, and the expected credit losses are assessed based on the assessment results. Considering that the aforementioned assessment often involves the subjective

judgment of the management and the influence of Solomon Group's accounts receivable and its valuation amount on the financial statements is material, we deem the impairment assessment of accounts receivable to be one of the key audit matters.

Responsive audit procedures

The responsive procedures that we implemented for the impairment assessment of accounts receivable are listed as follows:

1. Understanding the credit risk management procedures of Solomon Group, including the management of customer credit limits and the assessment of expected credit losses; reviewing and testing the correctness of each aging interval; and recalculating the expected credit losses.
2. Understanding the reason for failure to collect material accounts receivable after the normal loan period expired or reviewing the subsequent collection of the accounts receivable to assess the recoverability of accounts receivable.

Valuation of inventory

Matter description

Please refer to Note 4 (14) to the consolidated financial statements for the accounting policies for inventory valuation. Please refer to Note 5 (2) to the consolidated financial statements for the uncertainty of accounting estimates and assumptions for inventory valuation. Please refer to Note 6 (6) to the consolidated financial statements for the description of the inventory account. Solomon Group's inventory and allowance for devaluation losses as of December 31, 2025 were NT\$2,229,296 thousand and NT\$60,143 thousand, respectively.

Solomon Group is mainly engaged in the manufacturing and sale of generators, semiconductors, electronic parts and LCDs. Solomon Group's inventory is measured at the lower of cost or net realizable value. Due to the short life cycle of electronic products and fierce market competition, there is a higher risk of inventory devaluation and obsolescence. For inventory whose age exceeds a certain period of time, the net realizable value is extrapolated based on the level of destocking. Considering that the amount of inventory is material with plenty of items and the net realizable value used for the valuation of obsolete inventory often involves the subjective judgment of the management, we deem inventory valuation to be one of the key audit matters.

Responsive audit procedures

The responsive procedures that we implemented for inventory valuation are listed as follows:

1. Assessing Solomon Group's accounting assumption policies for inventory devaluation losses and reviewing the consistency of the financial statements for the periods presented according to our understanding of its business and the industry that it is in.
2. Reviewing SOLOMON Technology Corporation's annual inventory plan and participating in its annual inventory to assess the effectiveness of the management's separation and control of obsolete inventory.
3. Verifying the appropriateness of the logic of the inventory aging reporting system used by the management for valuation to make sure the information in the financial statements was consistent with Solomon Group's policies.
4. Verifying the amount that Solomon Group used to determine if its inventory was obsolete and the net realizable value of its inventory, and recalculating the inventory devaluation losses to assess the reasonableness of the devaluation losses.

Other Matters – Reference to the Audits of Other CPAs

The financial statements of some subsidiaries of Solomon Group included in its consolidated financial statements and of its investee companies accounted for using the equity method were audited by other CPAs instead of us. Therefore, our opinions expressed on the foregoing consolidated financial statements with respect to the amounts in the financial statements of such companies were based on the CPAs' reports. The subsidiaries' total assets on December 31, 2025 and 2024, were NT\$686,650 thousand and NT\$636,954 thousand, respectively, accounting for 6.8% and 6.4% of the total consolidated assets. Their operating income for the periods from January 1 to December 31,

2025 and 2024, was NT\$133,437 thousand and NT\$183,781 thousand, respectively, accounting for 3.1% and 5.2% of the consolidated net operating income. The balance of investments in the investee companies accounted for using the equity method on December 31, 2025 and 2024, amounted to NT\$34,943 thousand and NT\$36,179 thousand, respectively, accounting for 0.3% and 0.4% of the total consolidated assets. Their comprehensive income for the periods from January 1 to December 31, 2025 and 2024, amounted to NT\$(1,229) and NT\$(1,914) thousand, respectively, accounting for (0.6%) and (1.0%) of the total consolidated comprehensive income.

Other Matters – Parent-only Financial Statements

SOLOMON Technology Corporation prepared its parent-only financial statements for 2025 and 2024. For the parent-only financial statements, we have issued an audit report with an unqualified opinion and Other Matters paragraphs for reference.

Responsibilities of the Management and Governance Unit for the Consolidated Financial Statements

The management was responsible for preparing the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and interpretation pronouncements endorsed and issued into effect by the Financial Supervisory Commission and maintaining necessary internal control related to the preparation of the consolidated financial statements to ensure that the consolidated financial statements were free of material misstatements due to fraud or error.

In preparing the consolidated financial statements, the management was also responsible for evaluating Solomon Group's going concern ability, disclosure of relevant matters and use of the going concern basis of accounting, unless the management intended to liquidate or cease the operation of Solomon Group, or there were no actual feasible solutions other than liquidation or cessation of operation.

The governance unit (including the Audit Committee) of Solomon Group was responsible for supervising the financial reporting process.

Responsibilities of CPAs for the Audit of the Consolidated Financial Statements

The purpose of our audit of the consolidated financial statements was to obtain reasonable assurance about whether or not the consolidated financial statements were free of material misstatements due to fraud or error, with an audit report issued thereafter. Reasonable assurance means a high degree of assurance. However, there was no guarantee that any material misstatement contained in the consolidated financial statements could be discovered during the audit conducted in accordance with the auditing standards in the Republic of China. A misstatement may be due to fraud or error. A misstatement was deemed material if the individual or aggregate amount misstated was reasonably expected to affect the economic decisions made by the users of the consolidated financial statements.

We relied on our professional judgment and maintained our professional skepticism during the audit conducted pursuant to the auditing standards in the Republic of China. We also performed the following tasks:

1. Identifying and assessing the risk of misstatements in the consolidated financial statements due to fraud or error; designing and implementing appropriate measures in response to the assessed risk; and acquiring sufficient and appropriate audit evidence as the basis of our audit opinions. Since fraud may involve collusion, forgery, intentional omission, fraudulent statement or violation of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error.
2. Acquiring the necessary understanding of the internal controls related to the audit is essential to design audit procedures appropriate for the current circumstances, provided that the purpose of the foregoing is not to express opinions regarding the effectiveness of the internal controls of Solomon Group.

3. Assessing the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and relevant disclosures made by the management.
4. Drawing a conclusion about the appropriateness of management's use of the going concern basis of accounting and whether there is material uncertainty regarding an event or circumstance that might cast significant doubt on the ability of Solomon Group to remain a going concern. If any material uncertainty is deemed to exist in such events or circumstances, we must include a reminder in the audit report for users of the consolidated financial statements to pay attention to the relevant disclosures therein, or revise our audit opinions if any such disclosures are found to be inappropriate. Our conclusion was based on the audit evidence obtained as of the date of this audit report. However, future events or circumstances could result in a situation where Solomon Group is no longer able to remain as a going concern.
5. Assessing the overall presentation, structure and contents of the consolidated financial statements (including relevant notes) and whether or not the consolidated financial statements provided a fair presentation of the relevant transactions and events.
6. Acquiring sufficient and appropriate audit evidence of the financial information of the entities forming Solomon Group to provide opinions regarding the consolidated financial statements. We are responsible for guidance, supervision and implementation in relation to Solomon Group's audit cases and for the formation of audit opinions for Solomon Group.

The matters for which we communicated with the governance unit include the planned scope and time of the audit and our material audit findings (including significant internal control deficiencies identified during the audit).

We also provided a declaration to the governance unit stating that as CPAs who are subject to independence requirements, we have complied with the independence requirements in the Standards of Professional Ethics for Certified Public Accountants of the Republic of China. We also communicated with the governance unit regarding all relationships and other matters (including relevant safeguard measures) which were deemed likely to affect the independence of CPAs.

The key audit matters in the audit of the consolidated financial statements of Solomon Group for 2025 were determined by us from the matters regarding which we communicated with the governance unit. We shall specify such matters in the audit report, except where public disclosure of certain matters is prohibited by applicable laws or regulations, or where, under very exceptional circumstances, we decide not to communicate certain matters in the audit report due to the reasonable expectation that any negative effect arising from such communication would outweigh the benefit to public interest.

PricewaterhouseCoopers Taiwan

Wen Ya-Fang

CPA

Lin Se-Kai

Financial Supervisory Commission

Approval No.: Jin-Guan-Zheng-Shen-Zi No. 1100350706

Former Securities and Futures Bureau, Financial

Supervisory Commission, Executive Yuan

Approval No.: Jin-Guan-Zheng-Liu-Zi No.

0960072936

March 23, 2026

SOLOMON Technology Corporation and Subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: NT\$ Thousand

	Assets	Note	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
1100	Current assets					
	Cash and cash equivalents	6 (1)	\$ 2,213,779	22	\$ 1,803,115	18
1110	Financial assets measured at fair value through profit or loss – current	6 (2)	780,458	8	834,828	9
1136	Financial assets measured at amortized cost – current	6 (4)	1,569,836	16	1,917,744	19
1150	Net notes receivable	6 (5)	25,958	-	33,252	-
1170	Net accounts receivable	6 (5)	834,346	8	837,293	9
1200	Other receivables		19,172	-	23,069	-
1220	Income tax assets in the current period		7,643	-	7,187	-
130X	Inventory	6 (6)	2,169,153	21	1,822,185	18
1410	Prepayments	6 (7)	406,583	4	600,269	6
11XX	Total current assets		<u>8,026,928</u>	<u>79</u>	<u>7,878,942</u>	<u>79</u>
	Non-current assets					
1510	Financial assets measured at fair value through profit or loss – non-current	6 (2)	279,062	3	253,808	3
1517	Financial assets measured at fair value through other comprehensive income – non-current	6 (3)	20,109	-	52,064	1
1535	Financial assets measured at amortized cost – non-current	6 (4) and 8	46,174	1	36,775	-
1550	Investments accounted for using the equity method	6 (8)	34,943	-	36,179	-
1600	Property, plant and equipment	6 (9) and 8	453,470	5	445,547	4
1755	Right-of-use assets	6 (10)	185,714	2	203,430	2
1760	Net investment property	6 (12) and 8	851,831	8	863,284	9
1780	Intangible assets		3,058	-	1,601	-
1840	Deferred income tax assets	6 (28)	61,708	1	65,868	1
1900	Other non-current assets	6 (13) and 8	138,548	1	105,505	1
15XX	Total non-current assets		<u>2,074,617</u>	<u>21</u>	<u>2,064,061</u>	<u>21</u>
1XXX	Total assets		<u>\$ 10,101,545</u>	<u>100</u>	<u>\$ 9,943,003</u>	<u>100</u>

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SOLOMON Technology Corporation and Subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: NT\$ Thousand

Liabilities and equity		Note	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term loans	6 (14)	\$ 663,000	7	\$ 756,000	8
2130	Contractual liabilities – current	6 (21)	1,612,024	16	1,403,763	14
2150	Notes payable		4,264	-	3,964	-
2170	Accounts payable		915,238	9	909,572	9
2200	Other payables	6 (15)	236,397	2	205,118	2
2230	Income tax liabilities in the current period		37,957	-	54,013	1
2250	Liability provisions – current	6 (16)	41,623	1	4,089	-
2280	Lease liabilities – current		33,443	-	31,297	-
2300	Other current liabilities	6 (11)	14,837	-	20,799	-
21XX	Total current liabilities		<u>3,558,783</u>	<u>35</u>	<u>3,388,615</u>	<u>34</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6 (28)	98,916	1	118,972	1
2580	Lease liabilities – non-current		162,283	2	177,490	2
2600	Other non-current liabilities		10,465	-	10,214	-
25XX	Total non-current liabilities		<u>271,664</u>	<u>3</u>	<u>306,676</u>	<u>3</u>
2XXX	Total liabilities		<u>3,830,447</u>	<u>38</u>	<u>3,695,291</u>	<u>37</u>
Share capital		6 (18)				
3110	Common share capital		1,714,711	17	1,714,711	17
Capital reserves		6 (19)				
3200	Capital reserves		911,351	9	911,355	10
Retained earnings		6 (20)				
3310	Legal reserves		532,061	5	516,726	5
3320	Special reserves		109,147	1	125,280	1
3350	Undistributed earnings		2,642,787	26	2,597,595	26
Other equity						
3400	Other equity		(135,037)	(1)	(109,147)	(1)
3500	Treasury stocks	6 (18)	(6,042)	-	(6,042)	-
31XX	Total equity attributable to owners of the parent company		<u>5,768,978</u>	<u>57</u>	<u>5,750,478</u>	<u>58</u>
36XX	Non-controlling interests		<u>502,120</u>	<u>5</u>	<u>497,234</u>	<u>5</u>
3XXX	Total equity		<u>6,271,098</u>	<u>62</u>	<u>6,247,712</u>	<u>63</u>
Material contingent liabilities and unrecognized contractual commitments		9				
Material subsequent events		11				
3X2X	Total liabilities and equity		<u>\$ 10,101,545</u>	<u>100</u>	<u>\$ 9,943,003</u>	<u>100</u>

The attached notes to the consolidated financial statements are part of the consolidated financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung

Chief Accountant: Huang Chien-Chi

SOLOMON Technology Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: NT\$ Thousand
(Earnings per share in NT\$)

	Item	Note	2025		2024	
			Amount	%	Amount	%
4000	Operating income	6 (21)	\$ 4,248,292	100	\$ 3,503,097	100
5000	Operating costs	6 (6)	(3,285,676)	(77)	(2,711,961)	(77)
5950	Net gross operating profit		962,616	23	791,136	23
	Operating expenses	6 (26) (27)				
6100	Marketing expenses		(375,792)	(9)	(352,568)	(10)
6200	Management expense		(351,653)	(8)	(340,037)	(10)
6300	R&D expense		(162,787)	(4)	(149,662)	(4)
6450	Expected credit impairment gain (loss)	12 (2)	(4,116)	-	2,985	-
6000	Total operating expenses		(894,348)	(21)	(839,282)	(24)
6900	Operating (loss) profit		68,268	2	48,146	1
	Non-operating income and expenses					
7100	Interest income	6 (22)	160,538	4	169,556	5
7010	Other income	6 (23)	120,081	3	107,680	3
7020	Other gains and losses	6 (24)	(17,450)	-	81,091	2
7050	Financial costs	6 (25)	(24,342)	(1)	(24,545)	(1)
7055	Expected credit impairment loss	12 (2)	(21,969)	(1)	-	-
7060	Share of profits/losses of associates and joint ventures under the equity method	6 (8)	(1,229)	-	198	-
7000	Total non-operating income and expenses		215,629	5	333,980	9
7900	Pre-tax profit		283,897	7	285,834	8
7950	Income tax expense	6 (28)	(45,430)	(1)	(127,572)	(4)
8200	Net profit in the current period		\$ 238,467	6	\$ 158,262	4
	Other comprehensive income (net)					
	Items not reclassified as profit or loss					
8311	Remeasurement of defined benefit plan	6 (17)	\$ 6,061	-	\$ 12,328	-
8316	Unrealized equity instrument profit or loss measured at fair value through other comprehensive income	6 (3)	(31,955)	(1)	(7,709)	-
8349	Income tax related to items not reclassified	6 (28)	(1,075)	-	(2,105)	-
8310	Total amount of items not reclassified as profit or loss		(26,969)	(1)	2,514	-
	Items likely to be subsequently reclassified as profit or loss					
8361	Exchange differences on translation of financial statements of foreign operations		(91)	-	22,119	1
8360	Total items likely to be subsequently reclassified as profit and loss		(91)	-	22,119	1
8300	Other comprehensive income (net)		(\$ 27,060)	(1)	\$ 24,633	1
8500	Total comprehensive income in the current period		\$ 211,407	5	\$ 182,895	5
	Net profit attributable to:					
8610	Owners of the parent company		\$ 211,274	5	\$ 144,012	4
8620	Non-controlling interests		\$ 27,193	1	\$ 14,250	-
	Total comprehensive income attributable to:					
8710	Owners of the parent company		\$ 189,975	4	\$ 169,483	5
8720	Non-controlling interests		\$ 21,432	1	\$ 13,412	-
	Basic earnings per share	6 (29)				
9750	Basic earnings per share		\$ 1.23		\$ 0.84	
	Diluted earnings per share	6 (29)				
9850	Diluted earnings per share		\$ 1.23		\$ 0.84	

The attached notes to the consolidated financial statements are part of the consolidated financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung

Chief Accountant: Huang Chien-Chi

SOLOMON Technology Corporation and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: NT\$ Thousand

Equity attributable to owners of the parent company											
Retained earnings						Other equity					
Note	Common share capital	Capital reserves	Legal reserves	Special reserves	Undistributed earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized valuation profit or loss of financial assets measured at fair value through other comprehensive income	Treasury stocks	Total	Non-controlling interests	Total equity
2024											
Balance on January 1, 2024	\$ 1,714,711	\$ 262,149	\$ 463,352	\$ 116,320	\$ 2,798,080	(\$ 125,280)	\$ -	(\$ 6,042)	\$ 5,223,290	\$ 435,114	\$ 5,658,404
Net profit in the current period	-	-	-	-	144,012	-	-	-	144,012	14,250	158,262
Other comprehensive income in the current period	-	-	-	-	9,338	20,606	(4,473)	-	25,471	(838)	24,633
Total comprehensive income in the current period	-	-	-	-	153,350	20,606	(4,473)	-	169,483	13,412	182,895
Allocation and distribution of earnings:	6 (20)										
Set aside as legal reserve	-	-	53,374	-	(53,374)	-	-	-	-	-	-
Set aside as special reserve	-	-	-	8,960	(8,960)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(291,501)	-	-	-	(291,501)	-	(291,501)
Recognized changes in ownership interests in subsidiaries	6 (8)(19)	-	(75)	-	-	-	-	-	(75)	(71)	(146)
Difference between the consideration and carrying amount of subsidiaries disposed of	6 (19) (30)	-	649,281	-	-	-	-	-	649,281	64,342	713,623
Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(15,563)	(15,563)
Balance as of December 31, 2024	<u>\$ 1,714,711</u>	<u>\$ 911,355</u>	<u>\$ 516,726</u>	<u>\$ 125,280</u>	<u>\$ 2,597,595</u>	<u>(\$ 104,674)</u>	<u>(\$ 4,473)</u>	<u>(\$ 6,042)</u>	<u>\$ 5,750,478</u>	<u>\$ 497,234</u>	<u>\$ 6,247,712</u>
2025											
Balance on January 1, 2025	<u>\$1,714,711</u>	<u>\$911,355</u>	<u>\$516,726</u>	<u>\$125,280</u>	<u>\$2,597,595</u>	<u>(\$104,674)</u>	<u>(\$4,473)</u>	<u>(\$6,042)</u>	<u>\$5,750,478</u>	<u>\$497,234</u>	<u>\$6,247,712</u>
Net profit in the current period	-	-	-	-	211,274	-	-	-	211,274	27,193	238,467
Other comprehensive income in the current period	-	-	-	-	4,591	(356)	(25,534)	-	(21,299)	(5,761)	(27,060)
Total comprehensive income in the current period	-	-	-	-	215,865	(356)	(25,534)	-	189,975	21,432	211,407
Allocation and distribution of earnings:	6 (20)										
Set aside as legal reserve	-	-	15,335	-	(15,335)	-	-	-	-	-	-
Reversed as special reserve	-	-	-	(16,133)	16,133	-	-	-	-	-	-
Cash dividends	-	-	-	-	(171,471)	-	-	-	(171,471)	-	(171,471)
Recognized changes in ownership interests in subsidiaries	6 (8) (19)	-	(4)	-	-	-	-	-	(4)	(3)	(7)
Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(16,543)	(16,543)
Balance on December 31, 2025	<u>\$1,714,711</u>	<u>\$911,351</u>	<u>\$532,061</u>	<u>\$109,147</u>	<u>\$2,642,787</u>	<u>(\$105,030)</u>	<u>(\$30,007)</u>	<u>(\$6,042)</u>	<u>\$5,768,978</u>	<u>\$502,120</u>	<u>\$6,271,098</u>

The attached notes to the consolidated financial statements are part of the consolidated financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung

Chief Accountant: Huang Chien-Chi

SOLOMON Technology Corporation and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: NT\$ Thousand

	Note	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>Cash flows from operating activities</u>			
Pre-tax profit in the current period		\$ 283,897	\$ 285,834
Adjustment items			
Profits and expenses having no effect on cash flows			
Depreciation expense (including investment property and right-of-use assets)	6 (9) (10) (12)	76,097	69,320
Amortization expense	6 (26)	5,566	1,874
Expected credit impairment (gain) loss	6 (4) 12 (2)	26,085	(2,985)
Net loss (gain) from financial assets and liabilities measured at fair value through profit or loss	6 (2) (24)	(122,575)	70,455
Interest expense	6 (25)	24,342	24,545
Interest income	6 (22)	(160,538)	(169,556)
Dividend income	6 (23)	(14,995)	(7,648)
Share of profits of associates and joint ventures under the equity method	6 (8)	1,229	(198)
Gain from disposal of property, plant and equipment	6 (24)	(124)	(1,446)
Gain from disposal of investments	6 (24)	-	(1,257)
Gain from lease modification	6 (24)	(202)	-
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Financial assets measured at fair value through profit or loss		151,691	(476,162)
Net notes receivable		7,294	12,330
Accounts receivable	(	1,169)	123,174
Other receivables	(	659)	225)
Inventory	(	354,572)	65,451
Prepayments		193,686	(220,839)
Net changes in liabilities related to operating activities			
Contractual liabilities		208,261	272,290
Notes payable		300	(6,090)
Accounts payable		5,666	23,862
Other payables		35,963	10,390
Liability provisions – current		37,534	2,340
Other current liabilities	(	5,962)	2,633
Cash inflow from operations		396,815	78,092
Interest received		165,094	167,370
Interest paid	(	24,430)	(24,009)
Dividends received	6 (8) (23)	14,995	7,648
Income tax paid		(80,786)	(116,656)
Net cash inflow from operating activities		471,688	112,445

(Continued to next page)

SOLOMON Technology Corporation and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: NT\$ Thousand

	Note	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>Cash flows from investing activities</u>			
Increase in financial assets measured at amortized cost		(\$ 173,865)	(\$ 531,810)
Decrease in financial assets measured at amortized cost		490,405	526,931
Acquisition of financial assets measured at fair value through profit or loss	9	(7,500)	-
Acquisition of financial assets measured at fair value through other comprehensive income		-	(20,126)
Cost of acquisition of property, plant, and equipment	6 (31)	(30,567)	(31,447)
Proceeds from disposal of property, plant and equipment		606	1,551
Cost of acquisition of intangible assets		(6,764)	(1,928)
Additional proceeds from investment property	6 (12)	-	(3,110)
(Increase) Decrease in deposits paid		(5,365)	16,243
Increase in other non-current assets		(17,906)	(944)
Net cash inflow (outflow) from investing activities		<u>249,044</u>	<u>(44,640)</u>
<u>Cash flows from financing activities</u>			
Repayment of short-term loans	6 (32)	(711,837)	(943,764)
Borrowing of short-term loans	6 (32)	618,837	1,026,764
Repayment of principal of lease liabilities	6 (32)	(29,693)	(30,286)
Distribution of cash dividends		(188,014)	(307,064)
Disposal of equity in subsidiaries (without loss of control)	6 (30)	-	713,623
(Decrease) Increase in deposits received	6 (32)	251	(993)
Net cash inflow (outflow) from financing activities		<u>(310,456)</u>	<u>458,280</u>
Effect of exchange rate		<u>388</u>	<u>21,643</u>
Increase (decrease) in cash and cash equivalents in the current period		410,664	547,728
Opening balance of cash and cash equivalents		1,803,115	1,255,387
Closing balance of cash and cash equivalents		<u>\$ 2,213,779</u>	<u>\$ 1,803,115</u>

The attached notes to the consolidated financial statements are part of the consolidated financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung

Chief Accountant: Huang Chien-Chi

SOLOMON Technology Corporation and Subsidiaries
Notes to the Consolidated Financial Statements
2025 and 2024

Unit: NT\$ Thousand
(Unless otherwise specified)

I. Company history

- (I) SOLOMON Technology Corporation (hereinafter referred to as the “Company”) was established in the Republic of China and commenced operations in May 1990. The Company was merged with its 100%-owned subsidiaries Mo Dao Investment Co., Ltd., Long Men Technology Corporation, and De Li Investment Co., Ltd. during 2007 and 2006. After the merger, the Company survived and Mo Dao Investment Co., Ltd., Long Men Technology Corporation, and De Li Investment Co., Ltd. were dissolved. The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are mainly engaged in the sale, manufacturing, agency, and import of generators, semiconductors, electronic parts, and LCDs.
- (II) The Company’s stock was listed on Taiwan Stock Exchange Corporation in December 1996.

II. Approval date and procedures of the financial statements

The consolidated financial statements were approved for publication by the Board of Directors on March 13, 2026.

III. Application of new and amended standards and interpretations

- (I) Effect of adopting the newly promulgated or revised IFRSs endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the “FSC”)

The newly promulgated, amended and revised standards and interpretations of IFRSs endorsed and issued into effect by the FSC and applicable in 2025 are listed in the following table:

<u>New, revised or amended standards and interpretations</u>	<u>Effective date per IASB</u>
Amendments to IAS 21, “Lack of Exchangeability”	January 1, 2025

As evaluated by the Group, the above standards and interpretations have no significant impact on the financial position and performance of the Group.

- (II) Effect of not adopting the newly promulgated or revised IFRSs endorsed by the FSC

The newly promulgated, amended and revised standards and interpretations of IFRSs endorsed by the FSC and applicable in 2026 are listed in the following table:

<u>New, revised, or amended standards and interpretations</u>	<u>Effective date per IASB</u>
Amendments to IFRS 9 and IFRS 7, “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7, “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17, “Insurance Contracts”	January 1, 2023

Amendment to IFRS 17, “Initial Application of IFRS 17 and IFRS 9 – Comparative Information” January 1, 2023

Annual Improvements to IFRS Accounting Standards – Volume 11 January 1, 2026

As evaluated by the Group, the above standards and interpretations have no significant impact on the financial position and performance of the Group.

(III) Effect of the IFRSs issued by the IASB but not yet endorsed by the FSC

The newly promulgated or revised standards and interpretations of the IFRSs issued by the IASB but not yet endorsed by the FSC are listed in the following table:

<u>New, revised, or amended standards and interpretations</u>	<u>Effective date per IASB</u>
Amendments to IFRS 10 and IAS 28, “Sale or Contribution of Assets between an Investor and its Related party or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendments to IFRS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note: On September 25, 2025, the Financial Supervisory Commission (FSC) announced in a press release that publicly issued companies will be required to adopt International Financial Reporting Standard 18 (hereinafter referred to as “IFRS 18”) beginning in fiscal year 2028. Entities that elect to adopt IFRS 18 early may do so after the FSC’s endorsement of IFRS 18.

As evaluated by the Group, except for IFRS 18 “Presentation and Disclosure in Financial Statements” to be assessed, the above standards and interpretations have no significant impact on the financial position and performance of the Group.

IFRS 18 “Presentation and Disclosure in Financial Statements” replaces IAS 1. IFRS 18 updates the structure of the statement of profit or loss, required disclosures for management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IV. Summary of material accounting policies

The main accounting policies used for preparing the consolidated financial statements are described as follows. Unless otherwise specified, such policies are consistently applicable to all reporting periods.

(I) Statement of compliance

The consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and interpretation pronouncements endorsed and issued into effect by the FSC (IFRSs).

(II) Basis of preparation

1. The consolidated financial statements were prepared on the basis of historical cost, except for the key items listed below:

- (1) Financial assets measured at fair value through profit or loss, measured at fair value.
 - (2) Defined benefit assets recognized at the net amount calculated as pension fund assets less the present value of defined benefit obligations.
2. Preparing financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, interpretations and pronouncements of interpretation endorsed and issued into effect by the FSC (hereinafter collectively referred to as IFRSs) requires the use of some important accounting estimates. During the adoption of the Group's accounting policies, the management needs to rely on their judgment when it comes to items that require demanding judgments, are highly complex or involve material assumptions and estimates in consolidated financial statements. For details, please refer to the description in Note 5.

(III) Basis of consolidation

1. Principle for preparation of the consolidated financial statements
 - (1) The Group includes all its subsidiaries as entities in the consolidated financial statements. Subsidiaries refer to entities controlled by the Group. An entity is controlled by the Group when the Group is exposed and has rights to variable returns from its involvement in the entity and has the ability to affect the returns with its power over the entity. The subsidiaries are included in the consolidated financial statements from the date on which the Group obtains control and continue to be consolidated until the date when such control ceases.
 - (2) Transactions, balances and unrealized gains or losses between companies within the Group have been eliminated. Necessary adjustments have been made to the accounting policies of the subsidiaries to keep them consistent with those of the Group.
 - (3) All components of profits or losses and other comprehensive income as well as total comprehensive income are attributable to the owners of the parent company and non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
 - (4) Changes in the Company's shareholding in its subsidiaries that do not result in a loss of control (transactions with non-controlling interests) are treated as equity transactions, namely transactions with the owners. The difference between the adjusted amount of non-controlling interests and the fair value of considerations paid or received is directly recognized as equity.
 - (5) When the Group loses control over a subsidiary, the fair value of the remaining investment in the former subsidiary is remeasured and used as the fair value of the initially recognized financial assets or the cost of the initially recognized investments in associates or joint ventures. The difference between the fair value and the carrying amount is recognized as profit or loss in the current period. The accounting treatment of all amounts related to the subsidiary and previously recognized as other comprehensive income is on the same basis as that for the Group's direct disposal of the relevant assets or liabilities. In other words, profits or losses previously recognized as other comprehensive income are reclassified as profit or loss when the relevant assets or liabilities are disposed of. Thus, the profits or losses are reclassified from equity to profit or loss when the Group loses control of the subsidiary.
2. Subsidiaries included in the consolidated financial statements:

Name of investor company	Name of subsidiary	Nature of business	Shareholding percentage		Description
			December 31, 2025	December 31, 2024	
The Company	Moredel Investment Corp. (Moredel Investment)	Professional investment	100.00	100.00	
The Company	Solomon Goldentek Display Corp. (Solomon Goldentek Display)	Manufacturing and sale of LCDs	70.77	70.77	
The Company	Solomon Cayman International Corporation (Solomon Cayman)	Investment holding	100.00	100.00	
The Company	Solomon Smartnet Corp. (Solomon Smartnet)	Manufacturing and sale of IC cards	100.00	100.00	
The Company	Solomon Wireless Technology Corp. (Solomon Wireless Technology)	Manufacturing and sale of communication products	96.41	96.41	
The Company	Total Profit Holdings Ltd. (Total Profit)	Investment holding	100.00	100.00	
The Company	Solomon Data International Corporation (Solomon Data International)	Manufacturing and sale of LCD panels	24.04	24.04	Note 1
The Company	Cornucopia Innovation Corporation (Cornucopia Innovation)	Manufacturing of electronic parts and components	35.06	35.06	Notes 1, 2
The Company	Solomon Science Technology (VN) Company Limited(Solomon Science)	Supply and sale of intelligence technology	100.00	100.00	
The Company	Solomon Robotics (THAI) Ltd.(Solomon Robotics)	Supply and sale of intelligence technology		100.00	Note 3
The Company	Solomon Technology (USA) Corporation (Solomon USA)	Supply and sale of intelligence technology	100.00	100.00	
The Company	Solomon Technology Japan Co.,Ltd.	Supply and sale of intelligence technology	100.00	100.00	
The Company	Solomon Automation (Malaysia) Sdn. Bhd.	Supply and sale of intelligence technology	100.00		Note 4
The Company	Solomon Energy Technology Corporation (Solomon Energy)	Self-usage renewable energy generation equipment	100.00	100.00	Note 2
The Company	Sheng-Peng Technology Corp. (Sheng-Peng Technology)	Import and export of electrical power-related products	51.00	51.00	
Moredel Investment	Solomon Data International Corporation (Solomon Data International)	Manufacturing and sale of LCD panels	12.53	12.53	Note 1
Moredel Investment	Solomon Goldentek Display Corp. (Solomon Goldentek Display)	Manufacturing and sale of LCDs	9.26	9.26	Note 1
Solomon Cayman	Yumon International Trade Shanghai Limited Corporation (Yumon International)	International trade	100.00	100.00	
Solomon Cayman	Goldentek Display System (B.V.I.) Co.,Ltd.(Goldentek (B.V.I.))	Investment holding	0.39	0.39	Note 1

Name of investor company	Name of subsidiary	Nature of business	Shareholding percentage		Description
			December 31, 2025	December 31, 2024	
Solomon Smartnet	Solomon Data International Corporation (Solomon Data International)	Manufacturing and sale of LCD panels	14.84	14.84	Note 1
Solomon Smartnet	Solomon Goldentek Display Corp. (Solomon Goldentek Display)	Manufacturing and sale of LCDs	9.26	9.26	Note 1
Total Profit	Solomon Trading (Shenzhen) Ltd. (Solomon Shenzhen)	International trade	100.00	100.00	
Solomon Energy	Solomon Energy Technology (Singapore) Pte.Ltd (Solomon Energy (Singapore))	Self-usage renewable energy generation equipment	100.00	100.00	Note 2
Solomon Goldentek Display	Goldentek Display System (B.V.I.) Co.,Ltd.(Goldentek (B.V.I.))	Investment holding	99.61	99.61	
Solomon Goldentek Display	Futek Trading Co., Ltd.(Futek Trading)	Investment holding		100.00	Note 5
Solomon Goldentek Display	Cornucopia Innovation Corporation (Cornucopia Innovation)	Manufacturing of electronic parts and components	2.07	2.07	Notes 1, 2
Solomon Goldentek Display	Solomon Goldentek Display (Hong Kong) Corp. (Hong Kong Goldentek)	Entrepot trade	100.00	100.00	
Solomon Goldentek Display	SOLOMON GOLDENTEK DISPLAY (PHILIPPINES) CORP.	Production and sale of LCDs and modules	100.00		Note 4
Goldentek (B.V.I.)	Solomon Goldentek Display (Dong Guan) Ltd. (Dong Guan Goldentek)	Production and sale of LCDs and modules	100.00	100.00	
Solomon Data International	Cornucopia Innovation Corporation (Cornucopia Innovation)	Manufacturing of electronic parts and components	13.22	13.22	Notes 1, 2

Note 1: The Company, directly or indirectly, collectively holds a majority of voting rights in the company.

Note 2: The financial statements of the subsidiary were audited by other independent auditors.

Note 3: The subsidiary was incorporated in February 2025.

Note 4: The subsidiary was established in July 2025.

Note 5: The subsidiary was incorporated in October 2025.

3. Subsidiaries not included in the consolidated financial statements: None.
4. Different adjustments and treatments for subsidiaries during the accounting period: None.
5. Significant restrictions: None.

6. Subsidiaries with material non-controlling interests to the Group:

The Group's total non-controlling interests on December 31, 2025 and 2024, were \$502,120 and \$497,234, respectively. The following is information on non-controlling interests and subsidiaries that are of materiality to the Group:

Name of subsidiary	Principal place of business	<u>Non-controlling interests</u>			
		<u>December 31, 2025</u>		<u>December 31, 2024</u>	
		<u>Amount</u>	<u>Shareholding percentage</u>	<u>Amount</u>	<u>Shareholding percentage</u>
Solomon Goldentek Display	Taiwan	\$ 251,442	10.71%	\$ 250,421	10.71%

Summary of subsidiaries' financial information:

Consolidated Balance Sheet

	<u>Solomon Goldentek Display</u>	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets	\$ 2,003,472	\$ 2,002,450
Non-current assets	346,155	324,217
Current liabilities	(297,827)	(263,882)
Non-current liabilities	(214,275)	(234,848)
Total net assets	<u>\$ 1,837,525</u>	<u>\$ 1,827,937</u>

Consolidated Statement of Comprehensive Income

	<u>Solomon Goldentek Display</u>	
	<u>2025</u>	<u>2024</u>
Income	<u>\$ 905,178</u>	<u>\$ 755,675</u>
Pre-tax profit	\$ 80,812	\$ 113,353
Income tax expense	(13,682)	(28,789)
Net profit from continuing operations in the current period	67,130	84,564
Other comprehensive (loss) profit (after tax, net)	<u>3,038</u>	<u>12,308</u>
Total comprehensive income in the current period	<u>\$ 70,168</u>	<u>\$ 96,872</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 7,515</u>	<u>\$ 10,375</u>
Dividends paid to non-controlling interests	<u>\$ 6,489</u>	<u>\$ 6,489</u>

Consolidated Statement of Cash Flows

	Solomon Goldentek Display	
	2025	2024
Net cash inflow (outflow) from operating activities	\$ 171,528	(\$ 59,554)
Net cash inflow from investing activities	12,727	264,545
Net cash outflow from financing activities	(81,992)	(82,404)
Effect of changes in exchange rate on cash and cash equivalents	1,864	7,585
Increase (decrease) in cash and cash equivalents in the current period	104,127	130,172
Opening balance of cash and cash equivalents	713,865	583,693
Closing balance of cash and cash equivalents	<u>\$ 817,992</u>	<u>\$ 713,865</u>

(IV) Foreign currency translation

All items in the financial statements of each entity in the Group are measured based on the currency of the primary economic environment where the entity operates (i.e. functional currency). The consolidated financial statements use the Company's functional currency, "NT dollars," as the presentation currency.

1. Foreign currency transactions and balances

- (1) Foreign currencies in foreign currency transactions are translated into the functional currency based on the spot exchange rate on the transaction or measurement date. The translation difference generated by the translation is recognized as profit or loss in the current period.
- (2) Valuation adjustments are made to the balance of monetary foreign currency assets and liabilities based on the spot exchange rate on the balance sheet date. The translation difference generated by the adjustments is recognized as profit or loss in the current period.
- (3) If the balance of non-monetary foreign currency assets and liabilities is measured at fair value through profit or loss, valuation adjustments are made based on the spot exchange rate on the balance sheet date. The exchange difference generated by the adjustments is recognized as profit or loss in the current period. If the balance is measured at fair value through other comprehensive income, valuation adjustments are made based on the spot exchange rate on the balance sheet date. The exchange difference generated by the adjustments is recognized as other comprehensive income in the current period. If the balance is not measured at fair value, it is measured at the historical exchange rate on the initial transaction date.
- (4) All exchange differences are recognized as "other gains and losses" in the income statement based on the nature of the transaction.

2. Translation of foreign operations

- (1) The business results and financial position of all the Group's entities and associates whose functional currency and presentation currency are different are translated into the presentation currency using the following methods:
 - A. Assets and liabilities presented in each balance sheet are translated at the closing rate on the balance sheet date;
 - B. Profits and losses presented in each statement of comprehensive income are translated at the average exchange rate in the current period; and
 - C. All exchange differences generated from translation are recognized as other comprehensive income.
- (2) When a foreign operation that is partially disposed of or sold is a subsidiary, the accumulated exchange difference recognized as other comprehensive income is reattributed proportionally to the non-controlling interests of the foreign operation. However, when the Group retains a partial interest in the former foreign subsidiary after losing control over it, such transactions should be accounted for as a disposal of all interest in the foreign operation.

(V) Criteria for classification of current and non-current assets and liabilities

1. Assets that match any of the following conditions shall be classified as current assets:
 - (1) The asset is expected to be realized or is intended to be sold or depleted over normal business cycles.
 - (2) The liability is held primarily for the purpose of trading.
 - (3) The asset is expected to be realized within 12 months after the reporting period.
 - (4) The asset is cash or cash equivalents, excluding those that are restricted from being used for exchange or settlement of liabilities at least within 12 months after the reporting period.

The Group classifies all assets that do not match the above conditions as non-current.

2. Liabilities that match any of the following conditions shall be classified as current liabilities:
 - (1) The liability is expected to be settled over normal business cycles.
 - (2) The liability is held primarily for the purpose of trading.
 - (3) The liability is expected to be due to be settled within 12 months after the reporting period.
 - (4) Having no right to defer settlement of the liability for at least 12 months after the reporting period.

The Group classifies all liabilities that do not match the above conditions as non-current.

(VI) Cash equivalents

Cash equivalents refer to short-term investments with high liquidity that can be converted into specified amounts of cash at any time with little risk of value changes. Time deposits and bonds under repurchase agreements that fit the aforesaid definition and are held for the purpose of meeting short-term operating cash commitments are classified as cash equivalents.

(VII) Financial assets measured at fair value through profit or loss

1. Financial assets measured at fair value through profit or loss refer to financial assets not measured at amortized cost or at fair value through other comprehensive income.

2. The Group uses settlement date accounting for financial assets measured at fair value through profit or loss on a regular way purchase or sale basis.
3. The Group measures the financial assets at fair value at initial recognition and relevant transaction costs are recognized as profit or loss. The financial assets are subsequently measured at fair value and any gains or losses arising therefrom are recognized as profit or loss.
4. When the right to receive dividends is established, the Group recognizes the dividend income as profit or loss, provided that the economic benefits related to the dividends are likely to flow in and the amount of the dividends can be measured reliably.

(VIII) Financial assets measured at fair value through other comprehensive income

1. Equity investments not held for trading, for which an irrevocable decision has been made at initial recognition to present changes in fair value in other comprehensive income.
2. The Group uses trade date accounting for financial assets measured at fair value through other comprehensive income on a regular way purchase or sale basis.
3. The Group measures the financial assets at fair value plus transaction costs at initial recognition and subsequently measures them at fair value, and the changes in fair value are recognized in other comprehensive income. At the time of derecognition, the accumulated gains or losses previously recognized in other comprehensive income shall not be reclassified as profit or loss but shall be transferred to retained earnings. When the right to receive dividends is established, the Group recognizes the dividend income as profit or loss, provided that the economic benefits related to the dividends are likely to flow in and the amount of the dividends can be measured reliably.

(IX) Financial assets measured at amortized cost

1. Financial assets measured at amortized cost refer to financial assets that meet all the following conditions:
 - (1) The financial asset is held under an operating model with the purpose of receiving contractual cash flows.
 - (2) The contractual terms of the financial asset generate cash flows on a specific date that are solely payments of principal and interest.
2. The Group uses trade date accounting for financial assets measured at amortized cost on a regular way purchase or sale basis.
3. The Group measures the financial assets at fair value plus transaction costs at initial recognition and subsequently recognizes interest income using the effective interest method over the circulation period according to the amortization procedure as well as impairment losses. Gains or losses on derecognition are recognized as profit or loss.

(X) Accounts and notes receivable

1. Accounts and notes receivable refer to accounts and notes with the right to unconditionally receive the consideration for which goods or services are exchanged pursuant to contractual agreements.
2. They are short-term accounts and notes receivable without payment of interest. As the discount of the accounts and notes receivable does not have significant effect, the Group measures them at the initial invoice amount.

(XI) Impairment of financial assets

On each balance sheet, the Group measures the loss allowance for financial assets measured at amortized cost and accounts receivable containing significant financing components, whose credit risk has not significantly increased after initial recognition, at the amount of the 12-month expected credit losses, considering all reasonable and supportable information (including forward-looking information). If their credit risk significantly increases after initial recognition, the loss allowance is measured at the amount of the expected credit losses throughout the lifetime. For accounts receivable that do not contain significant financing components, the loss allowance is measured at the amount of the expected credit losses throughout the lifetime.

(XII) Derecognition of financial assets

When the Group's contractual rights to receive the cash flows from financial assets become invalid, the financial assets will be derecognized.

(XIII) Lessor's lease transactions – operating leases

The lease income from operating leases less any incentive given to the lessee is amortized under the straight-line method over the lease term and recognized as profit or loss in the current period.

(XIV) Inventory

Inventory is measured at the lower of cost or net realizable value, and its cost is determined using the moving average approach. The cost of finished goods and work in process includes the cost of raw materials and direct labor, other direct costs and production-related expenses (amortized based on normal production capacity) and excludes borrowing costs. The item-by-item method is adopted to determine the lower of cost or net realizable value. Net realizable value means the estimated selling price in the ordinary course of business less the estimated cost required for completion and the estimated cost necessary to make the sale.

(XV) Investments accounted for using the equity method – associates

1. Associates refer to entities that the Group has significant influence and no control over, in which case, generally speaking, the Group directly or indirectly holds 20% or more of the voting rights in the entities. The Group adopts the equity method for its investments in associates and recognizes them at cost when acquiring them.
2. The Group recognizes its share of profits or losses after the acquisition of associates as profit or loss in the current period and recognizes its share of other comprehensive income after the acquisition as other comprehensive income. If the Group's share of losses in any associate is equal to or exceeds its interest in the associate (including any other unsecured accounts receivable), the Group does not recognize further losses, unless the Group has incurred legal or constructive obligations to or made payments on behalf of the associate.
3. When there are changes in the equity of an associate that are not associated with profits or losses and other comprehensive income and do not affect the Group's shareholding percentage in the associate, the Group recognizes all equity changes as "capital reserves" in proportion to its shareholding.
4. Unrealized gains and losses generated from transactions between the Group and its associates have been derecognized based on the percentage of its interest in the associates. Unless there is any evidence indicating that the assets transferred in the transactions have impaired, the unrealized losses are derecognized, too. Necessary adjustments have been made to the accounting policies of the associates to keep them consistent with those of the Group.

5. Where the Group does not subscribe for or acquire the new shares issued by an associate in proportion to its shareholding, thus facing a change in the investment proportion yet still having significant influence over the associate, the changes in the net equity value shall be adjusted to the “capital reserves” and “investments accounted for using the equity method.” If the investment proportion decreases accordingly, in addition to the above adjustment, the profits or losses related to such a decrease in ownership interests that were previously recognized as other comprehensive income shall be reclassified as profit or loss when the relevant assets or liabilities are disposed of, in proportion to the decrease.
6. When the Group loses significant influence over an associate, the fair value of the remaining investment in the former associate is remeasured. The difference between the fair value and the carrying amount is recognized as profit or loss in the current period.
7. If the Group loses significant influence over an associate when disposing of it, the accounting treatment of all amounts related to the associate previously recognized as other comprehensive income is on the same basis as that for the Group’s direct disposal of the relevant assets or liabilities. In other words, profits or losses previously recognized as other comprehensive income are reclassified as profit or loss when the relevant assets or liabilities are disposed of. Thus, the profits or losses are reclassified from equity to profit or loss when the Group loses significant influence over the associate. If the Group still has significant influence over the associate, the amount previously recognized as other comprehensive income is transferred out proportionally based on the above method.

(XVI) Property, plant and equipment

1. Property, plant and equipment are accounted for at the acquisition cost.
2. Subsequent costs are included in the carrying amount of the asset or recognized as an individual asset only when future economic benefits associated with the item are likely to flow in the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part shall be derecognized. All other maintenance expenses are recognized as profit or loss in the current period at the time of their occurrence.
3. The property, plant and equipment are subsequently measured under the cost model. Except for land that is not depreciated, all property, plant and equipment are depreciated using the straight-line method over the estimated useful life. If the property, plant and equipment comprise any significant components, they are depreciated individually.
4. The Group reviews the residual value, useful life and depreciation method of all assets at the end of each fiscal year. If the expected residual value and useful life differ from the previous estimates, or if there has been a significant change in the pattern of how the future economic benefits of the asset are expected to be consumed, such a change shall be treated in accordance with the requirements for changes in accounting estimates in IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” on the date of its occurrence.

The useful life of different types of assets is as follows:

Premises and buildings	3–55 years
Machines/equipment	2–10 years
Office equipment	3–10 years
Other equipment	2–15 years

(XVII) Lessee’s lease transactions – right-of-use assets and lease liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date on which they become available for use by the Group. For short-term leases or leases of low-value underlying assets, the lease payments are recognized as expense using the straight-line method over the lease term.
2. As for lease liabilities, the unpaid lease payments are recognized at present value discounted at the incremental loan interest rate of the Group on the lease commencement date. Lease payments include fixed payments, less any receivable lease incentives.

The lease liabilities are subsequently measured at amortized cost using the interest method and interest expenses are amortized over the lease term. If changes in the lease term or lease payments do not result from contract revisions, the lease liabilities are reassessed and a remeasurement is made to adjust right-of-use assets.

3. The right-of-use assets are recognized at cost (including the initially measured amount of the lease liabilities and any initial direct cost incurred) on the lease commencement date.

The right-of-use assets are subsequently measured under the cost model and are depreciated when the useful life of the right-of-use assets or the lease term expires, whichever is earlier. When reassessing the lease liabilities, any remeasurement of the lease liabilities is adjusted for the right-of-use assets.

4. For lease modifications that are changes in the lease scope, the lessee reduces the carrying amount of the right-of-use assets to reflect the partial or whole termination of the lease and recognizes the difference between the carrying amount and the remeasured amount of the lease liabilities as profit or loss. As for all the other lease modifications, the amount of the lease liabilities is remeasured, and the right-of-use assets are adjusted correspondingly.

(XVIII) Investment property

Investment property is recognized at acquisition cost and subsequently measured under the cost model. Except for land, the investment property is depreciated using the straight-line method over an estimated useful life of 3–55 years.

(XIX) Intangible assets

Computer software is recognized at acquisition cost and amortized using the straight-line method over an estimated useful life of 1–3 years.

(XX) Impairment of non-financial assets

The Group estimates the recoverable amount of assets with signs of impairment on the balance sheet date. When the recoverable amount falls below the carrying amount, an impairment loss is recognized. The recoverable amount is the higher of the fair value of an asset less the disposal cost and the value in use. When an asset impairment recognized in prior years may no longer exist or has decreased, the impairment loss is reversed, provided that the carrying amount of the asset increased after the reversal of the impairment loss does not exceed the carrying amount of the asset less amortization or depreciation expense without recognition of the impairment loss.

(XXI) Loans

Loans refer to short-term borrowings from banks. At initial recognition, the Group measures the loans at fair value less transaction costs and subsequently uses the effective interest method to recognize interest expenses at the difference between the proceeds net of transaction costs and the redemption value as profit or loss over the circulation period according to the amortization procedure.

(XXII) Accounts and notes payable

1. Accounts and notes payable refer to debts incurred due to the purchase of raw materials, goods, or services on credit terms and notes payable arising from operating and non-operating activities.
2. They are short-term accounts and notes payable without payment of interest. As the discount of the accounts and notes payable does not have significant effect, the Group measures them at the initial invoice amount.

(XXIII) Derecognition of financial liabilities

The Group derecognizes financial liabilities when the obligations specified in contracts are fulfilled, canceled, or expired.

(XXIV) Liability provisions

Liability provisions (including warranties and maintenance) mean that a present or constructive obligation is incurred due to past events, which is likely to result in the need for the outflow of resources with economic benefits to settle the obligation, and the obligation shall be recognized when its amount can be estimated reliably. The liability provisions are measured at the best estimated present value of expenses required for settling the obligation on the balance sheet date. The discount rate before tax that reflects the market's current assessment of the time value of money and liability-specific risk is used. The discounted amortization amount is recognized as interest expenses. Future operating losses shall not be recognized as liability provisions.

(XXV) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at an undiscounted amount expected to be paid and recognized as expense when the related services are provided.

2. Pension

(1) Defined contribution plan

Under the defined contribution plan, pension contributions that shall be made are recognized as pension cost in the current period on an accrual basis. Pre-paid contributions are recognized as assets to the extent that a cash refund or reduction in future payments is available.

(2) Defined benefit plan

A. Under the defined benefit plan, net obligations are calculated based on the discounted future benefits earned by employees for services rendered during the current period or in the past and stated at the present value of the defined benefit obligations on the balance sheet date less the fair value of plan assets. The defined benefit obligations are calculated by an actuary using the projected unit credit method every year. The discount rate is the yield rate of government bonds that have the same currency and period under the defined benefit plan on the balance sheet date.

B. Remeasurements arising from the defined benefit plan are recognized as other comprehensive income and recorded in retained earnings in the period of their incurrence.

C. Expenses related to past service costs are immediately recognized as profit or loss.

3. Remuneration to employees and to directors

Remuneration to employees and to directors is recognized as expense and liabilities when it is subject to legal or constructive obligations and its amount can be estimated reasonably. Any difference between the amount of remuneration actually distributed to employees and to directors as resolved at the shareholders' meeting and the estimated amount is treated as an accounting estimate change. If employees' remuneration is distributed in shares, the closing price on the day before the date of the Board's resolution is used as a basis for calculating the number of shares to be distributed.

(XXVI) Income tax

1. Income tax expense includes current and deferred income taxes. Income taxes related to the items recognized as other comprehensive income or directly recognized as equity are recognized as comprehensive income or directly recognized as equity, respectively. The other income taxes are recognized as profit or loss.
2. The Group calculates the current income tax based on the tax rates and laws of countries where the Group operates or generates taxable income that have been enacted or substantively enacted by the balance sheet date. The management regularly assesses the reporting of income taxes in accordance with applicable income tax laws and regulations and estimates income tax liabilities based on tax payments expected to be made to the taxation authority, if applicable. The income tax imposed on undistributed earnings according to the Income Tax Act is recognized as income tax on undistributed earnings based on the actual distribution of earnings only after the earnings distribution proposal is passed at the shareholders' meeting in the year following the year in which the earnings are generated.
3. Deferred income taxes are recognized at the temporary difference between the carrying amounts of assets and liabilities in the consolidated balance sheet and their tax bases using the balance sheet approach. Temporary differences resulting from investments in subsidiaries and associates are not recognized if the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences are not likely to reverse in the foreseeable future. The tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to be applicable when the relevant deferred income tax assets are realized or deferred income tax liabilities are settled are adopted for the deferred income taxes.
4. Deferred income tax assets are recognized when it is probable that temporary differences will be available for offsetting future taxable income. Unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.
5. When there is a legally enforceable right to offset the amounts of current income tax assets and liabilities recognized, and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously, the current income tax assets may be offset against the current income tax liabilities. When there is a legally enforceable right to offset the amounts of current income tax assets and liabilities, and when deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or on different taxable entities that intend to settle on a net basis or realize the assets and settle the liabilities simultaneously, the deferred income tax assets and liabilities may be offset against each other.

(XXVII) Share capital

1. Common shares are classified as equity. The incremental cost directly attributable to the issue of new shares or stock options is recognized as a debit item of the proceeds in equity, net of income taxes.
2. When repurchasing issued shares, the Company recognizes the considerations paid, including any directly attributable incremental cost, at the net amount after tax as a debit item of shareholders' equity. When reissuing the repurchased shares, the difference between the received considerations less any directly attributable incremental cost and income tax effects and the carrying amount is recognized as an adjustment to shareholders' equity. In addition, since January 1, 2002, the Company's shares held by its subsidiaries have been treated as treasury stocks.

(XXVIII) Distribution of dividends

Cash dividends distributed to the Company's shareholders are recognized in the financial statements when a resolution to distribute the dividends is adopted at a board meeting. Stock dividends are recognized as stock dividends to be distributed after a resolution at a shareholders' meeting and are transferred to common shares on the share issuance date.

(XXIX) Recognition of income

1. Sale of goods

- (1) Sales income is recognized when control over products is transferred to a customer. The Group has no unfulfilled performance obligations that may affect the customer's acceptance of the products. At the time the products are delivered to the designated location, the risk of the products being out of date and lost is already transferred to the customer. When the customer accepts the products pursuant to the sales contract or there is objective evidence demonstrating that all acceptance criteria have been met, the goods are deemed delivered.
- (2) The Group offers a standard warranty for the products sold and is obligated to make refunds for product defects. The warranty is recognized as a liability provision at the time the products are sold.
- (3) Accounts receivable are recognized when goods are delivered to a customer as the Group has had unconditional rights to contract proceeds since that time and may collect consideration from the customer after that time.

2. Costs of obtaining contracts with customers

Although it is expectable that the Group's incremental costs incurred for obtaining contracts with customers can be recovered, the costs are recognized as expenses at the time of their incurrence since the relevant contract terms are shorter than one year.

(XXX) Government subsidies

Government subsidies shall be recognized when it is reasonable to ensure that the business will comply with the conditions incident to the government subsidies and the subsidies may be received affirmatively. If the government subsidies in nature are used to offset the expenses incurred by the Group, they are recognized as profit or loss on a systematic basis in the period during which the relevant expenses are incurred.

(XXXI) Operating segments

Information on the Group's operating segments is reported using the same method as that for internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources to the operating segments and evaluating their performance. The Board of Directors is identified as the chief operating decision maker of the Group.

V. Main sources of uncertainty of material accounting judgments, estimates and assumptions

When the Group prepared the consolidated financial statements, the management used their judgment to determine which accounting policies were to be adopted and made accounting estimates and assumptions based on reasonable expectations of future events and according to the situation on the balance sheet date. There might be differences between the material accounting estimates and assumptions and the actual results. Hence, historical experience and other factors would be taken into account to make continuous assessments and adjustments. Such estimates and assumptions led to a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the following fiscal year. The following is a description of the uncertainty of material accounting judgments, estimates and assumptions:

(I) Important judgments for accounting policies adopted:

None.

(II) Important accounting estimates and assumptions

1. Valuation of accounts receivable

In the process of assessing impairment on accounts receivable, the Group must use judgments and estimates to determine the future recoverability of accounts receivable. The future recoverability is subject to a number of factors that may affect customers' ability to pay, such as their financial position, internal credit ratings within the Group, and historical transaction records. When there is doubt about the recoverability of accounts receivable, the Group shall assess the possibility of recovery and make appropriate allowances for the accounts receivable separately. The impairment assessment is based on the reasonable expectation of future events according to the situation on the balance sheet date. However, the actual result may differ from the estimate, which may result in a significant change. Please refer to Note 6 (5) for the description of the estimated impairment on accounts receivable.

2. Valuation of inventory

Inventory shall be evaluated on the basis of the lower of cost or net realizable value. Hence, the Group must use judgments and estimates to determine the net realizable value of the inventory on the balance sheet date. As technology advances rapidly, the Group assesses the amount of inventory with normal wear and tear and obsolescence and without market sales value on the balance sheet date and writes down the cost of the inventory to the net realizable value. As the valuation of inventory is mainly estimated according to the product demand within a certain period in the future, significant changes may occur. Please refer to Note 6 (6) for the description of inventory valuation.

VI. Description of major accounts

(I) Cash and cash equivalents

Cash:	December 31, 2025	December 31, 2024
Check deposits and demand deposits	\$ 1,114,741	\$ 841,716
Cash on hand and working capital	637	545
Cash equivalents:		
Time deposits	1,073,172	899,352
Bonds under repurchase agreements	25,229	61,502
	<u>\$ 2,213,779</u>	<u>\$ 1,803,115</u>

1. The Group deals with financial institutions with good credit ratings and has dealings with multiple financial institutions to spread credit risk. Thus, the possibility of defaults is expected to be extremely low.
2. The time deposits provided by the Group as performance bonds and customs import guarantees have been transferred to “financial assets measured at amortized cost – non-current.” Please refer to Notes 6 (4) and 8 for details.
3. The Group did not pledge the cash and cash equivalents as collateral.

(II) Financial assets measured at fair value through profit or loss

<u>Assets</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets measured at fair value through profit or loss on a mandatory basis		
Listed/OTC stocks	\$ 528,968	\$ 384,534
Domestic and foreign funds	138,000	473,000
	666,968	857,534
Valuation adjustments	113,490	(22,706)
	<u>\$ 780,458</u>	<u>\$ 834,828</u>

<u>Assets</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current items:		
Financial assets measured at fair value through profit or loss on a mandatory basis		
Listed/OTC stocks	\$ -	\$ 193,712
Emerging stocks	7,207	7,207
Non-listed/non-OTC stocks	86,672	82,482
Limited partnership	137,542	78,543
	231,421	361,944
Valuation adjustments	47,641	(108,136)
	<u>\$ 279,062</u>	<u>\$ 253,808</u>

1. Details on financial assets measured at fair value through profit or loss recognized as (loss) profit are as follows:

	2025	2024
Financial assets measured at fair value through profit or loss on a mandatory basis		
- Equity instruments	\$ 115,621	(\$ 73,024)
- Beneficiary certificates	5,912	5,830
- Limited partnership	1,042	(3,261)
	\$ 122,575	(\$ 70,455)
- Dividend income	14,955	7,648
	<u>\$ 137,570</u>	<u>(\$ 62,807)</u>

2. The Group did not pledge the financial assets measured at fair value through profit or loss.

(III) Financial assets measured at fair value through other comprehensive income

	2025	2024
Non-current items:		
Equity instruments		
Non-listed, non-OTC, non-emerging stocks	\$ 59,773	\$ 59,773
Valuation adjustments	(39,664)	(7,709)
	<u>\$ 20,109</u>	<u>\$ 52,064</u>

1. The Group chooses to classify equity investments that are strategic investments as financial assets measured at fair value through other comprehensive income. The fair value of the investments on December 31, 2025 and 2024 was \$20,109 and \$52,064.
2. Details on financial assets measured at fair value through other comprehensive income recognized as profit or loss and comprehensive income are as follows:

	2025	2024
<u>Equity instrument measured at fair value through other comprehensive income</u>		
Changes in fair value recognized as other comprehensive income	<u>(\$ 31,955)</u>	<u>(\$ 7,709)</u>

3. Without considering other credit enhancements, the amount that can best represent the maximum amount of the Group's financial assets measured at fair value through other comprehensive income exposed to credit risk as of December 31, 2025 and 2024 was \$20,109 and \$52,064.

4. The Group did not pledge the financial assets measured at fair value through other comprehensive income as collateral.
5. Please refer to Note 12 (2) for information on the credit risk of the financial assets measured at fair value through other comprehensive income.

(IV) Financial assets measured at amortized cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Time deposits with maturities over three months	\$ 177,455	\$ 442,419
Common corporate bonds	<u>1,414,350</u>	<u>1,475,325</u>
	1,591,805	1,917,744
Less: Loss allowance	<u>(21,969)</u>	<u>-</u>
	<u>\$ 1,569,836</u>	<u>\$ 1,917,744</u>
Non-current items:		
Time deposits with maturities over one year	<u>\$ 46,174</u>	<u>\$ 36,775</u>

1. Details on financial assets measured at amortized cost recognized as profit or loss are as follows:

	<u>2025</u>	<u>2024</u>
Net (loss) gain from foreign currency exchange	(\$ 60,975)	\$ 72,800
Interest income	116,327	121,675
Expected credit impairment loss	<u>(21,969)</u>	<u>-</u>
	<u>\$ 33,383</u>	<u>\$ 194,475</u>

2. Please refer to Note 8 for the Group's pledging of financial assets measured at amortized cost as collateral.
3. Without considering other credit enhancements, the carrying value can best represent the maximum amount of the Group's financial assets measured at amortized cost exposed to credit risk as of December 31, 2025 and 2024.
4. The Group invests in certificates of deposit with financial institutions with good credit ratings. Thus, the possibility of defaults is expected to be extremely low. Please refer to Note 12 (2) for information on the credit risk of other financial assets measured at amortized cost.
5. During 2025, given the increased likelihood of the corporate bond issuer extending the principal maturity date and uncertainty regarding the interest rate during the extension period, the Group assessed that a significant increase in credit risk had occurred over the life of the instrument and measured expected credit losses \$21,969 based on probability-weighted possible outcomes. For related credit risk information, please refer to Note 12(2)

On October 1, 2025, the Group received notification from the aforementioned bond issuer that the bond maturity has been extended to September 25, 2026, with the annual interest rate and monthly interest payment dates remaining unchanged.

(V) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	\$ 25,958	\$ 33,252
Accounts receivable	\$ 852,489	\$ 851,390
Less: Loss allowance	(18,143)	(14,097)
	<u>\$ 834,346</u>	<u>\$ 837,293</u>

1. The Group's notes receivable were not overdue. Please refer to the description in Note 12 (2) for the aging analysis of accounts receivable based on the number of days overdue.
2. The balances of the accounts and notes receivable on December 31, 2025 and 2024, were derived from customer contracts. The amount of total receivables from customer contracts on January 1, 2024, was \$1,019,794, and the loss allowance was \$16,730.
3. The Group did not pledge the notes and accounts receivable as collateral.
4. Without considering other credit enhancements, the amount that can best represent the maximum amount of the Group's accounts receivable and notes receivable exposed to credit risk as of December 31, 2025 and 2024 was \$860,304 and \$870,545, respectively.
5. Please refer to Note 12 (2) for information on the credit risk of the accounts receivable.

(VI) Inventory

	December 31, 2025		
	Cost	Allowance for devaluation loss	Carrying amount
Raw materials	\$ 98,340	(\$ 42,682)	\$ 55,658
Work in process	42,046	(3,491)	38,555
Finished goods	54,120	(3,820)	50,300
Inventory of goods	<u>2,034,790</u>	<u>(10,150)</u>	<u>2,024,640</u>
	<u>\$ 2,229,296</u>	<u>(\$ 60,143)</u>	<u>\$ 2,169,153</u>

	December 31, 2024		
	Cost	Allowance for devaluation loss	Carrying amount
Raw materials	\$ 93,184	(\$ 51,139)	\$ 42,045
Work in process	30,427	(3,636)	26,791
Finished goods	43,942	(4,759)	39,183
Inventory of goods	<u>1,729,038</u>	<u>(14,872)</u>	<u>1,714,166</u>
	<u>\$ 1,896,591</u>	<u>(\$ 74,406)</u>	<u>\$ 1,822,185</u>

The inventory costs recognized by the Group as expenses and losses in the current period:

	2025	2024
Cost of sold inventory	\$ 3,238,454	\$ 2,659,522
Gain from price recovery of inventory	(14,139)	(13,427)
Unamortized manufacturing expenses	61,361	65,866
	<u>\$ 3,285,676</u>	<u>\$ 2,711,961</u>

The Group sold the inventories for which an allowance for devaluation losses was recognized in 2025 and 2024, resulting in a recovery of the net realizable value of the inventories, which was recognized as a decrease in the cost of sales.

(VII) Prepayments

	December 31, 2025	December 31, 2024
Prepayment for purchase	\$ 358,909	\$ 517,412
Overpaid tax for offsetting future tax payable	19,053	60,989
Others	28,621	21,868
	<u>\$ 406,583</u>	<u>\$ 600,269</u>

(VIII) Investments accounted for using the equity method

	2025	2024
January 1	\$ 36,179	\$ 74,517
Share of gains or losses form investments accounted for using the equity method	(1,229)	198
Reclassification	-	(38,390)
Changes in other equity	(7)	(146)
December 31	<u>\$ 34,943</u>	<u>\$ 36,179</u>

1. Associate

(1) The basic information of the Group's associates is shown below:

Company name	Principal place of business	Shareholding percentage		Measurement method
		December 31, 2025	December 31, 2024	
Ju Xin Energy Inc.	Taiwan	4.80%	5.00%	Equity method

(2) A summary of the financial information of the Group's associates is shown below:

Balance Sheet

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets	\$ 29	\$ 31
Non-current assets	729,103	724,487
Current liabilities	(1,187)	(977)
Total net assets	<u>\$ 727,945</u>	<u>\$ 723,541</u>
Share in the net assets of the associate	\$ 34,941	\$ 36,177
Goodwill	<u>2</u>	<u>2</u>
Carrying value of the associate	<u>\$ 34,943</u>	<u>\$ 36,179</u>

Statement of Comprehensive Income

	<u>2025</u>	<u>2024</u>
Income	<u>\$ -</u>	<u>\$ -</u>
Net profit in the current period	<u>(\$ 25,597)</u>	<u>(\$ 28,928)</u>
Total comprehensive income in the current period	<u>(\$ 25,597)</u>	<u>(\$ 28,928)</u>

- The Group recognized \$1,229 and \$1,914, respectively, as share of losses on investments with respect to investments accounted for using the equity method in 2025 and 2024, which were derived from financial statement valuations audited by CPAs commissioned by the investee companies.
- In March 2025, Ju Xin Energy Inc. conducted a cash capital increase. As the Group did not participate in this capital increase, its ownership percentage decreased from 5% to 4.8%, resulting in an adjustment of \$7 to capital surplus in accordance with accounting standards. As the Group holds one seat on the board of directors, it has been assessed to have significant influence over the investee.
- In May 2024, AggrEnergy Inc. offered employee stock options, resulting in a decrease in the Group's shareholding rate from 18.21% to 16.46%. According to accounting standards, the Group adjusted the capital reserve by \$146. In the third quarter of the same year, the Group did not participate in AggrEnergy Inc.'s subsequent cash capital increase plan due to investment strategy considerations, and it was assessed that the Group lost significant influence over AggrEnergy Inc. Hence, the Group transferred its investment in AggrEnergy Inc., amounting to \$39,647, to "financial assets measured at fair value through other comprehensive income" at fair value, and recognized a gain from disposal of investments of \$1,257 in 2024.

(IX) Property, plant and equipment

2025

	Land	Premises and buildings	Machines/equipment	Office equipment	Others	Unfinished construction and equipment pending for inspection	Total
January 1							
Cost	\$ 261,233	\$ 201,152	\$ 468,402	\$ 49,690	\$ 58,524	\$ -	\$1,039,001
Accumulated depreciation	-	(86,765)	(423,797)	(40,662)	(42,230)	-	(593,454)
	<u>\$ 261,233</u>	<u>\$ 114,387</u>	<u>\$ 44,605</u>	<u>\$ 9,028</u>	<u>\$ 16,294</u>	<u>\$ -</u>	<u>\$ 445,547</u>
January 1	\$ 261,233	\$ 114,387	\$ 44,605	\$ 9,028	\$ 16,294	\$ -	\$ 445,547
Addition	-	-	11,644	7,157	2,004	6,450	27,255
Reclassification	-	-	7,811	-	3,874	-	11,685
Disposal-cost	-	-	(745)	(23)	(1,451)	-	(2,219)
Disposal-Accumulated depreciation	-	-	389	21	1,327	-	1,737
Depreciation expense	-	(3,538)	(19,069)	(3,786)	(3,958)	-	(30,351)
Net exchange differences	-	-	(142)	(33)	(9)	-	(184)
December 31	<u>\$ 261,233</u>	<u>\$ 110,849</u>	<u>\$ 44,493</u>	<u>\$ 12,364</u>	<u>\$ 18,081</u>	<u>\$ 6,450</u>	<u>\$ 453,470</u>
December 31							
Cost	\$ 261,233	\$ 201,152	\$ 488,699	\$ 56,741	\$ 62,820	\$ 6,450	\$1,077,095
Accumulated depreciation	-	(90,303)	(444,206)	(44,377)	(44,739)	-	(623,625)
	<u>\$ 261,233</u>	<u>\$ 110,849</u>	<u>\$ 44,493</u>	<u>\$ 12,364</u>	<u>\$ 18,081</u>	<u>\$ 6,450</u>	<u>\$ 453,470</u>

2024

	Land	Premises and buildings	Machines/equipment	Office equipment	Others	Unfinished construction and equipment pending for inspection	Total
January 1							
Cost	\$ 261,233	\$ 201,152	\$ 508,116	\$ 44,311	\$ 52,086	\$ 1,602	\$ 1,068,500
Accumulated depreciation	-	(83,227)	(470,554)	(40,726)	(40,606)	-	(635,113)
	<u>\$ 261,233</u>	<u>\$ 117,925</u>	<u>\$ 37,562</u>	<u>\$ 3,585</u>	<u>\$ 11,480</u>	<u>\$ 1,602</u>	<u>\$ 433,387</u>
January 1	\$ 261,233	\$ 117,925	\$ 37,562	\$ 3,585	\$ 11,480	\$ 1,602	\$ 433,387
Addition	-	-	13,617	7,099	7,487	-	28,203
Reclassification	-	-	6,056	241	196	-	6,493
Disposal	-	-	(76,182)	(2,849)	(1,637)	-	(80,668)
Disposal – accumulated depreciation	-	-	76,137	2,789	1,637	-	80,563
Transfer	-	-	1,650	-	-	(1,650)	-
Depreciation expense	-	(3,538)	(14,236)	(1,920)	(3,111)	-	(22,805)
Net exchange differences	-	-	1	83	242	48	374
December 31	<u>\$ 261,233</u>	<u>\$ 114,387</u>	<u>\$ 44,605</u>	<u>\$ 9,028</u>	<u>\$ 16,294</u>	<u>\$ -</u>	<u>\$ 445,547</u>
December 31							
Cost	\$ 261,233	\$ 201,152	\$ 468,402	\$ 49,690	\$ 58,524	\$ -	\$ 1,039,001
Accumulated depreciation	-	(86,765)	(423,797)	(40,662)	(42,230)	-	(593,454)
	<u>\$ 261,233</u>	<u>\$ 114,387</u>	<u>\$ 44,605</u>	<u>\$ 9,028</u>	<u>\$ 16,294</u>	<u>\$ -</u>	<u>\$ 445,547</u>

1. Please refer to the description in Note 8 for information on the Group's provision of the property, plant and equipment as collateral.
2. There was no interest capitalization on the property, plant and equipment.

(X) Lease transactions – lessee

1. The Group's leased assets include buildings and company vehicles and the leases often have a term of 2 to 10 years. The leases are individually negotiated and contain a variety of terms and conditions. The leased assets shall not be used as collateral for loans and are subject to no other limitations.
2. Some of the dormitories and business vehicles leased by the Group are leased for no more than 12 months, and some of the low-value assets leased are photocopiers.
3. Changes in the Group's right-of-use assets in 2025 and 2024 are as follows:

	2025		
	Premises	Transportation equipment (company vehicles)	Total
January 1	\$ 200,248	\$ 3,182	\$ 203,430
Addition	15,580	5,880	21,460
Disposal	(382)	-	(382)
Lease Modification	(3,288)	(789)	(4,077)
Depreciation expense	(31,280)	(3,013)	(34,293)
Net exchange differences	(424)	-	(424)
December 31	<u>\$ 180,454</u>	<u>\$ 5,260</u>	<u>\$ 185,714</u>

	2024		
	Premises	Transportation equipment (company vehicles)	Total
January 1	\$ 205,929	\$ 5,205	\$ 211,134
Addition	20,015	600	20,615
Depreciation expense	(32,746)	(2,623)	(35,369)
Net exchange differences	<u>7,050</u>	<u>-</u>	<u>7,050</u>
December 31	<u>\$ 200,248</u>	<u>\$ 3,182</u>	<u>\$ 203,430</u>

4. Information on the profit or loss items related to leases is as follows:

	2025	2024
<u>Items that affect profit or loss in the current period</u>		

Interest expense on lease liabilities	<u>\$ 8,357</u>	<u>\$ 8,358</u>
Short-term lease expense	<u>\$ 15,689</u>	<u>\$ 11,873</u>
Low-value asset lease expense	<u>\$ 3,310</u>	<u>\$ 3,817</u>
Gain on lease modification	<u>(\$ 202)</u>	<u>\$ 0</u>

5. The total cash outflow for leases of the Group in 2025 and 2024 was \$57,049 and \$54,334, respectively.

(XI) Lease transactions – lessor

1. The Group's assets leased out include land and buildings and the leases often have a term of 1 to 10 years. The leases are individually negotiated and contain a variety of terms and conditions. To secure the use of the assets leased out, the lessee is often prohibited from using the leased assets as collateral for loans or from providing them for use by others using any other methods.
2. The Group recognized \$57,056 and \$54,300 as rental income pursuant to operating leases in 2025 and 2024, respectively. There were no variable lease payments included.
3. The Group's rent received in advance as of December 31, 2025 and 2024, was \$9,490 and \$12,132, respectively, and stated as other current liabilities.

4. A maturity analysis of lease payments under the Group's operating leases is as follows:

	December 31, 2025	December 31, 2024
2025	\$ -	\$ 42,231
2026	46,717	24,344
2027	23,280	4,399
2028	8,942	-
After 2029	2,731	-
	<u>\$ 81,670</u>	<u>\$ 70,974</u>

(XII) Investment property

	2025		
	Land	Premises and buildings	Total
January 1			
Cost	\$ 584,517	\$ 596,875	\$ 1,181,392
Accumulated depreciation and impairment	(17,590)	(300,518)	(318,108)
	<u>\$ 566,927</u>	<u>\$ 296,357</u>	<u>\$ 863,284</u>
January 1	\$ 566,927	\$ 296,357	\$ 863,284
Depreciation expense	-	(11,453)	(11,453)
December 31	<u>\$ 566,927</u>	<u>\$ 284,904</u>	<u>\$ 851,831</u>
December 31			
Cost	\$ 584,517	\$ 596,875	\$ 1,181,392
Accumulated depreciation and impairment	(17,590)	(311,971)	(329,561)
	<u>\$ 566,927</u>	<u>\$ 284,904</u>	<u>\$ 851,831</u>

	2024		
	Land	Premises and buildings	Total
January 1			
Cost	\$ 584,517	\$ 593,765	\$ 1,178,282
Accumulated depreciation and impairment	(17,590)	(289,372)	(306,962)
	<u>\$ 566,927</u>	<u>\$ 304,393</u>	<u>\$ 871,320</u>
January 1	\$ 566,927	\$ 304,393	\$ 871,320
Addition	-	3,110	3,110
Depreciation expense	-	(11,146)	(11,146)
December 31	<u>\$ 566,927</u>	<u>\$ 296,357</u>	<u>\$ 863,284</u>
December 31			
Cost	\$ 584,517	\$ 596,875	\$ 1,181,392
Accumulated depreciation and impairment	(17,590)	(300,518)	(318,108)
	<u>\$ 566,927</u>	<u>\$ 296,357</u>	<u>\$ 863,284</u>

1. Rental income and direct operating expenses on investment property:

	2025	2024
Rental income on investment property	\$ 57,056	\$ 54,300
Direct operating expenses incurred from investment property generating rental income in the current period	\$ 16,864	\$ 16,027
Direct operating expenses incurred from investment property not generating rental income in the current period	\$ 206	\$ 864

2. The fair value of the investment property held by the Group on December 31, 2025 and 2024 was \$1,836,168 and \$1,759,635, respectively, according to the valuation results provided by the independent valuation experts. The fair values were valued using the income approach and the comparative approach, calculated with a certain weight taken into account, and are classified as Level 3 fair values. The key assumptions under the income approach are shown below:

	December 31, 2025	December 31, 2024
Income capitalization rate	1.75%-5.75%	1.66%-4.48%

3. Please refer to the description in Note 8 for information on the Group's provision of the investment property as collateral.

(XIII) Other non-current assets

	December 31, 2025	December 31, 2024
Receivables on demand	\$ 200,940	\$ 201,217
Less: Loss allowance	(200,940)	(201,217)
Deposits paid	33,423	28,058
Net defined benefit assets	62,999	56,972
Prepaid long-term lease payments	17,511	-
Prepayments for investments	7,500	-
Prepayments for equipment-related accounts	552	4,082
Others	16,563	16,393
	<u>\$ 138,548</u>	<u>\$ 105,505</u>

To meet global customer demand and expand its presence in the Asia-Pacific market, the Group's subsidiary, Fortune Rich Technology, resolved at the Board of Directors meeting on May 16, 2025 to establish a wholly-owned subsidiary, Solomon Goldentek Display (Philippines) Corp., in the Philippines. The incorporation registration was completed on July 3, 2025.

Due to plant construction requirements, the subsidiary entered into a land lease letter of intent with LIMA LAND, INC. in April 2025 and made payments in accordance with the agreement. As of December 31, 2025, payments totaling PHP 32,823 thousand (equivalent to NT\$17,511 thousand) had been made. The aforementioned land lease agreement was formally executed on January 8, 2026, with a total contract value of PHP 158,592 thousand and a lease term of 50 years.

(XIV) Short-term loans

	December 31, 2025	December 31, 2024
Bank loans		
Secured loans	\$ 650,000	\$ 688,000
Credit loans	13,000	68,000
	<u>\$ 663,000</u>	<u>\$ 756,000</u>
Range of interest rates	1.85%-2.30%	1.85%-2.77%

For the collateral of the Group's short-term loans, please refer to Note 8.

(XV) Other payables

	December 31, 2025	December 31, 2024
Salaries and bonuses payable	\$ 116,751	\$ 98,066
Remuneration to directors and supervisors payable	6,830	4,839
Employee remuneration payable	3,406	2,420
Service expense payable	6,690	4,845
Freight and import/export fees payable	3,061	2,888
Investment payable	1,871	-
Equipment-related accounts payable	1,654	4,414
Others	96,134	87,646
	<u>\$ 236,397</u>	<u>\$ 205,118</u>

(XVI) Liability provisions – current

	2025		
	<u>Onerous contracts</u>	<u>Warranty provision</u>	<u>Total</u>
Balance on January 1	\$ -	\$ 4,089	\$ 4,089
Added liability provisions in the current period	36,050	11,763	47,813
Liability provisions used in the current period	-	(8,170)	(8,170)
Unused amount reversed in the current period	-	(2,109)	(2,109)
Balance on December 31	<u>\$ 36,050</u>	<u>\$ 5,573</u>	<u>\$ 41,623</u>
			2024
			<u>Warranty provision</u>
Balance on January 1			\$ 1,749
Added liability provisions in the current period			3,038
Liability provisions used in the current period			(328)
Unused amount reversed in the current period			(370)
Balance on December 31			<u>\$ 4,089</u>

A.Onerous contracts

The Group's liability provisions for onerous contracts are mainly the difference between the future unavoidable cost estimated for performing the irrevocable contracts and the income expected to be earned from such contracts. This estimate may be changed at any time due to changes in the actual situation.

B.Warranty provision

The Group's warranty liability provisions are mainly associated with the sale of LCD products and are estimated based on the historical warranty data of the products. The Group expects that the liability provisions will be used in the following year.

(XVII) Net defined benefit assets

1. Defined benefit plan

- (1) The Company and its domestic subsidiaries have established defined benefit plans in accordance with the “Labor Standards Act.” The plans are applicable to the length of service of all full-time employees calculated before the “Labor Pension Act” was implemented on July 1, 2005, and the length of service of employees who choose to stay in the pension scheme under the Labor Standards Act after the implementation of the “Labor Pension Act.” The pension paid to employees who meet the criteria for retirement is calculated based on their length of service and their average salary for the 6 months prior to their retirement. Employees whose length of service is no more than 15 years (inclusive) will receive two base points for each year of service and employees whose length of service is more than 15 years will receive one base point for each additional year of service. The maximum number of accumulated base points is 45. The Company and its domestic subsidiaries make a pension contribution of 2% of the total salary on a monthly basis and deposits it into a special account with the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. In addition, before the end of each fiscal year, if the balance of the labor pension fund account referred to in the preceding paragraph is insufficient to pay the pension calculated above to employees expected to meet the criteria for retirement in the following fiscal year, the Company and its domestic subsidiaries will make a full, one-off contribution by the end of March of the next fiscal year.
- (2) The Company and subsidiary Solomon Goldentek Display Corp. and Solomon Data International Corporation applied to the Department of Labor, Taipei City Government for approval of a suspension of pension contribution from January 2022 to July 2026.

(3) The amounts recognized in the balance sheet are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	\$ 44,224	\$ 47,570
Fair value of plan assets	(107,223)	(104,542)
Net defined benefit assets (stated as "other non-current assets")	(\$ 62,999)	\$ 56,972

(4) Changes in net defined benefit assets are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
<u>2025</u>			
Balance on January 1	\$ 47,570	(\$ 104,542)	(\$ 56,972)
Service costs in the current period	956	-	956
Interest expense (income)	761	(1,673)	(912)
	<u>49,287</u>	<u>(106,215)</u>	<u>(56,928)</u>
Remeasurement:			
Return on plan assets (excluding any amount included in interest income or expense)	-	(6,874)	(6,874)
Effect of changes in financial assumptions	712	-	712
Experience adjustments	661	(560)	101
	<u>1,373</u>	<u>(7,434)</u>	<u>(6,061)</u>
Pension contributions made	-	(10)	(10)
Pension paid	(6,436)	6,436	-
Balance on December 31	<u>\$ 44,224</u>	<u>(\$ 107,223)</u>	<u>(\$ 62,999)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
<u>2024</u>			
Balance on January 1	\$ 53,304	(\$ 98,465)	(\$ 45,161)
Service costs in the current period	1,100	-	1,100
Interest expense (income)	<u>639</u>	<u>(1,182)</u>	<u>(543)</u>
	<u>55,043</u>	<u>(99,647)</u>	<u>(44,604)</u>
Remeasurement:			
Return on plan assets (excluding any amount included in interest income or expense)	-	(8,211)	(8,211)
Effect of changes in financial assumptions	(1,458)	-	(1,458)
Experience adjustments	<u>(1,691)</u>	<u>(968)</u>	<u>(2,659)</u>
	<u>(3,149)</u>	<u>(9,179)</u>	<u>(12,328)</u>
Pension contributions made	-	(40)	(40)
Pension paid	<u>(4,324)</u>	<u>4,324</u>	<u>-</u>
Balance on December 31	<u>\$ 47,570</u>	<u>(\$ 104,542)</u>	<u>(\$ 56,972)</u>

(5) The Company's and its domestic subsidiaries defined retirement benefit plan fund assets are entrusted by the Bank of Taiwan through contracted management according to the proportion and amount for contracted management items set forth in the annual investment/utilization plan of the fund and within the scope as defined in Article 6 of the Regulations for Management, Utilization and Supervision of the National Pension Insurance Fund (i.e. being deposited in domestic or foreign financial institutions, invested in domestic/foreign listed, OTC, or privately offered equity securities and in domestic/foreign real estate-related securitized products, etc.) The relevant utilization is supervised by the Labor Pension Fund Supervisory Committee. Regarding the utilization of the fund, the minimum earnings approved to be distributed every year shall not be less than the attainable earnings calculated based on the 2-year time deposit interest rates offered by local banks. Any deficit shall be made up for with the money from the national treasury upon the approval of the competent authority. As the Company has no right to participate in the utilization and management of the fund, the classification of the fair value of plan assets cannot be disclosed in accordance with Paragraph 142 of IAS 19. Please refer to the labor pension fund utilization report for each year published by the government for the fair value of all assets constituting the fund on December 31, 2025 and 2024.

(6) A summary of pension-related actuarial assumptions is shown below:

	2025	2024
Discount rate	<u>1.30%~1.40%</u>	<u>1.60%</u>
Future salary increase rate	<u>2.00%-3.00%</u>	<u>2.00%-3.00%</u>

The assumption of future mortality rates is made based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

The present value of defined benefit obligations that has been affected due to changes in the main adopted actuarial assumptions is analyzed as follows:

	Discount rate		Future salary increase rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2025				
Effect on the present value of defined benefit obligations	<u>(\$ 793)</u>	<u>\$ 824</u>	<u>\$ 702</u>	<u>(\$ 679)</u>
December 31, 2024				
Effect on the present value of defined benefit obligations	<u>(\$ 872)</u>	<u>\$ 903</u>	<u>\$ 772</u>	<u>(\$ 751)</u>

The above sensitivity analysis was conducted to analyze the effect of changes in a single assumption, with all other assumptions remaining unchanged. Changes in many assumptions could be correlated with each other in practice. The sensitivity analysis used the same method as that for calculating the net pension liabilities in the balance sheet.

The method and assumptions used for the sensitivity analysis in the current period are the same as those in the previous period.

- (7) The Group expects to pay a defined benefit plan contribution of \$0 in 2026.
- (8) As of December 31, 2025, the weighted average lifetime of the defined benefit plan was 7–9 years. A maturity analysis of pension payments is as follows:

Less than 1 year	\$ 7,085
2-5 years	15,936
Over 5 years	<u>13,969</u>
	<u>\$ 36,990</u>

2. Defined contribution plan

- (1) Since July 1, 2005, the Company and its domestic subsidiaries have their defined contribution plans in place in accordance with the “Labor Pension Act.” The plans are applicable to employees who are of Taiwanese nationality. The Company and its domestic subsidiaries make and deposit a labor pension distribution of 6% of the salary of the employees who choose to opt in to the labor pension scheme under the “Labor Pension Act” into their personal accounts with the Bureau of Labor Insurance every month. The pension is paid monthly or at once to the employees based on the amount of money in their personal pension accounts and the accumulated gains.
- (2) The Group’s subsidiaries in China make an endowment insurance contribution of a certain percentage of the total salary of the local employees on a monthly basis under the endowment insurance system as required by the government of the People’s Republic of China. The pension of every employee is managed and arranged by the government. The Group is only obligated to make a monthly contribution and has no further obligation.
- (3) The pension cost recognized by the Group in accordance with the aforesaid pension plan in 2025 and 2024 was \$43,755 and \$41,633, respectively.

(XVIII) Share capital

1. As of both December 31, 2025 and 2024, the Company’s authorized capital was \$5,000,000 , divided into 500,000 thousand shares with a par value of NT\$10 per share. The shares were authorized to be issued in installments by the Board of Directors, of which 56,000 thousand shares were reserved for the exercise of stock warrants attached to employee stock options, preferred shares with warrants, or corporate bonds with warrants. The number of outstanding shares of the Company (excluding treasury shares) was 171,371 thousand shares for both periods. Payment for the issued shares of the Company has been received, and the number of outstanding shares at the beginning and end of the period remained the same.
2. Treasury stocks
 - (1) The Company’s consolidated subsidiary Moredel Investment Corp. held a total of 100 thousand shares in the Company to ensure financial operations before the Company Act was amended on November 12, 2001. The carrying value of the Company’s treasury stocks on both December 31, 2025 and 2024, was \$6,042.
 - (2) According to the Securities and Exchange Act, treasury stocks held by the Company shall not be pledged or entitled to any shareholder rights.

(XIX) Capital reserves

1. Pursuant to the Company Act, the capital reserve generated from the income derived from the issuance of new shares at a premium and from the endowments received may not only be used to offset losses, but also be distributed to shareholders in new shares or cash in proportion to the shares initially held thereby if the Company has no accumulated losses. According to the relevant provisions in the Securities and Exchange Act, the total proportion of the above capital reserve used for capitalization is limited to 10% of the paid-in capital every year. The Company shall not use the capital reserve to offset capital losses, unless the surplus reserve is insufficient to offset such losses.

2. Details on and changes in the Company's capital reserve are shown below:

2025						
	Trading of treasury stocks	Recognized changes in ownership interests in subsidiaries	Difference between the consideration and the carrying value of subsidiaries acquired or disposed of	Consolidat ed excess	Others	Total
January 1	\$ 32,683	\$ 142,591	\$ 696,292	\$ 9,473	\$ 30,316	\$ 911,355
Changes in interests in subsidiaries recognized according to shareholding	-	(4)	-	-	-	(4)
December 31	<u>\$ 32,683</u>	<u>\$ 142,587</u>	<u>\$ 696,292</u>	<u>\$ 9,473</u>	<u>\$ 30,316</u>	<u>\$ 911,351</u>
2024						
	Trading of treasury stocks	Recognized changes in ownership interests in subsidiaries	Difference between the consideration and the carrying value of subsidiaries acquired or disposed of	Consolidat ed excess	Others	Total
January 1	\$ 32,683	\$ 142,666	\$ 47,011	\$ 9,473	\$ 30,316	\$ 262,149
Changes in interests in subsidiaries recognized according to shareholding	-	(75)	430,923	-	-	430,848
Difference between the consideration and the carrying value of subsidiaries disposed of	-	-	218,358	-	-	218,358
December 31	<u>\$ 32,683</u>	<u>\$ 142,591</u>	<u>\$ 696,292</u>	<u>\$ 9,473</u>	<u>\$ 30,316</u>	<u>\$ 911,355</u>

(XX) Retained earnings

1. According to the Articles of Incorporation, the Company may distribute earnings or offset losses after the end of each half of the fiscal year. Where the Company has earnings at the year-end closing for the first half of a fiscal year or a fiscal year, 10% thereof shall be set aside as legal reserves as required by laws after they are used to pay taxes and offset accumulated losses. Provision for special reserves is then required pursuant to the Securities and Exchange Act and related administrative rules. The remaining earnings, if any, shall be added to the undistributed earnings carried over from prior years as distributable earnings. The Board of Directors shall subsequently draw up a distribution proposal and submit it to a shareholders' meeting for a resolution on the distribution of the earnings. The Board of Directors is authorized to adopt a resolution to distribute the abovementioned earnings, legal reserve, and capital reserve in cash at a meeting attended by more than two-thirds of directors with the consent of a majority of all attending directors and the distribution shall be reported at a shareholders' meeting. The distribution of the earnings, legal reserve, and capital reserve by issuing new shares is subject to a resolution adopted at a shareholders' meeting according to the preceding paragraph.
2. The legal reserve shall not be used unless it is used to offset the Company's losses and distributed to shareholders in new shares or cash in proportion to the shares initially held thereby. The legal reserve shall not be distributed in new shares or cash unless the portion distributed exceeds 25% of the paid-in capital.
3. The Company may distribute earnings only after recognizing special reserves based on the debit balance of equity items on the balance sheet in the current year as required by laws. When the debit balance of the equity items is reversed subsequently, the reversed amount may be included as distributable earnings.
4. The Company's 2024 and 2023 earnings distribution proposals approved at the shareholders' meeting held on June 10, 2025, and June 7, 2024, respectively, are stated as follows:

	2024		2023	
	Amount	Dividend per share (NT\$)	Amount	Dividend per share (NT\$)
Set aside as legal reserve	\$ 15,335		\$ 53,374	
Set aside (reversed) as special reserve	(16,133)		8,960	
Cash dividends	171,471	\$ 1.00	291,501	\$ 1.70

5. The 2025 earnings distribution proposal presented by the Board of Directors on March 13, 2026, is as follows:

	Amount	Dividend per share (NT\$)
Set aside as legal reserve	\$ 21,586	
Reversed as special reserve	25,890	
Cash dividends	171,471	\$ 1.00

The Company's 2025 earnings distribution proposal has not been approved at the shareholders' meeting as of the date of this audit report. For the earnings distribution approved by the Board of Directors and resolved at the shareholders' meeting, please visit the Market Observation Post System.

(XXI) Operating income

1. Sub-items of income from contracts with customers

The Group's income from goods and services transferred at a specific timing is disaggregated by product segment. Please refer to Note 14 (2) for relevant information.

	2025	2024
Income from contracts with customers	\$ <u>4,248,292</u>	\$ <u>3,503,097</u>

2. Contractual liabilities

The Group's recognized contractual liabilities related to the income from contracts with customers are as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Electromechanical Business Group	\$ 1,563,930	\$ 1,347,346	\$ 1,065,326
Others	<u>48,094</u>	<u>56,417</u>	<u>66,147</u>
	<u>\$ 1,612,024</u>	<u>\$ 1,403,763</u>	<u>\$ 1,131,473</u>

The opening balance of the Group's contractual liabilities recognized as income in 2025 and 2024 was \$507,473 and \$508,188, respectively.

(XXII) Interest income

	2025	2024
Financial assets measured at amortized cost		
Interest income	\$ 116,327	\$ 121,675
Bank deposit interest	44,211	47,881
	<u>\$ 160,538</u>	<u>\$ 169,556</u>

(XXIII) Other income

	2025	2024
Rental income	\$ 57,056	\$ 54,300
Income of Civil litigation Settlement	18,030	-
Dividend income	14,995	7,648
Insurance claims income	6,786	-
Government subsidy income	5,900	20,814
Others	17,314	24,918
	<u>\$ 120,081</u>	<u>\$ 107,680</u>

The subsidiary Solomon Data International Corporation suffered significant damages due to the breach of fiduciary duty by its former management. In November 2017, the Company filed a claim for damages with the Taiwan Shilin District Court and initiated a supplementary civil action during the criminal proceedings. The case was subsequently transferred to the Civil Division by the Criminal Division of the Shilin District Court. On November 26, 2025, the Company reached a settlement agreement with one of the defendants at the Shilin District Court for an amount of \$134,795. The Company received the first installment in December 2025 and recognized the settlement income after deducting related litigation costs.

(XXIV) Other gains and losses

	2025	2024
Net (loss) gain from foreign currency exchange	(\$ 118,828)	\$ 181,859
Gain (loss) from financial assets measured at fair value through profit or loss	122,575	(70,455)
Depreciation expense of investment property	(11,453)	(11,146)
Gain from disposal of property, plant and equipment	124	1,446
Gain from disposal of investments	-	1,257
Gain from lease modification	202	-
Others	(10,070)	(21,870)
	<u>(\$ 17,450)</u>	<u>\$ 81,091</u>

(XXV) Financial costs

	2025	2024
Interest expense		
– Bank loans	\$ 15,985	\$ 16,187
– Leases	8,357	8,358
	<u>\$ 24,342</u>	<u>\$ 24,545</u>

(XXVI) Additional information on the nature of expense

	2025	2024
Employee benefit expenses	\$ 744,608	\$ 710,523
Depreciation expense of property, plant and equipment (including right-of-use assets)	64,644	58,174
Service expense	44,257	56,813
Operating rent	18,999	15,690
Transportation expense	10,798	8,501
Amortization expense	5,566	1,874
	<u>\$ 888,872</u>	<u>\$ 851,575</u>

(XXVII) Employee benefit expenses

	2025	2024
Salary expense	\$ 610,749	\$ 580,389
Labor and health insurance expenses	44,652	42,303
Pension expense	43,799	42,190
Remuneration to directors	10,270	9,840
Other employment expenses	35,138	35,801
	<u>\$ 744,608</u>	<u>\$ 710,523</u>

1. According to the Articles of Incorporation, the Company shall subtract any accumulated losses from earnings in the year. A minimum amount of 1% of the remaining (if any) shall be appropriated as remuneration to employees and a maximum amount of 2% shall be appropriated as remuneration to directors. In the remuneration to employees described in the preceding paragraph, no less than 10% shall be distributed to entry-level employees.

2. In 2025 and 2024, the Company's estimated amount of remuneration to employees was \$2,306 and \$2,126, respectively, and the estimated amount of remuneration to directors was \$4,612 and \$4,252, respectively. The above amounts were stated as remuneration expenses. The remuneration to employees and to directors in 2025 was estimated as 1% and 2%, respectively, of the earnings in the year. The amount actually distributed as resolved by the Board of Directors was \$2,306 and \$4,612, respectively. The remuneration to employees was distributed in cash.

There is consistency between the amounts of remuneration to employees and to directors for 2024 resolved by the Board of Directors and the amounts recognized in the financial statements for 2024.

Please visit the Market Observation Post System for information on the remuneration to employees and to directors resolved by the Board of Directors.

(XXVIII) Income tax

1. Income tax expense:

(1) The income tax expenses comprise the following:

	2025	2024
Income tax in the current period:		
Income tax incurred from income in the current period	\$ 69,582	\$ 45,063
Income tax levied on undistributed earnings	6,765	16,539
Underestimation (overestimation) of income tax in prior years	(15,479)	(826)
Income tax effect of alternative minimum tax	<u>1,533</u>	<u>31,256</u>
Total income tax in the current period	62,401	92,032
Deferred income tax:		
Initial generation and reversal of temporary differences	<u>(16,971)</u>	<u>35,540</u>
Income tax expense	<u>\$ 45,430</u>	<u>\$ 127,572</u>

(2) Income tax expenses related to other comprehensive income:

	2025	2024
Remeasurement of defined benefit obligations	\$ <u>1,075</u>	\$ <u>2,105</u>

2. The relationship between the income tax expenses and the accounting profit is as follows:

	2025	2024
Income tax on pre-tax profit calculated at the statutory tax rate	\$ 92,068	\$ 49,252
Income tax effect of adjustment items as per law	(14,379)	18,768
Non-taxable income losses under the tax act	(3,879)	(3,603)
Income tax effect of adjustment based on transfer pricing	-	2,815
Investment (loss)gain with respect to unrecognized deferred income tax	(16,949)	16,289
Changes in the realizability assessment of deferred income tax assets	(10,330)	(5,149)
Temporary difference with respect to unrecognized deferred income tax assets	560	(649)
Underestimation (overestimation) of income tax in prior years	(15,479)	(826)
Income tax levied on undistributed earnings	6,765	16,539
Taxable loss with respect to unrecognized deferred income tax assets	5,520	2,880
Income tax effect of alternative minimum tax	<u>1,533</u>	<u>31,256</u>
Income tax expense	<u>\$ 45,430</u>	<u>\$ 127,572</u>

3. The amount of the deferred income tax assets or liabilities resulting from temporary differences is shown below:

	2025			
	January 1	Recognized as profit or loss	Recognized as other comprehensive income	December 31
Deferred income tax assets:				
Loss allowance in excess of limit	\$ 2,939	\$ 127	\$ -	\$ 3,066
Unrealized inventory devaluation loss	4,339	(1,371)	-	2,968
Unrealized exchange loss	62	-	-	62
Expected credit impairment loss	-	4,392	-	4,392
Book-tax difference from lease liabilities	45,875	(2,401)	-	43,474
Others	<u>12,653</u>	<u>(4,907)</u>	<u>-</u>	<u>7,746</u>
	<u>\$ 65,868</u>	<u>(\$ 4,160)</u>	<u>\$ -</u>	<u>\$ 61,708</u>
- Deferred income tax liabilities:				
Unrealized exchange gain	(\$ 45,621)	\$ 22,689	\$ -	(\$ 22,932)
Book-tax difference from net defined benefit assets	(9,628)	35	(1,075)	(10,668)
Gain from overseas investments accounted for using the equity method	(9,372)	(11,026)	-	(20,398)
Book-tax difference from right-of-use assets	(44,620)	3,490	-	(41,130)
Others	<u>(9,731)</u>	<u>5,943</u>	<u>-</u>	<u>(3,788)</u>
	<u>(\$ 118,972)</u>	<u>\$ 21,131</u>	<u>(\$ 1,075)</u>	<u>(\$ 98,916)</u>
	<u>(\$ 53,104)</u>	<u>\$ 16,971</u>	<u>(\$ 1,075)</u>	<u>(\$ 37,208)</u>

2024				
	January 1	Recognized as profit or loss	Recognized as other comprehensive income	December 31
Deferred income tax assets:				
Loss allowance in excess of limit	\$ 4,180	(\$ 1,241)	\$ -	\$ 2,939
Unrealized inventory devaluation loss	5,391	(1,052)	-	4,339
Unrealized exchange loss	919	(857)	-	62
Book-tax difference from lease liabilities	49,802	(3,927)	-	45,875
Others	6,376	6,277	-	12,653
	<u>\$ 66,668</u>	<u>(\$ 800)</u>	<u>\$ -</u>	<u>\$ 65,868</u>
- Deferred income tax liabilities:				
Unrealized exchange gain	(\$ 15,102)	(\$ 30,519)	\$ -	(\$ 45,621)
Book-tax difference from net defined benefit assets	(12,968)	5,445	(2,105)	(9,628)
Gain from overseas investments accounted for using the equity method	(1,702)	(7,670)	-	(9,372)
Book-tax difference from right-of-use assets	(49,692)	5,072	-	(44,620)
Others	(2,663)	(7,068)	-	(9,731)
	<u>(\$ 82,127)</u>	<u>(\$ 34,740)</u>	<u>(\$ 2,105)</u>	<u>(\$ 118,972)</u>
	<u>(\$ 15,459)</u>	<u>(\$ 35,540)</u>	<u>(\$ 2,105)</u>	<u>(\$ 53,104)</u>

4. The expiry dates of the Group's unused taxable losses and the amount of unrecognized deferred income tax assets are as follows:

December 31, 2025				
Year of occurrence	Reported amount/approved amount	Amount of unused taxable losses	Amount of unrecognized deferred income tax assets	Year of expiration
2018	\$ 124	\$ -	\$ -	2028
2019	151,688	103,390	103,390	2029
2020	6,402	6,402	6,402	2030
2021	26,856	26,856	26,856	2031
2022	26,618	26,618	26,618	2032
2023	13,599	13,599	13,599	2033
2024	14,036	14,036	14,036	2034
2025	27,150	27,150	27,150	2035

December 31, 2024

Year of occurrence	Reported amount/approved amount	Amount of unused taxable losses	Amount of unrecognized deferred income tax assets	Year of expiration
2018	\$ 124	\$ 124	\$ 124	2028
2019	151,688	151,688	151,688	2029
2020	6,402	6,402	6,402	2030
2021	26,856	26,856	26,856	2031
2022	26,618	26,618	26,618	2032
2023	13,599	13,599	13,599	2033
2024	14,036	14,036	14,036	2034

5. Deductible temporary differences not recognized as deferred income tax assets:

	December 31, 2025	December 31, 2024
Deductible temporary difference	<u>\$ 246,388</u>	<u>\$ 238,799</u>

6. The Group did not recognize deferred income tax assets with respect to taxable temporary differences related to investments in several subsidiaries. The amount of temporary differences with respect to unrecognized deferred income tax assets as of December 31, 2025 and 2024, was \$396,150 and \$342,971.
7. Approval of the Group's profit-seeking enterprise income tax returns by the tax authority:

	Year of approval of income tax return
The Company	2022
Solomon Goldentek Display Corp.	2023
Solomon Data International Corporation	2023

(XXIX) Earnings per share

2025			
	Amount after tax	Weighted average outstanding shares (thousand shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Net profit attributable to the shareholders of the parent company in the current period	<u>\$ 211,274</u>	171,371	<u>\$ 1.23</u>
<u>Diluted earnings per share</u>			
Effect of dilutive potential common shares			
- remuneration to employees		<u>21</u>	
Net profit attributable to the shareholders of the parent company in the current period plus the effect of potential common shares	<u>\$ 211,274</u>	<u>171,392</u>	<u>\$ 1.23</u>
2024			
	Amount after tax	Weighted average outstanding shares (thousand shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Net profit attributable to the shareholders of the parent company in the current period	<u>\$ 144,012</u>	171,371	<u>\$ 0.84</u>
<u>Diluted earnings per share</u>			
Effect of dilutive potential common shares			
- remuneration to employees		<u>42</u>	
Net profit attributable to the shareholders of the parent company in the current period plus the effect of potential common shares	<u>\$ 144,012</u>	<u>171,413</u>	<u>\$ 0.84</u>

(XXX) Transactions with non-controlling interests – Disposal of interests in subsidiaries

Disposal of interests in subsidiaries (not resulting in loss of control)

1. In 2024, the Group sold 16.53% of its equity in its subsidiary, Solomon Data International, for a consideration of \$713,623. The transaction increased non-controlling interests by \$64,342, and the equity attributable to owners of the parent company by \$649,281.
2. The effect of changes in the interests in Solomon Data International in 2024 on the equity attributable to owners of the Company is as follows:

	<u>2024</u>
Cash	\$ 713,623
Increase in the carrying amount of non-controlling interests	(64,342)
Capital reserve – difference between the consideration and the carrying value of subsidiaries acquired or disposed of	<u>\$ 649,281</u>

(XXXI) Supplementary information on cash flows

Investment activities with only partial payment in cash:

	<u>2025</u>	<u>2024</u>
Purchase of property, plant and equipment	\$ 31,337	\$ 29,694
Plus: Equipment-related accounts payable at beginning of the period	4,414	3,333
Plus: Prepayments for equipment-related accounts at end of the period	552	4,082
Less: Prepayments for equipment-related accounts at beginning of the period	(4,082)	(1,248)
Less: Equipment-related accounts payable at end of the period	(1,654)	(4,414)
Cash amount paid in the current period	<u>\$ 30,567</u>	<u>\$ 31,447</u>

Operating and investing activities not affecting cash flows:

	2025	2024
Inventory transferred to property, plant and equipment	\$ 7,604	\$ 5,002

(XXXII) Changes in liabilities from financing activities

	2025			
	Short-term loans	Deposits received	Lease liabilities	Total liabilities from financing activities
January 1	\$ 756,000	\$ 10,214	\$ 208,787	\$ 975,001
Changes in cash flows from financing activities	(93,000)	251	(29,693)	(122,442)
Interest expenses paid (Note)	-	-	(8,357)	(8,357)
Effect of exchange rate changes	-	-	(167)	(167)
Other non-cash changes	-	-	25,156	25,156
December 31	<u>\$ 663,000</u>	<u>\$ 10,465</u>	<u>\$ 195,726</u>	<u>\$ 869,191</u>

Note: Stated as cash flows from operating activities

	2024			
	Short-term loans	Deposits received	Lease liabilities	Total liabilities from financing activities
January 1	\$ 673,000	\$ 8,357	\$ 211,553	\$ 892,910
Changes in cash flows from financing activities	83,000	(993)	(30,286)	51,721
Interest expenses paid (Note)	-	-	(8,358)	(8,358)
Effect of exchange rate changes	-	-	6,905	6,905
Other non-cash changes	-	2,850	28,973	31,823
December 31	<u>\$ 756,000</u>	<u>\$ 10,214</u>	<u>\$ 208,787</u>	<u>\$ 975,001</u>

Note: Stated as cash flows from operating activities

VII. Related party transactions

(I) Names of related parties and their relationship with the Company

Names of related parties	Relationship with the Group
All directors, the General Manager, and key management	The Group's key management and governance bodies

(II) Significant transactions with the related parties

All the Group's related party transaction counterparties are entities included in the consolidated financial statements. The related transactions have been written off.

(III) Information on remuneration to key management

	2025	2024
Salaries and other short-term employee benefits	\$ 76,002	\$ 72,675
Post-employment benefits	883	842
	<u>\$ 76,885</u>	<u>\$ 73,517</u>

VIII. Pledged assets

Details on assets	December 31, 2025	December 31, 2024	Purpose of collateral
Investment property	\$ 831,238	\$ 839,123	Collateral for short-term loans
Property, plant and equipment	368,631	375,644	Collateral for short-term loans
Deposits paid (stated as "other non-current assets")	33,423	28,058	Performance bond
Financial assets measured at amortized cost – non-current	46,174	36,775	Performance bonds and customs import security
	<u>\$ 1,279,466</u>	<u>\$ 1,279,600</u>	

IX. Material contingent liabilities and unrecognized contractual commitments

1. As of December 31, 2025, the Group's letter of credit issued but not yet used was \$30,677.
2. As of December 31, 2025, the Group's promissory notes issued as security for the performance of sales contracts amounted to \$132,864.
3. As of December 31, 2025, the Group's promissory notes issued to implement government-subsidized plans amounted to \$21,000.
4. The Group committed a total capital contribution of \$45,000 under a limited partnership investment contract signed. As of December 31, 2025, the investment of \$30,000 had been completed.
5. The Group committed a total capital contribution of US\$5,000 thousand under a limited partnership investment contract signed. As of December 31, 2025, the Group has invested US\$3,349 thousand (equivalent to \$107,542). of which \$7,500 had been stated as other non-current assets since the day of the capital increase was set in February 2026. Please refer to 6 (13) for details.
6. The consolidated subsidiary, Solomon Goldentek Display (Philippines) Corp., has entered into a land lease agreement, and the related committed payments amounted please refer to 6 (13)

X. Material losses from disasters

None.

XI. Material subsequent events

Please refer to Note 6 (20) for the Company's 2025 earnings distribution proposal.

XII. Others

(I) Capital management

The Group's capital management aims to ensure that the Group can operate as a going concern, maintain the best capital structure to reduce the cost of funds, and offer returns to shareholders. In order to maintain or adjust the capital structure, the Group may adjust dividends paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debts.

(II) Financial instruments

1. Types of financial instruments

	December 31, 2025	December 31, 2024
<u>Financial assets</u>		
Financial assets measured at fair value through profit or loss		
Financial assets measured at fair value through profit or loss on a mandatory basis	\$ 1,059,520	\$ 1,088,636
Financial assets measured at fair value through other comprehensive income		
Investments in designated equity instruments	\$ 20,109	\$ 52,064
Financial assets measured at amortized cost		
Cash and cash equivalents	\$ 2,213,779	\$ 1,803,115
Financial assets measured at amortized cost	1,616,010	1,954,519
Notes receivable	25,958	33,252
Accounts receivable	834,346	837,293
Other receivables	19,172	23,069
Deposits paid (stated as "other non-current assets")	33,423	28,058
	\$ 4,742,688	\$ 4,679,306

Financial liabilities

Financial liabilities measured at amortized cost

Short-term loans	\$ 663,000	\$ 756,000
Notes payable	4,264	3,964
Accounts payable	915,238	909,572
Other payables	236,397	205,118

	December 31, 2025	December 31, 2024
Deposits received (stated as “other non-current liabilities”)	10,465	10,214
	\$ 1,829,364	\$ 1,884,868
Lease liabilities	\$ 195,726	\$ 208,787

2. Risk management policy

- (1) The Group’s day-to-day operations are affected by multiple financial risks, including market risk (exchange rate risk and price risk), credit risk, and liquidity risk.
- (2) The Finance Department implements risk management in accordance with the policy approved by the Board of Directors. The Group’s Finance Department is responsible for identifying, assessing, and avoiding financial risks by closely cooperating with the Group’s operating units.

3. Nature and level of material financial risks

(1) Market risk

Exchange rate risk

- A. The Group operates internationally and thus incurs exchange rate risk generated from transactions using currencies different from the functional currencies of the Company and its subsidiaries, which mainly are the US dollar and Chinese yuan. The relevant exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- B. As the business activities that the Group is engaged in involve several functional currencies (the functional currencies of the Group and some of its subsidiaries are the NT dollar and the other subsidiaries’ functional currencies are the US dollar and Chinese yuan), there is an effect from exchange rate volatility on the Group. Information on foreign currency assets and liabilities with significant exchange rate volatility effect is shown below:

December 31, 2024			
	Foreign currency (thousand dollars)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 91,339	31.43	\$2,870,785
EUR : NTD	1,384	36.90	51,070
HKD : NTD	10,413	4.04	42,048
USD : CNY	1,623	7.03	51,011
CNY : NTD	7,505	4.50	33,742
<u>Non-monetary items</u>			
USD : NTD	\$ 3,471	31.43	\$ 109,097
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 1,812	31.43	\$ 56,951
CNY : NTD	2,481	4.50	11,155
EUR : NTD	238	36.90	8,782
HKD : NTD	672	4.04	2,714

December 31, 2024			
	Foreign currency (thousand dollars)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 87,887	32.79	\$ 2,881,375
EUR : NTD	1,320	34.14	45,065
HKD : NTD	11,957	4.22	50,482
USD : CNY	2,007	7.19	65,799
CNY : NTD	2,781	4.48	12,453
<u>Non-monetary items</u>			
USD : NTD	\$ 1,416	32.79	\$ 46,568
<u>Financial liabilities</u>			

Monetary items

USD : NTD	\$	1,777	32.79	\$	58,259
EUR : NTD		235	34.14		8,023
HKD : NTD		1,193	4.22		5,036

- C. As exchange rate volatility has a significant effect, all exchange gains (losses) (both realized and unrealized) recognized with respect to the monetary items of the Group in 2025 and 2024 were (\$118,828) and \$181,859, respectively.
- D. The sensitivity analysis of the Group's exchange rate risk focused on the effect of the appreciation or depreciation of relevant foreign currencies with respect to the main foreign currency monetary items on the financial reporting date on the Group's profit or loss. When there was a 1% appreciation or depreciation of the NT dollar against the aforesaid foreign currencies, the pre-tax profit increased or decreased by \$29,691 and \$29,839 in 2025 and 2024, respectively, provided that all other factors remained the same.

Price risk

- A. The Group's equity instruments exposed to price risk are financial assets measured at fair value through profit or loss. To manage the price risk from investments in equity instruments, the Group diversifies its portfolio based on the limit set by it.
- B. The Group mainly invests in equity instruments and open-end funds issued by domestic and foreign companies. The price of such equity instruments is affected due to the uncertainty of their future value. When the price of the equity instruments rose or dropped by 1% and all other factors remained the same, the net profit after tax decreased or increased by \$10,348 and \$10,757 in 2025 and 2024, respectively, due to the loss or gain from equity instruments measured at fair value through profit or loss; and other comprehensive income increased or decreased by \$201 and \$521 as it was classified as gains or losses from equity instruments measured at fair value through other comprehensive income.

Cash flow and fair value interest rate risks

- A. The Group's interest rate risk mainly comes from short-term loans for purchasing materials issued at floating interest rates, exposing the Group to cash flow interest rate risk. As of December 31, 2025 and 2024, the Group's loans issued at floating interest rates were mainly denominated in NTD and EUR.
- B. When the loan interest rate rose or dropped by 0.25% and all other factors remained the same, the profit after tax increased or decreased by \$1,326 and \$1,512 in 2025 and 2024, respectively.

(2) Credit risk

- A. The Group's credit risk is the risk of failure of a customer or a counterparty trading financial instruments with the Group to fulfill the contractual obligations, leading to the Group's financial loss. The risk is mainly generated from accounts receivable that cannot be collected from the counterparty according to the payment terms and from contractual cash flows classified as investments in debt instruments measured at amortized cost.

- B. According to the Group's explicitly defined internal loan policy, all operating entities of the Group must conduct management and credit risk analysis for every new customer before setting payment terms and proposing delivery terms and conditions. The customers' credit quality is assessed by taking into consideration their financial position, past experiences and other factors for internal risk control.
- C. When a contract payment is more than 90 or 180 days (depending on individual operating entities) overdue according to the agreed payment terms, a default is considered to have occurred.
- D. When a contract payment is more than 90 days overdue according to the agreed payment terms, the credit risk of financial assets is considered to have significantly increased after initial recognition.
- E. The indicators used by the Group to identify the credit impairment of investments in debt instruments are shown below:
- (A) The issuer incurs significant financial difficulties or there is a significantly increased possibility that it will enter into bankruptcy or other financial reorganization;
- (B) The issuer incurs financial difficulties resulting in the disappearance of the active market of the financial asset;
- (C) The issuer defaults on or fails to pay the interest or principal;
- (D) There are changes adverse to national and regional economic situations that are associated with the default of the issuer.
- F. The Group adopts the simplified approach to estimate expected credit losses for accounts receivable from customers by the characteristics of the customers based on a provision matrix.
- G. The Group took into consideration the study reports of the Taiwan Institute of Economic Research for future prospects when adjusting the loss rate derived from information during specific historical and current periods to estimate the loss allowance for accounts receivable. The provision matrix on December 31, 2025 and 2024, respectively, is as follows:

	Not overdue	30 days overdue	31-90 days overdue	91-180 days overdue	More than 181 days overdue	Total
<u>December 31, 2025</u>						
Expected loss rate	0.05%~1.82%	11.84%-78.87%	37.90%~100%	91.82%~100%	100%	
Total carrying value	<u>\$ 816,946</u>	<u>\$ 22,382</u>	<u>\$ 4,085</u>	<u>\$ 2,732</u>	<u>\$ 6,344</u>	<u>\$ 852,489</u>
Loss allowance	<u>\$ 2,438</u>	<u>\$ 2,935</u>	<u>\$ 3,694</u>	<u>\$ 2,732</u>	<u>\$ 6,344</u>	<u>\$ 18,143</u>
	Not overdue	30 days overdue	31-90 days overdue	91-180 days overdue	More than 181 days overdue	Total
<u>December 31, 2024</u>						
Expected loss rate	0.03%-2.45%	15.46%-50.36%	37.16%-100%	79.45%-100%	100%	
Total carrying value	<u>\$ 828,574</u>	<u>\$ 16,790</u>	<u>\$ 3,144</u>	<u>\$ 712</u>	<u>\$ 2,170</u>	<u>\$ 851,390</u>
Loss allowance	<u>\$ 4,928</u>	<u>\$ 3,964</u>	<u>\$ 2,337</u>	<u>\$ 698</u>	<u>\$ 2,170</u>	<u>\$ 14,097</u>

H. The table about changes in the loss allowance for accounts receivable, for which the Group adopted the simplified approach, is as follows:

	2025	2024
January 1	\$ 14,097	\$ 16,730
Impairment losses (reversed) set aside	4,116	(2,985)
Effect of exchange rate	60	352
Transferred to receivables on demand	(130)	-
December 31	<u>\$ 18,143</u>	<u>\$ 14,097</u>

I. As of December 31, 2024, the Group's investments in debt instruments measured at amortized cost have received interest under the original contract terms, and no credit impairment has occurred. According to assessment results, there is no significant expected credit loss.

	2025
January 1	\$ -
Impairment losses	(21,969)
December 31	<u>(\$ 21,969)</u>

(3) Liquidity risk

- A. Cash flow forecasting is carried out individually by each operating entity of the Group and the results are summarized by the Group's Finance Department. The Group's Finance Department monitors the forecasting of the Group's needs for current funds to ensure there are sufficient funds to meet the operating needs and maintains adequate unused committed lending facilities to prevent the Group from violating relevant lending limits or terms. Consideration is given to the Group's debt financing plans, compliance with debt terms, and achievement of internal target balance sheet financial ratios when making such forecasts.
- B. The Group categorizes non-derivative financial liabilities and derivative financial liabilities settled at net or total amounts by their relevant maturity dates. The non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date. The derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the expected maturity date. The undiscounted contractual cash flows of accounts payable, notes payable, and other payables are equivalent to their carrying values and will fall due within one year. The undiscounted contractual cash flows of the other financial liabilities are shown in detail below:

Non-derivative financial liabilities:

December 31,
2025

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>
Short-term loans	\$ 663,824	\$ -	\$ -	\$ -
Lease liabilities	39,747	56,223	76,101	50,277

Non-derivative financial liabilities:

December 31,
2024

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>
Short-term loans	\$ 756,911	\$ -	\$ -	\$ -
Lease liabilities	40,871	52,863	76,435	77,957

C. According to maturity analysis, the Group does not expect the timing of cash flows to occur significantly early or the actual amount to be significantly different.

(III) Fair value information

1. The levels of the valuation technique adopted to measure the fair value of financial instruments and non-financial instruments are defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities accessible to an entity on the measurement date (unadjusted). Active markets are ones where asset or liability transactions take place with sufficient frequency and volume for pricing information to be provided on an ongoing basis. All the fair values of the Group's investments in listed/OTC stocks fall under Level 1.

Level 2: Level 2 inputs are inputs other than the quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability. The Group's investments in bond instruments without active market fall under Level 2.

Level 3: Level 3 inputs are inputs that are unobservable to the asset or liability.

2. Please refer to the description in Note 6 (12) for information on the fair value of investment property measured at cost.

3. Financial instruments not measured at fair value

The carrying amounts of the Group's cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables, deposits paid for other non-current assets, notes and accounts payable, other payables, and deposits received are reasonable approximations of their fair values.

4. The Group classifies the financial and non-financial instruments measured at fair value based on the nature, characteristics and risks of the assets and liabilities as well as the levels of the fair values. The relevant information is shown below:

(1) The following is information on the Group's classification based on the nature of the assets and liabilities:

<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets measured at fair value through profit or loss				
Equity securities	\$ 722,841	\$ -	\$ 63,328	\$ 786,169
Beneficiary certificates	139,692	-	-	139,692
Limited partnership	-	-	133,659	133,659
Financial assets measured at fair value through other comprehensive income				
Equity securities	-	-	20,109	20,109
	<u>\$ 862,533</u>	<u>\$ -</u>	<u>\$ 217,096</u>	<u>\$ 1,079,629</u>
<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets measured at fair value through profit or loss				
Equity securities	\$ 481,785	\$ -	\$ 58,601	\$ 540,386
Beneficiary certificates	474,631			474,631
Limited partnership	-	-	73,619	73,619
Financial assets measured at fair value through other comprehensive income				
Equity securities	-	-	52,064	52,064
	<u>\$ 956,416</u>	<u>\$ -</u>	<u>\$ 184,284</u>	<u>\$ 1,140,700</u>

(2) The methods and assumptions used by the Group to measure the fair value are as follows:

A. The quoted market price used by the Group as a fair value input (i.e. Level 1 input) is listed based on the characteristics of the instruments in the following:

	<u>Listed (OTC) stocks</u>	<u>Open-end funds</u>
Quoted market price	Closing price	Net value

- B. The fair value of all financial instruments, except for the aforementioned financial instruments in the active market, is acquired using the valuation technique or with reference to the quotation of the counterparty. For fair values acquired using a valuation technique, the current fair value of other financial instruments with substantially similar conditions and characteristics, the cash flow discounting method, and other valuation techniques may be used as a reference, including the market information application model available on the consolidated balance sheet date (e.g. TPEx yield curve, Reuters average interest rate quote for commercial paper).
- C. An approximation generated using a valuation model is an estimate, and the valuation technique may not be able to reflect all factors associated with the Group's financial and non-financial instruments. Therefore, estimates made using the valuation model are adjusted properly based on additional parameters, such as model risk or liquidity risk. According to the Group's fair value valuation model, management policy, and relevant control procedures, the management believes that valuation adjustments are appropriate and necessary for the fair presentation of the fair value of financial and non-financial instruments in the consolidated balance sheet. Price information and parameters used in the valuation process are carefully assessed and adjusted based on the current market situation appropriately.

5. There was no transfer between Level 1 and Level 2 in 2025 and 2024.

6. Movements in Level 3 equity instruments in 2025 and 2024 are listed in the following table:

	2025	2024
January 1	\$ 184,284	\$ 73,981
Profits recognized as profit or loss	1,477	4,093
Purchase in the current period	65,037	68,669
Sale in the current period	- (	2,000)
Capital reduction and repayment of share capital	(37)	
Reclassified from other non-current assets	-	7,500
Reclassified from investments accounted for using the equity method	-	39,647
Unrealized equity instrument profit or loss measured at fair value through other comprehensive income, recognized as profits or losses of other comprehensive income	(31,955)	(7,709)
Effect of exchange rate	(1,710)	103
December 31	<u>\$ 217,096</u>	<u>\$ 184,284</u>

7. There was no transfer-in to Level 3 in 2025 and 2024.

8. The Group's Finance Department is responsible for independent fair value verification for financial instruments in the process of valuation of Level 3 fair values to make valuation results close to the market situation based on information from independent sources and make sure that the information sources are independent, reliable, and consistent with other resources and reflect executable prices. The Group also regularly adjusts the valuation model, conducts retrospective testing, updates inputs and data required for the valuation model, and makes any other necessary fair value adjustments to ensure reasonable valuation results.
9. The quantitative significant unobservable inputs of the valuation model used for Level 3 fair value measurements are analyzed and described as follows:

December 31, 2025					
	Fair value	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between the input and the fair value
Non-derivative equity instruments:					
Non-listed/non-OTC stocks	\$ 77,437	Comparable company method	PB multiplier, discount for lack of marketability.	22.5%-25%	The higher the multipliers, the higher the fair value. The higher the discount for lack of marketability, the lower the fair value.
Non-listed/non-OTC stocks	6,000	Comparable transaction method	N/A	N/A	N/A
Limited partnership	133,659	Net asset value method	N/A	N/A	N/A
December 31, 2024					
	Fair value	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between the input and the fair value
Non-derivative equity instruments:					
Non-listed/non-OTC stocks	\$ 90,539	Comparable company method	PB multiplier, discount for lack of marketability.	22.5%-25%	The higher the multipliers, the higher the fair value. The higher the discount for lack of marketability, the lower the fair value.
Non-listed/non-OTC stocks	20,126	Comparable transaction method	N/A	N/A	N/A
Limited partnership	73,619	Net asset value method	N/A	N/A	N/A

10. The Group selects the valuation model and parameters based on careful assessment. However, the adoption of different valuation models or parameters may lead to different valuation results. The effect of changes in the valuation parameters of Level 3 financial assets on the profit or loss in the current period or other comprehensive income is as follows:

			December 31, 2025			
			Recognized as profit or loss		Recognized as other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Liquidity	±5%	\$ 2,863	\$ 2,863	\$ 1,284	\$ 1,284

			December 31, 2024			
			Recognized as profit or loss		Recognized as other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Liquidity	±5%	\$ 2,621	\$ 2,621	\$ 2,203	\$ 2,203

XIII. Note disclosures

(I) Information of material transactions

1. Loaning of funds to others: Please refer to Table 1.
2. Making of endorsements/guarantees for others: Please refer to Table 2.
3. Securities held at end of period (excluding those controlled by investee subsidiaries, associates and joint ventures): Please refer to Table 3.
4. Purchases and sales with related parties amounting to NT\$100 million or more than 20% of the paid-in capital: Please refer to Table 4.
5. Accounts receivable from related parties amounting to NT\$100 million or more than 20% of the paid-in capital: Please refer to Table 5.
6. Business relationships and important transactions between the parent company and subsidiaries and between the subsidiaries, and the amounts of such transactions: Please refer to Table 6.

(II) Information of investee companies

Information related to investee companies (excluding those in Mainland China), their place of registration, etc.: Please refer to Table 7.

(III) Information of investments in Mainland China

1. Basic information: Please refer to Table 8.
2. Material matters occurring directly or indirectly through businesses in a third area and investee companies in Mainland China: Please refer to the description in Tables 4, 5, and 6.

XIV. Operating segment information

(I) General information

1. The management of the Group has identified the reportable segments according to the reported information that the operating decision maker uses to formulate policies.
2. The operating decision maker of the Group operates and manages the business by product business groups.

(II) Measurement of segment information

The Group's operating decision maker evaluates the performance of the operating segments based on the profit or loss of the segments. Segment profit or loss means the profit earned or the loss incurred by each segment and is used as a basis for the chief operating decision maker to allocate resources to the segments and evaluate their performance.

(III) Information on segment profits or losses, assets and liabilities

Information on the reportable segments provided to the chief operating decision maker is as follows:

	Electromechanical Business Group	Intelligent Business Group	Optoelectronic manufacturing industry	Electronic channel industry	Others	Adjustment and write-off	Consolidated
<u>2025</u>							
External income	\$ 1,712,818	\$1,229,986	\$ 893,075	\$ 342,944	\$ 69,469	\$ -	\$4,248,292
Internal segment income	<u>259,400</u>	<u>2,923</u>	<u>54,053</u>	<u>-</u>	<u>-</u>	<u>(316,376)</u>	<u>-</u>
Segment income	<u>\$1,972,218</u>	<u>\$1,232,909</u>	<u>\$ 947,128</u>	<u>\$ 342,944</u>	<u>\$ 69,469</u>	<u>(\$ 316,376)</u>	<u>\$4,248,292</u>
After-tax segment profit (loss)	<u>\$ 57,645</u>	<u>(\$ 17,539)</u>	<u>\$ 97,378</u>	<u>\$ 9,501</u>	<u>\$ 240,880</u>	<u>(\$ 149,398)</u>	<u>\$ 238,467</u>
Depreciation and amortization	<u>\$ 12,823</u>	<u>\$ 16,169</u>	<u>\$ 38,164</u>	<u>\$ 868</u>	<u>\$ 22,636</u>	<u>(\$ 8,997)</u>	<u>\$ 81,663</u>
Expected credit impairment loss	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,969</u>	<u>\$ -</u>	<u>\$ 21,969</u>
Gain from investments accounted for using the equity method	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,229</u>	<u>\$ -</u>	<u>\$ 1,229</u>
Segment assets	<u>\$3,507,826</u>	<u>\$1,482,190</u>	<u>\$2,755,313</u>	<u>\$1,218,610</u>	<u>\$4,664,282</u>	<u>(\$3,526,676)</u>	<u>\$ 10,101,545</u>
			Optoelectronic manufacturing industry	Electronic channel industry	Others	Adjustment and write-off	Consolidated
<u>2024</u>							
External income	\$1,669,459	\$ 784,983	\$ 754,136	\$ 241,033	\$ 53,486	\$ -	\$3,503,097
Internal segment income	<u>247,560</u>	<u>3,069</u>	<u>37,953</u>	<u>-</u>	<u>-</u>	<u>(288,582)</u>	<u>-</u>
Segment income	<u>\$1,917,019</u>	<u>\$ 788,052</u>	<u>\$ 792,089</u>	<u>\$ 241,033</u>	<u>\$ 53,486</u>	<u>(\$ 288,582)</u>	<u>\$3,503,097</u>
After-tax segment profit (loss)	<u>\$ 95,806</u>	<u>(\$ 126,154)</u>	<u>\$ 86,630</u>	<u>\$ 3,239</u>	<u>\$ 293,346</u>	<u>(\$ 194,605)</u>	<u>\$ 158,262</u>
Depreciation and amortization	<u>\$ 13,019</u>	<u>\$ 13,331</u>	<u>\$ 35,359</u>	<u>\$ 1,080</u>	<u>\$ 18,567</u>	<u>(\$ 10,162)</u>	<u>\$ 71,194</u>
Gain from investments accounted for using the equity method	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198</u>	<u>\$ -</u>	<u>\$ 198</u>
Segment assets	<u>\$ 3,283,740</u>	<u>\$ 1,493,881</u>	<u>\$ 2,691,976</u>	<u>\$ 1,212,711</u>	<u>\$ 4,704,512</u>	<u>(\$ 3,443,817)</u>	<u>\$ 9,943,003</u>

(IV) Information on the reconciliations of segment profit or loss

1. The external income reported to the chief operating decision maker used the same measurement approach as that for the income presented in the income statement.
2. The performance of the reportable operating segments was evaluated based on their after-tax profit or loss. The total profit or loss was consistent with the after-tax profit or loss from continuing operations. Thus, there was no need for reconciliation.
3. The total asset amount provided to the chief operating decision maker was measured using the same approach as that for the assets presented in the financial statements. Please refer to the description in Note 14 (3) for information on the reconciliation and write-off of reportable segment assets in the current period.

(V) Information by product and service

The Group is mainly engaged in the sale, manufacture, agency, and import of generators, semiconductors, electronic parts and LCDs. Details on the balance of income are shown below:

	2025	2024
Income from sale of goods	\$ 4,243,935	\$ 3,496,190
Maintenance income	4,357	6,907
	<u>\$ 4,248,292</u>	<u>\$ 3,503,097</u>

(VI) Information by region

The following is information on the Group's income from external customers and non-current assets, listed by the region where the customers and assets are located:

	2025		2024	
	Income	Non-current assets	Income	Non-current assets
Taiwan	\$ 2,435,201	\$ 1,303,102	\$ 2,127,834	\$ 1,302,584
Mainland China and Hong Kong	1,098,020	189,854	842,472	214,140
Others	<u>715,071</u>	<u>1,320</u>	<u>532,791</u>	<u>1,467</u>
	<u>\$ 4,248,292</u>	<u>\$ 1,494,276</u>	<u>\$ 3,503,097</u>	<u>\$ 1,518,191</u>

Note: Non-current assets include property, plant and equipment, right-of-use assets, investment property, intangible assets, and long-term deferred expenses.

(VII) Information of important customers

The Group had no customers accounting for 10% or more of operating income in 2025 and 2024.

SOLOMON Technology Corporation and Subsidiaries

Loaning Funds to Others

January 1 to December 31, 2025

Unit: NT\$ Thousand
(Unless otherwise specified)

Table 1

No. (Note 1)	Lending company	Borrowing company	Current account	Related party	Maximum amount in the current period	Closing balance	Actual drawdown amount	Range of interest rates	Nature of loaning of funds (Note 4)	Business transaction amount	Reasons for the need of short-term financing	Allowance set aside for bad debts	Collateral		Limit on loans to individual borrowers (Note 2)	Limit on total loans (Note 3)	Remarks
													Name	Value			
1	Moredel Investment	Solomon Energy	Other receivables	Y	18,000	18,000	18,000	2%	2	-	Working capital	-	-	-	253,888	507,776	
1	Moredel Investment	Solomon Energy (Singapore)	Other receivables	Y	12,225	12,225	12,225	3%	2	-	Working capital	-	-	-	253,888	507,776	
2	Solomon Smartnet	Solomon Energy (Singapore)	Other receivables	Y	17,339	-	-	4%	2	-	Working capital	-	-	-	178,846	357,692	
2	Solomon Smartnet	Solomon Energy	Other receivables	Y	20,000	10,000	10,000	2%	2	-	Working capital	-	-	-	178,846	357,692	
3	Yumon International	Solomon Shenzhen	Other receivables	Y	4,438	-	-	0.69%	2	-	Working capital				95,156	190,313	
4	Solomon Goldentek Display	Solomon Energy	Other receivables	Y	110,000	110,000	110,000	2%	2	-	Working capital	-	-	-	734,484	1,468,98	
5	Dong Guan Goldentek	Solomon Shenzhen	Other receivables	Y	4,496	4,496	4,496	3%	2		Working capital				269,238	269,238	

Note 1: Number column description:

(1) "0" is reserved for the issuer.

(2) Each investee company is numbered in sequential order starting from 1.

Note 2: According to the Group's lending procedure, the amount of loans to a single enterprise with short-term financing needs is limited to 40% of the lending company's net worth (for Dong Guan Goldentek, the amount of total loans is limited to 80% of its net worth). The amount of loans to companies that have business dealings with the lending company is limited to the greater of the total purchases or sales between both parties.

Note 3: According to the Group's lending procedure, the amount of total loans given includes funds for business dealings and short-term financing, and is limited to 80% of the net worth of the lending company.

Note 4: The nature of loaning of funds is described as follows:

(1) Business relationships: 1.

(2) Needs for short-term financing: 2.

SOLOMON Technology Corporation and Subsidiaries

Endorsements/Guarantees for Others

January 1 to December 31, 2025

Unit: NT\$ Thousand
(Unless otherwise specified)

Table 2

No. (Note 1)	Endorser/ guarantor	Endorsee/ guarantee	Relationship (Note 2)	Limit on endorsements/ guarantees to a single enterprise (Note 3)	Maximum endorsement/ guarantee balance in the current period	Closing endorsement/ guarantee balance	Actual drawdown amount	Endorsement/ guarantee amount secured with property	Cumulative endorsement/ guarantee amount as a percentage of the net worth in the most recent financial statements	Maximum limit on endorsements/ guarantees (Note 3)	Endorsements / guarantees made by the parent company for subsidiaries	Endorsements / guarantees made by subsidiaries for the parent company	Endorsements / guarantees made for the operations in Mainland China	Remarks
0	SOLOMON	Solomon Energy	2	\$ 1,153,795	\$ 215,000	\$ 215,000	\$ 33,634	\$ -	3.73	\$ 2,884,489	Y	N	N	

Note 1: Number column description:

(1) "0" is reserved for the issuer.

(2) Each investee company is numbered in sequential order starting from 1.

Note 2: The relationship between the endorser/guarantor and the endorsee/guarantee is classified under the following six categories. It is only necessary to mark the type:

(1) Companies with business relationships.

(2) Subsidiaries in which the Company holds more than 50% of the common stock equity.

(3) Investee companies in which the parent company and its subsidiaries hold more than 50% of the common stock equity, calculated on a consolidated basis.

(4) The parent company, directly or indirectly through a subsidiary, holding more than 50% of the common stock equity of the Company.

(5) Companies in the same industry that are required to provide mutual guarantee pursuant to contracts for undertaking engineering projects.

(6) Companies receiving endorsements/guarantees from the shareholders proportionally to their shareholding due to a joint venture relationship.

Note 3: According to the Company's endorsement/guarantee procedure, the amount of the Company's total endorsements/guarantees is limited to 50% of the net worth of the Company and the amount of endorsements/guarantees provided for the same company shall not exceed 20% of the guarantor's net worth.

SOLOMON Technology Corporation and Subsidiaries

Securities Held at End of Period (Excluding Those Controlled by Investee Subsidiaries, Associates and Joint Ventures)
December 31, 2025

Unit: NT\$ Thousand
(Unless otherwise specified)

Table 3

Holding company	Type and name of securities	Relationship with the securities issuer	Account	End of period				Remarks
				Number of shares	Carrying amount	Shareholding percentage	Fair value	
SOLOMON	Hua Nan Phoenix Money Market Fund	None	Financial assets measured at fair value through profit or loss – current	1,746,400	\$ 30,000	-	\$ 30,000	Note 1
	Evergreen	"	Financial assets measured at fair value through profit or loss – current	84,000	15,960	-	15,960	"
	Unimicron	"	Financial assets measured at fair value through profit or loss – current	98,000	21,560	0.01%	21,560	"
	CHENFENG OPTRONICS	"	Financial assets measured at fair value through profit or loss – non-current	1,500,000	8,175	1.49%	8,175	"
	Taiwan Truewin Technology	"	Financial assets measured at fair value through profit or loss – non-current	296,017	22,163	0.46%	22,163	"
	GAP Total Return Fund I Limited Partnership	"	Financial assets measured at fair value through profit or loss – non-current	-	76,368	-	76,368	"
	Lion Best Global Limited-Tranche A Notes	"	Financial assets measured at amortized cost – current	-	618,836	-	618,836	"
	Lion Best Global Limited-Tranche B Notes	"	Financial assets measured at amortized cost – current	-	464,127	-	464,127	"
Moredel Investment	SOLOMON	Parent company of the Company	Financial assets measured at fair value through profit or loss – current	100,432	6,042	0.06%	12,604	Notes 1, 2
	Hwa Fong	None	Financial assets measured at fair value through profit or loss – current	1,184,556	17,709	0.42%	17,709	Note 1
	Quanta	"	Financial assets measured at fair value through profit or loss – current	45,000	12,240	-	12,240	"
	CHROMA	"	Financial assets measured at fair value through profit or loss – current	102,000	79,050	0.02%	79,050	"
	TSMC	"	Financial assets measured at fair value through profit or loss – current	91,000	141,050	-	141,050	"
	AM-POWER	"	Financial assets measured at fair value through profit or loss – current	25,000	5,438	0.06%	5,438	"
	Hon Hai	"	Financial assets measured at fair value through profit or loss – current	30,000	6,915	-	6,915	"
	Integrated Solutions	"	Financial assets measured at fair value through profit or loss – non-current	1,452,659	82,075	3.82%	82,075	"
	J-MEX Inc.	"	Financial assets measured at fair value through profit or loss – non-current	200,000	6,000	0.44%	6,000	"
Solomon Cayman	Capital Investment Development Corp	"	Financial assets measured at fair value through profit or loss – non-current	270,000	14,388	0.89%	14,388	"
Solomon Data International	Hua Nan Phoenix Money Market Fund	"	Financial assets measured at fair value through profit or loss – current	2,979,895	51,287	-	51,287	"
	Truewin Technology Co., Ltd.	"	Financial assets measured at fair value through profit or loss – non-current	148,008	11,082	0.23%	11,082	"
	Cerulean Asset Management Venture Capital Limited Partnership	"	Financial assets measured at fair value through profit or loss – non-current	-	5,747	-	5,747	"
	AggrEnergy Inc.	"	Financial assets measured at fair value through other comprehensive income – non-current	110,131,748	18,722	16.46%	18,722	"
Solomon Goldentek Display	Hua Nan Phoenix Money Market Fund	"	Financial assets measured at fair value through profit or loss – current	3,393,475	58,405	-	58,405	"
	Unimicron	"	Financial assets measured at fair value through profit or loss – current	90,000	19,800	0.01%	19,800	"

SOLOMON Technology Corporation and Subsidiaries

Securities Held at End of Period (Excluding Those Controlled by Investee Subsidiaries, Associates and Joint Ventures)
December 31, 2025

Unit: NT\$ Thousand
(Unless otherwise specified)

Table 3

Holding company	Type and name of securities	Relationship with the securities issuer	Account	End of period					Remarks
				Number of shares	Carrying amount	Shareholding percentage	Fair value		
			Financial assets measured at fair value through profit or loss – current	76,000	\$ 117,800	-	\$ 117,800		Note 1
	TSMC	"							
	GAP Total Return Fund I Limited Partnership	"	Financial assets measured at fair value through profit or loss – non-current	-	32,729	-	32,729		"
	Lion Best Global Limited-Tranche B Notes	"	Financial assets measured at amortized cost – current	-	309,418	-	309,418		"
	Meng-Lue Venture Capital Limited Partnership	"	Financial assets measured at fair value through profit or loss – non-current	-	5,261	-	5,261		"
	Cerulean Asset Management Venture Capital Limited Partnership	"	Financial assets measured at fair value through profit or loss – non-current	-	8,659	-	8,659		"
Solomon Smartnet	Quanta	"	Financial assets measured at fair value through profit or loss – current	69,000	18,768	-	18,768		"
	TSMC	"	Financial assets measured at fair value through profit or loss – current	90,000	139,743	0.01%	139,743		"
	CHROMA	"	Financial assets measured at fair value through profit or loss – current	34,000	26,350	-	26,350		"
Cornucopia Innovation	Weltrend	"	Financial assets measured at fair value through profit or loss – current	300,000	14,295	0.17%	14,295		"

Note 1: Not pledged.

Note 2: Stated as the Company's treasury stock. Please refer to Note 6 (18) for details.

Note3: The Group discloses marketable securities with carrying amounts exceeding \$5,000 based on the principle of materiality.

SOLOMON Technology Corporation and Subsidiaries

Purchases and Sales with Related Parties Amounting to NT\$100 Million or More Than 20% of the Paid-in Capital
January 1 to December 31, 2025

Unit: NT\$ Thousand
(Unless otherwise specified)

Table 4

Purchasing (selling) company	Name of counterparty	Relationship	Transaction		Percentage in total purchases (sales)	Loan period	Differences of transaction terms from those of regular transactions and reasons for such differences		Notes/accounts receivable (payable)		Remarks
			Purchase (sale)	Amount			Unit price	Loan period	Balance	Percentage in total accounts/notes receivable (payable)	
SOLOMON	Yumon International	Parent-subsiidiary	(Sale)	(\$ 234,521)	(9)	Note 1	Agreed by both parties	Note 1	\$ 19,784	4	
Yumon International	SOLOMON	Parent-subsiidiary	Purchase	234,521	35	Note 1	Agreed by both parties	Note 1	(19,784)	(14)	
Solomon Goldentek Display	Dong Guan Goldentek	Parent-subsiidiary	Purchase	483,902	75	Note 2	Note 2	Note 2	(231,743)	(93)	
Dong Guan Goldentek	Solomon Goldentek Display	Parent-subsiidiary	(Sale)	(483,902)	(86)	Note 2	Note 2	Note 2	231,743	92	

Note 1: The payment was collected after being offset against the accounts receivable based on the funding status of Yumon International.

Note 2: The unit price was negotiated by both parties. The payment was made based on the funding status after being offset against the payment receivable for entrusted procurement. The payment term for regular suppliers ranges from about 60 to 90 days.

SOLOMON Technology Corporation and Subsidiaries

Accounts Receivable from Related Parties Amounting to NT\$100 Million or More Than 20% of the Paid-in Capital

December 31, 2025

Unit: NT\$ Thousand
(Unless otherwise specified)

Table 5

Company from which payments accounted for are receivable	Name of counterparty	Relationship	Balance of payments receivable from the related party	Turnover	Overdue payments receivable from the related party		Subsequently recovered amount of payments receivable from the related party (Note)	Allowance set aside for bad debts
					Amount	Treatment		
Dong Guan Goldentek	Solomon Goldentek Display	Parent-subsidiary	\$ 231,743	2.20	\$ -	-	\$ -	\$ -

Note: The information is as of February 26, 2026.

SOLOMON Technology Corporation and Subsidiaries

Business Relationship and Important Transactions between the Parent Company and Subsidiaries and between the Subsidiaries, and the Amounts of Such Transactions

January 1 to December 31, 2025

Unit: NT\$ Thousand
(Unless otherwise specified)

Table 6

No. (Note 4)	Name of transacting party	Counterparty	Relationship with transacting party (Note 5)	Transaction			As a percentage of total consolidated operating income or assets (Note 5)
				Account	Amount	Transaction terms	
0	SOLOMON	Yumon International	1	Sale	\$ 234,521	Note 1	5.5%
0	SOLOMON	Yumon International	1	Accounts receivables	19,784	Note 1	0.2%
0	SOLOMON	Yumon International	1	Purchase	11,847	Note 1	0.3%
0	SOLOMON	Solomon Goldentek Display	1	Purchase	14,525	Note 2	0.3%
0	SOLOMON	Solomon Goldentek Display	1	Sale	14,674	Note 2	0.3%
0	SOLOMON	Solomon Goldentek Display	1	Management fee income	12,000	Note 3	0.3%
1	Solomon Goldentek Display	Dong Guan Goldentek	1	Purchase	483,902	Note 4	11.4%
1	Solomon Goldentek Display	Dong Guan Goldentek	1	Accounts payable	231,744	Note 4	2.3%
1	Solomon Goldentek Display	Solomon Data International	3	Sales	17,164	Note 2	0.6%
1	Solomon Goldentek Display	Solomon Energy	3	Other receivables	110,000	Note 5	1.1%
2	Moredel Investment	Solomon Energy	3	Other receivables	18,000	Note 5	0.2%
2	Moredel Investment	Solomon Energy (Singapore)	3	Other receivables	11,665	Note 5	0.1%
3	Solomon Smartnet	Solomon Energy	3	Other receivables	10,000	Note 5	0.1%

Note 1: After the payments receivable and payable were offset against each other, the payments were collected based on the funding status. The payment term for regular customers ranges from about 90 to 120 days.

Note 2: The selling price is not significantly different from that for general customers. The payment terms for general customers are 60 to 90 days.

Note 3: This refers to the management fee that the group management departments charge the subsidiaries in proportion to the departments' involvement in the management of such subsidiaries. The payment term is O/A 60 days.

Note 4: The payment term was 90–180 days after the payments receivable and payable were offset against each other.

Note 5: Loaning of funds. Please refer to Table 1.

Note 6: The business transactions between the parent company and its subsidiaries shall be indicated in the “No.” column. This column shall be completed as follows:

(1) 0 is reserved for the parent company.

(2) Each subsidiary is numbered in sequential order starting from 1.

Note 7: The relationship with the transacting party is classified into the following three categories. It is only necessary to mark the category. (It is not necessary to disclose the same transaction between the parent company and its subsidiaries or between the subsidiaries repeatedly. For example, if the parent company has disclosed a transaction with one of its subsidiaries, it is not required for the subsidiary to disclose the transaction again. If a subsidiary has disclosed a transaction with another subsidiary, it is not required for the latter to disclose the transaction again):

(1) Parent to subsidiary.

(2) Subsidiary to parent.

(3) Subsidiary to subsidiary.

Note 8: For asset or liability accounts, the transaction amount's percentage of total consolidated operating income or assets shall be calculated as the closing balance as a share of the total assets; for profit or loss accounts, the percentage shall be calculated as the accumulated amount as a share of the total consolidated operating income.

Note 9: Transactions over \$10,000 shall be disclosed.

SOLOMON Technology Corporation and Subsidiaries

Information Related to Investee Companies (Excluding Those in Mainland China), Their Place of Registration, etc.

January 1 to December 31, 2025

Unit: NT\$ Thousand
(Unless otherwise specified)

Table 7

Name of investor company	Name of investee company	Place of registration	Principal business	Initial investment amount		Holding percentage at end of period			Gain or loss of investee company in the current period	Investment gain or loss recognized in the current period	Remarks
				End of current period	End of previous year	Number of shares	Percentage	Carrying amount			
SOLOMON	Solomon Cayman	Cayman Islands	Investment holding	\$ 264,367	\$ 264,367	7,232,836	100.00	\$ 266,331	\$ 28,346	\$ 28,346	Note 1
SOLOMON	Solomon Smartnet	Taiwan	IC CARD	200,000	200,000	20,000,000	100.00	428,443	53,035	53,035	Note 1
SOLOMON	Solomon Goldentek Display	Taiwan	Manufacturing of LCDs	1,359,694	1,359,694	42,871,029	70.77	1,251,377	67,079	47,469	Note 1
SOLOMON	Moredel Investment	Taiwan	Professional investment	457,384	457,384	28,460,900	100.00	610,541	41,995	46,263	Note 1
SOLOMON	Solomon Wireless Technology	Taiwan	Communication products	599,665	599,665	96,407	96.41	16	-	-	Note 1
SOLOMON	Solomon Data International	Taiwan	Manufacturing of LCD panels	46,058	46,058	4,972,676	24.04	119,440	47,489	11,413	Note 1
SOLOMON	Total Profit	Samoa	Investment holding	13,859	13,859	3,088,700	100.00	343	(813)	(813)	Note 1
SOLOMON	Cornucopia Innovation	Taiwan	Manufacturing of machines/equipment and electronic parts and components	65,000	65,000	6,100,000	35.06	39,682	(3,625)	(1,271)	Note 1
SOLOMON	Solomon Science Technology(VN)	Vietnam	Supply and sale of intelligence technology	40,042	40,042	-	100.00	5,778	(6,745)	(6,745)	Note 1
SOLOMON	Solomon Robotics(THAI) Ltd.	Thailand	Supply and sale of intelligence technology	-	8,209	-	-	-	-	-	Note 1,7
SOLOMON	Solomon Technology (USA)	United States	Supply and sale of intelligence technology	94,172	94,172	31,000	100.00	1,665	(15,019)	(15,019)	Note 1
SOLOMON	Solomon Technology (Japan) Ltd.	Japan	Supply and sale of intelligence technology	4,844	4,844	2,200	100.00	1,905	(1,674)	(1,674)	Note 1
SOLOMON	Solomon Automation (Malaysia) Sdn. Bhd.	Malaysia	Supply and sale of intelligence technology	7,356	-	1,000,000	100.00	7,180	(1)	(1)	Note 1
SOLOMON	Solomon Energy	Taiwan	Import and export of electrical power-related products	220,000	220,000	22,000,000	100.00	104,228	(30,938)	(30,938)	Note 1
SOLOMON	Sheng-Peng Technology	Taiwan	Import and export of electrical power-related products	5,100	5,100	510,000	51.00	4,458	(2,588)	(1,319)	Note 1,5
Moredel Investment	Solomon Data International	Taiwan	Manufacturing of LCD panels	28,100	28,100	2,591,740	12.53	59,708	47,489	-	Notes 1, 4
Moredel Investment	Solomon Goldentek Display	Taiwan	Manufacturing of LCDs	62,233	62,233	5,610,000	9.26	166,696	(11,555)	-	Notes 1, 4
Solomon Smartnet	Solomon Data International	Taiwan	Manufacturing of LCD panels	27,176	27,176	3,071,117	14.84	69,801	47,489	-	Notes 1, 4
Solomon Smartnet	Solomon Goldentek Display	Taiwan	Manufacturing of LCDs	62,233	62,233	5,610,000	9.26	166,696	67,079	-	Notes 1, 4

SOLOMON Technology Corporation and Subsidiaries

Information Related to Investee Companies (Excluding Those in Mainland China), Their Place of Registration, etc.

January 1 to December 31, 2025

Unit: NT\$ Thousand
(Unless otherwise specified)

Table 7

Name of investor company	Name of investee company	Place of registration	Principal business	Initial investment amount		Holding percentage at end of period			Gain or loss of investee company in the current period	Investment gain or loss recognized in the current period	Remarks
				End of current period	End of previous year	Number of shares	Percentage	Carrying amount			
Solomon Cayman	Soundtek Ltd.	Seychelles	Professional investment	23,764	23,764	-	30.00	-	-	-	Note 4
Solomon Cayman	Goldentek Display System (BVI) Co., Ltd.	British Virgin Islands	Investment holding	305	305	43,706	0.39	1,313	13,203	-	Notes 2, 4
Solomon Energy	Solomon Energy Technology (Singapore) PTE.LTD	Singapore	Self-usage renewable energy generation equipment	21,835	21,835	1,000,000	100.00	(17,864)	(6,741)	-	Notes 2, 4
Solomon Data International	Cornucopia Innovation	Taiwan	Manufacturing of machines/equipment and electronic parts and components	25,300	25,300	2,300,000	13.22	19,707	(3,625)	-	Notes 1, 4
Solomon Data International	Ju Xin Energy	Taiwan	Energy technology service	36,000	36,000	3,600,000	4.80	34,944	(25,597)	-	Notes 3, 4
Solomon Goldentek Display Corp.	Goldentek Display System (BVI) Co., Ltd.	British Virgin Islands	Investment holding	375,426	375,426	11,162,996	99.61	335,295	13,203	-	Notes 2, 4
Solomon Goldentek Display Corp.	Solomon Goldentek Display (Hong Kong) Corp.	Hong Kong	Entrepot trade	2,175	2,175	499,999	100.00	40	(258)	-	Notes 2, 4
Solomon Goldentek Display Corp.	Cornucopia Innovation Corporation	Taiwan	Manufacturing of machines/equipment and electronic parts and components	4,500	4,500	360,000	2.07	2,476	(3,625)	-	Notes 1, 4
Solomon Goldentek Display Corp.	Futek Trading Co., Ltd.	British Virgin Islands	Investment holding	-	14,406	-	-	-	-	-	Notes 2, 4, 6
Solomon Goldentek Display Corp.	SOLOMON GOLDENTEK DISPLAY (PHILIPPINES) CORP.	Philippines	Manufacturing and sales of liquid crystal displays (LCDs) and modules	84,484	-	7,979,971	100	83,486	(1,687)	-	Notes 2, 4

Note 1: A subsidiary.

Note 2: A sub-subsidiary.

Note 3: Associate.

Note 4: The investee company's profit or loss in the current period was recognized as that of the ultimate parent company.

Note 5: Sheng-Peng Technology applied for deregistration in September 2025. As of March 13, 2026, the deregistration process had not yet been completed.

Note 6: Futek Trading Co., Ltd. applied for cancellation in October 2024; as of March 11, 2025, the change had not yet been completed.

Note 7: Solomon Robotics(THAI) Ltd. completed its liquidation in February 2025.

SOLOMON Technology Corporation and Subsidiaries
Information of Investments in Mainland China – Basic Information

January 1 to December 31, 2025

Unit: NT\$ Thousand
(Unless otherwise specified)

Table 8

Name of investee company in Mainland China	Principal business	Paid-in capital	Method of investment (Note 1)	Accumulated amount of investments remitted from Taiwan at beginning of current period	Amount of investments remitted or recovered in the current period		Accumulated amount of investments remitted from Taiwan at end of current period	Gain or loss of investee company in the current period	The Company's shareholding in direct or indirect investments	Investment gain or loss recognized in the current period (Note 3)	Carrying amount of investments at end of period	Investment gain received as of the current period	Remarks
Solomon Goldentek Display (Dong Guan) Ltd.	Production and sale of new types of LCDs and modules	\$ 161,760	1	\$ 104,891	\$ -	\$ -	\$ 104,891	\$ 13,207	99.61	\$ 13,156	\$ 335,235	\$ 128,164	
Solomon Shenzhen	International trade	12,114	1	11,547	-	-	11,547	(813)	100.00	(813)	332	-	
Yumon International	International trade	213,724	1	65,956	-	-	65,956	30,187	100.00	30,187	237,891	-	Notes 2
Zhuhai Wan Jia	Manufacturing and sale of magnetic materials	62,860	1	4,497	-	-	4,497	-	7.65	-	-	-	

Note 1: Investment methods are classified into following two categories. It is only necessary to mark the type:

- (1) Investment in Mainland China companies through an investee company established in a third area.
- (2) Investment in Mainland China companies by investing in an existing company in a third area.
- (3) Investment in Mainland China companies through an existing investee company established in Mainland China.

Note 2: Solomon Cayman, a 100% owned subsidiary of the Company, increased the capital of Yumon International with US\$800 thousand and US\$3,000 thousand from its own funds in 2011 and 2013, respectively.

Note 3: Recognized as investment gain or loss based on the financial statements for the same period audited by the parent company's CPA.

Company name	Accumulated amount of investments remitted from Taiwan to Mainland China at end of current period	Amount of investments approved by the Investment Commission, MOEA	Limit on the amount of investments in Mainland China as required by the Investment Commission, MOEA
SOLOMON Technology Corporation	\$ 614,867	\$ 912,070	\$ 3,762,659

Note: Dong Guan Goldentek is an investment of Solomon Goldentek Display in Mainland China, which has been reported. The listed figure includes the information of Dong Guan Goldentek.