

**SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024**

Address: No. 22, Industry 24th Rd., Taichung Industrial Park, Taichung City, Taiwan, R. O. C.
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The independent auditors' report and the accompanying are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and , the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the combined financial statements of Shian Yih Electronic Industry Co., Ltd as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Shian Yih Electronic Industry Co., Ltd and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Shian Yih Electronic Industry Co., Ltd
Chairman: Hui -Min, Wang
Date: March 5, 2026

Independent Auditors' Report

To the Board of Directors of Shian Yih Electronic Industry Co., Ltd:

Opinion

We have audited the consolidated financial statements of Shian Yih Electronic Industry Co., Ltd and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2025 and 2024, the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Cutoff of revenue

For accounting policies on revenue recognition, please refer to note 4(14) to the consolidated financial statements. For revenue recognition, please refer to note 6(22).

Description of key audit matter:

The Group's revenue is recognized when the control over a product has been transferred as specified in each sales contract. Due to various terms and conditions of the contracts, it is a highly complicated task to identify whether the control has been transferred and recognize revenue accordingly. Therefore, we have determined the timing of revenue recognition to be a key audit matter.

How the matter was addressed in our audit:

Our audit procedures in this area included:

- Testing the design, execution and effectiveness of internal control over revenue;
- reviewing significant new contracts and obtaining understanding of contractual terms; and
- sampling sales transactions before and after the reporting date, so as to assess whether revenues recognized in the correct period.

2. Inventory valuation

Please refer to note 4(8) Inventories in the consolidated financial statements for accounting policies for inventories, note 5 for uncertainties over accounting estimation and assumptions for inventory valuation, and note 6(5) Inventories for inventory write-downs.

Description of key audit matter:

Inventories are measured at the lower of costs and net realizable values. Due to the uncertainties over inventory values that arise from market demand fluctuations and rapid technological changes, there is risk that the costs of inventories may exceed the net realizable values thereof. Therefore, we considered inventory valuation to be a key audit matter.

How the matter was addressed in our audit:

Our audit procedures in this area included:

- reviewing inventory aging reports and analyzing the changes in inventory ages during each period;
- assessing whether inventory valuation is in compliance with the Group's accounting policies;
- obtaining understanding of both the selling prices adopted by the Group's management and the changes in inventory market prices, so as to evaluate the reasonableness of net realizable values of inventories; and
- looking into the sales of older inventories in the subsequent period and assessing the basis of net realizable values, with a view to verifying the accuracy of allowance inventory loss estimated by management.

Other Matter

Shian Yih Electronic Industry Co., Ltd has prepared its parent-company-only financial statements as of and for the year ended December 31, 2025 and 2024, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chen, Yen-Hui and Chen, Cheng-Hsuen.

KPMG

Taipei, Taiwan (Republic of China)
March 5, 2026

(English Translation of Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2025		December 31, 2024			December 31, 2025		December 31, 2024			
	Amount	%	Amount	%		Amount	%	Amount	%		
Assets					Liabilities and Equity						
Current assets:					Current liabilities:						
1100	Cash and cash equivalents (note 6(1))	\$ 1,121,572	48	1,396,693	56	2100	Short-term borrowings (note 6(12),7 and 8)	\$ 80,000	3	6,000	-
1170	Accounts receivable, net (note 6(3))	324,183	14	422,586	17	2130	Contract liabilities-current (note 6(22))	1,496	-	855	-
1200	Other receivables (note 6(4))	6,635	-	6,174	-	2170	Accounts payable	203,183	9	271,575	11
1220	Current Tax Assets	4,726	-	4,862	-	2200	Other payables (note 7)	78,029	3	89,481	4
130X	Inventories(note 6(5))	197,299	9	246,763	10	2230	Current tax liabilities	10,103	1	2,382	-
1410	Prepayments	32,039	1	36,197	2	2280	Lease liabilities-current (notes 6(15))	8,302	-	8,212	-
1470	Other current assets	2,935	-	2,502	-	2300	Other current liabilities (notes 6(13))	11,217	-	6,925	-
1476	Other current financial assets (note 6(11) and 8)	349,206	15	36,064	2	2313	Deferred revenue (notes 6(16))	62	-	378	-
		<u>2,038,595</u>	<u>87</u>	<u>2,151,841</u>	<u>87</u>	2320	Long-term borrowings, current portion (notes 6(14),(16) and 8)	20,943	1	58,750	2
								<u>413,335</u>	<u>17</u>	<u>444,558</u>	<u>17</u>
Non-current assets:					Non-Current liabilities:						
1521	Non-current financial assets at fair value through other comprehensive income(note 6(2))	9,062	-	9,246	-	2540	Long-term borrowings (notes 6(14),(16) and 8)	11,002	1	60,647	3
1600	Property, plant and equipment (notes 6(7) and 8)	208,724	9	208,209	9	2570	Deferred tax liabilities (note 6(19))	20,925	1	31,773	1
1755	Right-of-use assets (notes 6(8))	37,072	2	47,760	2	2580	Lease liabilities – non-current (notes 6(15))	8,027	-	18,142	1
1760	Investment property, net (note 6(9))	-	-	-	-	2630	Long-term deferred revenue (notes 6(16))	-	-	62	-
1822	Intangible assets (note 6(10))	3,080	-	5,193	-	2670	Guarantee deposits received	1,317	-	1,316	-
1840	Deferred tax assets (note 6(19))	35,638	2	46,593	2			<u>41,271</u>	<u>2</u>	<u>111,940</u>	<u>5</u>
1900	Other non-current assets	46	-	1,834	-		Total liabilities	<u>454,606</u>	<u>19</u>	<u>556,498</u>	<u>22</u>
1980	Guarantee deposits paid	1,743	-	1,485	-		Equity attributable to owners of parent (notes 6(20)):				
		<u>295,365</u>	<u>13</u>	<u>320,320</u>	<u>13</u>	3100	Share capital	611,750	26	611,750	25
						3200	Capital surplus	669,678	29	669,678	27
						3300	Retained earnings	699,293	30	730,171	30
						3400	Other equity	(123,406)	(5)	(114,877)	(5)
							Total equity attributable to owners of parent:	<u>1,857,427</u>	<u>80</u>	<u>1,896,722</u>	<u>77</u>
						36XX	Non-controlling interests (notes 6(6))	21,927	1	18,941	1
							Total equity	<u>1,879,354</u>	<u>81</u>	<u>1,915,663</u>	<u>78</u>
							Total liabilities and equity	<u>\$ 2,333,960</u>	<u>100</u>	<u>2,472,161</u>	<u>100</u>
	Total assets	<u>\$ 2,333,960</u>	<u>100</u>	<u>2,472,161</u>	<u>100</u>						

(English Translation of Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
For the years ended December 31, 2025 and 2024

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

	2025		2024	
	Amount	%	Amount	%
4000 Operating revenue (note 6(22))	\$ 1,295,459	100	1,581,569	100
5000 Operating costs (notes 6(5), (10),(18) and (23))	1,070,052	83	1,396,045	88
5950 Gross profit from operations	225,407	17	185,524	12
Operating expenses (notes 6(10), (15), (18) and (23)) :				
6100 Selling expenses	58,020	4	58,761	4
6200 Administrative expenses	113,593	9	113,208	7
6300 Research and development expenses	56,604	4	54,936	4
6450 Reversal of expected credit loss (note 6(3))	-	-	675	-
	228,217	17	227,580	15
6900 Net operating income	(2,810)	-	(42,056)	(3)
7000 Non-operating income and expenses:(note 6(24))				
7100 Interest income	49,961	4	52,353	3
7010 Other income (note 6(16)and(17))	48,354	3	11,784	1
7190 Gains on disposals of property, plant and equipment	137	-	1,916	-
7630 Foreign exchange gain, net	(50,372)	(4)	82,653	5
7050 Finance costs (notes 6(15) and 7)	(2,196)	-	(3,335)	-
	45,784	3	145,371	9
7900 Profit before income tax	42,974	3	103,315	6
7950 Less: Income tax expenses (note 6(19))	27,314	2	20,733	1
8200 Profit for the period	15,660	1	82,582	5
8300 Other comprehensive income:				
8310 Items that may not be reclassified subsequently to profit or loss:				
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(184)	-	(88)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	(184)	-	(88)	-
8360 Items that may be reclassified subsequently to profit or loss:				
8361 Exchange differences on translation of foreign financial statements	(8,345)	-	33,665	2
8399 Income tax related to items that will be reclassified to profit or loss	-	-	-	-
	(8,345)	-	33,665	2
8300 Other comprehensive income (after tax)	(8,529)	-	33,577	2
8500 Total comprehensive income for the period	\$ 7,131	1	116,159	7
Profit (loss), attributable to:				
8610 Owners of parent	\$ 18,062	1	82,647	5
8620 Non-controlling interest(note 6(6))	(2,402)	-	(65)	-
	\$ 15,660	1	82,582	5
Comprehensive income attributable to:				
8710 Owners of parent	\$ 9,533	1	116,224	7
8720 Non-controlling interest	(2,402)	-	(65)	-
	\$ 7,131	1	116,159	7
Earnings per share (note 6(21))				
9750 Basic earnings per share (NT dollars)	\$ 0.30		1.35	
9850 Diluted earnings per share (NT dollars)	\$ 0.29		1.34	

See accompanying notes to .

(English Translation of Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Retained earnings						Other equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income				
Balance at January 1, 2024	\$ 611,750	669,678	248,469	130,082	372,971	751,522	(132,453)	(16,001)	(148,454)	1,884,496	19,006	1,903,502
Profit for the year ended December 31, 2024	-	-	-	-	82,647	82,647	-	-	-	82,647	(65)	82,582
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	33,665	(88)	33,577	33,577	-	33,577
Comprehensive income for the year ended December 31, 2024	-	-	-	-	82,647	82,647	33,665	(88)	33,577	116,224	(65)	116,159
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	14,883	-	(14,883)	-	-	-	-	-	-	-
Appropriation of special reserve	-	-	-	18,372	(18,372)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(103,998)	(103,998)	-	-	-	(103,998)	-	(103,998)
			14,883	18,372	(137,253)	(103,998)				(103,998)		(103,998)
Balance at December 31, 2024	\$ 611,750	669,678	263,352	148,454	318,365	730,171	(98,788)	(16,089)	(114,877)	1,896,722	18,941	1,915,663
Balance at January 1, 2025	\$ 611,750	669,678	263,352	148,454	318,365	730,171	(98,788)	(16,089)	(114,877)	1,896,722	18,941	1,915,663
Profit for the year ended December 31, 2025	-	-	-	-	18,062	18,062	-	-	-	18,062	(2,402)	82,582
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	-	-	(8,345)	(184)	(8,529)	(8,529)	-	33,577
Comprehensive income for the year ended December 31, 2025	-	-	-	-	18,062	18,062	(8,345)	(184)	(8,529)	9,533	(2,402)	116,159
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	8,265	-	(8,265)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(48,940)	(48,940)	-	-	-	(48,940)	-	(48,940)
Reversal of special reserve	-	-	-	(33,577)	33,577	-	-	-	-	-	-	-
Changes in Ownership Interests in Subsidiaries	-	112	-	-	-	-	-	-	-	112	(112)	-
Issuance of shares by subsidiaries for cash	-	-	-	-	-	-	-	-	-	-	5,500	5,500
Balance at December 31, 2025	\$ 611,750	669,791	271,617	114,877	312,799	699,293	(107,133)	(16,273)	(123,406)	1,857,427	21,927	1,879,354

See accompanying notes to .

(English Translation of Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from operating activities:		
Profit before tax	\$ 42,974	103,315
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	70,215	88,305
Amortization expense	3,137	2,093
Reversal of expected credit loss	-	675
Interest expense	2,196	3,335
Interest income	(49,961)	(52,353)
Gain from disposal of property, plant and equipment	(37)	(1,916)
Total adjustments to reconcile profit (loss)	<u>25,550</u>	<u>40,139</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in accounts receivable	98,403	135,346
(Increase) decrease in other receivables	(41)	3,247
Decrease in inventories	49,464	146,575
Decrease in prepayments	4,158	10,815
(Increase) decrease in other current assets	(433)	509
Total changes in operating assets	<u>151,551</u>	<u>296,492</u>
Changes in operating liabilities:		
Decrease in accounts payable	(68,392)	(85,540)
Decrease in other payables include related parties	(12,185)	(29,541)
Increase (decrease) in other current liabilities	4,933	(2,786)
Total changes in operating liabilities	<u>(75,644)</u>	<u>(117,867)</u>
Total changes in operating assets and liabilities	<u>75,907</u>	<u>178,625</u>
Total adjustments	<u>101,457</u>	<u>218,764</u>
Cash inflow generated from operations	144,431	322,079
Interest received	49,541	52,581
Interest paid	(2,169)	(3,330)
Income taxes paid	(19,397)	(62,855)
Net cash flows from operating activities	<u>172,406</u>	<u>308,475</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(58,564)	(19,780)
Proceeds from disposal of property, plant and equipment	37	1,916
Decrease in refundable deposits	(258)	(103)
Acquisition of intangible assets	(1,127)	(4,798)
(Increase) decrease in other financial assets	(313,142)	210,700
Increase in other non-current assets	(47)	(1,822)
Net cash flows (used in) from investing activities	<u>(373,101)</u>	<u>186,113</u>
Cash flows from financing activities:		
Increase in short-term borrowings	80,000	6,000
Decrease in short-term borrowings	(6,000)	(6,000)
Repayments of long-term borrowings	(87,830)	(64,637)
Decrease in guarantee deposits received	1	143
Payment of lease liabilities	(8,212)	(8,013)
Cash dividends paid	(48,940)	(103,998)
Capital Increase in Cash by Subsidiary	5,500	-
Net cash flows used in financing activities	<u>(65,481)</u>	<u>(176,505)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(8,945)</u>	<u>26,594</u>
Net increase (decrease) in cash and cash equivalents	<u>(275,121)</u>	<u>344,677</u>
Cash and cash equivalents at beginning of period	<u>1,396,693</u>	<u>1,052,016</u>
Cash and cash equivalents at end of period	<u>\$ 1,121,572</u>	<u>1,396,693</u>

See accompanying notes to .

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(English Translation of Originally Issued in Chinese)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

1 Company history

Shian Yih Electronic Industry Co., Ltd (the “Company”).was incorporated on October 11, 1979 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The Company’ s registered office is at No. 22, Industry 24th Rd., Taichung Industrial Park, Taichung City, Taiwan, R.O.C. The Company and its subsidiaries (together referred to as the “Group”) mainly engage in manufacture and sale of back light modules; please refer to note 14 for details.

2 Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 5, 2026.

3 New standards, amendments and interpretations adopted:

- (1) The impact of the IFRS Accounting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (2) Approval date and procedures of the consolidated financial statements:

The newly amended International Financial Reporting Standards, which are scheduled to take effect on January 1, 2026, are not expected to have a material impact on the consolidated financial statements.

- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 — Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to IFRS Standards
- Amendments to IFRS 9 and IFRS 7 — Contracts Involving Renewable Electricity

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (3) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	<p>January 1, 2027</p> <p>(Note)</p>

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

Note:

On September 25, 2025, the Financial Supervisory Commission (FSC) announced in a press release that Taiwan will adopt International Financial Reporting Standard (IFRS) 18 starting from the fiscal year 2028. Companies may also elect to early adopt the standard upon obtaining approval from the FSC.

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- International Financial Reporting Standard 19 “Subsidiaries without Public Accountability: Disclosures” and the Amendments to IFRS 19
- Amendments to IAS 21 – Lack of Exchangeability

4 Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(2) Basis of preparation**(i) Basis of measurement**

Except for financial assets (liabilities) at FVTPL, the consolidated financial statements have been prepared on a historical cost basis.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company’ s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(3) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

Name investor	Name of investee	Principal activity	Shareholding	
			December 31, 2025	December 31, 2024
The Company	Shian Yih (Samoa) Electronic Industry Co., Ltd. (Shian Yih (Samoa))	Investee	100.00%	100.00%
The Company	Chian Yih Optotech Co., Ltd. (Chian Yih Optotech)	Manufacture and sale of optical products	49.17%	50.00%
Shian Yih (Samoa)	Fair Some (Samoa) Industrial Ltd. (Fair Some (Samoa))	Investee	100.00%	100.00%
Shian Yih (Samoa)	Wise Development Group Ltd. (Wise)	Investee	100.00%	100.00%
Wise	Dongguan Fair Lumi Optronics Co., Ltd. (Dongguan Fair Lumi)	Manufacture and sale of small and medium-sized LED backlight modules	100.00%	100.00%
Fair Some (Samoa)	Dongguan Shian Yih Electronic Co., Ltd. (Dongguan Shian Yih)	Manufacture and sale of small and medium-sized LED backlight modules	100.00%	100.00%

Note: On February 9, 2025, Chian Yih Optotech conducted a cash capital increase by issuing 1,000,000 new shares. As the consolidated entity did not subscribe to the new shares in proportion to its original ownership, its equity interest was reduced from 50% to 49.17%.

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

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

(4) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) an investment in equity securities designated as at fair value through other comprehensive income;
- 2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- 3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**Notes to the Consolidated Financial Statements****(5) Classification of current and non-current assets and liabilities**

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as noncurrent.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(6) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(7) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost, debt investments measured at FVOCI and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

The Group considers a financial asset to be in default when the financial asset is more than 1 year past due or the debtor is unlikely to pay its credit obligations to the Group in full.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer ;
- a breach of contract such as a default or being more than 1 year past due ;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider ;
- it is probable that the borrower will enter bankruptcy or other financial reorganization ;
or
- the disappearance of an active market for a security because of financial difficulties.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization;
or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(8) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(9) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(10) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and structures	2~36 years
2) Machinery equipment	2~5 years
3) Office and other facilities	2~11 years

The significant components and useful lives of buildings and structures were as follows:

<u>Component</u>	<u>Useful life</u>
Main buildings	14 to 36 years
Clean room renovation project	4 to 21 years
Repairs and maintenance project for plants	36 years
Other	2 to 8 years

Depreciation methods, useful lives and residual values are reviewed on every reporting date and, if necessary, adjusted; any changes therein are accounted for as changes in accounting estimates.

(11) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the assessment regarding the purchase option; or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases with short terms and low values of dormitories and other items. Instead, the Group recognizes related lease payments expenses on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'rent income'.

(12) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Group are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The Group's other intangible assets is software, which shall be recognized in profit or loss on a straight-line basis over their estimated useful lives of 2 years from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(13) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Revenue from contracts with customers

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods

The Group mainly produces backlight modules and related components, and sells them to manufacturers of medium and small-sized panels as well as touch modules. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(15) Government grants

The Group recognizes an unconditional government grant related to a biological asset in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(16) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

(ii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(17) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B 12 of International Financial Reporting Standards 34, Interim Reporting.

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that at the time of the transaction.
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- 1) the same taxable entity; or
- 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(18) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation.

(19) Segment Information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

5 Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements, management is required to make judgments and estimates regarding the future (including climate-related risks and opportunities) that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Management continuously reviews its estimates and underlying assumptions, which remain consistent with the Group's risk management and climate-related commitments. Changes in accounting estimates are recognized in the period of the change and in future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows.

(1) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on the sales price. Net realizable values of inventories are mainly determined based on assumptions as to future demand within a specific time horizon. Due to rapid industrial transformation, there may be significant changes in net realizable values of inventories. Please refer to note 6(5) for inventory valuation.

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Notes to the Consolidated Financial Statements

6 Explanation of significant accounts:

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and petty cash	\$ 1,297	1,978
Demand deposits	219,069	321,883
Checking account deposits	51	196
Time deposits	901,155	1,072,636
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 1,121,572</u>	<u>1,396,693</u>

Please refer to note 6(25) for the interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

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

	December 31, 2025	December 31, 2024
Equity investments at fair value through other comprehensive income: ·		
Unlisted common shares		
Domestic Company—Ying Cheng Investment Corp.	<u>\$ 9,062</u>	<u>9,246</u>

The purpose that the Group invests in the above-mentioned equity securities is for long-term strategies rather than trading purpose. Therefore, those equity securities are designated as financial assets at fair value through other comprehensive income.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2025 and 2024.

For credit risk and market risk, please refer to note 6(25).

None of the financial assets mentioned above has been pledged as security.

(3) Accounts receivable

	December 31, 2025	December 31, 2024
Accounts receivable — measured as amortized cost	\$ 324,183	423,261
Less: loss allowance	-	(675)
	<u>\$ 324,183</u>	<u>422,586</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information.

The expected credit losses (ECLs) on accounts receivable as of December 31, 2025 and 2024 were determined as follows:

	December 31, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 307,242	-	-
1 to 30 days past due	10,118	-	-
31 to 60 days past due	4,474	-	-
61 to 90 days past due	1,019	-	-
91 to 180 days past due	1,330	-	-
More than 181 days past due	-	-	-
Total	<u>\$ 324,183</u>		<u>-</u>

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 398,781	-	-
1 to 30 days past due	17,780	-	-
31 to 60 days past due	5,581	-	-
61 to 90 days past due	-	-	-
91 to 180 days past due	444	-	-
More than 181 days past due	675	100%	675
Total	<u>\$ 423,261</u>		<u>675</u>

The movements in the allowance for accounts receivable were as follows:

	2025	2024
Balance at January 1	\$ 675	-
Impairment losses recognized	-	675
Amount written off during the year due to uncollectibility	(675)	-
Balance at December 31	<u>\$ -</u>	<u>675</u>

None of the accounts receivable has been pledged as collateral as of December 31, 2025 and 2024.

For further credit risk information, please refer to note 6(25).

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(4) Other receivables

	December 31, 2025	December 31, 2024
Other receivables	<u>\$ 6,635</u>	<u>6,174</u>

As of December 31, 2025 and 2024, none of the Group's other receivables was overdue. For 2025 and 2024, no impairment has been recognized.

For further credit risk information, please refer to note 6(25).

(5) Inventories

	December 31, 2025	December 31, 2024
Merchandise	\$ 16,448	14,958
Finished goods	51,602	75,359
Work in progress	49,742	62,630
Raw materials	75,880	89,685
Supplies	3,627	4,131
	<u>\$ 197,299</u>	<u>246,763</u>

The costs of sales were as follows:

	2025	2024
Inventory that has been sold	\$ 1,045,844	1,211,246
Inventory write-down loss (reversal of write-down)	(49,310)	130,446
Losses on inventory write-offs	26,539	6,414
Overage of inventories	(1)	(2)
Unallocated production overheads	46,980	47,941
Operating costs	<u>\$ 1,070,052</u>	<u>1,396,045</u>

As of December 31, 2025 and 2024, the Group's did not provide any inventories as collateral for its loans.

In 2025, the factors that previously caused the net realizable value of inventories to fall below cost no longer existed; therefore, the previously recognized inventory write-down was reversed.

In 2024, a loss on inventory write-down was recognized as inventories were written down to their net realizable value.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(6) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

<u>Subsidiary</u>	<u>Major Operation place Registered country</u>	<u>Percentage of non-controlling interests</u>	
		<u>December 31, 2025</u>	<u>December 31, 2024</u>
CHIAN YIH OPTOTECH CO., LTD.	Taiwan	50.83%	50%

Note: On February 9, 2025, Chian Yih Optotech Co., Ltd. conducted a cash capital increase by issuing 1,000,000 shares. As the Group did not subscribe to the new shares in proportion to its existing shareholding, the non-controlling interest increased from 50% to 50.83%.

The following information of the material non-controlling interests of subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in this information is the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

CHIAN YIH OPTOTECH CO., LTD's Collective financial information :

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets	\$ 18,256	18,854
Non-current assets	33,408	39,143
Current liabilities	(3,929)	(11,665)
Non-current liabilities	(4,597)	(8,449)
Net assets	<u>\$ 43,138</u>	<u>37,883</u>
Non-controlling interests	<u>\$ 21,927</u>	<u>18,941</u>
	<u>For the years ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Sale revenue	<u>\$ 11,960</u>	<u>19,669</u>
Net loss	\$ (4,745)	(131)
Other comprehensive income	-	-
Comprehensive income	<u>\$ (4,745)</u>	<u>(131)</u>
Loss, attributable to non-controlling interests	<u>\$ (2,402)</u>	<u>(66)</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ (2,402)</u>	<u>(66)</u>
Net cash flows from operating activities	\$ 429	7,637
Net cash flows from investing activities	(3,408)	-
Net cash flows from financing activities	1,858	(2,104)
Net (decrease) increase in cash and cash equivalents	<u>\$ (1,121)</u>	<u>5,533</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(7) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2025 and 2024, were as follows:

	Land	Buildings and Construction	Machinery and equipment	Office and miscellaneous equipment	Unfinished construction and equipment under acceptance	Total
Cost:						
Balance on January 1, 2025	\$ 6,971	599,728	478,017	124,302	3,004	1,212,022
Additions	-	10,342	43,620	5,064	2,015	61,041
Disposal	-	-	(4,037)	(879)	-	(4,916)
Reclassification	-	659	2,239	-	(2,898)	-
Effect of movements in exchange rates	-	(2,742)	2,793	314	(30)	335
Balance on December 31, 2025	\$ 6,971	607,987	522,632	128,801	2,091	1,268,482
Balance on January 1, 2024	\$ 6,971	578,187	465,527	120,030	2,328	1,173,043
Additions	-	1,572	13,182	2,269	2,761	19,784
Disposal	-	-	(15,618)	(321)	-	(15,939)
Reclassification	-	-	2,050	127	(2,177)	-
Effect of movements in exchange rates	-	19,969	12,876	2,197	92	35,134
Balance on December 31, 2024	\$ 6,971	599,728	478,017	124,302	3,004	1,212,022
Accumulated depreciation:						
Balance on January 1, 2025	\$ -	476,122	416,662	111,029	-	1,003,813
Depreciation for the period	-	22,921	31,553	6,869	-	61,343
Disposal	-	-	(4,037)	(879)	-	(4,916)
Effect of movements in exchange rates	-	(2,621)	1,851	288	-	(482)
Balance on December 31, 2025	\$ -	496,422	446,029	117,307	-	1,059,758
Balance on January 1, 2024	\$ -	429,727	381,974	100,420	-	912,121
Depreciation for the period	-	30,305	39,352	9,002	-	78,659
Disposal	-	-	(15,618)	(321)	-	(15,939)
Effect of movements in exchange rates	-	16,090	10,954	1,928	-	28,972
Balance on December 31, 2024	\$ -	476,122	416,662	111,029	-	1,003,813
Carrying amounts:						
Balance on December 31, 2025	\$ 6,971	111,565	76,603	11,494	2,091	208,724
Balance on January 1, 2024	\$ 6,971	148,460	83,553	19,610	2,328	260,922
Balance on December 31, 2024	\$ 6,971	123,606	61,355	13,273	3,004	208,209

As of December 31, 2025 and 2024, the property, plant and equipment had been pledged as collateral for long-term bank loans; please refer to note 8.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(8) Right-of-use assets

The Group leases many assets including land, buildings, and structures; the cost, depreciation and impairment were as follows:

	<u>Land</u>	<u>Buildings and Construction</u>	<u>Total</u>
Cost:			
Balance on January 1, 2025	\$ 26,183	68,629	94,812
Additions	-	(1,813)	(1,813)
Effect of movements in exchange rates	31	-	31
Balance on December 31, 2025	<u>\$ 26,214</u>	<u>66,816</u>	<u>93,030</u>
Balance on January 1, 2024	\$ 25,421	41,928	67,349
Additions	-	26,701	26,701
Effect of movements in exchange rates	762	-	762
Balance on December 31, 2024	<u>\$ 26,183</u>	<u>68,629</u>	<u>94,812</u>
Accumulated depreciation:			
Balance on January 1, 2025	\$ 4,550	42,502	47,052
Depreciation for the year	729	8,143	8,872
Effect of movements in exchange rates	34	-	34
Balance on December 31, 2025	<u>\$ 5,313</u>	<u>50,645</u>	<u>55,958</u>
Balance on January 1, 2024	\$ 3,842	34,655	38,497
Depreciation for the year	750	7,847	8,597
Effect of movements in exchange rates	(42)	-	(42)
Balance on December 31, 2024	<u>\$ 4,550</u>	<u>42,502</u>	<u>47,052</u>
Carrying amounts:			
Balance on December 31, 2025	<u>\$ 20,901</u>	<u>16,171</u>	<u>37,072</u>
Balance on January 1, 2024	<u>\$ 21,579</u>	<u>7,273</u>	<u>28,852</u>
Balance on December 31, 2024	<u>\$ 21,633</u>	<u>26,127</u>	<u>47,760</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(9) Investment property

Investment property, which means assets owned by the Group, refers to plants leased to third parties under operating leases. The leases of investment properties contain an initial non-cancellable lease term of 10 years.

The rental income of all leased investment properties is in fixed amounts.

The movements in investment property of the Group were as follows:

	<u>Self-owned asset-buildings and structures</u>
Cost:	
Balance on January 1, 2025	\$ 37,129
Effect of movements in foreign exchange rates	<u>(1,535)</u>
Balance on December 31, 2025	<u>\$ 35,594</u>
Balance on January 1, 2024	\$ 34,773
Effect of movements in foreign exchange rates	<u>2,356</u>
Balance on December 31, 2024	<u>\$ 37,129</u>
Accumulated depreciation:	
Balance on January 1, 2025	\$ 37,129
Effect of movements in foreign exchange rates	<u>(1,535)</u>
Balance on December 31, 2025	<u>\$ 35,594</u>
Balance on January 1, 2024	\$ 33,771
Depreciation for the year	1,049
Effect of movements in foreign exchange rates	<u>2,309</u>
Balance on December 31, 2024	<u>\$ 37,129</u>
Carrying amounts:	
Balance on December 31, 2025	<u>\$ -</u>
Balance on January 1, 2024	<u>\$ 1,002</u>
Balance on December 31, 2024	<u>\$ -</u>
Fair value:	
Balance on December 31, 2025	<u>\$ 9,555</u>
Balance on December 31, 2024	<u>\$ 13,123</u>

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 10 years, for the subsequent lease term, it is negotiated with the lessee, and there is no contingent rental been collected. For relevant information (including rental income and direct operating expenses that had incurred), please refer to Note 6 (17) °

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The fair value of investment property was measured using the market approach. The yield method under the income approach would have been used if there was no active market for the investment properties. The inputs of levels of fair value hierarchy in determining the fair value is classified to Level 3.

For 2025 and 2024, the adopted range of yield rates was as follows:

Geographic information	2025	2024
Dongguan , Mainland China	11.90%	10.53%

As of December 31, 2025 and 2024, the Group did not provide any investment property as collateral for its loans.

(10) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group for the years ended December 31, 2025 and 2024, were as follows:

	Software	Goodwill	Total
Cost:			
Balance on January 1,2025	\$ 8,418	1,060	9,478
Additions	1,127	-	1,127
Effect of movement in exchange rates	12	-	12
Balance on December 31, 2025	\$ 9,557	1,060	10,617
Balance on January 1,2024	\$ 3,536	1,060	4,596
Additions	4,798	-	4,798
Effect of movement in exchange rates	84	-	84
Balance on December 31, 2024	\$ 8,418	1,060	9,478
Accumulated amortization :			
Balance on January 1,2025	\$ 4,285	-	4,285
Amortization for the year	3,137	-	3,137
Effect of movement in exchange rate	115	-	115
Balance on December 31, 2025	\$ 7,537	-	7,537
Balance on January 1,2024	\$ 2,176	-	2,176
Amortization for the year	2,093	-	2,093
Effect of movement in exchange rate	16	-	16
Balance on December 31, 2024	\$ 4,285	-	4,285
Carrying value			
Balance on December 31, 2025	\$ 2,020	1,060	3,080
Balance on January 1, 2024	\$ 1,360	1,060	2,420
Balance on December 31, 2024	\$ 4,133	1,060	5,193

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Notes to the Consolidated Financial Statements

(i) Amortization

The amortization of intangible assets is included in the the statement of comprehensive income:

	<u>2025</u>	<u>2024</u>
Cost of sales	\$ 37	33
Operating expenses	3,100	2,060
	<u>\$ 3,137</u>	<u>2,093</u>

(ii) Disclosure on pledges

As of December 31, 2025 and 2024, none of the Group' s intangible assets was pledged as collateral.

(11) Other financial assets

The other financial assets of the Group were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Restricted bank deposits	\$ 3,144	3,279
Time deposits–more than 3 months	346,062	32,785
	<u>\$ 349,206</u>	<u>36,064</u>

Restricted bank deposits primarily consist of time deposits pledged as collateral for bank loans; please refer to Note 8 for further details. Bank time deposits with original maturities of three months or more are certificates of deposit that do not meet the definition of cash equivalents.

As of December 31, 2025 and 2024, the Group did not recognize any impairment loss on other financial assets. For information regarding the credit risk and market risk of other financial assets, please refer to Note 6(25).

(12) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>114.12.31</u>	<u>113.12.31</u>
Secured bank borrowings	\$80,000	-
Other short-term borrowings - related parties	-	6,000
	<u>80,000</u>	<u>6,000</u>
Unused short-term credit lines	<u>361,805</u>	<u>484,098</u>
Range of interest rates	<u>2.29%</u>	<u>2.425%</u>

The borrowings from related parties, please refers to note7. For the collateral for short-term borrowings, please refer to note 8.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other current liabilities

The Group's other current liabilities were as follows:

	December 31, 2025	December 31, 2024
Advance molding payment	\$ 8,877	4,714
Temporary receipts	1,745	1,704
Receipts under custody	595	507
	\$ 11,217	6,925

(14) Long-term borrowings

The details of long-term borrowings were as follows:

	December 31, 2025		
	Rate	Maturity year	Amount
Secured bank loans	0.72%~1.875%	October 2026 to November 2029	\$ 32,007
Less: current portion			(20,943)
Government grants			(62)
			\$ 11,002
Unused long-term credit lines			\$ -
	December 31, 2024		
	Rate	Maturity year	Amount
Secured bank loans	0.72%~1.875%	October 2025 to November 2029	\$ 119,837
Less: current portion			(58,750)
Government grants			(440)
			\$ 60,647
Unused long-term credit lines			\$ -

(i) Government low-interest loans

The differences between the amounts and fair values of the preferential low-interest loans granted by the government under the "Plan of Welcoming Overseas Taiwanese Businesspersons to Invest in Taiwan" were considered government grants; please refer to note 6(16) for details.

(ii) Collateral for bank loans

For the collateral for long-term borrowings, please refer to note 8.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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(15) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

	December 31, 2025	December 31, 2024
Current	\$ 8,302	8,212
Non-current	8,027	18,142
	<u>\$ 16,329</u>	<u>26,354</u>

For the maturity analysis, please refer to note 6(25).

The amounts recognized in profit or loss were as follows:

	For the years ended December 31, 2025	For the years ended December 31, 2024
Interest on lease liabilities	<u>\$ 308</u>	<u>227</u>
Expenses relating to short-term leases	<u>\$ 4,558</u>	<u>4,587</u>

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the years ended December 31, 2025	For the years ended December 31, 2024
Total cash outflow for leases	<u>\$ 13,078</u>	<u>12,827</u>

(i) Land and Building leases

The Group leases land, buildings and structures for office spaces and plants, with a lease term of 3 years, and some leases include an option to extend the lease for an additional period of the same duration at the end of the lease term.

(ii) Other leases

The Group also leases dormitory and other leases with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(16) Deferred revenues

	December 31, 2025	December 31, 2024
Government grants	<u>\$ 62</u>	<u>440</u>
Current	\$ 62	378
Non-current	-	62
	<u>\$ 62</u>	<u>440</u>

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Notes to the Consolidated Financial Statements

As of December 31, 2025 and 2024, the Group's government preferential low-interest loans under the "Plan of Welcoming Overseas Taiwanese Businesspersons to Invest in Taiwan" amounted to \$32,007 thousand and \$119,837 thousand and the fair values thereof amounted to \$31,945 thousand and \$119,397 thousand respectively. The differences between the amounts and fair values of the loans, amounting to \$62 thousand and \$440 thousand respectively, were considered to be government grants through low-interest loans and recognized as deferred revenues. As of December 31, 2025 and 2024, the Group's revenues from government grants amounted to \$375 thousand and \$1,356 thousand respectively, both of which were included in other revenues.

(17) Operating leases

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(9) that sets out information about the operating leases of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	December 31, 2025	December 31, 2024
Less than one year	\$ 3,972	4,043
One to two years	1,455	4,090
Two to three years	952	1,498
Three to four years	952	980
Four to five years	952	980
More than five years	5,232	6,369
Total undiscounted lease payments	\$ 13,515	17,960

For 2025 and 2024, the rent income arising from real estate amounted to \$4,197 thousand and \$3,830 thousand, respectively. Repair and maintenance expenses arising from investment property were as follows:

	2025	2024
Income generating property	\$ 3	3

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(18) Employee benefits

Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

Pension payments are made by Fair Lumi (DONGGUAN) and Shian Yih (DONGGUAN) based on a contribution system, and the monthly contributions are made to employees' individual accounts with the Bureau of Human Resource and Social Security. As the accounts are completely separated from the Company, the deposits are transferred upon departure of employees. The contributions payable are recognized as the expenses for the period; however, Shina Yih (Samoa), Wise and Fair some (Samoa) do not have permanent employees.

For 2025 and 2024, the Group recognized the pension costs of \$28,934 thousand and \$28,577 thousand respectively under the defined contribution plan. The payments have been deposited into employees' individual accounts with the Bureau of Labor Insurance and the Bureau of Human Resource and Social Security.

(19) Income taxes

(i) Income tax expense

1. The components of income tax in the years 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
Current tax expense:		
Current period	\$ 20,667	26,340
Undistributed Earnings Levy	2,951	579
Adjustment for prior periods	3,589	1,229
	<u>27,207</u>	<u>28,148</u>
Deferred tax expense :		
Origination and reversal of temporary differences	107	(7,415)
Income taxes	<u>\$ 27,314</u>	<u>20,733</u>

For 2025 and 2024, none of the amounts of income tax expenses have not been recognized in other comprehensive income.

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For 2025 and 2024, reconciliations of income tax expenses and pre-tax profits were as follows:

	<u>2025</u>	<u>2024</u>
Profit excluding income tax	<u>\$ 42,974</u>	<u>103,315</u>
Income tax using the Company's domestic tax rate	\$ 8,595	20,663
Effect of tax rates in foreign jurisdiction	(13,074)	11,381
Other tax adjustments made pursuant to tax laws	17,803	(9,972)
Changes in unrecognized temporary differences	5,305	(5,399)
(Overestimate) underestimate of prior-year income taxes	3,589	1,229
Undistributed Earnings Levy	2,951	579
Recognition of income from controlled foreign corporations	<u>2,145</u>	<u>2,252</u>
Total	<u>\$ 27,314</u>	<u>20,733</u>

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2025 and 2024. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Aggregated amount of temporary differences related to investments in subsidiaries	<u>\$ 479,242</u>	<u>499,834</u>
Unrecognized deferred tax liabilities	<u>\$ 95,849</u>	<u>99,967</u>

2) Unrecognized deferred tax

Deferred tax assets have not been recognized in respect of the following items:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Tax effect of deductible Temporary Differences	\$ (290)	(267)
The carryforward of unused tax losses	<u>2,969</u>	<u>1,759</u>
	<u>\$ 2,679</u>	<u>1,492</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

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The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits there from.

As of December 31, 2025, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

<u>Company</u>	<u>Year of loss</u>	<u>Unused operating loss Carry forwards</u>	<u>Expiration year</u>
Chian Yih Optotech	2022	\$ 690	2032
Chian Yih Optotech	2023	8,330	2032
Chian Yih Optotech	2025	<u>5,826</u>	2035
	Total	<u>\$ 14,846</u>	

3) Recognized deferred tax assets and abilities

Changes in the amounts of deferred tax assets and liabilities for 2025 and 2024 were as follows:

	<u>Allowance for inventory devaluation</u>	<u>Carry forward of unused tax losses</u>	<u>Other</u>	<u>Total</u>
Deferred Tax Assets:				
Balance at January 1, 2025	\$ 26,013	20,052	528	46,593
Debit (credit) in income statement	(11,474)	-	519	(10,955)
Balance at December 31, 2025	<u>\$ 14,539</u>	<u>20,052</u>	<u>1,047</u>	<u>35,638</u>
Balance at January 1, 2024	\$ 1,244	20,052	977	22,273
Debit (credit) in income statement	24,769	-	(449)	24,320
Balance at December 31, 2024	<u>\$ 26,013</u>	<u>20,052</u>	<u>528</u>	<u>46,593</u>
Deferred Tax Liabilities: :				
Balance at January 1, 2025	\$ 16,923		14,850	31,773
Credit in income statement	(4,119)		(6,729)	(10,848)
Balance at December 31, 2025	<u>\$ 12,804</u>		<u>8,121</u>	<u>20,925</u>
Balance at January 1, 2024	\$ 11,497		3,371	14,868
Credit in income statement	5,426		11,479	16,905
Balance at December 31, 2024	<u>\$ 16,923</u>		<u>14,850</u>	<u>31,773</u>

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Notes to the Consolidated Financial Statements

(3) Assessment of tax

The tax returns of the Company and its domestic subsidiaries have been examined and approved by the R.O.C. tax authorities as follows:

	<u>Approved year</u>
The Company	112
Chian Yih Optotech Co., Ltd.	112

(20) Capital and other equity

As of December 31, 2025 and 2024, the Company's authorized share capital amounted to \$1,000,000 thousand (of which \$100,000 thousand is for issuing employee share option warrants), divided into 100,000 thousand shares with a par value of \$10 per share. The aforesaid authorized share capital consists of ordinary shares only, and the issued ordinary shares were 61,175 thousand shares as of both dates. All issued shares were paid up upon issuance.

(i) Capital surplus

The balances of capital surplus as of December 31, 2025 and 2024, were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Share premium	\$ 668,486	668,486
Gains on disposal of assets	207	207
Changes in ownership interests in subsidiaries	1,097	985
	\$ 669,790	669,678

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(i) Retained earnings

The Company's Articles of Incorporation stipulates that Company's net earnings shall first be used to offset prior years' losses, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, unless the amount in the legal reserve has already reached the Company's paid-in capital. In addition, special reserve shall be appropriated according to related regulations and the Company's operating needs, after which any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

The amount of share dividends is determined based on the Company's earnings accumulated in the current and prior years, taking into account the Company's profitability, capital structure,

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

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and future operating requirements. The dividend distribution policy is to pay dividends by means of a combination of share dividend and cash dividend taking into consideration capital requirement and diluted earnings per share, and the cash dividend shall be no less than 20% of the amount of the dividend distribution.

The types and ratios of the above-mentioned earnings distribution are adjusted pursuant to resolution of a shareholders' meeting based on the actual profit and capital for the year.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with the regulation set by the Financial Supervisory Commission, a portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The special earnings reserve will be recognized from the profit after income tax of the current period plus other current earnings and the undistributed retained earnings of the previous period. The net reduction of other shareholders' equity accumulated in the previous period shall be recognized from the undistributed retained earnings and shall not be distributed. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. The special reserve for the years ended December 31, 2025 and 2024 was \$114,877 thousand and \$148,454 thousand respectively.

3) Earnings distribution

On February 25, 2025, the 2024 earnings appropriation was resolved in a board meeting. On March 12, 2024, the 2023 earnings appropriation was resolved in a shareholders' general meeting. Dividends were distributed to owners as follows:

	2024		2023	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 0.8	<u>48,940</u>	1.70	<u>103,998</u>

The amount of cash dividends on the 2025 earnings distribution, approved during the board meeting on March 5, 2026.

	2025	
	Amount per share	Total amount
Dividends distributed to ordinary shareholders:		
Cash	\$ 0.50	<u>30,588</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(21) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share was based on the profits of \$18,062 thousand and 82,647 thousand attributable to the Company's ordinary shareholders, and the weighted -average numbers of outstanding ordinary shares of 61,175 thousand shares as of both dates. The details were as follows:

1) Profit attributable to ordinary shareholders of the Company

	For the years ended December 31	
	2025	2024
Net Profit attributable to ordinary shareholders of the Company	\$ 18,062	82,647

2) Weighted average number of ordinary shares

	For the years ended December 31	
	2025	2024
Weighted average number of ordinary shares (in thousands)	61,175	61,175
Basic earnings per share (NT dollars)	\$ 0.30	1.35

(ii) Diluted earnings per share

The details on the calculation of diluted earnings per share as of December 31, 2025 and 2024 was based on the profit attributable to ordinary shareholders of the Company amounting to \$18,062 thousand and \$82,647 thousand , and the weighted average number of ordinary shares outstanding after adjusting the effects of all dilutive potential ordinary shares of 61,382 thousand and 61,484 thousand, respectively, as follows:

1) Net profit attributable to ordinary shareholders of the Company (diluted)

	For the years ended December 31	
	2025	2024
Net profit attributable to ordinary shareholders of the Company (diluted)	\$ 18,062	82,647

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Notes to the Consolidated Financial Statements

2) Weighted average number of ordinary shares (diluted)

	For the years ended December 31	
	2025	2024
Weighted average number of ordinary shares(basic) (in thousands)	61,175	61,175
Effect of dilutive potential ordinary shares		
Effect of employee share bonus	207	309
Weighted average number of ordinary shares (after adjustment of potential diluted ordinary shares)	<u>61,382</u>	<u>61,484</u>
Diluted earnings per share (NT dollars)	<u>\$ 0.29</u>	<u>1.34</u>

(22) Revenue from contracts with customers

(i) Disaggregation of revenue

	2025	2024
<u>Primary geographical markets</u>		
Taiwan	\$ 354,987	461,553
China	482,729	714,102
The United States	270,470	233,908
Other countries	187,273	172,006
	<u>\$ 1,295,459</u>	<u>1,581,569</u>
<u>Major products/services lines</u>		
Backlight modules	\$ 1,134,847	1,376,917
Other	160,612	204,652
	<u>\$ 1,295,459</u>	<u>1,581,569</u>

(ii) Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities	<u>\$ 1,496</u>	<u>855</u>	<u>2,323</u>

The amount of revenue recognized for the years ended December 31, 2025 and 2024 that was included in the contract liability balance at the beginning of the period were \$111 thousand and \$1,817 thousand, respectively.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(23) Remunerations of employees, directors, and supervisors

On May 26, 2025, the Company's shareholders resolved to amend the Articles of Incorporation. Under the amended Articles, if the Company has earnings in any given year, no less than 2% and no more than 10% of the earnings shall be allocated as employee remuneration (including no less than 25% as the remuneration distributed to grass-root employees) and no more than 2% as directors' remuneration. However, if the Company has accumulated losses, the amount necessary to cover such losses shall be retained in advance. The recipients of the employee remuneration, whether in the form of shares or cash, include employees of controlled or subordinate companies that meet certain criteria.

Prior to the amendment, the Articles stipulated that if the Company had earnings in any given year, no less than 2% and no more than 10% of the earnings shall be allocated as employee remuneration, and no more than 2% as directors' remuneration. However, if the Company had accumulated losses, the amount necessary to cover such losses was to be retained in advance. The recipients of the employee remuneration, whether in the form of shares or cash, also included employees of controlled or subordinate companies that met certain criteria.

For 2025 and 2024, the Company's employee remunerations were estimated at \$3,814 thousand and \$5,902 thousand, and director remunerations were estimated at \$847 thousand and \$1,967 thousand, respectively. The estimates mentioned above were calculated based on the Company's pre-tax profit (before deducting the remunerations of employees and directors for each period), multiplied by the percentages of remunerations of employees and directors as specified in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or operating expenses for 2025 and 2024.

The amounts of employee and director remuneration resolved by the Board of Directors are identical to the amounts estimated in the Company's consolidated financial reports for the years 2025 and 2024. Related information would be available at the Market Observation Post System website.

(24) Non-operating income and expenses

(i) Interest income

The details of interest income for the years ended December 31, 2025 and 2024 were as follows:

	2025	2024
Interest income from bank deposits	\$ 49,961	52,353

(ii) Other income

The details of other income for the years ended December 31, 2025 and 2024 were as follows:

	2025	2024
Rent income	\$ 5,587	5,230
Government grants income	608	1,356
Compensation income	28,880	1,232
Other income	13,279	3,966
	\$ 48,354	11,784

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Finance costs

The details of finance costs for the years ended December 31, 2025 and 2024 were as follows:

	2025	2024
Interest expense on bank deposits	\$ 1,888	3,108
Implicit interest on leases	308	227
	\$ 2,196	3,333

(25) Financial instruments

(i) Credit risk

1) Concentration of credit risk

The carrying amounts of financial assets represent the Group's maximum exposure to credit risk.

2) Concentration of credit risk

The Group's customers are primarily concentrated in the electronics industry. To mitigate the credit risk of accounts receivable, the Group continuously evaluates the financial condition of its customers and, when necessary, requires them to provide collateral or guarantees. The Group also regularly assesses the recoverability of accounts receivable and recognizes an allowance for expected credit losses. The impairment losses recognized have always been within management's expectations.

As of December 31, 2025 and 2024, 26% and 41%, respectively, of the Group's accounts receivable balances were attributable to a single customer, resulting in a significant concentration of credit risk.

3) Credit risk on receivables

For credit risk exposure of accounts receivable, please refer to note 6(3). Other financial assets at amortized cost includes other receivables and investments in time deposits.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 month expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(7). As of December 31, 2025 and 2024, the Group's other receivables and CD (certificate of deposit) investments have no expected credit losses (ECLs).

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1~2years</u>	<u>2~5years</u>	<u>Over 5 years</u>
December 31, 2025						
Non-derivative financial liabilities						
Secured bank loans with floating rate	\$ 111,945	113,223	101,859	4,114	7,250	-
Accounts payable (non-interest-bearing)	203,183	203,183	203,183	-	-	-
Other payables (non-interest-bearing)	78,029	78,029	78,029	-	-	-
Lease liabilities (fixed interest rate)	16,329	16,730	8,580	5,930	2,220	-
Guarantee deposits received	1,317	1,317	225	804	206	82
	\$ 410,803	412,482	391,876	10,848	9,676	82

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1~2years</u>	<u>2~5years</u>	<u>Over 5 years</u>
December 31, 2024						
Non-derivative financial liabilities						
Secured bank loans with floating rate	\$ 119,397	121,917	59,968	50,585	11,364	-
Fixed-rate loan	6,000	6,126	6,126	-	-	-
Accounts payable (non-interest-bearing)	271,575	271,575	271,575	-	-	-
Other payables (non-interest-bearing)	89,481	89,481	89,481	-	-	-
Lease liabilities (fixed interest rate)	26,354	27,230	8,520	8,520	10,190	-
Guarantee deposits received	1,316	1,316	453	-	781	82
	\$ 514,123	517,645	436,123	59,105	22,335	82

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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Notes to the Consolidated Financial Statements

(iii) Currency risk

1) Exposure to currency risk

The Group's significant exposure to foreign currency risk was as follows:

	(In thousands of foreign currencies)					
	December 31, 2025			December 31, 2024		
	Foreign currency	Exchangrates	NTD	Foreign currency	Exchangrates	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 45,302	31.430	1,423,842	44,086	32.785	1,445,360
RMB	1,404	4.497	6,314	2,013	4.4918	9,042
HKD	952	4.038	3,844	1,031	4.222	4,353
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	4,281	31.430	134,552	5,157	32.785	169,072
RMB	646	4.497	2,905	848	4.4918	3,809
HKD	281	4.038	1,135	767	4.222	3,238

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, borrowings and accounts and other payables that are denominated in foreign currency. An appreciation (depreciation) of 1% of the NTD against USD, RMB and HKD as of December 31, 2025 and 2024, with all other variables remaining constant, would have increased or decreased profits after tax by \$10,363 thousand and \$10,261 thousand, respectively. The analysis is performed on the same basis for prior year.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For 2025 and 2024, net foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$(50,372) thousand and \$82,653 thousand, respectively.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased/decreased by 1%, the Group's profit after tax would have decreased/increased by \$9,082 thousand and \$7,888 thousand for 2025 and 2024 respectively, with all other variable factors remaining constant. This is mainly due to the Group's time deposit and borrowings at variable rates.

(v) Fair value information

1) Categories and fair values of financial instruments

The fair value of financial assets at FVTPL is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

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	December 31, 2025				
	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Unlisted common shares	\$ <u>9,062</u>	-	-	9,062	9,062
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,121,572	-	-	-	-
Accounts receivable	324,183	-	-	-	-
Other receivables (excluding tax refunds receivable)	5,023	-	-	-	-
Other financial assets – current	349,206	-	-	-	-
Guarantee deposits paid	<u>1,743</u>	-	-	-	-
Subtotal	<u>\$ 1,801,727</u>	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 80,000	-	-	-	-
Accounts payables	203,183	-	-	-	-
Other payables (to related parties)	78,029	-	-	-	-
Long-term borrowings (including current portion)	31,945	-	-	-	-
Lease liabilities (current and non-current)	16,329	-	-	-	-
Guarantee deposits received	<u>1,317</u>	-	-	-	-
Subtotal	<u>\$ 410,803</u>	-	-	-	-
	December 31, 2024				
	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Unlisted common shares	\$ <u>9,246</u>	-	-	9,246	9,246
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,396,693	-	-	-	-
Accounts receivable	422,586	-	-	-	-
Other receivables (excluding tax refunds receivable)	4,410	-	-	-	-
Other financial assets – current	36,064	-	-	-	-
Guarantee deposits paid	<u>1,485</u>	-	-	-	-
Subtotal	<u>\$ 1,861,238</u>	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 6,000	-	-	-	-
Accounts payables	271,575	-	-	-	-
Other payables (to related parties)	89,481	-	-	-	-
Long-term borrowings (including current portion)	119,397	-	-	-	-
Lease liabilities (current and non-current)	26,354	-	-	-	-
Guarantee deposits received	<u>1,316</u>	-	-	-	-
Subtotal	<u>\$ 514,123</u>	-	-	-	-

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Valuation techniques for financial instruments not measured at fair value

The Group' s valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

(2.1) Financial assets measured at amortized cost If quoted prices in an active market are available, the market price is adopted as the fair value. In the absence of market prices for reference, valuation techniques are used for estimation, or quotes from counterparties are utilized.

(2.2) Financial liabilities measured at amortized cost If transaction data or market maker quotes are available, the most recent transaction price and quote data serve as the basis for fair value assessment. In the absence of market value for reference, valuation techniques are used for estimation. The estimates and assumptions used in these valuation techniques involve estimating fair value based on the discounted value of cash flows.

3) Transfers between Level 1 and Level 2

There were no transfers from one level to another level in 2025 and 2024.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income	
	Unquoted equity instruments	
Opening balance, January 1, 2025	\$	9,246
In other comprehensive income		(184)
Ending Balance, December 31, 2025	\$	9,062
Opening balance, January 1, 2024	\$	9,334
In other comprehensive income		(88)
Ending Balance, December 31, 2024	\$	9,246

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group' s financial instruments that use Level 3 inputs to measure fair value include fair value through other comprehensive income-equity investments.

Most equity investments with a level 3 fair value but without an active market have multiple significant unobservable inputs. The significant unobservable inputs of the equity investments without an active market are independent, therefore, there is no correlation between them.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

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For the Group's unquoted equity instruments that are not intended for short-term trading, management has obtained the latest financial statements of the investee, evaluated industry development, and reviewed accessible public information. Accordingly, the Group reviews and evaluate the investee's operational situation of the current and future years, so as to assess the fair value of the investee. In general, changes in industry and market prospects are highly correlated with changes in the operations and future business performance of the investee.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at FVOCI–equity investments without an active market	Net Asset Value Method	<ul style="list-style-type: none"> • Net Asset Value • Minority interest discounts (21.88% as of December 31, 2025 and 2024) 	<ul style="list-style-type: none"> • The higher the net asset value, the higher the fair value. • The higher the equity discount, the lower the fair value.

- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group believes its measurements of the fair value of financial instruments are reasonable; however, the use of different valuation models or parameters may result in different outcomes. For financial instruments classified as Level 3, the impact on other comprehensive income resulting from changes in valuation parameters is as follows:

Input	Upward or downward movement	Changes in other comprehensive income arising from changes in fair value	
		Favorable	Unfavorable
December 31, 2025			
Minority interest discount ratio of 21.88%	1%	116	1
December 31, 2024			
Minority interest discount ratio of 21.88%	1%	118	1

The favorable and unfavorable changes of the Group represent fluctuations in fair value, which is determined based on a variety of unobservable inputs using a valuation technique. For financial instruments whose fair value is affected by more than one input, the above table only reflects the effects of changes in a single input and does not take into account the interrelationships or variability among inputs.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

(26) Financial risk management

(i) Overview

The Group have exposures to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

In this note expressed the information on risk exposure and objectives, policies and procedures of risk measurement and management. For detailed information, please refer to the related notes of each risk.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Group's Planning Department, which is responsible for developing and controlling the Group's risk management policies, periodically reports to the Board of Directors on its operation.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk that the Group will incur a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's credit risk primarily arises from accounts receivable and other receivables from customers.

1) Accounts receivable and other receivables

The Group has established a customer credit policy. In accordance with this policy, the creditworthiness of each new customer is individually analyzed before standard payment and delivery terms are offered. The Group's review includes available external credit ratings and basic information provided by customers. Credit limits are established for each individual customer and are reviewed periodically. Customers that do not meet the Group's credit standards are required to transact with the Group on a prepayment basis.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

The Group has established an allowance for impairment account to reflect estimated losses for accounts receivable and other receivables.

2) Investments

Credit risk related to bank deposits and other financial instruments is measured and monitored by the Group's finance department. As the Group's counterparties and performing parties are banks with good credit standing and financial institutions, corporations, and government agencies with investment-grade ratings or above, there is no significant concern regarding their ability to perform their contractual obligations. Accordingly, the Group does not expect significant credit risk.

3) Guarantees

According to the Group's policy, financial guarantees may only be provided to wholly-owned subsidiaries. As of December 31, 2025 and 2024, the Group had not provided any endorsements or guarantees.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows.

As of December 31, 2025 and 2024, the unused credit lines amounted to \$361,805 thousand and \$484,098 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to foreign currency risk arising from sales, purchases, and borrowings that are denominated in currencies other than the respective functional currencies of the Group. These transactions are primarily denominated in U.S. dollars (USD).

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Interest rate risk

The Group manages interest rate risk by maintaining an adequate combination of fixed and variable interest rates as well as utilizing interest rate swaps. The Group periodically assesses hedging activities to align its view on interest rate to certain risk appetite, so as to ascertain the hedging strategy that conforms to the cost effectiveness.

3) Other market price risk

The Group is not exposed to equity price risk due to the investments in equity securities.

(27) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders through capital reduction, issue new shares, or sell assets to reduce liabilities.

Consistent with industry practice, the Group monitors its capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities as shown in the balance sheet less cash and cash equivalents. Total capital is calculated as total equity (i.e., share capital, capital surplus, retained earnings, and other equity) plus net debt.

As of December 31, 2025, the Group's capital management strategy is consistent with the prior year as of December 31, 2024. The Group's debt to equity ratio as of December 31, 2025 and 2024, were as follows:

	December 31, 2025	December 31, 2024
Total liabilities	\$ 454,606	556,498
Less: cash and cash equivalents	1,121,572	1,396,693
Net debt	<u>\$ (666,966)</u>	<u>(840,195)</u>
Total equity	<u>\$ 1,879,354</u>	<u>1,915,663</u>
Adjusted equity	<u>\$ 1,212,388</u>	<u>1,075,468</u>
Debt-to-equity ratio at 31 December	<u>(55.01)%</u>	<u>(78.12)%</u>

As of December 31, 2025, the debt-to-capital ratio increased, mainly due to a decrease in cash and cash equivalents, resulting in higher net debt.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(28) Investing and financing activities not affecting current cash flow

(i) The reconciliation of non-cash investing activities of the Group for the years ended December 31, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Acquisition of Property, Plant and Equipment	\$ 61,040	19,784
(Increase) Decrease in Equipment Payables	(706)	1,714
Prepayments for Equipment Transferred to Property, Plant and Equipment	<u>(1,770)</u>	<u>(1,718)</u>
	<u>\$ 58,564</u>	<u>19,780</u>

(ii) The Group's reconciliation of liabilities arising from financing activities were as follows:

	<u>January 1,2025</u>	<u>Cash flows</u>	<u>Non-cash changes</u>	<u>December 31, 2025</u>
			<u>Other changes</u>	
Short-term borrowings	\$ 6,000	74,000	-	80,000
Long-term borrowings (including deferred revenues and current portion)	119,837	(87,830)	-	32,007
Lease liabilities	26,354	(8,212)	(1,813)	16,329
Guarantee deposits received	<u>1,316</u>	<u>1</u>	<u>-</u>	<u>1,317</u>
Total liabilities from financing activities	<u>\$ 153,507</u>	<u>(22,041)</u>	<u>(1,813)</u>	<u>129,653</u>

	<u>January 1,2024</u>	<u>Cash flows</u>	<u>Non-cash changes</u>	<u>December 31, 2024</u>
			<u>Other changes</u>	
Short-term borrowings	\$ 6,000	-	-	6,000
Long-term borrowings (including deferred revenues and current portion)	184,474	(64,637)	-	119,837
Lease liabilities	7,666	(8,013)	26,701	26,354
Guarantee deposits received	<u>1,173</u>	<u>143</u>	<u>-</u>	<u>1,316</u>
Total liabilities from financing activities	<u>\$ 199,313</u>	<u>(72,507)</u>	<u>26,701</u>	<u>153,507</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

7 Related-party transactions

(1) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Fair Some Industrial Limited (Fair Some (Hong Kong))	The Company' s director is the entity' s owner
Cheng Rong Investment Co., Ltd. (Cheng Rong Investment)	The entity' s chairman is the second immediate family of the vice chairman of the Company (Note)

Note: Prior to the re-election at the shareholders' meeting of the Company on May 26, 2025, the chairman of that company and the vice chairman of the Company were related within the second degree of kinship.

(2) Significant transactions with related parties

(i) Borrowing from Related Parties

As of December 31, 2025 and 2024, the Group had borrowings from other related parties of NT\$0 thousand and NT\$6,000 thousand, respectively. Please refer to Note 6(12). The aforementioned related-party borrowings were unsecured and bore interest at rates equivalent to the average short-term borrowings rate charged by financial institutions to each respective related party at the time of funding. During the years ended December 31, 2025 and 2024, the Group paid interest to other related parties of NT\$36 thousand and NT\$140 thousand, respectively.

(ii) Others

The outstanding balances arising from other transactions such as customs declaration fees by other related parties on behalf of the Group were included in other payables.

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Other related parties	<u>\$ 273</u>	<u>291</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(3) Key management personnel compensation

Key management personnel compensation comprised:

	2025	2024
Short-term employee benefits	\$ 9,400	12,525
Post-employment benefits	278	362
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
	\$ 9,678	12,887

The Group has not provided non-monetary benefits such as housing, cars and other vehicles for key management.

8 Pledged assets:

The carrying values of assets pledged as security were as follows:

Assets pledged as security	Liabilities secured by pledge	December 31, 2025	December 31, 2024
Other financial assets – current	Loan guarantee	\$ 3,144	3,279
Land	Loan guarantee	2,951	2,951
Buildings	Loan guarantee	16,513	17,925
Machinery and equipment	Loan guarantee	-	2,178
		\$ 22,608	26,333

9 Commitments and contingencies: None

10 Losses due to major disasters: None

11 Subsequent events: None

12 Other:

(1) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	2025			2024		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		236,677	102,601	339,278	281,378	102,294	383,672
Labor and health insurance		8,975	6,897	15,872	10,661	7,257	17,918
Pension		20,713	8,221	28,934	20,856	7,721	28,577
Remuneration of directors		-	4,465	4,465	-	6,358	6,358
Others		14,037	3,430	17,467	17,092	3,273	20,365
Depreciation		59,584	10,631	70,215	74,324	13,981	88,305
Amortization		37	3,100	3,137	33	2,060	2,093

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

13 Other disclosures:

(1) Information on significant transactions:

For the year ended December 31, 2025, the Group is required, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, to disclose the following information relating to material transactions:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 3)
													Item	Value		
0	The Company	SHIAN YIH (DONGGUAN)	Loans receivable from related parties	Yes	132,820	125,720	-	-	2	-	Working capital	-	No	-	464,357	742,971
0	The Company	FAIR LUMI (DONGGUAN)	Loans receivable from related parties	Yes	33,205	31,400	-	-	2	-	Working capital	-	No	-	464,357	742,971

Note 1: Financing purposes:

- 1) Transaction counterparty
- 2) Entities with short-term financing needs

Note 2: The aggregate amount of loans to a single subsidiary shall not exceed 25% of the equity attributable to owners of parent reported in the most recent period.

Note 3: The aggregate amount of loans to a single party shall not exceed 40% of the equity attributable to owners of parent for the most recent period.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 3)	Parent company endorsements/guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 1)										
0	The Company	FAIR LUMI (DONGGUAN)	3	742,971	62,800	31,430	-	-	1.69%	742,971	Y	N	Y
0	The Company	SHIAN YIH (DONGGUAN)	3	742,971	251,200	125,720	-	-	6.77%	742,971	Y	N	Y

Note 1: The relationship between the guarantor and the counter-party of guarantee and endorsement is as follows:

1. Transaction counterparties.
2. An entity wherein the Company owns more than 50% voting rights, directly or indirectly.
3. The entity owning more than 50% voting rights in the Company, directly or indirectly.
4. The Company owned at least 90% of voting rights in the entity, directly or indirectly.
5. An industry peer or joint builder mutually guaranteed according to a construction contract.
6. An entity endorsed and/or guaranteed by all shareholders in proportion to shareholding in joint investment.
7. An industry peer and joint provider of performance guarantee for a presale contract pursuant to the Consumer Protection Act.

Note 2: The aggregate amount of loans to a single subsidiary shall not exceed 40% of the equity attributable to owners of parent for the most recent period.

Note 3: The the guarantees provided for other parties shall not exceed 40% of the equity attributable to owners of parent reported in the latest financial statements.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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(iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest balance during the year		Note
				Shares/Units (thousands)	Book value	Percentage of ownership (%)	Fair value	Shares/Units (thousands)	Percentage of ownership (%)	
The Company	Ordinary share Ying Cheng Investment Corp.	None	Financial assets at fair value through other comprehensive income-non-current	2,534	9,062	15.83%	9,062	2,534	15.83%	

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	SHIAN YIH (DONGGUAN)	The Company's subsidiary	Purchase	279,080	48.85%	O/A 30 days	(Note 1)	(Note 3)	(43,592)	47.37%	
The Company	FAIR LUMI (DONGGUAN)	The Company's subsidiary	Purchase	240,227	42.05%	O/A 30 days	(Note 2)	(Note 3)	(35,141)	38.19%	
SHIAN YIH (DONGGUAN)	The Company	The Company's subsidiary	Sale	279,080	41.17%	O/A 30 days	(Note 1)	(Note 3)	43,592	27.05%	
FAIR LUMI (DONGGUAN)	The Company	The Company's subsidiary	Sale	240,227	61.06%	O/A 30 days	(Note 2)	(Note 3)	35,141	31.77%	

Note 1: Calculated as 75% to 88% of selling prices of the Company's products.

Note 2: Calculated as 85% to 93% of selling prices of the Company's products.

Note 3: Payment term is O/A 30 days. In addition to the established credit policies, the operating capital status of related parties is also considered.

Note 4 :The above transactions were eliminated when compiling the consolidated financial statements.

(v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	FAIR LUMI (DONGGUAN)	1	Sale	1,099	Note 4	0.08%
0	The Company	FAIR LUMI (DONGGUAN)	1	Purchase	279,080	Note3	21.54%
0	The Company	SHIAN YIH (DONGGUAN)	1	Purchase	240,227	Note 4	18.54%
0	The Company	FAIR LUMI (DONGGUAN)	1	Trade payable	43,592	Note 5	1.87%
0	The Company	SHIAN YIH (DONGGUAN)	1	Trade payable	35,141	Note 5	1.51%
0	The Company	FAIR LUMI (DONGGUAN)	1	Endorsement guaranteed	31,430	In compliance with the Regulations Governing Endorsement/Guarantee	1.35%
0	The Company	SHIAN YIH (DONGGUAN)	1	Endorsement guaranteed	125,720	In compliance with the Regulations Governing Endorsement/Guarantee	5.39%
1	SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	3	Purchase	78,337	Same as arm's length transaction	6.05%
1	SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	3	Trade payable	49,318	Same as arm's length transaction	2.11%

Note 1: "0" represents the parent; subsidiaries are sequentially numbered starting from "1" .

Note 2: Relationships with transaction counterparties are numbered as follows:

1. Parent and subsidiary.
2. Subsidiary and parent.
3. Associates.

Note 3: Calculated as 75% to 88% of the selling prices of products.

Note 4: Calculated as 85% to 93% of the selling prices of products.

Note 5: Payment term is O/A 30 days. In addition to the established credit policies, the operating capital status of related parties is also considered.

Note 6: The above transactions were eliminated when compiling the consolidated financial statements.

(2) Information on investees:

The following is the information on investees for the year 2025 (excluding information on investees in Mainland China):

(In Thousands of USD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest balance during the year		Net income (losses) of investee	Share of profits/losses of investee
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Book value	Shares/Units (thousands)	Percentage of ownership		
The Company	Shian Yih (Samoa)	Samoa	Investment	348,724 (USD 10,500)	348,724 (USD 10,500)	10,500	100.00%	793,753	10,500	100%	(41,185)	(39,641) (Note 1)
The Company	Chian Yih Optotech Co.,Ltd	Taiwan	Manufacture and sale of optical products	69,500	65,000	2,950	49.17%	22,271	6,500	50%	(4,745)	(2,343)
Shian Yih (Samoa)	Fair Some (Samoa)	Samoa	Investment	348,724 (USD 10,500)	348,724 (USD 10,500)	10,500	100.00%	482,347 (USD 15,347)	10,500	100%	(10,344) (USD 332)	(10,344) (USD 332)
Shian Yih (Samoa)	Wise	Samoa	Investment	524,311 (USD 16,650)	524,311 (USD 16,650)	16,650	100.00%	315,994 (USD 10,054)	16,650	100%	(30,792) (USD 989)	(30,792) (USD 989)

Note 1: Equity-accounted investment loss of \$41,185 thousand; the unrealized margins for the period amounted to \$1,543 thousand.

Note 2: The above transactions were eliminated when compiling the consolidated financial statements.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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(3) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of USD)

Name of investee	Main businesses and products	Total Amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Shares/Units (thousands)	Highest balance during the year		Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow			Shares/Units (thousands)	Percentage of ownership (%)			
Dongguan Fair Lumi Optronics Co., Ltd.	Manufacture and sale of small and medium-sized LED backlight modules	515,676 (USDS(16,650))	((Note 1)	16,650 (Note 3)	-	-	USD 16,650 (Note 3)	100%	16,650	100%	(31,045) (USDS(997)) (Note 2)	308,607 (USDS\$9,819) (Note 4)	-
Dongguan Shian Yih Electronic Co., Ltd.	Manufacture and sale of small and medium-sized LED backlight modules	148,136 (USDS(5,000))	((Note 1)	5,000 (Note 3)	-	-	USD 5,000 (Note 3)	100%	5,000	100%	(20,848) (USDS(669)) (Note 2)	310,529 (USDS\$9,880) (Note 4)	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA (Not 5)	Upper Limit on Investment
663,812 (US\$21,650) (Note 3)	874,016 (US\$28,550)	1,144,456

Note 1: Indirect investment Mainland China through an existing company registered in the third region.

Note 2: Recognized according to investee's audited financial statements for the same period of 2025 (USD/NTD:31.1443, translated into NTD).

Note 3: The amount represents the investment using the capital increase out of offshore investees' earnings, rather than the funds remitted by the Company.

Note 4: Translated into New Taiwan dollars using the exchange rate (NT: 31.43) on the reporting date.

Note 5: Translated using the exchange rate on the date on which the investment was applied to the Investment Commission.

Note 6: The above transactions were eliminated when compiling the consolidated financial statements.

Through Fair some (Samoa), a third-region investee, the Company purchased machinery equipment at a price of US\$700 thousand. In addition, the Company established processing plants—Shian Yih Electronic Plant and Weiyang Plastic Plant in Dongkeng Dongguan, Mainland China to engage in manufacture and processing of backlight modules, which has been reported to the Investment Commission, Ministry of Economic Affairs on December 15, 2005.

(iii) Significant transactions:

For the period from January 1 to December 31, 2025, significant transactions between the Group and its investee companies in Mainland China, whether directly or indirectly, which were eliminated in the preparation of the consolidated financial statements, are disclosed in "Information on Significant Transactions".

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

14 Segment information:

(1) General information

The Group's sole reportable segment is the Backlight Module Segment. The back light module segment principally engages in the manufacture and sale of products related to back light modules. The Group's reportable segment profit (loss), segment assets, and segment liabilities were consistent with those stated in the consolidated financial statements; please refer to the consolidated balance sheet and statement of comprehensive income.

(2) Reportable segments (including certain reportable segment incomes and expenses), segment assets, segment liabilities, measurement basis, and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The Group's reportable segment profit (loss), segment assets, and segment liabilities were consistent with those stated in the consolidated financial statements; please refer to the consolidated balance sheet and statement of comprehensive income.

(3) Product and service information

Revenue from the external customers of the Group ,please refer to note 6(22).

(4) Geographic information

The Group's segment information by geographical area is as follows. Revenue is classified based on the location of the customers, whereas non-current assets are classified based on the location of the assets. Please refer to Note 6(22) for details.

Geographical information	December 31, 2025	December 31, 2024
Non-current assets:		
Taiwan	\$60,505	87,978
China	188,417	175,018
	\$248,922	262,996

Non-current assets include property, plant and equipment, investment property, intangible assets, and other assets, not including financial instruments, deferred tax assets, pension fund assets, and rights arising from an insurance contract non-current.

(5) Major customer

	2025	2024
Sales revenue—Company A	\$311,357	491,904