

M31 Technology Corporation and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2025 and 2024 and
Independent Auditors' Review Report**

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Independent Auditors' Review Report

The Board of Directors and Shareholders
M31 Technology Corporation

Introductions

We have reviewed the accompanying consolidated balance sheets of M31 Technology Corporation and its subsidiaries (collectively referred to as the "Group") as of September 30, 2025 and 2024, the consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the consolidated statements of changes in equity and the consolidated statements of cash flows for the nine months ended September 30, 2025 and 2024, and the notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of the Group as of September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the review resulting in this independent auditors' review report are Mei Chen Tsai and Chih Yuan Wen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 4, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions. The Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

M31 TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2025, DECEMBER 31, 2024, AND SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

ASSETS	SEPTEMBER 30, 2025		DECEMBER 31, 2024		SEPTEMBER 30, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 403,545	21	\$ 529,011	25	\$ 355,928	17
Financial assets at fair value through profit or loss – current (Note 7)	42,482	2	135,825	6	133,871	6
Financial assets at amortized cost – current (Note 9)	16,873	1	17,610	1	16,827	1
Accounts Receivable (including related parties) (Notes 10, 20, and 28)	261,508	14	262,787	12	381,166	18
Other receivables	31,758	2	6,931	-	3,931	-
Current tax assets (Note 4)	102,826	5	95,695	5	96,226	5
Prepayments (Note 15)	159,280	8	148,372	7	180,418	8
Other current assets (Notes 15 and 29)	9,326	-	8,528	-	1,393	-
Total current assets	<u>1,027,598</u>	<u>53</u>	<u>1,204,759</u>	<u>56</u>	<u>1,169,760</u>	<u>55</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	1,008	-	1,008	-	1,008	-
Financial assets at amortized cost - non-current (Note 9)	252,826	13	303,797	14	293,750	14
Property, plant and equipment (Notes 12 and 29)	602,490	31	591,847	27	603,235	29
Right-of-use assets (Note 13)	14,260	1	21,393	1	18,501	1
Intangible assets (Note 14)	14,136	1	17,580	1	17,066	1
Deferred tax assets (Note 4)	11,807	1	10,872	1	9,186	-
Other non-current assets (Note 15)	4,885	-	7,956	-	3,941	-
Total non-current assets	<u>901,412</u>	<u>47</u>	<u>954,453</u>	<u>44</u>	<u>946,687</u>	<u>45</u>
TOTAL	<u>\$ 1,929,010</u>	<u>100</u>	<u>\$ 2,159,212</u>	<u>100</u>	<u>\$ 2,116,447</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities - current (Note 20)	\$ 3,370	-	\$ 31,255	1	\$ 28,151	1
Accounts payable (Note 16)	1,864	-	1,933	-	2,022	-
Other payables (Note 17)	75,824	4	137,117	6	79,390	4
Other payables – related parties (Note 28)	-	-	13,114	1	-	-
Current tax liabilities (Note 4)	6,502	-	1,253	-	1,399	-
Lease liabilities – current (Note 13)	9,996	1	11,017	1	9,287	-
Other current liabilities (Note 17)	20,789	1	21,529	1	9,303	1
Total current liabilities	<u>118,345</u>	<u>6</u>	<u>217,218</u>	<u>10</u>	<u>129,552</u>	<u>6</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Note 4)	6,436	1	11,394	1	6,166	-
Lease liabilities – non-current (Note 13)	5,269	-	11,296	-	9,937	1
Total non-current liabilities	<u>11,705</u>	<u>1</u>	<u>22,690</u>	<u>1</u>	<u>16,103</u>	<u>1</u>
Total liabilities	<u>130,050</u>	<u>7</u>	<u>239,908</u>	<u>11</u>	<u>145,655</u>	<u>7</u>
EQUITY (Note 19)						
Share capital						
Ordinary shares	417,982	22	418,022	19	418,052	20
Share capital pending cancellation	-	-	(25)	-	(50)	-
Share capital subtotal	<u>417,982</u>	<u>22</u>	<u>417,997</u>	<u>19</u>	<u>418,002</u>	<u>20</u>
Capital surplus	<u>744,643</u>	<u>38</u>	<u>745,102</u>	<u>35</u>	<u>745,237</u>	<u>35</u>
Retained earnings						
Legal reserve	250,500	13	237,808	11	237,808	11
Unappropriated earnings	<u>391,824</u>	<u>20</u>	<u>516,801</u>	<u>24</u>	<u>570,056</u>	<u>27</u>
Total retained earnings	<u>642,324</u>	<u>33</u>	<u>754,609</u>	<u>35</u>	<u>807,864</u>	<u>38</u>
Other equity	(2,581)	-	1,596	-	(311)	-
Treasury shares	(3,408)	-	-	-	-	-
Total equity	<u>1,798,960</u>	<u>93</u>	<u>1,919,304</u>	<u>89</u>	<u>1,970,792</u>	<u>93</u>
TOTAL	<u>\$ 1,929,010</u>	<u>100</u>	<u>\$ 2,159,212</u>	<u>100</u>	<u>\$ 2,116,447</u>	<u>100</u>

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

M31 TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS AND THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings(Loss) Per Share)

	Three Months Ended September 30, 2025		Three Months Ended September 30, 2024		Nine Months Ended September 30, 2025		Nine Months Ended September 30, 2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 28)	\$ 354,672	100	\$ 381,878	100	\$ 1,237,919	100	\$ 1,153,326	100
GROSS PROFIT	354,672	100	381,878	100	1,237,919	100	1,153,326	100
OPERATING EXPENSES (Notes 14 and 21)								
Selling and marketing expenses	(36,364)	(10)	(33,147)	(9)	(129,225)	(11)	(102,535)	(9)
General and administrative expenses	(32,374)	(9)	(30,030)	(8)	(103,488)	(8)	(101,867)	(9)
Research and development expenses	(331,680)	(93)	(268,624)	(70)	(1,006,752)	(81)	(776,231)	(67)
Expected credit gain (loss) (Note 10)	(2,464)	(1)	(5,392)	(1)	170	-	(18,565)	(1)
Total operating expenses	(402,882)	(113)	(337,193)	(88)	(1,239,295)	(100)	(999,198)	(86)
OPERATING INCOME (LOSS)	(48,210)	(13)	44,685	12	(1,376)	-	154,128	14
NON-OPERATING INCOME AND EXPENSES (Note 21)								
Interest income	4,077	1	6,709	1	14,723	1	22,963	2
Other income	15,066	4	2,947	1	16,145	1	3,868	-
Other gains and losses	27,552	8	(22,520)	(6)	(55,017)	(4)	31,324	3
Finance costs	(272)	-	(312)	-	(977)	-	(882)	-
Total non-operating income and expenses	46,423	13	(13,176)	(4)	(25,126)	(2)	57,273	5
PROFIT (LOSS) BEFORE INCOME TAX	(1,787)	-	31,509	8	(26,502)	(2)	211,401	19
INCOME TAX PROFIT (EXPENSE) (Notes 4 and 22)	(5,688)	(2)	(3,500)	(1)	(2,184)	-	(31,224)	(3)
NET PROFIT (LOSS) FOR THE PERIOD	(7,475)	(2)	28,009	7	(28,686)	(2)	180,177	16
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations (Note 19)	2,647	-	(1,249)	-	(6,312)	(1)	1,185	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 19, and 22)	(529)	-	250	-	1,262	-	(237)	-
Other comprehensive income (loss) for the period, net of income tax	2,118	-	(999)	-	(5,050)	(1)	948	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(\$ 5,357)	(2)	\$ 27,010	7	(\$ 33,736)	(3)	\$ 181,125	16
EARNINGS (LOSS) PER SHARE (Note 23)								
Basic	(\$ 0.18)		\$ 0.67		(\$ 0.69)		\$ 4.33	
Diluted	(\$ 0.18)		\$ 0.67		(\$ 0.69)		\$ 4.31	

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

M31 TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	Share Capital				Retained Earnings		Other Equity		Treasury Shares	Total Equity
	Shares (In Thousands)	Amount	Share Capital Pending Cancellation	Capital Surplus	Legal Reserve	Unappropriated Earnings	Exchange Difference Difference on Financial Statements of Foreign Operations	Unearned Employee Benefits		
BALANCE AT JANUARY 1, 2024	34,866	\$ 348,658	(\$ 180)	\$ 750,042	\$ 194,211	\$ 781,894	\$ 285	(\$ 11,891)	\$ -	\$ 2,063,019
Appropriations of 2023 earnings										
Legal capital reserve	-	-	-	-	43,597	(43,597)	-	-	-	-
Cash dividends	-	-	-	-	-	(278,734)	-	-	-	(278,734)
Stock dividends	6,968	69,684	-	-	-	(69,684)	-	-	-	-
Net profit for the nine months ended September 30, 2024	-	-	-	-	-	180,177	-	-	-	180,177
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax (Note 19)	-	-	-	-	-	-	948	-	-	948
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	180,177	948	-	-	181,125
Compensation cost of employee restricted shares (Note 19)	-	-	-	-	-	-	-	6,982	-	6,982
Employee restricted shares cancellation (Note 19)	(29)	(290)	130	(4,805)	-	-	-	3,365	-	(1,600)
BALANCE AT SEPTEMBER 30, 2024	41,805	\$ 418,052	(\$ 50)	\$ 745,237	\$ 237,808	\$ 570,056	\$ 1,233	(\$ 1,544)	\$ -	\$ 1,970,792
BALANCE AT JANUARY 1, 2025	41,802	\$ 418,022	(\$ 25)	\$ 745,102	\$ 237,808	\$ 516,801	\$ 2,469	(\$ 873)	\$ -	\$ 1,919,304
Appropriations of 2024 earnings										
Legal capital reserve	-	-	-	-	12,692	(12,692)	-	-	-	-
Cash dividends	-	-	-	-	-	(83,599)	-	-	-	(83,599)
Net loss for the nine months ended September 30, 2025	-	-	-	-	-	(28,686)	-	-	-	(28,686)
Other comprehensive income(loss) for the nine months ended September 30, 2025, net of income tax (Note 19)	-	-	-	-	-	-	(5,050)	-	-	(5,050)
Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	-	(28,686)	(5,050)	-	-	(33,736)
Repurchase of treasury shares	-	-	-	-	-	-	-	-	(3,408)	(3,408)
Compensation cost of employee restricted shares (Note 19)	-	-	-	-	-	-	-	549	-	549
Employee restricted shares cancellation (Note 19)	(4)	(40)	25	(459)	-	-	-	324	-	(150)
BALANCE AT SEPTEMBER 30, 2025	41,798	\$ 417,982	\$ -	\$ 744,643	\$ 250,500	\$ 391,824	(\$ 2,581)	\$ -	(\$ 3,408)	\$ 1,798,960

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

M31 TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (Loss) before income tax	(\$ 26,502)	\$ 211,401
Adjustments for:		
Depreciation expenses	48,639	40,324
Amortization expenses	7,085	5,381
Expected credit (gain) loss	(170)	18,565
Net gain on fair value changes of financial assets at fair value through profit or loss	(494)	(2,019)
Finance costs	977	882
Net Loss on Derecognition of Financial Assets Measured at Amortized Cost	617	-
Interest income	(14,723)	(22,963)
Dividend income	(1,747)	(1,747)
Compensation cost of restricted employee shares	549	6,982
Loss on disposal of property, plant and equipment	247	-
Unrealized loss (gain) on foreign currency exchange	30,134	(18,539)
Changes in operating assets and liabilities		
Accounts receivable	(2,679)	(20,739)
Other receivables	(28,337)	151
Prepayments	(10,908)	(136,263)
Other current assets	(7,469)	(33)
Contract liabilities	(27,885)	-
Accounts payable	(69)	(2,801)
Other payables	(60,998)	(147,246)
Other payables -related parties	(13,114)	-
Other current liabilities	(434)	977
Cash generated from operations	(107,281)	(67,687)
Interest received	17,949	23,335
Dividend received	1,747	1,747
Interest paid	(977)	(882)
Income tax paid	(8,697)	(93,547)
Net cash used in operating activities	(97,259)	(137,034)

(Continued)

	<u>Nine Months Ended September 30, 2025</u>	<u>Nine Months Ended September 30, 2024</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	\$ -	(\$ 1,008)
Acquisition of financial assets at amortized cost	(533)	(203,876)
Disposal of financial assets at amortized cost	27,607	162,740
Disposal of financial assets at fair value through profit or loss	93,837	51,247
Acquisition of property, plant and equipment	(48,438)	(75,182)
Increase in refundable deposits	(519)	(2,222)
Acquisition of intangible assets	(3,669)	(10,299)
Decrease in other financial assets	<u>6,220</u>	<u>-</u>
Net cash generated (used in) from investing activities	<u>74,505</u>	<u>(78,600)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(8,195)	(6,090)
Cash dividends paid	(83,599)	(278,734)
Treasury shares repurchase cost	(3,408)	-
Payment for buy-back of restricted employee shares	<u>150</u>	<u>(1,600)</u>
Net cash used in financing activities	<u>(95,352)</u>	<u>(286,424)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(7,360)</u>	<u>8,865</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(125,466)	(493,193)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		
	<u>529,011</u>	<u>849,121</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
	<u>\$ 403,545</u>	<u>\$ 355,928</u>

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

M31 TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

M31 Technology Corporation (the “Company”) was incorporated on October 21, 2011. The Company mainly offers Silicon IP design services in the integrated circuit industry.

The Company’s shares have been listed on the Taipei Exchange (TPEX) since January 2019.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan Dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 4, 2025.

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

- 3.1 Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The application of the IFRSs Accounting Standards endorsed and issued by the FSC would not have any material impact on M31 Technology Corporation and its controlled entities’ (the “Group”) accounting policies.

- 3.2 IFRSs accounting standards recognized by the FSC applicable in 2026

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by International Accounting Standards Board (IASB)</u>
Amendments to IFRS 9 and IFRS 7 “Amendments to the classification and measurements of financial instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts that reference nature-dependent electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 Amendments)	January 1, 2023

As of the date of the consolidated financial statements were authorized for issue, the Group was still evaluating the other impact of the amendments on its financial position and financial performance.

3.3 The IFRSs accounting standards issued by IASB but not yet endorsed and issued into effect by the FSC

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	TBD
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 Amendments)	January 1, 2027

Note 1: Unless stated otherwise, the above New/Revised/Amended Standards and Interpretations are effective for annual periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that enterprises in Taiwan shall apply IFRS 18 starting from January 1, 2028. Early adoption is permitted once IFRS 18 has been endorsed by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will replace IAS 1 “Presentation of Financial Statements.” The main changes introduced by the new standard include:

- The statement of profit or loss shall classify income and expenses into operating, investing, financing, income tax, and discontinued operations categories.
- The statement of profit or loss shall present operating profit or loss, profit or loss before financing and income tax, as well as subtotals and totals of profit or loss.
- Provides guidance to strengthen aggregation and disaggregation requirements: The Group shall identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on shared characteristics, so that each line item presented in the primary financial statements possesses at least one similar characteristic. Items with dissimilar characteristics shall be disaggregated in the primary financial statements and notes. The Group shall label such items as “Other” only when a more informative label cannot be reasonably identified.
- Enhanced disclosure of management-defined performance measures: When the Group engages in public communications outside the financial statements and conveys management’s perspective on a specific aspect of the consolidated entity’s overall financial performance to users of the financial statements, it shall disclose, in a single note to the financial statements, information related to management-defined performance measures. This includes a description of the measure, the method of calculation, a reconciliation to subtotals or totals specified by IFRS, and the effects of income taxes and non-controlling equity on the reconciling items.

In addition to the aforementioned impacts, as of the date the consolidated financial statements were authorized for issuance, the Group was still assessing the other impacts of the amendments to various standards and interpretations on its financial position and

financial performance. The related impacts will be disclosed upon completion of the assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The consolidated financial statements do not present all required disclosures for a complete set of annual consolidated financial statements prepared under the IFRSs accounting standards.

4.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- (1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (2) Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 inputs are unobservable inputs for the asset or liability.

4.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of profit or loss and other comprehensive income from the effective dates of acquisitions or up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Please refer to Note 11, Table 4, and Table 5 for the details, the ownership percentage, and the main business of subsidiaries.

4.4 Other significant accounting policies

Except for the following, please refer to the summary of significant accounting policies in the Company's consolidated financial statements for the year ended December 31, 2024.

Income Tax Expense

The income tax expense represents the sum of the tax currently payable and deferred tax. The interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical accounting judgments, estimates and key sources of estimation uncertainty used in the Consolidated Financial Statements are the same as those used in the Consolidated Financial Statements for the year ended 2024.

6. CASH AND CASH EQUIVALENTS

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	\$ 126	\$ 96	\$ 116
Checking accounts and demand deposits	403,419	430,560	292,512
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	-	98,355	63,300
	<u>\$ 403,545</u>	<u>\$ 529,011</u>	<u>\$ 355,928</u>

The market rates of cash in bank at balance sheet dates were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Bank deposits	0.030%~0.705%	0.030%~4.750%	0.050%~5.18%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Mandatorily measured at FVTPL			
Non-derivative financial assets			
— Fund beneficiary certificate	\$ -	\$ 93,039	\$ 92,681
— Listed shares and emerging market shares	<u>42,482</u>	<u>42,786</u>	<u>41,190</u>
	<u>\$ 42,482</u>	<u>\$ 135,825</u>	<u>\$ 133,871</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

<u>Investment in equity instrument</u>			
	September 30, 2025	December 31, 2024	September 30, 2024
<u>Non-current</u>			
Domestic investment			
Unlisted stock			
Ordinary shares –			
Astro Circuit Design Co., Ltd.	<u>\$ 1,008</u>	<u>\$ 1,008</u>	<u>\$ 1,008</u>

The Group invested in the ordinary shares of Astro Circuit Design Co., Ltd. for a medium to long-term strategic purpose and expects to realize profits through long-term investment. The Group's management has chosen to designate these investments as fair value through other comprehensive income because the Group believes that the short-term fair value fluctuations of these investments in profit or loss would be inconsistent with the long-term investment plan.

9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Time deposits with original maturities of more than 3 months (Note 1)	<u>\$ 16,873</u>	<u>\$ 17,610</u>	<u>\$ 16,827</u>
<u>Non-current</u>			
Corporate Bonds (Note 2)	<u>\$ 252,826</u>	<u>\$ 303,797</u>	<u>\$ 293,750</u>

Note 1: The ranges of interest rates for time deposits with original maturities of more than 3 months were 3.690%~3.930%、3.930%~4.890% and 4.890%~5.300% as of September 30, 2025, December 31, 2024 and September 30, 2024.

Note 2: In September and October 2021, the Company purchased Apple Inc. bonds for NT\$53,664 thousand and NT\$26,254 thousand, respectively, with a maturity date of August 20, 2050, and a coupon rate of 2.400%; in October 2021, the Company purchased Petróleos Mexicanos bonds for NT\$28,905 thousand, with a maturity date of January 23, 2026, and a coupon rate of 4.500%, the Company disposed of the bonds in July 2025; in November 2023, the Company purchased Chilean Government International Bonds for NT\$4,120 thousand, with a maturity date of April 15, 2053, and a coupon rate of 3.500%; in November 2023, the Company purchased Corporate Bonds issued by Electricite de France for NT\$12,979 thousand and NT\$13,110 thousand, respectively, with maturity date of September 21, 2048, and a coupon rate of 5.000%; in January 2024, the Company purchased Corporate Bonds issued by Saudi Arabia for NT\$27,482 thousand and NT\$30,295 thousand, with maturity dates of October 26, 2046 and January 16, 2054, and coupon rates of 4.500% and 5.750%, respectively; In April and May 2024, the Company purchased Cathay Life Insurance Bonds for \$15,000 thousand and \$63,140 thousand, with maturity dates of April 24, 2034 and May 9, 2034, and coupon rates of 3.700% and 5.800%, respectively; in May 2024, the Company purchased Chilean Government International Bonds for NT\$4,585 thousand, with a maturity date of April 15, 2053, and a coupon rate of 3.500%.

Note 3: For information on credit risk management and impairment assessment related to financial assets measured at amortized cost, please refer to Note 27.

10. ACCOUNTS RECEIVABLE

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Accounts receivable (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 287,951	\$ 294,372	\$ 408,072
Less: Allowance for impairment loss	(<u>26,443</u>)	(<u>31,585</u>)	(<u>26,906</u>)
	<u>\$ 261,508</u>	<u>\$ 262,787</u>	<u>\$ 381,166</u>

Accounts receivable

As provided by contracts, payments shall be received for services rendered by the Group within 30 to 120 days from the completion of each phase. In determining the recoverability of accounts receivable, the Group considers any change in the credit quality of the accounts receivable since the date the credit was initially granted to the balance sheet dates.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of

transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the key management personnel annually.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual accounts receivable at the balance sheet dates to ensure that adequate allowance for impairment loss is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operate and an assessment of both the current as well as the forecasted direction of economic conditions at the balance sheet dates. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of accounts receivable based on the Group's provision matrix.

September 30, 2025

	Not Past Due	1 to 60 Days	61 to 120 Days	121 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected Credit Losses rate	0%~0.37%	0%~2.25%	0%~6.19%	0%~9.35%	0%~14.56%	0%~100%	
Gross carrying amount	\$ 171,933	\$ 48,514	\$ 20,926	\$ 12,721	\$ 13,598	\$ 20,259	\$ 287,951
Loss allowance (lifetime ECL)	(630)	(1,090)	(1,296)	(1,189)	(1,979)	(20,259)	(26,443)
Amortized cost	<u>\$ 171,303</u>	<u>\$ 47,424</u>	<u>\$ 19,630</u>	<u>\$ 11,532</u>	<u>\$ 11,619</u>	<u>\$ -</u>	<u>\$ 261,508</u>

December 31, 2024

	Not Past Due	1 to 60 Days	61 to 120 Days	121 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected Credit Losses rate	0%~0.40%	0%~2.67%	0%~7.19%	-	0%~13.69%	0%~100%	
Gross carrying amount	\$ 135,713	\$ 95,470	\$ 25,620	\$ -	\$ 12,655	\$ 24,914	\$ 294,372
Loss allowance (lifetime ECL)	(549)	(2,548)	(1,842)	-	(1,732)	(24,914)	(31,585)
Amortized cost	<u>\$ 135,164</u>	<u>\$ 92,922</u>	<u>\$ 23,778</u>	<u>\$ -</u>	<u>\$ 10,923</u>	<u>\$ -</u>	<u>\$ 262,787</u>

September 30, 2024

	Not Past Due	1 to 60 Days	61 to 120 Days	121 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected Credit Losses rate	0%~0.29%	0%~1.54%	0%~6.85%	0%~10.55%	0%~12.26%	0%~100%	
Gross carrying amount	\$ 195,979	\$ 82,268	\$ 75,010	\$ 17,439	\$ 21,965	\$ 15,411	\$ 408,072
Loss allowance (lifetime ECL)	(564)	(1,264)	(5,135)	(1,840)	(2,692)	(15,411)	(26,906)
Amortized cost	<u>\$ 195,415</u>	<u>\$ 81,004</u>	<u>\$ 69,875</u>	<u>\$ 15,599</u>	<u>\$ 19,273</u>	<u>\$ -</u>	<u>\$ 381,166</u>

The movements of the loss allowance of accounts receivable were set out as follows:

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Balance, beginning of period	\$ 31,585	\$ 9,670
Add: Allowance for impairment loss	-	18,565
Less: Reversal of impairment loss for the period	(170)	-
Less: Actual write-off for the period	(5,160)	(1,329)
Effect of exchange rate changes	188	-
Balance, end of period	<u>\$ 26,443</u>	<u>\$ 26,906</u>

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

The subjects of the consolidated financial statements are set out as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			September 30, 2025	December 31, 2024	September 30, 2024	
The Company	M31 Technology USA, Inc.	Product marketing and technical services	100%	100%	100%	(1)
	Sirius Venture Ltd.	Investment holding	100%	100%	100%	(1)
	M31 Technologies India Private Ltd.	Technical services	100%	100%	100%	
Sirius Venture Ltd.	Hepha IP Technology Ltd.	Product marketing and technical services	100%	100%	100%	(2)

Remark:

- (1) The main operational risk is the exchange rate risk.
- (2) The main operational risks are the exchange rate risk and political risk led by changes in political policies and cross-strait relations.

12. PROPERTY, PLANT AND EQUIPMENT

Assets used by the Group

	Land	Buildings	Office Equipment	Leasehold Improvements	Other Facilities	Total
<u>Cost</u>						
Balance at January 1, 2025	\$ 126,440	\$ 397,522	\$ 125,399	\$ 3,809	\$ 182,076	\$ 835,246
Additions	-	7,200	5,457	-	38,994	51,651
Disposal	-	-	-	-	(9,100)	(9,100)
Net exchange differences	-	-	(43)	-	(676)	(719)
Balance at September 30, 2025	<u>\$ 126,440</u>	<u>\$ 404,722</u>	<u>\$ 130,813</u>	<u>\$ 3,809</u>	<u>\$ 211,294</u>	<u>\$ 877,078</u>

	Land	Buildings	Office Equipment	Leasehold Improvements	Other Facilities	Total
<u>Accumulated depreciation</u>						
Balance at January 1, 2025	\$ -	\$ 45,187	\$ 78,288	\$ 2,222	\$ 117,702	\$ 243,399
Depreciation expense	-	10,007	9,039	714	20,496	40,256
Disposal	-	-	-	-	(8,853)	(8,853)
Net exchange differences	-	-	(29)	-	(185)	(214)
Balance at September 30, 2025	<u>\$ -</u>	<u>\$ 55,194</u>	<u>\$ 87,298</u>	<u>\$ 2,936</u>	<u>\$ 129,160</u>	<u>\$ 274,588</u>
Carrying amounts at September 30, 2025	<u>\$ 126,440</u>	<u>\$ 349,528</u>	<u>\$ 43,515</u>	<u>\$ 873</u>	<u>\$ 82,134</u>	<u>\$ 602,490</u>
Carrying amounts at December 31, 2024, and January 1, 2025	<u>\$ 126,440</u>	<u>\$ 352,335</u>	<u>\$ 47,111</u>	<u>\$ 1,587</u>	<u>\$ 64,374</u>	<u>\$ 591,847</u>
<u>Cost</u>						
Balance at January 1, 2024	\$ 126,440	\$ 396,141	\$ 89,359	\$ 3,809	\$ 147,111	\$ 762,860
Additions	-	667	36,158	-	38,286	75,111
Disposal	-	-	(169)	-	(3,800)	(3,969)
Net exchange differences	-	-	10	-	111	121
Balance at September 30, 2024	<u>\$ 126,440</u>	<u>\$ 396,808</u>	<u>\$ 125,358</u>	<u>\$ 3,809</u>	<u>\$ 181,708</u>	<u>\$ 834,123</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2024	\$ -	\$ 31,996	\$ 66,919	\$ 1,269	\$ 100,897	\$ 201,081
Depreciation expense	-	9,879	8,309	715	14,858	33,761
Disposal	-	-	(169)	-	(3,800)	(3,969)
Net exchange differences	-	-	10	-	5	15
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 41,875</u>	<u>\$ 75,069</u>	<u>\$ 1,984</u>	<u>\$ 111,960</u>	<u>\$ 230,888</u>
Carrying amounts at September 30, 2024	<u>\$ 126,440</u>	<u>\$ 354,933</u>	<u>\$ 50,289</u>	<u>\$ 1,825</u>	<u>\$ 69,748</u>	<u>\$ 603,235</u>

No impairments or reversal of losses were recognized for the nine months ended September 30, 2025 and 2024.

The Group's property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings	5-50 years
Office Equipment	3-5 years
Leasehold Improvements	3 years
Other Facilities	3-6 years

13. LEASE AGREEMENTS

13.1 Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Carrying amounts</u>			
Buildings	<u>\$ 14,260</u>	<u>\$ 21,393</u>	<u>\$ 18,501</u>
	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025
Additions to the right of use assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,824</u>
Depreciation of right-of-use assets			
Buildings	<u>\$ 2,686</u>	<u>\$ 2,455</u>	<u>\$ 8,383</u>
	Nine Months Ended September 30, 2024		
			<u>\$ 13,425</u>
			<u>\$ 6,563</u>

Except for the aforementioned addition and recognized depreciation expenses, the Group has no significant subleasing and impairment losses in right-of-use assets for the nine months ended September 30, 2025 and 2024.

13.2 Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Carrying amounts</u>			
Current	<u>\$ 9,996</u>	<u>\$ 11,017</u>	<u>\$ 9,287</u>
Non-current	<u>\$ 5,269</u>	<u>\$ 11,296</u>	<u>\$ 9,937</u>

Discount rate for lease liabilities is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Buildings	1.36%~11.00%	1.36%~11.00%	1.36%~9.15%

13.3 Other lease information

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Expenses relating to short-term leases	<u>\$ 4,981</u>	<u>\$ 957</u>	<u>\$ 31,201</u>	<u>\$ 24,217</u>
Total cash outflow for leases	<u>(\$ 7,931)</u>	<u>(\$ 3,582)</u>	<u>(\$ 40,363)</u>	<u>(\$ 31,189)</u>

The Group has elected to apply the recognition exemption to buildings qualified as short-term leases and thus, did not recognize right-of-use assets and lease liabilities for these leases.

All lease commitments with lease terms commencing after the balance sheet dates are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Lease commitments	\$ 4,212	\$ 257	\$ 456

14. INTANGIBLE ASSETS

	Software	Other Intangible Assets	Total
<u>Cost</u>			
Balance at January 1, 2025	\$ 45,630	\$ 3,839	\$ 49,469
Separately acquired	3,669	-	3,669
Net exchange differences	(36)	-	(36)
Balance at September 30, 2025	<u>\$ 49,263</u>	<u>\$ 3,839</u>	<u>\$ 53,102</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2025	\$ 31,505	\$ 384	\$ 31,889
Amortization expense	6,509	576	7,085
Net exchange differences	(8)	-	(8)
Balance at September 30, 2025	<u>\$ 38,006</u>	<u>\$ 960</u>	<u>\$ 38,966</u>
Carrying amounts at September 30, 2025	<u>\$ 11,257</u>	<u>\$ 2,879</u>	<u>\$ 14,136</u>
Carrying amounts at December 31, 2024 and January 1, 2025	<u>\$ 14,125</u>	<u>\$ 3,455</u>	<u>\$ 17,580</u>
<u>Cost</u>			
Balance at January 1, 2024	\$ 36,336	\$ -	\$ 36,336
Separately acquired	6,460	3,839	10,299
Net exchange differences	13	-	13
Balance at September 30, 2024	<u>\$ 42,809</u>	<u>\$ 3,839</u>	<u>\$ 46,648</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2024	\$ 24,200	\$ -	\$ 24,200
Amortization expense	5,189	192	5,381
Net exchange differences	1	-	1
Balance at September 30, 2024	<u>\$ 29,390</u>	<u>\$ 192</u>	<u>\$ 29,582</u>
Carrying amounts at September 30, 2024	<u>\$ 13,419</u>	<u>\$ 3,647</u>	<u>\$ 17,066</u>

In Treasury share repurchase cost straight-line basis over the following useful lives:

Software	3 years
Other intangible assets	5 years

An analysis of amortization expense by function:

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Sales expenses	\$ 81	\$ 59	\$ 214	\$ 86
General and administrative expenses	1,383	1,101	4,158	2,957
Research and development expenses	648	916	2,713	2,338
	<u>\$ 2,112</u>	<u>\$ 2,076</u>	<u>\$ 7,085</u>	<u>\$ 5,381</u>

15. OTHER ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Prepayments	\$ 159,280	\$ 148,372	\$ 180,418
Temporary payments	8,559	1,418	1,203
Other financial assets	-	6,220	-
Refundable deposits	150	150	150
Others	617	740	40
	<u>\$ 168,606</u>	<u>\$ 156,900</u>	<u>\$ 181,811</u>

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Non-current</u>			
Refundable deposits	\$ 4,194	\$ 4,052	\$ 3,941
Prepayments for purchases of equipment	691	3,904	-
	<u>\$ 4,885</u>	<u>\$ 7,956</u>	<u>\$ 3,941</u>

16. ACCOUNTS PAYABLE

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Accounts payable</u>			
Operating	<u>\$ 1,864</u>	<u>\$ 1,933</u>	<u>\$ 2,022</u>

17. OTHER LIABILITIES

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Other payables			
Payables for salaries or bonuses	\$ 37,346	\$ 100,108	\$ 36,947
Payables for annual leave	15,269	13,389	12,966
Payables for retirement benefits	7,670	6,499	6,035
Payables for insurance	6,129	5,616	5,445
Payables for professional service fees	1,687	5,055	7,884
Payables for taxes	1,180	302	-
Payables for purchases of equipment	-	-	86
Others	<u>6,543</u>	<u>6,148</u>	<u>10,027</u>
	<u>\$ 75,824</u>	<u>\$ 137,117</u>	<u>\$ 79,390</u>
Other liabilities			
Temporary collection	\$ 11,009	\$ 14,252	\$ 1,266
Collection	<u>9,780</u>	<u>7,277</u>	<u>8,037</u>
	<u>\$ 20,789</u>	<u>\$ 21,529</u>	<u>\$ 9,303</u>

18. RETIREMENT BENEFIT PLANS

The Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. For subsidiaries located in other countries, the contributions to employees' individual pension accounts are made in accordance with local regulations.

19. EQUITY

19.1 Share capital

Ordinary shares

	September 30, 2025	December 31, 2024	September 30, 2024
Number of shares authorized (in thousands)	<u>80,000</u>	<u>50,000</u>	<u>50,000</u>
Shares authorized	<u>\$ 800,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Number of shares issued and fully paid (in thousands)	<u>41,798</u>	<u>41,802</u>	<u>41,805</u>
Shares issued	<u>\$ 417,982</u>	<u>\$ 418,022</u>	<u>\$ 418,052</u>
Share capital pending cancellation	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 50</u>

For the nine months ended September 30, 2025, for the year ended December 31, 2024 and the nine months ended September 30, 2024, the Company has recovered 2, 16 and 16 thousand restricted employee shares, respectively, due to employee resignations. Please refer to Note 24.

19.2 Capital surplus

	September 30, 2025	December 31, 2024	September 30, 2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Shares issuance premium	\$ 648,113	\$ 644,332	\$ 644,108
Treasury shares trading	17,313	17,313	17,313
Employee share options (2)	4,040	4,040	4,040
<u>Not to be used for any purpose</u>			
Restricted employee shares	<u>75,177</u>	<u>79,417</u>	<u>79,776</u>
	<u>\$ 744,643</u>	<u>\$ 745,102</u>	<u>\$ 745,237</u>

- (1) Such capital surplus may be used to offset losses, and may also be used to distribute cash or allocate share capital when the company has no losses, provided that the allocation of share capital is limited to a certain ratio of the paid-in share capital each year.
- (2) Such capital surplus refers to the amount transferred from Capital surplus — employee share options during the execution of employee share options.

19.3 Retained earnings and dividend policy

In accordance with the provisions of the Articles of Incorporation, where the Company made profit in a fiscal year, the profit shall be first utilized in the following order:

- (1) Paying taxes.
- (2) Offsetting deficits of previous years.
- (3) Setting aside as legal reserve 10% of the remaining profit until the amount of the accumulated legal reserve equals the amount of the Company's capital.
- (4) Setting aside or reversing a special reserve in accordance with the laws or the regulations of competent authorities.
- (5) The remaining balance shall be added to the accumulated undistributed earnings of the previous period and the board of directors shall prepare a proposal for the distribution of earnings. If the distribution is made by issuing new shares, a resolution shall be submitted to the shareholders' meeting for distribution. In the case of cash distribution, the board of directors is authorized to distribute all or part of the dividends and bonuses in the form of cash payment and report to the shareholders' meeting by a two-thirds of the directors attending the meeting and a resolution of a majority of the directors present.

In accordance with the Articles of Incorporation, the Company's dividend policy takes into account the Company's sustainable operation, stable growth, protection of shareholders' rights and interests, and healthy financial structure, and the Company's board of directors prepares a proposal for the appropriation of earnings based on future capital requirements and long-term financial planning. Total dividends to shareholders shall not be less than 2% of the appropriated earnings and may be paid in cash or in stock, with cash dividends not less than 10% of the total dividends.

The Company's Articles of Incorporation state the policies on the distribution of employees' compensation and remuneration of directors, refer to "Employees' compensation and remuneration of directors" in Note 21.7.

Legal reserve shall be appropriated until the remaining balance reaches the Company's total paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of 2024 and 2023 earnings were set out as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Legal reserve	\$ 12,692	\$ 43,597
Cash dividends	\$ 83,599	\$ 278,734
Stock dividends	\$ -	\$ 69,684
Cash dividends per share (NT\$)	\$ 2.0	\$ 8.0
Stock dividends per share (NT\$)	\$ -	\$ 2.0

The above cash dividends were resolved for distribution by the Board of Directors on February 25, 2025 and March 06, 2024, respectively. The distribution of remaining appropriation earnings items were approved by the annual shareholders' meeting on May 27, 2025, and May 27, 2024, respectively.

The earnings of the Company and Subsidiaries are distributed in accordance with the articles of incorporation of each company and are not subject to contractual restrictions.

19.4 Other equity items

(1) Exchange differences on translating the financial statements of foreign operations

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Balance, beginning of period	\$ 2,469	\$ 285
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	(6,312)	1,185
Income tax on translating the financial statements of foreign operations	1,262	(237)
Other comprehensive income (loss) for the period	(5,050)	948
Balance, end of period	\$ 2,581	\$ 1,233

(2) Unearned employee benefits

In the meeting of shareholders on August 5, 2021, the Shareholders approved a restricted share plan for employees (see Note 24).

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Balance, beginning of period	(\$ 873)	(\$ 11,891)
Share-based payment expenses recognized	549	6,982
Restricted employee shares cancellation	<u>324</u>	<u>3,365</u>
Balance, end of period	<u>\$ -</u>	<u>(\$ 1,544)</u>

19.5 Treasury shares

On April 14, 2025, the Board of Directors resolved to repurchase treasury shares. The planned repurchase period is from April 15, 2025 to June 14, 2025, and the number of shares to be repurchased is 250 thousand shares at a price range of NT\$420 to NT\$600 per share, for the purpose of transferring shares to employees. As of September 30, 2025, the Company had repurchased 7 thousand shares, with treasury shares amounting to NT\$3,408 thousand.

Reason for Repurchase	Transfer of shares to employees (thousand shares)
Balance as of January 1, 2025	-
Increase during the period	<u>7</u>
Balance as of September 30, 2025	<u>7</u>

In accordance with the Securities and Exchange Act, treasury shares held by the Company may not be pledged, nor are they entitled to dividends, voting rights, or other shareholder rights.

20. REVENUE

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Technical service revenue	\$ 276,611	\$ 296,909	\$ 1,032,360	\$ 961,190
Royalty revenue	<u>78,061</u>	<u>84,969</u>	<u>205,559</u>	<u>192,136</u>
	<u>\$ 354,672</u>	<u>\$ 381,878</u>	<u>\$ 1,237,919</u>	<u>\$ 1,153,326</u>

20.1 Contract information

(1) Technical service revenue

The department of Silicon IP design service signs contracts based on which the Group offers Silicon IP design service, and the customers shall pay the transaction price when the Group satisfies the performance obligation.

(2) Royalty revenue

Royalty revenue refers to the contract-based royalties received by the Group through licensing standardized Silicon IP to customers for mass production.

20.2 Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Accounts receivable (Note 10)	<u>\$ 261,508</u>	<u>\$ 262,787</u>	<u>\$ 381,166</u>	<u>\$ 373,804</u>
Contract liabilities — current				
Technical service revenue	<u>\$ 3,370</u>	<u>\$ 31,255</u>	<u>\$ 28,151</u>	<u>\$ 28,151</u>

The changes in the contract liabilities primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment. The changes for the nine months ended September 30, 2025 and 2024 are as follows:

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Balance, beginning of period	\$ 31,255	\$ 28,151
Contract liabilities from the beginning of year recognized as revenue	(<u>27,885</u>)	<u>-</u>
Balance, end of period	(<u>\$ 3,370</u>)	<u>\$ 28,151</u>

21. NET PROFIT(LOSS) FROM CONTINUING OPERATIONS

The net profit (loss) from continuing operations comprises the following items:

21.1 Interest income

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Bank deposits	\$ 1,093	\$ 3,310	\$ 5,036	\$ 14,476
Financial assets at amortized cost	2,983	3,399	9,684	8,486
Impute interest on deposits	<u>1</u>	<u>-</u>	<u>3</u>	<u>1</u>
	<u>\$ 4,077</u>	<u>\$ 6,709</u>	<u>\$ 14,723</u>	<u>\$ 22,963</u>

21.2 Other income

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Dividend income	\$ 1,747	\$ 1,747	\$ 1,747	\$ 1,747
Other income	<u>13,319</u>	<u>1,200</u>	<u>14,398</u>	<u>2,121</u>
	<u>\$ 15,066</u>	<u>\$ 2,947</u>	<u>\$ 16,145</u>	<u>\$ 3,868</u>

21.3 Other gains and losses

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Net foreign exchange gain (loss)	\$ 26,870	(\$ 22,188)	(\$ 54,607)	\$ 29,308
Net gain (loss) from financial assets at fair value through profit or loss	1,324	(330)	494	2,019
Loss on disposal of property, plant and equipment	-	-	(247)	-
Others	(<u>642</u>)	(<u>2</u>)	(<u>657</u>)	(<u>3</u>)
	<u>\$ 27,552</u>	<u>(\$ 22,520)</u>	<u>(\$ 55,017)</u>	<u>\$ 31,324</u>

21.4 Finance costs

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Interest on lease liabilities	<u>\$ 272</u>	<u>\$ 312</u>	<u>\$ 977</u>	<u>\$ 882</u>

21.5 Depreciation and amortization

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
An analysis of depreciation by function				
Operating expenses	<u>\$ 16,739</u>	<u>\$ 14,643</u>	<u>\$ 48,639</u>	<u>\$ 40,324</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 2,112</u>	<u>\$ 2,075</u>	<u>\$ 7,085</u>	<u>\$ 5,380</u>

21.6 Employee benefits expenses

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Short-term employee benefits	\$ 202,656	\$ 177,324	\$ 589,886	\$ 514,118
Post-employment benefits				
Defined contribution plans	6,165	5,643	18,762	16,905
Share-based payment				
Equity-settled	-	1,335	549	6,982
Other employee benefits				
Labor and health insurance	11,009	9,572	33,202	30,332
Other employee benefits	<u>5,891</u>	<u>5,394</u>	<u>16,706</u>	<u>12,351</u>
Total employee benefits expenses	<u>\$ 225,721</u>	<u>\$ 199,268</u>	<u>\$ 659,105</u>	<u>\$ 580,688</u>
An analysis of employee benefits expense by function				
Operating expenses	<u>\$ 225,721</u>	<u>\$ 199,268</u>	<u>\$ 659,105</u>	<u>\$ 580,688</u>

21.7 Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 1.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. In accordance with the amendment to the Securities and Exchange Act in August 2024, the Company plans to pass a resolution at the 2025 general shareholders' meeting to amend the Articles of Incorporation to stipulate that no less than 0.1% of the current year's net profit before income tax shall be allocated to grassroots employees. The estimated amounts of employee compensation (including grassroots employee compensation) and directors' remuneration for the three months ended September 30, 2025 and 2024, and for the nine months ended September 30, 2025 and 2024, are as follows:

Accrual rate

	<u>Nine Months Ended September 30, 2025</u>	<u>Nine Months Ended September 30, 2024</u>
Employees' compensation	-	1.20%
Remuneration of directors	-	1.10%

Amount

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Employees' compensation	\$ <u>-</u>	\$ <u>380</u>	\$ <u>-</u>	\$ <u>2,560</u>
Remuneration of directors	\$ <u>-</u>	\$ <u>350</u>	\$ <u>-</u>	\$ <u>2,340</u>

If there is a change in the amounts after the consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The employees' compensation and the remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on February 25, 2025 and February 27, 2024, respectively, were set out as follows:

Amount

	Year Ended December 31, 2024	Year Ended December 31, 2023
	Cash	Cash
Employees' compensation	\$ <u>1,850</u>	\$ <u>6,300</u>
Remuneration of directors	\$ <u>1,850</u>	\$ <u>5,600</u>

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

21.8 Gains or losses on foreign currency exchange

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Foreign exchange gains	\$ 21,586	(\$ 7,887)	\$ 72,543	\$ 95,945
Foreign exchange losses	<u>5,284</u>	<u>(14,301)</u>	<u>(127,150)</u>	<u>(66,637)</u>
Net gain (loss)	<u>\$ 26,870</u>	<u>(\$ 22,188)</u>	<u>(\$ 54,607)</u>	<u>\$ 29,308</u>

22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

22.1 Income tax recognized in profit or loss

The major components of income tax (gain) expense are set out as follows:

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Current Tax				
In respect of the current period	(\$ 1,557)	\$ 7,357	\$ 7,459	\$ 29,554
Adjustments for prior year	-	-	(803)	(2,587)
Non-deductible foreign tax	<u>-</u>	<u>-</u>	<u>159</u>	<u>1,385</u>
	(1,557)	7,357	6,815	28,352
Deferred Tax				
In respect of the current period	<u>7,245</u>	(<u>3,857</u>)	(<u>4,631</u>)	<u>2,872</u>
Income tax (gain) expense recognized in profit or loss	<u>\$ 5,688</u>	<u>\$ 3,500</u>	<u>\$ 2,184</u>	<u>\$ 31,224</u>

22.2 Income tax recognized in other comprehensive income

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
<u>Deferred Tax</u>				
In respect of the current period				
— Translation of foreign operations	<u>\$ 529</u>	(<u>\$ 250</u>)	(<u>\$ 1,262</u>)	<u>\$ 237</u>
Income tax recognized in other comprehensive income	<u>\$ 529</u>	(<u>\$ 250</u>)	(<u>\$ 1,262</u>)	<u>\$ 237</u>

22.3 Income tax assessments

The tax authorities have examined income tax returns of the Company through 2023. The Group has no pending tax litigation as of September 30, 2025.

23. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Basic earnings (loss) per share				
From continuing operations	(\$ 0.18)	\$ 0.67	(\$ 0.69)	\$ 4.33
Diluted earnings (loss) per share				
From continuing operations	(\$ 0.18)	\$ 0.67	(\$ 0.69)	\$ 4.31

Net profit (loss) and the weighted-average number of common shares used in the calculation of basic earnings (loss) per share are as follows:

Net Profit (Loss) for the Period

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Net profit (loss) used in the computation of basic and diluted earnings (loss) per share	(\$ 7,475)	\$ 28,009	(\$ 28,686)	\$ 180,177

Number of Shares (in thousands of shares)

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	41,790	41,649	41,766	41,612
Effect of potentially dilutive ordinary shares:				
Restricted employee shares	-	53	-	192
Employees' compensation	-	3	-	4
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>41,790</u>	<u>41,705</u>	<u>41,766</u>	<u>41,808</u>

If the Company offered to settle the compensation paid to employees in cash or shares, the Company assumed that the entire amount of the compensation will be settled in shares, and the resulting potential shares were included in the weighted average number of shares

outstanding used in the computation of diluted earnings per shares, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

For the three and nine months ended September 30, 2025, the Company incurred a net loss. The inclusion of restricted employee shares would be anti-dilutive and, therefore, was not included in the calculation of diluted loss per share.

24. SHARE-BASED PAYMENT ARRANGEMENTS

Restricted Employee Shares

Information regarding the issuance of new restricted employee shares is as follows:

Date of Approval of Shareholders' Meeting	Estimated Number of Shares to be Issued (In Thousands)	Number of Shares Resolved by the Board of Directors (In Thousands)	Shares Granted Date	Capital Increase Date	Actual Number of Shares Issued (In Thousands)	Fair Value at the Date of Shares Granted
08/05/2021	400	300	08/27/2021	09/23/2021	288	\$ 333.5
08/05/2021	400	112	05/06/2022	06/28/2022	110	280.5

On August 5, 2021, the shareholders' meeting of the Company resolved to issue new restricted employee shares in the amount of NT\$4,000 thousand, with 400 thousand shares issued, and the issuance method is as follows:

After employees are allotted new restricted employee shares, they will receive the new shares in accordance with the following schedule and in proportion to the shares they have acquired upon the expiration of their term of office and if their performance in that year during the vesting period is up to the expectations:

Vested Period	Proportion of Vested Shares
Two years from the date of grant	50%
Three years from the date of grant	50%

In the event that employees do not meet the vesting conditions or inheritance occurs:

24.1 General termination of employment (voluntary/retirement/layoff/dismissal/retention without pay)

The Company may buy-back the restricted employee shares (including their stock dividends and related equities) that have not been vested at the issue price.

24.2 Disability, death due to an occupational disaster or general death

- (1) If the employee is unable to continue to work due to a physical disability caused by an occupational disaster, the employee may acquire all of the restricted employee shares not yet vested upon termination of employment.
- (2) If the employee dies as a result of an occupational disaster or dies in general, the unvested restricted employee shares are deemed to be fully vested. The

successor may apply to receive his or her shares or disposed interests after completing the necessary legal procedures and providing relevant documents.

24.3 Transfer to affiliates

- (1) If the employee requests to transfer to an affiliated company, the Company may buy-back the restricted employee shares (including their stock dividends and related equities) that have not been vested at the issue price.
- (2) If the Company approves the transfer to an affiliate for operational reasons, the rights and obligations of the unvested restricted employee shares shall not be affected, but shall still be in accordance with these terms and conditions provided that the performance shall be re-measured after the transfer to the affiliate; and the period of vesting shall continue to work for the affiliate or the Company, otherwise the vesting conditions shall be deemed not to be met and the Company may buy-back the restricted employee shares (including their stock dividends and related equities) that have not been vested at the issue price.

24.4 Employees who have committed gross negligence such as violating labor contracts or work rules

After the employee has acquired the restricted employee shares granted by the Company, in the event of a violation of Terms of Agreement, the Trust Deed, the Labor Contract, the Non-Disclosure Agreement, the Corporate Governance Practices Principles, the Ethical Corporate Management Practices Principles, the Code of Ethical Conduct, the Information Security Rules, the Non-competition Agreement and the Work Rules, the Company may buy-back the restricted employee shares (including their stock dividends and related equities) that have not been vested at the issue price.

The Company will proceed with the cancellation of the restricted employee shares bought back by the Company at the issue price.

The restrictions on the entitlement to shares before the vesting condition is satisfied after the employee has been allotted or subscribed for new shares are as follows:

- (1) The employee may not sell, pledge, transfer, donate, set up, or otherwise dispose of the restricted employee shares before the vesting condition is met.
- (2) Until the vesting conditions are met, the restricted employee shares may still participate in the allotment and dividend distribution.
- (3) Upon the issuance of restricted employee shares, employees shall immediately deliver them to the Trust and shall not request the Trustee to return the restricted employee shares for any reason or in any manner until the vested conditions have been fulfilled.

Other contractual matters are as follows:

Restrictions on employee rights during delivery of new shares to the Trust, the Company shall act as the exclusive agent of the employees (including but not limited) in negotiating, signing, amending, extending, cancelling and terminating the Trust

Deed and the delivery, use and disposal instructions of the Trust Property with the Stock Trust.

The circumstances of the grant of restricted employee shares described above are summarized as follows:

	<u>2021-1 Employee Restricted Shares</u>	<u>2021-2 Employee Restricted Shares</u>
	<u>(In Thousands)</u>	<u>(In Thousands)</u>
<u>Nine months ended September 30, 2025</u>		
Shares outstanding at the beginning of the period	1	44
Shares vested for the period	-	(42)
Shares cancelled for the period	(1)	(1)
Shares outstanding at the end of the period	<u>-</u>	<u>1</u>
Employee shares vested	<u>252</u>	<u>89</u>
Weighted-average fair value of shares granted (NTD)	<u>\$ 333.5</u>	<u>\$ 280.5</u>
<u>Nine months ended September 30, 2024</u>		
Shares outstanding at the beginning of the period	126	98
Shares vested for the period	(114)	(47)
Shares cancelled for the period	(7)	(4)
Shares pending cancellation for the period	(2)	(3)
Shares outstanding at the end of the period	<u>3</u>	<u>44</u>
Employee shares vested	<u>250</u>	<u>47</u>
Weighted-average fair value of shares granted (NTD)	<u>\$ 333.5</u>	<u>\$ 280.5</u>

For the nine months ended September 30, 2025 and 2024, 2 thousand and 16 thousand restricted employee shares were recovered due to employee resignations, respectively; however, for the nine months ended September 30, 2024, there are still 5 thousand shares remaining for which the board of directors resolved a capital reduction base date of November 13, 2024. As the registration of such changes with the Ministry of Economic Affairs has not yet been completed, these shares are temporarily presented under shares pending cancellation.

For the nine months ended September 30, 2025 and 2024, the compensation costs recognized for the restricted employee shares were NT\$549 thousand and NT\$6,982 thousand, respectively.

25. CASH FLOW INFORMATION

25.1 Non-cash transactions

Except as disclosed in other notes, the Group conducted the following non-cash transaction investment and financing activities for the nine months ended September 30, 2025 and 2024:

On September 30, 2025, December 31, 2024, and September 30, 2024, the Group respectively acquired property, plant and equipment of \$0, \$0, and \$86 thousand, which are recognized as payables for purchase of equipment. Please refer to Note 17.

25.2 Changes in liabilities arising from financing activities

Nine Months Ended September 30, 2025

			<u>Non-cash Changes</u>		
	<u>January 1, 2025</u>	<u>Cash Flows</u>	<u>New Leasing</u>	<u>Exchange Rate Changes</u>	<u>September 30, 2025</u>
Lease liabilities	<u>\$ 22,313</u>	<u>(\$ 8,195)</u>	<u>\$ 2,824</u>	<u>(\$ 1,677)</u>	<u>\$ 15,265</u>

Nine Months Ended September 30, 2024

			<u>Non-cash Changes</u>		
	<u>January 1, 2024</u>	<u>Cash Flows</u>	<u>New Leasing</u>	<u>Exchange Rate Changes</u>	<u>September 30, 2024</u>
Lease liabilities	<u>\$ 11,303</u>	<u>(\$ 6,090)</u>	<u>\$ 13,425</u>	<u>\$ 586</u>	<u>\$ 19,224</u>

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of issued ordinary shares, capital surplus, retained earnings and other equity.

The Group is not subject to any externally imposed capital requirements.

Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders and the number of new shares issued.

27. FINANCIAL INSTRUMENTS

27.1 Fair value of financial instruments not measured at fair value

September 30, 2025

	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets at amortized cost—					
Corporate Bonds	\$252,826	\$224,270	\$ -	\$ -	\$224,270

December 31, 2024

	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets at amortized cost—					
Corporate Bonds	\$303,797	\$264,624	\$ -	\$ -	\$264,624

September 30, 2024

	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets at amortized cost—					
Corporate Bonds	\$293,750	\$270,173	\$ -	\$ -	\$270,173

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

September 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at</u>				
<u>FVTPL</u>				
Listed shares	\$ 42,482	\$ -	\$ -	\$ 42,482
<u>Financial assets at</u>				
<u>FVTOCI</u>				
Unlisted shares	\$ -	\$ -	\$ 1,008	\$ 1,008

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at</u>				
<u>FVTPL</u>				
Beneficiary certificate of funds	\$ 93,039	\$ -	\$ -	\$ 93,039
Listed shares	42,786	-	-	42,786
	<u>\$ 135,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,825</u>
<u>Financial assets at</u>				
<u>FVTOCI</u>				
Unlisted shares	\$ -	\$ -	\$ 1,008	\$ 1,008

September 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at</u>				
<u>FVTPL</u>				
Beneficiary certificate of funds	\$ 92,681	\$ -	\$ -	\$ 92,681
Listed shares	41,190	-	-	41,190
	<u>\$ 133,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,871</u>
<u>Financial assets at</u>				
<u>FVTOCI</u>				
Unlisted shares	\$ -	\$ -	\$ 1,008	\$ 1,008

There were no transfers between levels 1 and 2 for the nine months ended September 30, 2025 and 2024.

27.3 Categories of financial instruments

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 42,482	\$ 135,825	\$ 133,871
Amortized cost (1)	970,854	1,124,338	1,055,693
FVTOCI			
Investment in equity instrument	1,008	1,008	1,008
<u>Financial liabilities</u>			
Amortized cost (2)	10,094	26,250	20,019

- (1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost - current, accounts receivable (including related parties), other receivables, and refundable deposits (recognized in other current assets and other non-current assets), and financial assets at amortized cost – non-current.
- (2) The balances include financial liabilities measured at amortized cost, which comprise accounts payable, dividends payable, other payables (not including payables for salaries or bonuses, payables for annual leave, payables for retirement benefits, payables for insurance, and payables for taxes), and other payables – related parties.

27.4 Financial risk management objectives and policies

The Group's major instruments include equity investments, accounts receivable, accounts payable, and lease liabilities. The Group's corporate financial management function provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The corporate financial management function reports quarterly to the board of directors, which functions to monitor risks and policies implemented to mitigate risk exposures.

(1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (refer to (1.1) below), interest rates (refer to (1.2) below), and other price risks (refer to (1.3) below).

(1.1) Foreign currency risks

The Group has foreign currency denominated service transactions, which expose the Group to foreign currency risk.

The carrying amounts of the Group's non-functional currency denominated monetary assets and monetary liabilities (including the non-functional currency monetary items that have been written off in the consolidated financial statement) at the balance sheet dates are set out in Note 30.

Sensitivity analysis

The Group is mainly exposed to the exchange rate fluctuation of the United States Dollar (USD).

The following table details the Group's sensitivity to a 1% increase/decrease in the New Taiwan dollar (NTD, the functional currency) against the USD. The sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the period for a 1% change in foreign currency rates. A positive number below indicates an increase

in pre-tax profit associated with the functional currency weakening 1% against the USD. For a 1% strengthening of the functional currency against the USD, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	USD Impact	
	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Profit or loss	\$ 6,803	\$ 8,243

The aforementioned profit or loss mainly results from the exposure on outstanding USD denominated bank deposits, accounts receivable, and corporate bonds as of the balance sheet dates.

The Group's sensitivity to foreign currency decreased during the current period, mainly due to the decrease in bank deposits denominated in US dollars.

(1.2) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the balance sheet dates are set out as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value interest rate risk			
— Financial assets	\$ 269,699	\$ 419,762	\$ 373,877
— Financial liabilities	15,265	22,313	19,224
Cash flow interest rate risk			
— Financial assets	391,127	420,129	288,146
— Financial liabilities	-	-	-

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the balance sheet dates. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If interest rates had been 100 basis points increase/decrease and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2025 and 2024, would increase by NT\$2,933 thousand and NT\$2,161 thousand, respectively, mainly resulting from the Group's variable-rate bank deposits.

The Group's sensitivity to interest rates increased during the current period mainly due to the increase in variable-rate bank deposits.

(1.3) Other price risk

The Group was exposed to equity price risk mainly through its investments in equity securities.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the balance sheet dates.

If equity prices had been 1% higher/lower, the pre-tax profit for the nine months ended September 30, 2025 and 2024, would have increased/decreased by NT\$425 thousand and NT\$1,339 thousand, respectively, resulting from the changes in fair value of financial assets at FVTPL. The pre-tax other comprehensive income for the nine months ended September 30, 2025, would have increased/decreased by NT\$10 thousand, resulting from the changes in fair value of financial assets at FVTOCI.

(2) Credit risks

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the balance sheet dates, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation (not considering collaterals or other credit enhancement instruments, and the irrevocable maximum amount of risk exposure), mainly arises from the carrying amount of the recognized financial assets as stated in the consolidated balance sheets. The Group has adopted a policy of only dealing with creditworthy counterparties.

To reduce credit risks, the Group's management personnel shall appoint a dedicated team to determine the credit limit, conduct credit examination and approval, and implement other monitoring procedures to ensure that necessary measures are taken to recover overdue receivables. Moreover, the Group shall review the recovery of each receivable on each balance sheet date to ensure that adequate allowances are made for unrecoverable receivables. Therefore, the Group's management believes that the Group's credit risk has been greatly reduced.

The credit risk management of investments in debt instruments with financial assets measured at amortized cost is as follows.

The Company's policy is to invest only in debt instruments with a credit rating of investment grade or higher and with low credit risk in terms of impairment assessment. Credit rating information is provided by independent rating agencies. The Company continuously tracks external rating information to monitor changes in the credit risk of the debt instruments it invests in, and also reviews other information such as bond yield curves and material information about the debtor to assess whether the credit risk of the debt instrument investment has increased significantly since the original recognition.

The Company measures the expected 12-month credit loss or expected credit loss over the life of the debt instruments by taking into account the historical default rate

and default loss rate of various grades provided by external rating agencies, the debtor's current financial condition and the outlook of the industry in which the debtor is engaged. The Company's current credit risk rating mechanism is as follows:

Credit Rating	Definition	Expected Credit Loss Recognition Basis	Expected Credit Loss Rate
Good	The credit risk of the debtor is low, and the debtor has sufficient ability to settle the contractual cash flows	12-month expected credit loss	-

The Group's concentration of credit risk was mainly attributable to the Group's three largest customers, which accounted for 18%, 4% and 23% of total accounts receivable as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

(3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

(3.1) Liquidity and interest rate risk tables for non-derivative financial liabilities

The maturity analysis for non-derivative financial liabilities is prepared based on the undiscounted cash flows (including both principal cash and interest) of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

September 30, 2025

	<u>Less than 3 Months</u>	<u>3 Months to 1 Year</u>	<u>1 to 5 Years</u>	<u>Over 5 Years</u>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 10,094	\$ -	\$ -	\$ -
Lease liabilities	<u>3,013</u>	<u>7,635</u>	<u>5,404</u>	<u>-</u>
	<u>\$ 13,107</u>	<u>\$ 7,635</u>	<u>\$ 5,404</u>	<u>\$ -</u>

Additional information about the maturity analysis of the financial liabilities is as follows:

	<u>Less than 1 Year</u>	<u>1 to 5 Years</u>	<u>Over 5 Years</u>
Lease liabilities	<u>\$ 10,648</u>	<u>\$ 5,404</u>	<u>\$ -</u>

December 31, 2024

	<u>Less than 3 Months</u>	<u>3 Months to 1 Year</u>	<u>1 to 5 Years</u>	<u>Over 5 Years</u>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 13,136	\$ -	\$ -	\$ -
Lease liabilities	<u>3,181</u>	<u>9,095</u>	<u>12,516</u>	<u>-</u>
	<u>\$ 16,317</u>	<u>\$ 9,095</u>	<u>\$ 12,516</u>	<u>\$ -</u>

Additional information about the maturity analysis of the financial liabilities is as follows:

	<u>Less than 1 Year</u>	<u>1 to 5 Years</u>	<u>Over 5 Years</u>
Lease liabilities	<u>\$ 12,276</u>	<u>\$ 12,516</u>	<u>\$ -</u>

September 30, 2024

	<u>Less than 3 Months</u>	<u>3 Months to 1 Year</u>	<u>1 to 5 Years</u>	<u>Over 5 Years</u>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 20,019	\$ -	\$ -	\$ -
Lease liabilities	<u>2,611</u>	<u>7,579</u>	<u>10,310</u>	<u>-</u>
	<u>\$ 22,630</u>	<u>\$ 7,579</u>	<u>\$ 10,310</u>	<u>\$ -</u>

Additional information about the maturity analysis of the financial liabilities is as follows:

	<u>Less than 1 Year</u>	<u>1 to 5 Years</u>	<u>Over 5 Years</u>
Lease liabilities	<u>\$ 10,190</u>	<u>\$ 10,310</u>	<u>\$ -</u>

28. TRANSACTIONS WITH RELATED PARTIES

The transactions, balances, gains and losses between the Company and its subsidiaries (which are related parties of the Company) have been written off in full upon consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follows.

28.1 Name and relationship of related parties

<u>Name of the related party</u>	<u>Relationship</u>
MSquare (Shanghai) Ltd.	Related party
MSquare (Hefei) Ltd.	Related party

28.2 Operating revenue

Financial Statement Accounts	Related Party Category/Name	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Sales Revenue	Related party MSquare (Shanghai) Ltd.	\$ -	\$ 7,966	\$ -	\$ 16,076

28.3 Receivables from Related Parties

Financial Statement Accounts	Related Party Category/Name	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	Related party MSquare (Shanghai) Ltd.	\$ 13,700	\$ 31,993	\$ 32,156

The outstanding receivables from related parties were not secured by guarantees. For the nine months ended September 30, 2025 and 2024, allowances for impairment loss were recognized for receivables from related parties.

28.4 Other Payable to Related Parties

Financial Statement Accounts	Related Party Category/Name	September 30, 2025	December 31, 2024	September 30, 2024
Other payables	Related party MSquare (Hefei) Ltd.	\$ -	\$ 13,114	\$ -

28.5 Compensation of key management personnel

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Short-term employee benefits	\$ 6757	\$ 6,400	\$ 22,442	\$ 23,203
Post-employment benefits	168	108	546	432
Share-based payment	-	181	-	726
	<u>\$ 6,925</u>	<u>\$ 6,689</u>	<u>\$ 22,988</u>	<u>\$ 24,361</u>

The remuneration of directors and key management personnel, as determined by the remuneration committee, was based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets have been provided as performance guarantees for financing loans and government grants:

	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	\$ 400,018	\$ 404,792	\$ 406,383
Pledged time deposits (listed under other current assets)	-	6,220	-
	<u>\$ 400,018</u>	<u>\$ 411,012</u>	<u>\$ 406,383</u>

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

September 30, 2025

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
<u>Monetary items</u>			
USD	\$ 22,732	30.445 (USD : NTD)	\$ 692,076
CNY	2,382	4.271 (CNY : NTD)	10,174
Financial liabilities			
<u>Monetary items</u>			
USD	386	30.445 (USD : NTD)	11,752

December 31, 2024

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
<u>Monetary items</u>			
USD	\$ 24,402	32.785 (USD : NTD)	\$ 800,020
CNY	728	4.478 (CNY : NTD)	3,260
Financial liabilities			
<u>Monetary items</u>			
USD	284	32.785 (USD : NTD)	9,311

September 30, 2024

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	\$ 26,281	31.650 (USD : NTD)	\$ 831,794
CNY	776	4.523 (CNY : NTD)	3,510
Financial liabilities			
Monetary items			
USD	235	31.650 (USD : NTD)	7,438

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

	Three Months Ended September 30, 2025		Three Months Ended September 30, 2024	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains	Exchange Rate	Net Foreign Exchange Losses
USD	29.950 (USD : NTD)	\$ 26,484	32.301 (USD : NTD)	(\$ 21,700)

	Nine Months Ended September 30, 2025		Nine Months Ended September 30, 2024	
Foreign Currency	Exchange Rate	Net Foreign Exchange Losses	Exchange Rate	Net Foreign Exchange Gains
USD	31.222 (USD : NTD)	(\$ 30,134)	32.034 (USD : NTD)	\$ 18,539

31. SEPARATELY DISCLOSED ITEMS

31.1 Significant transactions and 31.2 Information about investees:

- (1) Financing provided to others: None.
- (2) Endorsements/guarantees provided: None.
- (3) Marketable securities held (excluding investments in subsidiaries, associates and jointly controlled entities): Table 1.
- (4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 2.
- (5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- (6) Trading in derivative instruments: None.
- (7) Others: intercompany relationships and significant intercompany transactions: Table 3.
- (8) Information on investees: Table 4.

31.3 Information on investments in mainland China

- (1) The name of the investee company in mainland China, the principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, current profit and loss, recognized investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 5.
- (2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 5.
 - (2.1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - (2.2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - (2.3) The amount of property transactions and the amount of the resultant gains or losses.
 - (2.4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - (2.5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.
 - (2.6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

32. SEGMENT INFORMATION

Industrial financial information

The Group is regarded as a significant operating segment that offers services of Silicon IP design. Furthermore, the Group's chief operating decision maker reviews the Group's financial reports for resources allocation and performance assessment. Therefore, the operational information does not need to be disclosed by segments.

TABLE 1**M31 TECHNOLOGY CORPORATION AND SUBSIDIARIES****MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES)****SEPTEMBER 30, 2025****(In Thousands of New Taiwan Dollars, Thousands of Shares/Units)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2025				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	<u>Shares</u>							
	Fubon Financial Holding Co., Ltd. (Type C)	—	Financial assets at fair value through profit or loss—current	300	\$ 16,200	-	\$ 16,200	—
	KGI Financial Holding Co., Ltd (Type B)	—	Financial assets at fair value through profit or loss—current	3,400	26,282	-	26,282	—
	Astro Circuit Design Co., Ltd.	—	Financial assets at fair value through other comprehensive income – non-current	63	1,008	4.99	1,008	—
	<u>Corporate Bond</u>							
	Apple Inc.	—	Financial assets at amortized cost—non-current	-	86,380	-	55,252	—
	Saudi Arabia	—	Financial assets at amortized cost—non-current	-	27,014	-	26,436	—
	Saudi Arabian International	—	Financial assets at amortized cost—non-current	-	29,637	-	30,576	—
	Electricite de France	—	Financial assets at amortized cost—non-current	-	25,462	-	27,284	—
	Chilean Government International	—	Financial assets at amortized cost—non-current	-	8,443	-	8,758	—
	The First Issue of 2024 for unsecured Cumulative Subordinated Corporate Bonds of Cathay Life Insurance Co., Ltd.	—	Financial assets at amortized cost—non-current	-	15,000	-	15,074	—
	The Second Issue of 2024 for US-dollar-denominated unsecured cumulative subordinated corporate Bonds of Cathay Life Insurance Co., Ltd	—	Financial assets at amortized cost—non-current	-	60,890	-	60,890	—

Note: For relevant information on investment in subsidiaries, please refer to Table 4 and Table 5.

TABLE 2

M31 TECHNOLOGY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLIONS OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company	Counterparty	Relationship	Transaction Details				The Transaction Terms Different from Normal Transactions		Notes& Accounts Receivable (Payable)		Note
			Purchase (Sales)	Amount	Percentage of Total Purchase (Sales)	Credit Terms	Unit Price	Credit Terms	Balance	Percentage of Total Notes& Accounts Receivable (Payable)	
The Company	M31 Technology USA, Inc	Subsidiaries	Sales	\$ 207,123	16.73%	30~90 days	\$ -	—	\$ 28,702	10.98%	—

Note: If the terms of the related party transaction are different from the normal terms of the transaction, the differences and the reasons for the differences should be described in the columns of unit price and credit period.

TABLE 3**M31 TECHNOLOGY CORPORATION AND SUBSIDIARIES**
**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount (Note 5)	Payment Terms	% of Total Sales or Assets (Note 3)
0	M31 Technology Corporation	M31 Technology USA, Inc.	1	Accounts receivable— related-party	\$ 28,702	Net 90 days from the end of the transaction month	1
			1	Service revenue	207,123	Decided by mutual agreement based on market price	17
		Hepha IP Technology Ltd.	1	Accounts receivable— related-party	17,054	Net 30 days from the end of the transaction month	1
			1	Service revenue	10,590	Decided by mutual agreement based on market price	1
1	M31 Technology USA, Inc.	M31 Technology Corporation	2	Accounts receivable— related-party	5,127	Net 30 days from the end of the transaction month	-
			2	Marketing revenue	57,297	Decided by mutual agreement based on market price	5
2	Hepha IP Technology Ltd.	M31 Technology Corporation	2	Accounts receivable— related-party	7,023	Net 30 days from the end of the transaction month	-
			2	Marketing revenue	8,791	Decided by mutual agreement based on market price	1
3	M31 Technologies India Private Ltd.	M31 Technology Corporation	2	Accounts receivable— related-party	9,339	Net 30 days from the end of the transaction month	-
			2	Technical service revenue	91,891	Decided by mutual agreement based on market price	7

Note 1: Transactions between parent company and subsidiaries should be detailed on the column of No. The meaning of the numbers are as follow:

- (1) Number 0 represents the parent company.
- (2) Subsidiaries are numbered in sequence from Number 1.

Note 2: The transaction relationships are classified as the following three types. Just mark the number of the relationship type:

- (1) Transactions from parent company to subsidiary.
- (2) Transactions from subsidiary to parent company.
- (3) Transactions from subsidiary to subsidiary.

Note 3: In the computation of percentage of consolidated revenue/assets, if the amount is the ending balance of assets or liabilities, the accounts percentage will be calculated by dividing the consolidated assets; if the amount is the amount of income or expense, the accounts percentage will be cumulated by dividing the consolidated revenues in the same period.

Note 4: This form is presented in New Taiwan Dollar (NTD). The amount that involves foreign currencies will be translated into NTD at the exchange rate on balance sheet dates, while the amount related to gains and losses are translated into NTD at the average exchange rate in the first, second, and third quarters.

Note 5: This table only shows one-way transaction information. The above transactions were written off when the consolidated financial statement was prepared.

TABLE 4

M31 TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount		As of September 30, 2025			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
The Company	M31 Technology USA, Inc.	USA	Product marketing and technical service	\$ 30,416	\$ 30,416	1,000,000	100	\$ 48,708	\$ 4,766	\$ 4,766	Subsidiaries accounted by USD
	Sirius Venture Ltd.	Republic of Seychelles	Investment Holdings	32,067	18,908	985,000	100	21,483	(2,035)	(2,035)	Subsidiaries accounted by USD
	M31 Technologies India Private Ltd.	India	Technical service	194	194	49,990	100	17,696	6,908	6,908	Subsidiaries accounted by INR

Note 1: The above transactions were written off when the consolidated financial statement was prepared.

Note 2: For relevant information on investee companies in mainland China, please refer to Table 5.

TABLE 5

M31 TECHNOLOGY CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars or United States Dollars)**

1. The name of investee companies in mainland China, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment gain or loss, carrying amount of the investment, repatriations of investment income:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and Note 3)	Carrying Amount as of September 30, 2025 (Notes 2 and Note 3)	Accumulated Repatriation of Investment Income as of September 30, 2025	Note
					Outward	Inward							
Hepha IP Technology Ltd.	Product marketing and technical service	USD 900	(2)	\$ 16,301	\$ 13,158	\$ -	\$ 29,459	(\$ 2,035)	100%	(\$ 2,035)	\$ 20,938	\$ -	—

2. Limit on the amount of investment in the mainland China:

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2025	Investment Amount Approved by the Department of Investment Review, MOEA	Upper Limit on the Amount of Investments Stipulated by the Department of Investment Review, MOEA
\$29,459	\$29,459	\$1,079,376

Note 1: Three investment methods are listed below. Just mark the method number.

- (1) Direct investment in mainland China companies.
- (2) Indirect investment in mainland China companies through a company in a third region (Sirius Venture Ltd.).
- (3) Other methods of investing in mainland China.

Note 2: Columns for the current Investment Gain (Loss) and the Carrying Value:

Sirius Venture Ltd. had recognized the Investment Loss on the investment in the Investee Company Hepha IP Technology Ltd. for the nine months ended September 30, 2025 and the carrying value as of September 30, 2025.

Note 3: Calculated based on the reviewed quarterly financial report of the parent company in Taiwan.

Note 4: The above transactions were written off when the consolidated financial statement was prepared.

3. Significant transaction with investee companies in mainland China, either directly or indirectly through a third party:

- (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None.
- (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None.
- (3) The amount of property transactions and the amount of the resultant gains or losses: None.
- (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
- (5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds: None.
- (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services: None.