

TRUELIGHT CORPORATION  
AND SUBSIDIARIES  
Consolidated Financial Statements and  
Independent Auditors' Review Report  
Nine Months Ended September 30, 2025 and 2024  
(Stock Code: 3234)

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

## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To TrueLight Corporation

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of TrueLight Corporation and subsidiaries (the "Group") as at September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the related consolidated statements of changes in equity and of cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### **Scope of Review**

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. 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 reviews, nothing has come to our attention that causes 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 at September 30, 2025 and 2024, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month periods then ended in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Cheng, Ya-Huei

Chiang Tsai-yen

for and on behalf of PricewaterhouseCoopers, Taiwan

November 6, 2025

TrueLight Corporation and Subsidiaries  
Consolidated Balance Sheets  
September 30, 2025, December 31, 2024 and September 30, 2024

Unit: NT\$ thousand

Assets			September 30, 2025		December 31, 2024		September 30, 2024	
			Amount	%	Amount	%	Amount	%
Current Assets								
1100	Cash and cash equivalents	6(1)	\$ 223,224	21	\$ 317,418	26	\$ 394,651	29
1136	Current financial assets at amortized cost	6(2) and 8	-	-	-	-	12,050	1
1170	Accounts receivable, net	6(3)	102,519	10	88,103	7	77,844	6
1180	Accounts receivable due from related parties, net	6(3) and 7	3,535	-	662	-	2,411	-
1200	Other receivables		1,105	-	2,071	-	2,408	-
130X	Inventories, net	6(4)	176,700	17	229,220	19	247,431	18
1410	Prepayments		11,031	1	5,908	-	10,934	1
11XX	Total current assets		518,114	49	643,382	52	747,729	55
Non-current assets								
1535	Non-current financial assets at amortized cost	6(2) and 8	8,880	1	41,089	3	41,088	3
1550	Investments accounted for using equity method	6(5)	28,218	2	28,427	2	27,468	2
1600	Property, plant and equipment	6(6)	393,401	37	397,458	32	402,151	29
1755	Right-of-use assets	6(7)	96,653	9	105,811	9	107,509	8
1780	Intangible assets	6(8)	100	-	156	-	11,721	1
1840	Deferred tax assets		18,581	2	18,581	2	18,581	1
1900	Other non-current assets	8	2,799	-	2,880	-	12,015	1
15XX	Total non-current assets		548,632	51	594,402	48	620,533	45
1XXX	Total assets		\$ 1,066,746	100	\$ 1,237,784	100	\$ 1,368,262	100

(continued)

TrueLight Corporation and Subsidiaries  
Consolidated Balance Sheets  
September 30, 2025, December 31, 2024 and September 30, 2024

Unit: NT\$ thousand

Liabilities and equity		Notes	September 30, 2025		December 31, 2024		September 30, 2024	
			Amount	%	Amount	%	Amount	%
Liabilities								
Current liabilities								
2100	Short-term loans	6(9)	\$ -	-	\$ -	-	\$ 60,000	4
2150	Notes payable		2,437	-	50	-	3,376	-
2170	Accounts payable		22,830	2	18,182	1	19,222	1
2180	Accounts payable to related parties	7	3	-	-	-	-	-
2200	Other payables	6(10)	90,599	9	81,546	7	77,620	6
2220	Other payables to related parties	6(10) and 7	50	-	555	-	127	-
2280	Current lease liabilities		7,463	1	7,880	1	7,880	1
2320	Long-term loans, current portion	6(11)	5,208	-	25,383	2	38,483	3
2399	Other current liabilities, others		2,979	-	3,512	-	2,607	-
21XX	Total current liabilities		131,569	12	137,108	11	209,315	15
Non-current liabilities								
2540	Long-term loans	6(11)	44,792	4	87,823	7	92,121	7
2580	Non-current lease liabilities		94,090	9	102,523	8	104,085	8
2600	Other non-current liabilities		113	-	113	-	113	-
25XX	Total non-current liabilities		138,995	13	190,459	15	196,319	15
2XXX	Total liabilities		270,564	25	327,567	26	405,634	30
Equity								
Equity attributable to owners of parent								
	Share capital	6(13)						
3110	Ordinary shares		1,114,747	104	1,114,747	90	1,114,747	82
	Capital surplus	6(14)						
3200	Capital surplus		306,312	29	306,311	25	306,027	22
	Retained earnings	6(15)						
3350	Accumulated deficit		( 612,749)	( 57)	( 453,344)	( 36)	( 405,224)	( 30)
	Other equity interest	6(16)						
3400	Other equity interest		( 16,040)	( 2)	( 10,584)	( 1)	( 9,401)	( 1)
31XX	Total equity attributable to owners of parent		792,270	74	957,130	78	1,006,149	73
36XX	Non-controlling interest		3,912	1	( 46,913)	( 4)	( 43,521)	( 3)
3XXX	Total equity		796,182	75	910,217	74	962,628	70
	Significant commitments and contingencies	9						
	Significant subsequent events	11						
3X2X	Total liabilities and equity		\$ 1,066,746	100	\$ 1,237,784	100	\$ 1,368,262	100

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

TrueLight Corporation and Subsidiaries  
Consolidated Statements of Comprehensive Income  
Nine Months Ended September 30, 2025 and 2024

				Unit: NT\$ thousand (Except earnings (loss) per share)							
				Three months ended September 30				Nine months ended September 30			
				2025		2024		2025		2024	
Items	Notes	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue	6(17) and 7	\$ 150,883	100	\$ 132,246	100	\$ 510,218	100	\$ 426,461	100		
5000 Operating costs	6(4)(22)(23) and 7	( 147,199)	( 97)	( 123,163)	( 93)	( 432,389)	( 85)	( 414,475)	( 97)		
5900 Gross profit		3,684	3	9,083	7	77,829	15	11,986	3		
5910 Unrealized profit from sales	6(5)	73	-	( 36)	-	( 234)	-	( 275)	-		
5920 Realized profit from sales	6(5)	-	-	-	-	179	-	282	-		
5950 Gross profit, net		3,757	3	9,047	7	77,774	15	11,993	3		
Operating expenses	6(22)(23)										
6100 Selling expenses		( 3,595)	( 3)	( 3,545)	( 3)	( 10,380)	( 2)	( 12,133)	( 3)		
6200 Administrative expenses		( 19,688)	( 13)	( 19,681)	( 15)	( 61,806)	( 12)	( 87,093)	( 20)		
6300 Research and development expenses		( 33,295)	( 22)	( 40,223)	( 30)	( 102,410)	( 20)	( 122,043)	( 29)		
6450 Impairment (loss) gain determined in accordance with IFRS 9	12	( 15)	-	177	-	( 15)	-	729	-		
6000 Total operating expenses		( 56,593)	( 38)	( 63,272)	( 48)	( 174,611)	( 34)	( 220,540)	( 52)		
6900 Net operating loss		( 52,836)	( 35)	( 54,225)	( 41)	( 96,837)	( 19)	( 208,547)	( 49)		
Non-operating income and expense											
7100 Interest income	6(18)	431	-	1,540	1	2,336	1	5,684	1		
7010 Other income	6(19)	435	-	580	-	904	-	1,103	-		
7020 Other gains and losses, net	6(20)	( 15)	-	( 4,311)	( 3)	( 13,337)	( 2)	( 3,447)	( 1)		
7050 Finance costs, net	6(21)	( 962)	-	( 2,007)	( 2)	( 3,439)	( 1)	( 7,253)	( 2)		
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method	6(5)	1,345	1	792	1	1,793	-	2,203	1		
7000 Total non-operating income and expenses		1,234	1	( 3,406)	( 3)	( 11,743)	( 2)	5,184	1		
7900 <b>Loss before income tax</b>		( 51,602)	( 34)	( 57,631)	( 44)	( 108,580)	( 21)	( 203,363)	( 48)		
7950 Income tax expense	6(24)	-	-	-	-	-	-	-	-		
8200 <b>Loss for the period</b>		<u>(\$ 51,602)</u>	<u>( 34)</u>	<u>(\$ 57,631)</u>	<u>( 44)</u>	<u>(\$ 108,580)</u>	<u>( 21)</u>	<u>(\$ 203,363)</u>	<u>( 48)</u>		
<b>Items that may be reclassified subsequently to profit or loss</b>											
8361 Exchange differences on translation	6(16)	\$ 3,685	2	\$ 2,437	2	(\$ 5,456)	( 1)	\$ 6,242	2		
8300 <b>Total other comprehensive income, net</b>		<u>\$ 3,685</u>	<u>2</u>	<u>\$ 2,437</u>	<u>2</u>	<u>(\$ 5,456)</u>	<u>( 1)</u>	<u>\$ 6,242</u>	<u>2</u>		
8500 <b>Total comprehensive income for the period</b>		<u>(\$ 47,917)</u>	<u>( 32)</u>	<u>(\$ 55,194)</u>	<u>( 42)</u>	<u>(\$ 114,036)</u>	<u>( 22)</u>	<u>(\$ 197,121)</u>	<u>( 46)</u>		
Profit (loss), attributable to:											
8610 Owners of parent		<u>(\$ 51,533)</u>	<u>( 34)</u>	<u>(\$ 56,088)</u>	<u>( 43)</u>	<u>(\$ 104,307)</u>	<u>( 20)</u>	<u>(\$ 191,130)</u>	<u>( 45)</u>		
8620 Non-controlling interests		<u>(\$ 69)</u>	<u>-</u>	<u>(\$ 1,543)</u>	<u>( 1)</u>	<u>(\$ 4,273)</u>	<u>( 1)</u>	<u>(\$ 12,233)</u>	<u>( 3)</u>		
Comprehensive income attributable to:											
8710 Owners of parent		<u>(\$ 47,848)</u>	<u>( 32)</u>	<u>(\$ 53,651)</u>	<u>( 41)</u>	<u>(\$ 109,763)</u>	<u>( 21)</u>	<u>(\$ 184,888)</u>	<u>( 43)</u>		
8720 Non-controlling interests		<u>(\$ 69)</u>	<u>-</u>	<u>(\$ 1,543)</u>	<u>( 1)</u>	<u>(\$ 4,273)</u>	<u>( 1)</u>	<u>(\$ 12,233)</u>	<u>( 3)</u>		
Loss per share	6(25)										
9750 Basic		<u>(\$ 0.46)</u>		<u>(\$ 0.50)</u>		<u>(\$ 0.94)</u>		<u>(\$ 1.78)</u>			
9850 Diluted		<u>(\$ 0.46)</u>		<u>(\$ 0.50)</u>		<u>(\$ 0.94)</u>		<u>(\$ 1.78)</u>			

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

TrueLight Corporation and Subsidiaries  
Consolidated Statements of Changes in Equity  
Nine Months Ended September 30, 2025 and 2024

Unit: NT\$ thousand

		Equity attributable to owners of parent								
		Retained earnings					Exchanges differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Notes	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Accumulated deficit					
<u>Nine months ended September 30, 2024</u>										
Balance at January 1, 2024		\$ 964,747	\$ 342,417	\$ 433	\$ 3,893	(\$ 560,837 )	(\$ 15,643 )	\$ 735,010	(\$ 31,288 )	\$ 703,722
Net loss		-	-	-	-	( 191,130 )	-	( 191,130 )	( 12,233 )	( 203,363 )
Other comprehensive income	6(16)	-	-	-	-	-	6,242	6,242	-	6,242
Total comprehensive income		-	-	-	-	( 191,130 )	6,242	( 184,888 )	( 12,233 )	( 197,121 )
Issue of shares	6(13)(14)	150,000	306,000	-	-	-	-	456,000	-	456,000
Deficit compensation	6(16)	-	( 342,417 )	( 433 )	( 3,893 )	346,743	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method		-	27	-	-	-	-	27	-	27
Balance at September 30, 2024		<u>\$ 1,114,747</u>	<u>\$ 306,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 405,224 )</u>	<u>(\$ 9,401 )</u>	<u>\$ 1,006,149</u>	<u>(\$ 43,521 )</u>	<u>\$ 962,628</u>
<u>Nine months ended September 30, 2025</u>										
Balance at January 1, 2025		\$ 1,114,747	\$ 306,311	\$ -	\$ -	(\$ 453,344 )	(\$ 10,584 )	\$ 957,130	(\$ 46,913 )	\$ 910,217
Net loss		-	-	-	-	( 104,307 )	-	( 104,307 )	( 4,273 )	( 108,580 )
Other comprehensive income	6(16)	-	-	-	-	-	( 5,456 )	( 5,456 )	-	( 5,456 )
Total comprehensive income		-	-	-	-	( 104,307 )	( 5,456 )	( 109,763 )	( 4,273 )	( 114,036 )
Changes in equity of associates and joint ventures accounted for using equity method	6(14)	-	1	-	-	-	-	1	-	1
Changes in ownership interest in subsidiaries	6(26)	-	-	-	-	( 55,098 )	-	( 55,098 )	55,098	-
Balance at September 30, 2025		<u>\$ 1,114,747</u>	<u>\$ 306,312</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 612,749 )</u>	<u>(\$ 16,040 )</u>	<u>\$ 792,270</u>	<u>\$ 3,912</u>	<u>\$ 796,182</u>

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

TrueLight Corporation and Subsidiaries  
Consolidated Statements of Cash Flows  
Nine Months Ended September 30, 2025 and 2024

Unit: NT\$ thousand

	Notes	Nine months ended September 30	
		2025	2024
<u>Cash Flows from Operating Activities</u>			
Loss before tax		( \$ 108,580 )	( \$ 203,363 )
Adjustments			
Adjustments to reconcile loss			
Expected credit loss (gain)	12	15	( 729 )
Depreciation expense	6(6)(7)(22)	55,585	63,590
Amortization expense	6(8)(22)	56	1,162
Interest income	6(18)	( 2,336 )	( 5,684 )
Interest expense	6(21)	3,439	7,253
Loss (gain) on disposal of property, plant and equipment	6(20)	341	( 843 )
Unrealized profit from sales	6(5)	234	275
Realized profit from sales	6(5)	( 179 )	( 282 )
Share of profit of associates accounted for using equity method	6(5)	( 1,793 )	( 2,203 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		( 18,658 )	30,203
Accounts receivable due from related parties		( 2,873 )	( 736 )
Other receivables		( 327 )	( 225 )
Inventories		52,479	89,312
Prepayments		( 5,160 )	554
Changes in operating liabilities			
Notes payable		2,387	( 429 )
Accounts payable		4,668	( 12,788 )
Accounts payable to related parties		3	-
Other payables		6,077	( 10,289 )
Other payables to related parties		( 505 )	127
Other current liabilities		( 534 )	638
Cash outflow generated from operations		( 15,661 )	( 44,457 )
Interest received		2,643	5,380
Dividends received	6(5)	1,948	-
Interest paid		( 3,587 )	( 7,578 )
Income taxes refunded (paid)		72	( 532 )
Net cash flows used in operating activities		( 14,585 )	( 47,187 )

(continued)

TrueLight Corporation and Subsidiaries  
Consolidated Statements of Cash Flows  
Nine Months Ended September 30, 2025 and 2024

Unit: NT\$ thousand

	Notes	Nine months ended September 30	
		2025	2024
<u>Cash Flows from Investing Activities</u>			
Decrease (increase) in financial assets at amortized cost	6(2) and 8	\$ 32,209	( \$ 12,372 )
Increase in prepayments for business facilities		-	( 6,114 )
Acquisition of property, plant and equipment	6(6)(27)	( 45,396 )	( 57,140 )
Proceeds from disposal of property, plant and equipment		-	1,284
Decrease (increase) in refundable deposits		81	( 1,022 )
Net cash flows used in investing activities		( 13,106 )	( 75,364 )
<u>Cash Flows from Financing Activities</u>			
Decrease in short-term loans	6(28)	-	( 90,700 )
Proceeds from long-term loans	6(28)	50,000	86,363
Repayments of long-term loans	6(28)	( 113,206 )	( 149,231 )
Repayments of lease liabilities	6(28)	( 4,576 )	( 4,687 )
Proceeds from issuing shares	6(13)	-	456,000
Net cash flows (used in) from financing activities		( 67,782 )	297,745
Effect of exchange rate changes on cash and cash equivalents		1,279	2,254
Net (decrease) increase in cash and cash equivalents		( 94,194 )	177,448
Cash and cash equivalents at beginning of period		317,418	217,203
Cash and cash equivalents at end of period		\$ 223,224	\$ 394,651

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



TrueLight Corporation and Subsidiaries  
Notes to the Consolidated Financial Statements  
Nine Months Ended September 30, 2025 and 2024

Unit: NT\$ thousand  
(Unless otherwise indicated)

1. HISTORY AND ORGANISATION

- (1) TrueLight Corporation (the Company) was established in September 1997 in the Republic of China. The main business items of the company and its subsidiaries (the Group) are design, research and development, production and sales are applied to "optical fiber communication, 4G/5G mobile communication base station interconnection, cloud data center, 3D Sensing/Near-Field Sensing/Flood Illumination" Vertical Cavity Surface Emitting Laser (VCSEL), Edge laser (FP / DFB), photodiode (PIN / PINTIA)", including components, sub-modules, Light engine/AOC and other types of products.
- (2) In order to improve the corporate governance structure and protect the interests of stakeholders, the Company participated in the Corporate Governance Assessment and Certification program organized by the Taiwan Corporate Governance Association, and on September 23, 2013, the Company passed the "CG6008 Corporate Governance Universal Version Certification". The Company will continue to strengthen corporate governance and align with international standards to maintain competitiveness in the capital market.

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

The consolidated financial statements were reported to the Board of Directors on November 6, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

- (1) Effect of the adoption of new issuance of or amendments to International Financial Reporting Standards ("IFRSs") as endorsed by the Financial Supervisory Commission ("FSC")

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impacts on the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

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

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

The above standards and interpretations have no significant impacts on the Group's financial condition and financial performance based on the Group's assessment.

(3) Effects of IFRSs Issued by IASB but not yet Endorsed by the FSC

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

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

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

Except for the following, the above standards and interpretations have no significant impacts on the Group's financial condition and financial performance.

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation and additional policies, the other significant accounting policies applied in these consolidated financial statements are consistent with those in Note 4 in the consolidated financial statements for the year ended December 31, 2024. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the FSC.
- B. The consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

##### (2) Basis of preparation

- A. These consolidated financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

##### (3) Basis of consolidation

###### A. Basis for preparation of consolidated financial statements

The basis for preparation of consolidated financial statements is consistent with that of the year ended December 31, 2024.

###### B. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Main business Items	Shareholding Percentage			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
TrueLight Corporation	TrueLight (B.V.I.) Ltd.	Investment holdings	100	100	100	
TrueLight (B.V.I.) Ltd.	ProRay Limited	Investment holdings	100	100	100	
ProRay Limited	Zhuhai FTZ. ProRay Optoelectronics Technology Co., Ltd.	Design, produce, process and sell optoelectronic modules/ components	100	100	100	
TrueLight Corporation	YLTLINK Technology Corporation	Electronic components fabricate	94	41	41	Note 1 Note 2

Note 1 : The Group has been assessed to be the largest shareholder with more than half of the directorships and has the authority to direct the financing and operating policies of the company, so the company has been included in the consolidated financial statements.

Note 2 : The Company was resolved by the board of directors on May 13, 2025 to participate in the cash capital increase of YLTLINK Technology Corporation by \$150,000, and the record date of the capital increase is June 1, 2025.

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

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

E.Significant restrictions: None.

F.Subsidiaries that have non-controlling interests that are material to the Group: None.

(4)Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

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

There have been no significant changes during the period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1)Cash and cash equivalent

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and petty cash	\$ 32	\$ 36	\$ 27
Checking accounts and demand deposits	150, 067	128, 373	86, 554
Time deposits	73, 125	189, 009	308, 070
Total	<u>\$ 223, 224</u>	<u>\$ 317, 418</u>	<u>\$ 394, 651</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash and cash equivalents pledged to others.

(2)Financial assets measured at amortized cost

Items	September 30, 2025	December 31, 2024	September 30, 2024
Current items:			
Demand deposits	\$ -	\$ -	\$ 6, 250
Time deposits	-	-	5, 800
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12, 050</u>
Non-current items:			
Demand deposits	\$ -	\$ 7, 000	\$ 7, 000
Time deposits	8, 880	34, 089	34, 088
Total	<u>\$ 8, 880</u>	<u>\$ 41, 089</u>	<u>\$ 41, 088</u>

A. Financial assets at amortized cost is recognized in the profit or loss shown as follows:

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Interest income	<u>\$ 55</u>	<u>\$ 92</u>
	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Interest income	<u>\$ 667</u>	<u>\$ 176</u>

B. As of September 30, 2025, December 31 and September 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's financial assets at amortized cost were carrying amounts.

C. Please see Note 8 how the Group provides financial assets at amortized cost as a pledged collateral.

(3) Accounts receivable

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Accounts receivable	\$ 102,534	\$ 88,103	\$ 84,465
Accounts receivable from related parties	<u>3,535</u>	<u>662</u>	<u>2,411</u>
	106,069	88,765	86,876
Less: Loss allowance	<u>( 15)</u>	<u>-</u>	<u>( 6,621)</u>
	<u>\$ 106,054</u>	<u>\$ 88,765</u>	<u>\$ 80,255</u>

A. The ageing analysis of accounts receivable is as follows :

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Not past due	\$ 101,417	\$ 87,295	\$ 79,402
Less than 30 days past due	3,143	1,470	853
Between 31 and 90 days past due	1,509	-	-
Between 91 and 180 days past due	-	-	-
More than 181 days past due	<u>-</u>	<u>-</u>	<u>6,621</u>
	<u>\$ 106,069</u>	<u>\$ 88,765</u>	<u>\$ 86,876</u>

The ageing analysis above was based on past due date.

B. As of September 30, 2025, December 31 and September 30, 2024, accounts receivable were all from contracts with customers. As of January 1, 2024, the balance of receivables from contracts with customers amounted to \$103,950.

C. As of September 30, 2025, December 31 and September 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were carrying amounts of accounts receivable.

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

(4)Inventories

	<u>September 30, 2025</u>		
	<u>Cost</u>	<u>Allowance</u>	<u>Carrying amount</u>
Raw materials	\$ 78, 093	(\$ 40, 960)	\$ 37, 133
Work in process	74, 166	( 6, 205)	67, 961
Finished goods	145, 930	( 74, 324)	71, 606
	<u>\$ 298, 189</u>	<u>(\$ 121, 489)</u>	<u>\$ 176, 700</u>

	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance</u>	<u>Carrying amount</u>
Raw materials	\$ 97, 585	(\$ 38, 793)	\$ 58, 792
Work in process	61, 552	( 3, 417)	58, 135
Finished goods	186, 067	( 73, 774)	112, 293
	<u>\$ 345, 204</u>	<u>(\$ 115, 984)</u>	<u>\$ 229, 220</u>

	<u>September 30, 2025</u>		
	<u>Cost</u>	<u>Allowance</u>	<u>Carrying amount</u>
Raw materials	\$ 106, 343	(\$ 42, 997)	\$ 63, 346
Work in process	47, 316	( 4, 014)	43, 302
Finished goods	205, 118	( 64, 335)	140, 783
	<u>\$ 358, 777</u>	<u>(\$ 111, 346)</u>	<u>\$ 247, 431</u>

Inventory costs recognized as an expense for the current period are as follows :

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Cost of inventory sold	\$ 138, 814	\$ 119, 183
Evaluation gain	( 4, 273)	( 2, 202)
Capacity difference	12, 658	6, 182
Income from sales of scraps	—	—
	<u>\$ 147, 199</u>	<u>\$ 123, 163</u>

	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Cost of inventory sold	\$ 393, 955	\$ 371, 845
Evaluation loss	7, 004	14, 954
Capacity difference	31, 430	28, 314
Income from sales of scraps	<u>–</u>	<u>( 638)</u>
	<u>\$ 432, 389</u>	<u>\$ 414, 475</u>

From July 1 to September 30, 2025 and 2024, part of the inventory for which the provision for impairment losses had been made in the previous period was sold, resulting in a recovery in the net realizable value of the inventory, which was recognized as a decrease in operating costs.

(5)Investments accounted for using equity method

	<u>2025</u>	<u>2024</u>
January 1	\$ 28, 427	\$ 25, 231
Share of profit of investments accounted for using equity method	1, 793	2, 203
Unrealized profit from sales	( 234)	( 275)
Realized profit from sales	179	282
Dividends received	( 1, 948)	–
Changes in equity of associates and joint ventures accounted for using equity method	<u>1</u>	<u>27</u>
September 30	<u>\$ 28, 218</u>	<u>\$ 27, 468</u>

The carrying amounts of individual insignificant associates of the Group and their shares in operating results are summarized as follows:

	<u>September 30, 2025</u>		<u>December 31, 2024</u>		<u>September 30, 2024</u>	
<u>Associate</u>	<u>Carrying amount</u>	<u>Ownership %</u>	<u>Carrying amount</u>	<u>Ownership %</u>	<u>Carrying amount</u>	<u>Ownership %</u>
Optomedia Technology Inc.	<u>\$ 28,218</u>	<u>31. 51%</u>	<u>\$ 28,427</u>	<u>31. 50%</u>	<u>\$ 27,468</u>	<u>30. 32%</u>

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Profit for the period	<u>\$ 1, 345</u>	<u>\$ 792</u>
Total comprehensive income	<u>\$ 1, 345</u>	<u>\$ 792</u>
	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Profit for the period	<u>\$ 1, 793</u>	<u>\$ 2, 203</u>
Total comprehensive income	<u>\$ 1, 793</u>	<u>\$ 2, 203</u>

(6) Property, plant and equipment

	2025			
	Buildings	Machinery	Others	Total
January 1				
Cost	\$ 880,644	\$ 2,522,692	\$ 147,964	\$ 3,551,300
Accumulated depreciations and impairment	( 677,418)	( 2,372,209)	( 104,215)	( 3,153,842)
	<u>\$ 203,226</u>	<u>\$ 150,483</u>	<u>\$ 43,749</u>	<u>\$ 397,458</u>
January 1	\$ 203,226	\$ 150,483	\$ 43,749	\$ 397,458
Acquisitions	1,159	27,411	19,838	48,408
Disposals	–	( 336)	( 5)	( 341)
Transfers	261	17,841	( 18,102)	–
Depreciation	( 15,932)	( 34,465)	( 305)	( 50,702)
Effect of exchange rate changes	–	( 1,403)	( 19)	( 1,422)
September 30	<u>\$ 188,714</u>	<u>\$ 159,531</u>	<u>\$ 45,156</u>	<u>\$ 393,401</u>
September 30				
Cost	\$ 882,063	\$ 2,533,173	\$ 145,266	\$ 3,560,502
Accumulated depreciations and impairment	( 693,349)	( 2,373,642)	( 100,110)	( 3,167,101)
	<u>\$ 188,714</u>	<u>\$ 159,531</u>	<u>\$ 45,156</u>	<u>\$ 393,401</u>



	2024			
	Buildings	Machinery	Others	Total
January 1				
Cost	\$ 880,459	\$ 2,657,732	\$ 133,750	\$ 3,671,941
Accumulated depreciations and impairment	( 651,451)	( 2,497,360)	( 103,154)	( 3,251,965)
	<u>\$ 229,008</u>	<u>\$ 160,372</u>	<u>\$ 30,596</u>	<u>\$ 419,976</u>
January 1	\$ 229,008	\$ 160,372	\$ 30,596	\$ 419,976
Acquisitions	85	10,840	28,755	39,680
Disposals	–	( 18)	( 423)	( 441)
Transfers	–	8,522	( 8,522)	–
Depreciation	( 19,720)	( 38,405)	( 373)	( 58,498)
Effect of exchange rate changes	–	1,414	20	1,434
September 30	<u>\$ 209,373</u>	<u>\$ 142,725</u>	<u>\$ 50,053</u>	<u>\$ 402,151</u>
September 30				
Cost	\$ 880,544	\$ 2,507,385	\$ 155,088	\$ 3,543,017
Accumulated depreciations and impairment	( 671,171)	( 2,364,660)	( 105,035)	( 3,140,866)
	<u>\$ 209,373</u>	<u>\$ 142,725</u>	<u>\$ 50,053</u>	<u>\$ 402,151</u>

A. From January 1 to September 30, 2025 and 2024, no interest was capitalized.

B. The significant components of the Group's building including building and ancillary equipment are depreciated at a rate of 40 years and 5~10 years respectively.

C. Refer to Note 8 for the Group's property, plant and equipment pledged to others.

(7) Leasing arrangements-lessee

A. The Group leases land and buildings and rental contracts are typically made for periods of 2~22 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	Carrying amount		
	September 30, 2025	December 31, 2024	September 30, 2024
Land	<u>\$ 96,653</u>	<u>\$ 105,811</u>	<u>\$ 107,509</u>
	Depreciation expenses		
	July 1 to September 30, 2025	July 1 to September 30, 2024	
Land	<u>\$ 1,627</u>	<u>\$</u>	<u>1,697</u>

	Depreciation expenses	
	January 1 to September 30, 2025	January 1 to September 30, 2024
Land	\$ 4,883	\$ 5,092

C. The increase in right-of-use assets for each of the nine months ended September 30, 2025 compared to the same period in 2024 was 0.

D. The information on profit or loss relating to lease contract as follows :

	July 1 to September 30, 2025	July 1 to September 30, 2024
<u>Items of profit or loss affected</u>		
Interest expense on lease liabilities	\$ 368	\$ 408
Short-term leases expenses	\$ 1,236	\$ 1,419
	January 1 to September 30, 2025	January 1 to September 30, 2024
<u>Items of profit or loss affected</u>		
Interest expense on lease liabilities	\$ 1,105	\$ 1,224
Short-term leases expenses	\$ 3,936	\$ 4,200

E. For the nine months ended September 30, 2025 and 2024, the Group's total cash outflow for leases were \$9,617 and \$10,111, respectively.

F. The decrease in lease payments based on land lease contract resulted in a decrease of \$4,274 in both right-of-use assets and lease liabilities for nine months ended September 30, 2025.

(8) Intangible assets

	2025			
	Software	Goodwill	Others	Total
January 1				
Cost	\$ 19,846	\$ 11,292	\$ 7,500	\$ 38,638
Accumulated amortization and impairment	( 19,690)	( 11,292)	( 7,500)	( 38,482)
	<u>\$ 156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156</u>
January 1	\$ 156	\$ -	\$ -	\$ 156
Amortization	( 56)	-	-	( 56)
September 30	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>
September 30				
Cost	\$ 19,846	\$ 11,292	\$ 7,500	\$ 38,638
Accumulated amortization and impairment	( 19,746)	( 11,292)	( 7,500)	( 38,538)
	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>

	2024			
	Software	Goodwill	Others	Total
January 1				
Cost	\$ 19,734	\$ 11,292	\$ 7,500	\$ 38,526
Accumulated amortization and impairment	( 19,643)	–	( 6,000)	( 25,643)
	<u>\$ 91</u>	<u>\$ 11,292</u>	<u>\$ 1,500</u>	<u>\$ 12,883</u>
January 1	\$ 91	\$ 11,292	\$ 1,500	\$ 12,883
Amortization	( 37)	–	( 1,125)	( 1,162)
September 30	<u>\$ 54</u>	<u>\$ 11,292</u>	<u>\$ 375</u>	<u>\$ 11,721</u>
September 30				
Cost	\$ 19,734	\$ 11,292	\$ 7,500	\$ 38,526
Accumulated amortization and impairment	( 19,680)	–	( 7,125)	( 26,805)
	<u>\$ 54</u>	<u>\$ 11,292</u>	<u>\$ 375</u>	<u>\$ 11,721</u>

A. Details of amortization of intangible assets are as follows:

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Administrative expenses	\$ 18	\$ 9
Research and development expenses	–	375
	<u>\$ 18</u>	<u>\$ 384</u>
	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Administrative expenses	\$ 56	\$ 37
Research and development expenses	–	1,125
	<u>\$ 56</u>	<u>\$ 1,162</u>

B. The Group has no intangible assets pledged to others.

(9) Short-term loans

The Group had no short-term loans at September 30, 2025 and December 31, 2024.

<u>Type of loans</u>	<u>September 30, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank unsecured loans	\$ 10,000	2.54634%	None
Bank secured loans	50,000	2.20%-2.425%	Bank deposit, Building
	<u>\$ 60,000</u>		

- A. The Group's unused credit line for short-term loans were \$573,000, \$582,060 and \$521,997 at September 30, 2025, December 31, 2024 and September 30, 2024 respectively.
- B. The interest expenses recognized in the income statement for the three months and nine months ended September 30, 2025 and 2024 were \$0, \$575, \$80 and \$2,578 respectively.
- C. Please refer to Note 8 for details on the collateral provided for borrowings.

(10) Other payables (including related parties)

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Salaries and bonus payable	\$ 23,699	\$ 23,668	\$ 18,851
Payable on employees' and directors' remuneration	347	347	347
Payable on machinery and equipment	7,913	4,901	2,155
Others	<u>58,690</u>	<u>53,185</u>	<u>56,394</u>
	<u>\$ 90,649</u>	<u>\$ 82,101</u>	<u>\$ 77,747</u>

(11)Long-term loans

<u>Institutions</u>	<u>Loan period</u>	<u>Collateral</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Taiwan Business Bank secured loan	2022.12.30~2027.12.30	Time deposits	\$ –	\$ 7,500	\$ 8,125
Hua Nan Commercial Bank secured loan	2024.07.08~2026.07.08	Demand deposits	–	70,000	70,000
First Commercial Bank unsecured loan	2025.04.28~2030.04.28	None	50,000	–	–
E.Sun Commercial Bank unsecured loan	2022.09.01~2025.03.01	None	–	8,190	16,334
Mega Bank secured loan	2024.06.27~2026.11.27	Time deposits	–	12,888	14,569
FCB Leasing Co., Ltd. secured loan	2022.06.20~2026.10.20	Machinery equipment	–	14,628	16,620
Chailease Finance Co., Ltd. secured loan	2023.03.10~2025.03.10	Refundable deposits	–	–	4,956
			50,000	113,206	130,604
Less: Long-term loans, current portion			( 5,208)	( 25,383)	( 38,483)
			<u>\$ 44,792</u>	<u>\$ 87,823</u>	<u>\$ 92,121</u>
Interest rate range			<u>2.70%</u>	<u>2.16%~6.345%</u>	<u>2.16%~6.345%</u>

A. The Group's unused credit line for long-term loans were \$75,000, \$50,000 and \$50,000 at September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

B. Refer to Note 8 for collateral for long-term loans.

(12)Pensions

- A. Effective from July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution retirement plan in accordance with the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. The Company and its domestic subsidiaries contribute 6% of the employees’ monthly salaries to the employees’ individual accounts with the Labor Insurance Bureau as retirement benefits, and the retirement benefits are paid to employees in the form of monthly annuities or lump-sum payments based on the accumulated balance and investment income in the employees’ individual retirement accounts.
- B. The Company has established the “Retirement Regulations for Appointed Managers” which is applicable to managers with R.O.C nationality, and the Company shall assess and pay retirement benefits in accordance with the Regulations.
- C. Zhuhai FTZ. ProRay Optoelectronics Technology Co., Ltd. contributes to the social security fund, including pension insurance, in accordance with the regulations of the People's Republic of China. The company has no further obligation beyond the monthly contributions.
- D. The Group recognized pension costs under the defined contribution plan aforementioned amounted to \$3,398, \$3,460, \$10,157 and \$17,890 for the three months and nine months ended September 30, 2025 and 2024, respectively.

(13)Capital share

As of September 30, 2025, the Company’s authorized capital was \$2,000,000, consisting of 200,000 thousand shares of common stock, and the paid-in capital was \$1,114,747 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

The movements in the number of the Company's common stocks outstanding are as follows:

	Unit : thousand shares	
	2025	2024
January 1	111, 475	96, 475
Issuing new shares	–	15, 000
September 30	111, 475	111, 475

On March 6, 2024, the Board of Directors of the Company approved 5 installments private placement (11201~11205) of common stock. The domestic cash capital increase within the limit of 15,000,000 shares. The subscription price per share for the private placement is NT\$30.4, and the estimated proceeds are NT\$456,000. Record date of private placement was 2024/3/15, and registration changing has been completed. Except for the restrictions on circulation and transfer stipulated by the Securities and Exchange Law, the rights and obligations of this private placement of ordinary shares can only be applied for OTC listing and trading 3 years after the date of delivery and after the public issuance. The rest are the same as other issued ordinary shares.

(14)Capital surplus

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

	2025		
	Shares Premium	Changes in equity of associates	Total
January 1	\$ 306, 000	\$ 311	\$ 306, 311
Changes in equity of associates and joint ventures accounted for using equity method	–	1	1
September 30	<u>\$ 306, 000</u>	<u>\$ 312</u>	<u>\$ 306, 312</u>

	2024			
	Shares Premium	Changes in ownership interest in subsidiaries	Changes in equity of associates	Total
January 1	\$ 336, 237	\$ 6, 180	\$ –	\$ 342, 417
Deficit compensation	( 336, 237)	( 6, 180)	–	( 342, 417)
Issuing new shares	306, 000	–	–	306, 000
Changes in equity of associates and joint ventures accounted for using equity method	–	–	27	27
September 30	<u>\$ 306, 000</u>	<u>\$ –</u>	<u>\$ 27</u>	<u>\$ 306, 027</u>

(15)Retained earnings(Accumulated deficit)

A. Under the Company's Articles of Incorporation, the current year's profit after income tax, shall first be offset against prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. When such legal reserve amounts to the total authorized capital, the Company shall not be subject to this requirement. The Company may then appropriate or reverse a certain amount as special reserve according to the demand for the business or relevant regulations. After the distribution of earnings, the remaining earnings and prior year's undistributed earnings may be appropriated according to a resolution of the Board of Directors adopted in the shareholders' meeting.

B. The Company's dividend policy is based on the principle of a prudent balance, considering factors such as the Company's environment, stage of growth, future capital needs, and long-term financial planning, with the goal of meeting shareholders' demand for cash inflows. No less than 5% of the Company's available-for-distribution earnings are allocated to dividends and bonuses to shareholders, except that no dividend may be distributed if the accumulated available-for-

distribution earnings are less than 10% of the Company's paid-in capital. Dividends and bonuses to shareholders may be distributed in the form of cash or shares, with cash dividends to shareholders of at least 10% of the total amount of dividends and bonuses.

- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. The Company's shareholders' meeting resolved to compensate deficit with capital surplus of \$342,417, legal reserve of \$433 and special reserve of \$3,893 on May 30, 2024.

The Company's shareholders' meeting resolved 2024 deficit appropriation on May 27, 2025.

(16) Other equity

	<u>2025</u>	<u>2024</u>
	Unrealize evaluation gain (loss)	Unrealize evaluation gain (loss)
January 1	(\$ 10,584)	(\$ 15,643)
Currency translation difference- the Group	( 5,456)	6,242
September 30	<u>(\$ 16,040)</u>	<u>(\$ 9,401)</u>

(17) Operating revenue

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Revenue from contracts with customers	<u>\$ 150,883</u>	<u>\$ 132,246</u>
	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Revenue from contracts with customers	<u>\$ 510,218</u>	<u>\$ 426,461</u>

The Group's revenue, which is derived from transfer of goods and services at a point of time, is subcategorized into the following product categories and geographic areas:



Product category:

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Chips and components	\$ 86,698	\$ 80,959
Optical transmission and connection modules	52,770	48,836
Others	11,415	2,451
	<u>\$ 150,883</u>	<u>\$ 132,246</u>
	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Chips and components	\$ 311,240	\$ 278,877
Optical transmission and connection modules	142,746	119,243
Others	56,232	28,341
	<u>\$ 510,218</u>	<u>\$ 426,461</u>

Geographic areas:

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
China	\$ 11,494	\$ 22,593
Taiwan	86,643	64,813
Others in Asia	25,457	20,853
Europe and America	27,289	23,987
	<u>\$ 150,883</u>	<u>\$ 132,246</u>
	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
China	\$ 43,444	\$ 45,950
Taiwan	313,312	199,225
Others in Asia	71,417	80,896
Europe and America	82,045	100,390
	<u>\$ 510,218</u>	<u>\$ 426,461</u>

Revenue for the three months and nine months ended September 30, 2025 and 2024 were categorized by product application, with percentages as follows: Broadband Network 13%, 7%, 10% and 11%, 4G/5G Base Station Interconnection 35%, 43%, 30% and 38%, Cloud Data Center 13%, 12%, 24% and 9%, Sensing application 28%, 33%, 23% and 32%, and Other 11%, 5%, 13% and 10%.

(18)Interest income

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Interest income from bank deposits	\$ 376	\$ 1,448
Interest income from financial assets measured at amortized cost	55	92
	<u>\$ 431</u>	<u>\$ 1,540</u>

	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Interest income from bank deposits	\$ 1, 669	\$ 5, 508
Interest income from financial assets measured at amortized cost	667	176
	<u>\$ 2, 336</u>	<u>\$ 5, 684</u>

(19)Other income

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Rent income	\$ 151	\$ 145
Others	284	435
	<u>\$ 435</u>	<u>\$ 580</u>
	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Rent income	\$ 441	\$ 434
Others	463	669
	<u>\$ 904</u>	<u>\$ 1, 103</u>

(20)Other gains and losses

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Gain on disposals of property, plant and equipment	(\$ 341)	\$ 842
Net currency exchange (loss) gain	581	( 4, 897)
Others	( 255)	( 256)
	<u>(\$ 15)</u>	<u>(\$ 4, 311)</u>
	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Gain on disposals of property, plant and equipment	(\$ 341)	\$ 843
Net currency exchange (loss) gain	( 12, 226)	3, 366
Others	( 770)	( 762)
	<u>(\$ 13, 337)</u>	<u>\$ 3, 447</u>

(21)Finance cost

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Interest expenses :		
Bank loans	\$ 594	\$ 1,599
Lease liabilities	<u>368</u>	<u>408</u>
	<u>\$ 962</u>	<u>\$ 2,007</u>
	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Interest expenses :		
Bank loans	\$ 2,334	\$ 6,029
Lease liabilities	<u>1,105</u>	<u>1,224</u>
	<u>\$ 3,439</u>	<u>\$ 7,253</u>

(22)Additional disclosures on expenses of nature

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Employee benefit expenses	\$ 74,839	\$ 73,565
Depreciation	18,498	19,799
Amortization	<u>18</u>	<u>384</u>
	<u>\$ 93,355</u>	<u>\$ 93,748</u>
	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Employee benefit expenses	\$ 230,684	\$ 247,841
Depreciation	55,585	63,590
Amortization	<u>56</u>	<u>1,162</u>
	<u>\$ 286,325</u>	<u>\$ 312,593</u>

(23)Employee benefit expenses

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Wages and salaries	\$ 62,460	\$ 60,989
Labor and health insurance	5,650	5,751
Pension	3,398	3,460
Other personnel expenses	<u>3,331</u>	<u>3,365</u>
	<u>\$ 74,839</u>	<u>\$ 73,565</u>

	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Wages and salaries	\$ 192, 978	\$ 201, 639
Labor and health insurance	17, 467	17, 654
Pension	10, 157	17, 890
Other personnel expenses	10, 082	10, 658
	<u>\$ 230, 684</u>	<u>\$ 247, 841</u>

A. In accordance with the Articles of Incorporation of the Company, ratios of distributable profit of the current year, after covering accumulated deficit, shall be distributed as employees' compensation and directors' remuneration. The ratios shall be not less than 10% for employees' compensation and not more than 2% for directors' remuneration.

B. The Company would not recognize employees' compensation and directors' remuneration as expenses because of the losses for nine months ended September 30, 2025 and 2024.

C. Information related to employees' compensation and directors' remuneration shall be inquired at the Market Observation Post System website.

(24) Income tax

A. Income tax expense

Components of income tax expense :

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Current tax :		
Current tax on profit or loss	\$ —	\$ —
Total current tax	—	—
Deferred tax :		
Effect on changes of realizable deferred tax assets or liabilities	—	—
Total deferred tax	—	—
Income tax expense	<u>\$ —</u>	<u>\$ —</u>

  

	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Current tax :		
Current tax on profit or loss	\$ —	\$ —
Total current tax	—	—
Deferred tax :		
Effect on changes of realizable deferred tax assets or liabilities	—	—
Total deferred tax	—	—
Income tax expense	<u>\$ —</u>	<u>\$ —</u>

B. The Company's income tax returns have been examined by the tax authority through the years up to 2023.

(25) Loss per share

<u>Three months ended September 30, 2025</u>			
		<u>Weighted average number of common shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
	<u>Amount after tax</u>		
<u>Basic and dilutive loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	<u>(\$ 51,533)</u>	<u>111,475</u>	<u>(\$ 0.46)</u>

<u>Three months ended September 30, 2024</u>			
		<u>Weighted average number of common shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
	<u>Amount after tax</u>		
<u>Basic and dilutive loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	<u>(\$ 56,088)</u>	<u>111,475</u>	<u>(\$ 0.50)</u>

<u>Nine months ended September 30, 2025</u>			
		<u>Weighted average number of common shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
	<u>Amount after tax</u>		
<u>Basic and dilutive loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	<u>(\$ 104,307)</u>	<u>111,475</u>	<u>(\$ 0.94)</u>

<u>Nine months ended September 30, 2024</u>			
		<u>Weighted average number of common shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
	<u>Amount after tax</u>		
<u>Basic and dilutive loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	<u>(\$ 191,130)</u>	<u>107,464</u>	<u>(\$ 1.78)</u>

(26) Transactions with non-controlling interest

The Company was resolved by the board of directors on May 13, 2025 to participate in the cash

capital increase of YLTL Technology Corporation by \$150,000, and the record date of the capital increase is June 1, 2025. Due to the Group failed to subscribe in accordance with the shareholding ratio, this transaction increased non-controlling interest by \$55,098, and decreased the equity attributable to the parent company's owners by \$55,098.

(27) Supplemental cash flow information

Investing activities with partial cash collection and payments:

	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Purchase of property, plant and equipment	\$ 48,408	\$ 39,680
Add: Opening balance of payable on equipment	4,901	19,615
Less: Ending balance of payable on equipment	( 7,913)	( 2,155)
Cash paid during the period	<u>\$ 45,396</u>	<u>\$ 57,140</u>

(28) Changes in liabilities from financing activities

	Long-term loans (including Current portion )	Lease liabilities	Total liabilities financing activities
January 1, 2025	\$ 113,206	\$ 110,403	\$ 223,609
Changes in cash flow	( 63,206)	( 4,576)	( 67,782)
Interest paid	-	( 1,105)	( 1,105)
Other non-cash changes	-	( 3,169)	( 3,169)
September 30, 2025	<u>\$ 50,000</u>	<u>\$ 101,553</u>	<u>\$ 151,553</u>

  

	Short-term loans	Long-term loans (including Current portion )	Lease liabilities	Total liabilities financing activities
January 1, 2024	\$ 150,385	\$ 193,472	\$ 116,652	\$ 460,509
Changes in cash flow	( 90,700)	( 62,868)	( 4,687)	( 158,255)
Interest paid	-	-	( 1,224)	( 1,224)
Effect of exchange rate changes	-	-	-	-
Other non-cash changes	315	-	1,224	1,539
September 30, 2024	<u>\$ 60,000</u>	<u>\$ 130,604</u>	<u>\$ 111,965</u>	<u>\$ 302,569</u>

## 7. RELATED PARTIES TRANSACTION

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

<u>Name</u>	<u>Relationship with the Group</u>
Optomedia Technology Inc.	Associate
Taiwan Mask Corporation	Individuals with significant influence on the Group (Note)
Xsense Technology Corporation	Other related party
Sheng-Hsien Liu	Other related party

Note: Taiwan Mask Corporation is the single largest shareholder of the Company with a shareholding ratio of 12.11%, which has significant influence on the Group.

### (2) Significant transactions and balances with related parties :

#### A. Operating revenue

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Operating revenue :		
Associates	<u>\$ 4,843</u>	<u>\$ 3,794</u>
	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Operating revenue :		
Associates	<u>\$ 9,091</u>	<u>\$ 9,767</u>

#### B. Purchases

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Purchases :		
Other related parties	<u>\$ -</u>	<u>\$ -</u>
	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Purchases :		
Other related parties	<u>\$ 54</u>	<u>\$ -</u>

#### C. Accounts receivable due from related parties

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Accounts receivable :			
Associates	<u>\$ 3,535</u>	<u>\$ 662</u>	<u>\$ 2,411</u>

The accounts receivable due from related parties mainly arise from sales of goods, and the transaction term of sales of goods is about 30 days. The above accounts receivable is unsecured in nature and bear no interest and for which no allowance loss.

#### D. Payables to related parties

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Accounts payable :			
Other related parties	\$ 3	\$ –	\$ –
Other payables :			
Individuals with significant influence on the Group	<u>50</u>	<u>555</u>	<u>127</u>
Total	<u>\$ 53</u>	<u>\$ 555</u>	<u>\$ 127</u>

The payables to related parties mainly arise from purchases and acquisitions of production and R&D materials and other expenses. The transaction terms were similar to those for third parties.

E. Sheng-Hsien Liu lent \$10,000 to the Group at an interest rate of 2% in 2023, and the Group repaid the loan on June 28, 2024 with an accumulated interest payment of \$132.

#### (3) Information about remunerations to the major management

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>
Salaries and other short-term employee benefits	\$ 4,954	\$ 4,649
Post-employment benefits	<u>108</u>	<u>108</u>
Total	<u>\$ 5,062</u>	<u>\$ 4,757</u>
	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Salaries and other short-term employee benefits	\$ 14,759	\$ 20,506
Post-employment benefits	<u>324</u>	<u>7,211</u>
Total	<u>\$ 15,083</u>	<u>\$ 27,717</u>



## 8. PLEDGED ASSETS

Details of the assets provided as security by the Group are as follows:

Pledged assets	Carrying amount			Purposes
	September 30, 2025	December 31, 2024	September 30, 2024	
Demand deposits (listed in current financial assets at amortized cost)	\$ –	\$ –	\$ 6,250	Pledged for short-term loan
Demand deposits (listed in non-current financial assets at amortized cost)	–	7,000	7,000	Pledged for long-term loan
Time deposits (listed in non-current financial assets at amortized cost)	8,880	34,089	34,088	Pledged for long-term loans, customs duties guarantee and lease guarantee
Buildings	159,310	166,833	169,341	Pledged for credit line of short-term loan
Machinery equipment	–	24,476	26,232	Pledged for long-term loan
Refundable deposits (listed in other non-current assets)	–	–	3,000	Pledged for long-term loan
	<u>\$ 168,190</u>	<u>\$ 232,398</u>	<u>\$ 245,911</u>	

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	<u>\$ 7,077</u>	<u>\$ 20,473</u>	<u>\$ 21,282</u>

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

## 12. OTHERS

### (1) Capital management

The objective of capital management is to ensure the Group can continue to operate and grow, while optimizing debt and equity balances to provide sufficient returns to shareholders. The capital structure management strategy of the Group is based on the industry scale, future growth prospects and product development plans of our business, taking into account the cyclical fluctuations of the industry and product life cycles, in order to plan the necessary production capacity and corresponding capital expenditures and determine an appropriate capital structure for the Group. The management team of the Group regularly reviews the capital structure and considers the costs

and risks associated with different capital structures. Generally, the Group adopts a prudent risk management strategy.

On September 30, 2025, December 31, 2024 and September 30, 2024, the Group's liability ratio are as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Total liabilities	\$ 270,564	\$ 327,567	\$ 405,634
Total assets	<u>1,066,746</u>	<u>1,237,784</u>	<u>1,368,262</u>
Liabilities/assets ratio	<u>25%</u>	<u>26%</u>	<u>30%</u>

## (2) Financial instruments

### A. Financial instruments by category

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 223,224	\$ 317,418	\$ 394,651
Financial assets at amortized cost	8,880	41,089	53,138
Accounts receivable(including related parties)	106,054	88,765	80,255
Other receivables	1,105	2,071	2,408
Refundable deposits	<u>2,799</u>	<u>2,880</u>	<u>5,902</u>
	<u>\$ 342,062</u>	<u>\$ 452,223</u>	<u>\$ 536,354</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term loans	\$ –	\$ –	\$ 60,000
Notes payable	2,437	50	3,376
Accounts payable (including related parties)	22,833	18,182	19,222
Other payables(including related parties)	90,649	82,101	77,747
Long-term loans(including current portion)	50,000	113,206	130,604
Deposits received	<u>113</u>	<u>113</u>	<u>113</u>
	<u>\$ 166,032</u>	<u>\$ 213,652</u>	<u>\$ 291,062</u>
Lease liabilities	<u>\$ 101,553</u>	<u>\$ 110,403</u>	<u>\$ 111,965</u>

### B. Financial risk management policies

The Group's operating activities expose the Group to a variety of financial risks, including market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The financial risk management policies of the Group focus on minimizing any

adverse effects on the financial position and performance.

### C. Nature and degree of significant financial risks

The risk management work is carried out by the financial units of the Group in accordance with the policies approved by the board of directors. The financial units of the Group work closely with the operational units of the Group and are responsible for identifying, evaluating, and avoiding financial risks. The financial risk management policy is regularly reviewed to reflect changes in market conditions and the operation of the Group.

#### (a) Market risk

##### Foreign exchange risk

- (i) The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Group used in various functional currency, primarily with respect to the USD, Japanese yen and RMB. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.
- (ii) The Group follows the principle of natural hedging and conducts hedging based on the market forex conditions according to the funding needs and net positions (the difference between foreign currency assets and liabilities positions) of each currency. When a short-term imbalance occurs, the Group will buy or sell foreign currency at the spot rate to ensure that the net exposure is maintained at an acceptable level.
- (iii) The Group's businesses involve some non-functional currency operations (the Company's and some subsidiaries' functional currency is NTD and some subsidiaries' functional currency is RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

September 30, 2025				
Foreign currency			Carrying amount	
<u>amount (in thousands)</u>		<u>Exchange rate</u>	<u>(NT\$ thousands)</u>	
Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$	5, 256	30. 445	\$ 160, 019
RMB : NTD		3, 484	4. 271	14, 880
GBP : NTD		6	40. 97	246
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	\$	773	30. 445	\$ 23, 534
USD : RMB		438	7. 1055	13, 335
RMB : NTD		20, 866	4. 2710	89, 119

December 31, 2024			
Foreign currency: functional currency)	Foreign currency		Carrying amount
	<u>amount (in thousands)</u>	<u>Exchange rate</u>	<u>(NT\$ thousands)</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 4,691	32.785	\$ 153,794
RMB : NTD	4,347	4.478	19,466
Yen : NTD	578	0.2099	121
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 504	32.785	\$ 16,524
USD : RMB	438	7.1884	14,360
RMB : NTD	24,492	4.478	109,675

  

September 30, 2024			
Foreign currency: functional currency)	Foreign currency		Carrying amount
	<u>amount (in thousands)</u>	<u>Exchange rate</u>	<u>(NT\$ thousands)</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 4,908	31.65	\$ 155,338
RMB : NTD	4,099	4.523	18,540
Yen : NTD	523	0.2223	116
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 848	31.65	\$ 26,839
USD : RMB	438	7.0074	13,863
RMB : NTD	25,805	4.523	116,716

(iv) Net currency exchange gains or loss (including realized and unrealized) arising from foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2025 and 2024 amounted to \$581, (\$4,897), (\$12,226) and \$3,366, respectively.

(v) Analysis of foreign currency market risk arising from significant foreign exchange variation is as follows:

Nine months ended September 30, 2025			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive Income
Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 1,600	\$ –
RMB : NTD	1%	149	–
GBP : NTD	1%	2	–
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	(\$ 235)	\$ –
USD : RMB	1%	( 133)	–
RMB : NTD	1%	( 891)	–

Nine months ended September 30, 2024			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive Income
Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 1,553	\$ –
RMB : NTD	1%	185	–
Yen : NTD	1%	1	–
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	(\$ 268)	\$ –
USD : RMB	1%	( 139)	–
RMB : NTD	1%	( 1,167)	–

### Price risk

The Group had no equity instruments exposed to price risk at September 30, 2025, December 31, 2024 and September 30, 2024.

### Cash flow and fair value interest rate risk

(i) The Group's main interest rate risk arises from short-term loans and long-term loans with

variable rates which expose the Group to cash flow interest rate risk. During the nine months ended September 30, 2025 and 2024, the Group's borrowings at variable rates were denominated in NTD and RMB.

- (ii) The Group's borrowings are measured at amortized cost and are repriced annually according to the contract's agreed-upon interest rate. Therefore, the Group is exposed to the risk of future market interest rate changes.
- (iii) When borrowing rates rise or fall by 1%, while all other factors remain constant, the Group's net profit after tax for the nine months ended September 30, 2025 and 2024, will decrease or increase by \$666 and \$1,475, respectively, mainly due to the fluctuation of interest expense resulting from floating-rate borrowings.

(b) Credit risk

- (i) Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of financial assets at amortized cost which were settled in accordance with contractual agreements.
- (ii) The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only well rated parties are accepted. According to the Group's credit policy, each operating entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings, and the utilization of credit limits is regularly monitored.
- (iii) If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- (iv) The default occurs when the contract payments are past due over one year.
- (v) The Group classifies customer's accounts receivable and applies the simplified approach using the provision matrix to estimate expected credit loss. For accounts receivable with objective evidence of individual impairment, the recoverable amount of individual assessed accounts is used as the basis for determining the impairment loss.
- (vi) The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
  - i. It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
  - ii. The disappearance of an active market for that financial asset because of financial difficulties;
  - iii. Default or delinquency in interest or principal repayments;
  - iv. Adverse changes in national or regional economic conditions that are expected to cause a default.
- (vii) The Group writes off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures.
- (viii) The Group has incorporated forward-looking considerations to adjust the loss rate built according to historic and current data in order to estimate the loss allowance of accounts

receivables. The provision matrix for September 30, 2025, December 31, 2024 and September 30, 2024 are shown as follows:

	Not past due	Less than 30 days past due	31~90 days past due	91~180 days past due	181~360 days past due	More than 360 days past due	Total carrying amount for individuals
<u>September 30, 2025</u>							
Expected loss rate	0.03%	0.03%	1%	3%	10%	100%	
Carrying amount	\$101,417	\$ 3,143	\$ 1,509	\$ -	\$ -	\$ -	\$106,069
Loss allowance	\$ -	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ 15

	Individuals	Other	Total
<u>September 30, 2025</u>			
Expected loss rate	100%	0.03%-100%	
Carrying amount	\$ -	\$106,069	\$106,069
Loss allowance	\$ -	\$ 15	\$ 15

	Not past due	Less than 30 days past due	31~90 days past due	91~180 days past due	181~360 days past due	More than 360 days past due	Total carrying amount for individuals
<u>December 31, 2024</u>							
Expected loss rate	0.03%	0.03%	1%	3%	10%	100%	
Carrying amount	\$ 87,295	\$ 1,470	\$ -	\$ -	\$ -	\$ -	\$ 88,765
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Individuals	Other	Total
<u>December 31, 2024</u>			
Expected loss rate	100%	0.03%-100%	
Carrying amount	\$ -	\$ 88,765	\$ 88,765
Loss allowance	\$ -	\$ -	\$ -

	Not past due	Less than 30 days past due	31~90 days past due	91~180 days past due	181~360 days past due	More than 360 days past due	Total carrying amount for individuals
<u>September 30, 2024</u>							
Expected loss rate	0.03%	0.03%	1%	3%	10%	100%	
Carrying amount	\$ 79,402	\$ 853	\$ -	\$ -	\$ -	\$ -	\$ 80,255
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Individuals	Other	Total
<u>September 30, 2024</u>			
Expected loss rate	100%	0.03%-100%	
Carrying amount	\$ 6,621	\$ 80,255	\$ 86,876
Loss allowance	\$ 6,621	\$ -	\$ 6,621

(ix) Movements in relation to the allowance for accounts receivable are as follows:

	2025	2024
January 1	\$ -	\$ 7,350
Recognize (reversal)	15	( 729)
September 30	\$ 15	\$ 6,621

(c) Liquidity risk

(i) Cash flow forecasts are executed by each operating entities within the Group and

summarized by the Group's financial units. The Group's financial units monitor the forecasted liquidity requirements of the Group to ensure that it has sufficient funds to support its operational needs and maintains sufficient unused borrowing commitments at all times to prevent the Group from violating relevant borrowing limits or terms. These forecasts take into account the Group's debt financing plan, compliance with debt terms, according with financial ratio targets on the internal balance sheet, and external regulatory requirements such as foreign exchange controls.

(ii) The table below analyses the Group's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the financial reporting period to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

September 30, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
<b>Non-derivative financial liabilities:</b>				
Notes payable	\$ 2,437	\$ -	\$ -	\$ -
Accounts payable (including related parties)	22,833	-	-	-
Other payables (including related parties)	90,649	-	-	-
Lease liabilities	7,575	7,575	22,726	74,490
Long-term loans (including current portion)	6,535	13,555	33,454	-

Derivative financial liabilities: none

December 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
<b>Non-derivative financial liabilities:</b>				
Notes payable	\$ 50	\$ -	\$ -	\$ -
Accounts payable	18,182	-	-	-
Other payables (including related parties)	82,101	-	-	-
Lease liabilities	7,880	7,880	23,641	83,401
Long-term loans (including current portion)	28,114	86,610	2,537	-

Derivative financial liabilities: none

September 30, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
<b>Non-derivative financial liabilities:</b>				
Short-term loans	\$ 60,206	\$ -	\$ -	\$ -
Notes payable	3,376	-	-	-
Accounts payable	19,222	-	-	-
Other payables (including related parties)	77,747	-	-	-
Lease liabilities	7,880	7,880	23,641	85,371
Long-term loans (including current portion)	41,625	89,093	4,988	-

Derivative financial liabilities: none

(iii) The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor expect the actual cash flow



amount to be significantly different.

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

Level 3: Unobservable inputs for the asset or liability.

- B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, accounts receivable, other receivables, short-term loans, notes payable, accounts payable, other payables, lease liabilities and long-term loans (including current portion) are reasonably approximate to the fair values.

- C. The Group had no significant financial instruments measured at fair value at September 30, 2025, December 31, 2024 and September 30, 2024.
- D. For the nine months ended September 30, 2025 and 2024, there were no transfers between Level 1 and Level 2.
- E. For the nine months ended September 30, 2025 and 2024, there were no changes of fair value for Level 3.
- F. For the nine months ended September 30, 2025 and 2024, there were no transfers into or out from Level 3.

### 13. DISCLOSURES IN NOTES

#### (1) Information on significant transactions

- A. Lending funds to others: Please refer to Table 1.
- B. Providing endorsements or guarantees to others: Please refer to Table 2.
- C. Holding of marketable securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture): None.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in-capital or more: None.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in-capital or more: None.
- F. The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them: Please refer to Table 3.

#### (2) Information on investees

Names, locations, and related information of investees (excluding information on investment in mainland China): Please refer to Table 4.

#### (3) Information on investments in Mainland China

- A. Basic information: Please refer to Table 5.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in China: Please refer to Table 6.

#### 14. OPERATING SEGMENT INFORMATION

##### (1) General Information

The Company's management would identify reporting departments based on the reported information used by operational decision makers when making decisions.

The Company's operational decision-makers operate the business from a regional perspective. Currently, the Company focuses on the key components of optical communication in various regions. In addition to the parent company, to respond to the main customer's future market strategy, we continue to develop the operations of Zhuhai FTZ. ProRay Optoelectronics Technology Co., Ltd. and YLTLink Technology Corporation in the non-optical communication product field. Although their operating scales do not meet the quantitative threshold for reporting departments as stipulated in IFRS No. 8, they are considered potential growth areas by the Company, which can enhance the breadth of the Group's operations and overall competitiveness. Moreover, we expect that they will make significant contributions to the Company's revenue in the future, so we have decided to report these three departments.

TrueLight (B.V.I.) Ltd. and ProRay Limited are only equity investment companies and their businesses are not included in the reports submitted to the operating decision-makers. Therefore, they are not included in the departments that should be reported. The operating results of these companies are consolidated and expressed in the "Others" column.

##### (2) Measurement of Departmental Information

The accounting policies of the operating segments are summarized in the same manner as described in Note 4, and the Company's operating decision-makers evaluate the performance of each operating segment based on the financial reports prepared by each segment. The operating segment profit or loss is measured based on the pre-tax profit or loss of the continuing operations.

##### (3) Information on the income, assets, and liabilities of operating segments

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

Nine months ended September 30, 2025		ZHUHAI FTZ		YLTLink Technology		Adjustments and	
	TrueLight Corporation	PRORAY CO., LTD.	Corporation	Others	Eliminations	Consolidation	
Segment revenue	\$ 501,694	\$ -	\$ 8,524	\$ -	\$ -	\$ 510,218	
Internal revenue	\$ 48	\$ 10,175	\$ 12,774	\$ -	(\$ 22,997)	\$ -	
Segment profit or loss	(\$ 76,928)	(\$ 21,781)	(\$ 9,092)	(\$ 820)	\$ 41	(\$ 108,580)	
September 30, 2025							
Segment assets (note)	\$ 966,124	\$ 114,987	\$ 73,138	\$ 9,274	(\$ 127,037)	\$ 1,036,486	
Segment liabilities	\$ 351,973	\$ 27,214	\$ 13,053	\$ -	(\$ 121,676)	\$ 270,564	
Nine months ended September 30, 2024		ZHUHAI FTZ		YLTLink Technology		Adjustments and	
	TrueLight Corporation	PRORAY CO., LTD.	Corporation	Others	Eliminations	Consolidation	
Segment revenue	\$ 411,769	\$ 3	\$ 14,689	\$ -	\$ -	\$ 426,461	
Internal revenue	\$ 30	\$ 9,801	\$ 19,411	\$ -	(\$ 29,242)	\$ -	
Segment profit or loss	(\$ 123,959)	(\$ 58,922)	(\$ 16,719)	\$ 189	(\$ 3,952)	(\$ 203,363)	
September 30, 2024							
Segment assets (note)	\$ 1,308,749	\$ 151,085	\$ 84,711	\$ 9,712	(\$ 251,566)	\$ 1,302,691	
Segment liabilities	\$ 470,652	\$ 27,222	\$ 162,752	\$ -	(\$ 254,992)	\$ 405,634	

Note : Deferred tax assets and financial instruments listed in non-current assets are not included.

TrueLight Corporation and Subsidiaries  
Loans to others  
Nine months ended September 30, 2025

Table 1

(Unless otherwise specified)																
No. (Note 1)	Company that lent funds	Borrowing party	General ledger account	Related party?	Maximum		Amount actually drawn	Range of Amount	Nature of loan	Amount of transaction with borrower	Reason for short- term financing	Amount of recognized impairment loss	Limit on loans		Ceiling on total loan granted	Note
					Balance for the	Ending							granted to	a single party		
					Period	balance							Name	Value	(Note 2)	(Note 2)
0	TrueLight Corporation	YLTLink Technology Corporation	Other Receivables— Related Parties	Y	\$ 94,890	\$ -	\$ -	2.5%-2.72%	Short-term financing	-	Working capital turnover and other receivables beyond the normal credit term shall be regarded as financings provided.	-	None	-	\$ 79,227	\$ 118,840

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

- (1) Fill in "0" for the issuer.
- (2) The investee company is numbered in sequence starting from the Arabic numeral 1 according to company type.

Note 2 : Amendment to the Operation Procedures of Funds Lending :

- (1) Aggregate amount of lending Funds :The accumulated total of loans granted shall not exceed 30% of the net worth of the Company. Where funds are lent to a company or business with business relationship, the accumulated amount of such loan shall not exceed 70% of the net worth of the Company. Where funds are lent to a company or business with a short-term financing need, the accumulated amount of such loans shall not exceed 50% of the net worth of the Company.
- (2) Maximum amount permitted to a single borrower The amount of an individual loan granted by the Company to a company or business with business relationship with the Company shall not exceed the business transaction amount in the past year between the parties. Where funds are lent to a company or business with short-term financial need, each individual loan shall not exceed 10% of the net worth of the Company.
- (3) "Business transaction amount" refers to the amount of purchase or sale between the parties, whichever is higher.

TrueLight Corporation and Subsidiaries  
**Provision of endorsements and guarantees to others**  
Nine months ended September 30, 2025

Table 2

Unit : NT\$ thousand  
(Unless otherwise specified)

No. (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed		Limit on guarantee provided for a single party (Note 3)	Maximum balance of endorsement /guarantee for the period (Note 4)	Ending balance of endorsement /guarantee	Actual amount drawn down	Amount of endorsements /guarantees secured with collateral	accumulated Endorsement/ Guarantee to net equity per latest financial statement	Maximum Endorsement/ Guarantee amount allowable	Guarantee provided by parent company (Note 5)	Guarantee provided to parent company (Note 5)	Guarantee the party in Mainland China (Note 5)	Note
		Company name	Relationship (Note 2)											
0	TrueLight Corporation	YLTLINK Technology	(1)	\$ 111,474	\$ 25,209	\$ -	\$ -	\$ -	-	\$ 111,474	Y	N	N	-

Note1 : The numbers filled in for the endorsements /guarantees provided by the Company or subsidiaries are as follows :

(1).The Company is '0' .

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

Note2 : Relationship between the endorser/ guarantor and the party being endorsed /guaranteed is classified into the following seven categories:

(1).Having business relationship.

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

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

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

(5).Mutual guarantee of the trade made by the endorsed/guaranteed company of joint contractor as required under the construction contract.

(6).Due to joint venture, all shareholders provide endorsements/ guarantees to the endorsed /guaranteed company in proportion to its ownership.

(7)Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note3 : According to the Company's Operating Procedures of Endorsement / Guarantees, the quota of endorsement/guarantee for a enterprise is limited to be up to 10% of the Company's latest financial statement paid-in capital.

For a company, which is held by 100% shareholdings by the Company, the quota of endorsement/guarantee is limited to be up to the financial statement paid-in capital.

Note4 : The maximum balance of endorsement/guarantee for others in the current year.

Note5 : Y must be filled in only if the parent company of the listed company endorses the subsidiary company, if the subsidiary company endorses the parent company of the listed company, and if it belongs to the mainland China area.

TrueLight Corporation and Subsidiaries  
Significant inter-company transactions during the reporting period  
Nine months ended September 30, 2025

Table 3

Unit : NT\$ thousand  
(Unless otherwise specified)

No. (Note1)	Company name	Counterparty	Relationship (Note2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note3)
				General ledger account	Amount	Transaction terms	
0	TrueLight Corporation	ZHUHAI FTZ PRORAY CO.,LTD	1	Other payables	\$ 89,119	Note4	8%
0	TrueLight Corporation	ZHUHAI FTZ PRORAY CO.,LTD	1	Processing fee	10,175	Note4	2%
0	TrueLight Corporation	ZHUHAI FTZ PRORAY CO.,LTD	1	Other receivables	22,123	Note5	2%
0	TrueLight Corporation	YLTLINK Technology Corporation	1	Rental income	3,497	Note5	1%
0	TrueLight Corporation	YLTLINK Technology Corporation	1	Other receivables	1,226	Note5	-
0	TrueLight Corporation	YLTLINK Technology Corporation	1	Other payables	1,511	Note5	-
0	TrueLight Corporation	YLTLINK Technology Corporation	1	Technical service fee	12,774	Note5	3%

Note1 : The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

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

Note2 : Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction):

- (1).Parent company to subsidiary.
- (2).Subsidiary to parent company.
- (3).Subsidiary to subsidiary.

Note3 : Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note4 : The purchase and processing fees are handled according to the general purchase price and conditions, and the payment terms are monthly payment within 60 days.

Note5 : It is handled in accordance with the contract between the two parties.

Note6 : Transactions involving significant amounts are disclosed, and transactions with related parties are not disclosed separately.

TrueLight Corporation and Subsidiaries  
Information on Investees (Excluding Mainland China companies)  
Nine months ended September 30, 2025

Table 4

Unit : NT\$ thousand  
(Unless otherwise specified)

Investor	Investee	Location	Main Businesses Activities	Original investment amount		Shares held at the end of the period			Net income (losses) of the investee	Share of profit/losses of investee		Note
				Balance at September 30, 2025	Balance at December 31, 2024	Number of shares	Ownership (%)	Carrying amount				
TrueLight Corporation	TrueLight (B.V.I.) Ltd.	British Virgin Islands	Equity investment	\$ 404,471	\$ 404,471	13,000,000	100	\$ 99,140	(\$ 22,601)	(\$ 22,601)		
TrueLight Corporation	OPTOMEDIA TECHNOLOGY INC.	Taiwan	Manufacture and trading of wired and wireless communication machinery and equipment	103,642	103,642	2,660,016	32	28,218	5,594	1,793		
TrueLight (B.V.I.)Ltd.	ProRay Limited	Hongkong	Equity investment	387,176	387,176	12,500,000	100	89,866	( 21,781)	( 21,781)		
TrueLight Corporation	YLTLINK Technology Corporation	Taiwan	Electronic components fabricate	218,330	68,330	15,739,845	94	51,452	( 9,092)	( 4,778)	Note 1	

Note1 : The line includes adjustments for countercurrent transactions.

TrueLight Corporation and Subsidiaries  
Information on Investments in Mainland China  
Nine months ended September 30, 2025

Table 5

Unit : NT\$ thousand

(Unless otherwise specified)													
Investee company	Main businesses activities	Paid-in capital	Method of investment ( Note1 )	Accumulated investment from Taiwan as of	Investment flows		Accumulated investment from Taiwan as of	Net income (losses) of the investee	Percentage of ownership	Share of profits (losses) ( Note2 )	Carrying amount of investment at September 30, 2025	Accumulated Inward of earnings as of September 30, 2025	Note
				January 1, 2025	Outflow	Inflow	September 30, 2025						
ZHUHAI FTZ PRORAY CO.,LTD	Excludes Mainland China companies that design, produce, process	\$ 387,176	1	\$ 387,176	\$ -	\$ -	\$ 387,176	(\$ 21,780)	100%	(\$ 21,780)	\$ 89,866	\$ -	

Company name	Accumulated investment in Mainland China as of September 30, 2025	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment
TrueLight Corporation	\$ 387,176	\$ 384,622	\$ 477,709
	USD 12,500 thousand	USD 12,633 thousand	

Note1 : (1)Establish companies through investment in the third region and reinvest in Mainland China companies.

(2)Reinvest in Mainland China companies by reinvesting in existing companies in China regions.

Note2 : Investment gains and losses are recognized in accordance with the financial reports verified by the certified accountants of the parent company in Taiwan.

Note3 : At the end of the current period, the accumulated original investment amount was remitted from Taiwan to Zhuhai Free ZHUHAI FTZ PRORAY CO.,LTD. for US\$12,500.Expressed in thousands

Note4 : A total of USD12,640,000 was approved by the Investment Commission, MOEA of the Ministry of Economic Affairs, and USD6,647.90 was the remaining funds after the liquidation of branch companies in 2005.



TrueLight Corporation and Subsidiaries  
Main Transactions of Mainland China Investment Information - Significant transactions occurred directly or indirectly  
Nine months ended September 30, 2025

Table 6

Unit : NT\$ thousand  
(Unless otherwise specified)

Investee Company	Sell (purchase) goods		Disposal of property		Other payables		Other receivables	
	Amount	%	Amount	%	Amount	%	Amount	%
ZHUHAI FTZ PRORAY CO.,LTD	(\$ 10,175)	(11%)	\$ -	-	(\$ 89,119)	(98%)	\$ 22,123	2002%