

GEM Services, Inc. and Its  
Subsidiaries

Consolidated Financial Statements  
with CPA's Review Report

Third Quarter of 2025 and 2024

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*For the convenience of readers and for information purpose only, the independent 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.*

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## **CPA's Review Report**

GEM Services, Inc.:

### **Foreword**

Consolidated Balance Sheets of GEM Services, Inc. and its subsidiaries (GEM Group) as of September 30, 2025 and 2024, in addition to the Consolidated Statements of Comprehensive Income for the three and 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 Notes to the Consolidated Financial Statements (including a summary of significant accounting policies), have been reviewed by us. In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and FSC recognized and published IAS 34 "Interim Financial Reporting", it is the management's responsibility to prepare a fair representation of the consolidated financial statements, and the CPA's responsibility to draw a conclusion on the consolidated financial statements based on the review results.

### **Scope of the report**

With the exception of the matter described in the basis for qualified conclusion, the CPA has reviewed in accordance with the TWSRE 2410 "Review of Financial Statements". The procedures performed in reviewing the consolidated financial statements include inquiries (primarily with those responsible for financial and accounting matters), analytical procedures and other review procedures. The scope of the review is significantly smaller than that of the audit work, so the CPA may not be able to detect all the matters that can be identified through the audit work, and therefore cannot express an audit opinion.

**Basis for qualified conclusion**

As disclosed in Note 12 to the consolidated financial statements, GEM Group's investments accounted using the equity method on September 30, 2025 and 2024 were NT\$ 125,965 thousand and NT\$ 124,266 thousand respectively. For the three months ended September 30, 2025 and 2024, and nine months ended September 30, 2025 and 2024, the share of profit of associates and joint ventures accounted for using equity method were NT\$ 1,677 thousand, NT\$ 418 thousand, NT\$ 11,996 thousand and NT\$ 9,288 thousand, respectively. The relevant information disclosed in Note 31 to the consolidated financial statements is recognized and disclosed based on the investee company's financial statements for the same period that have not been reviewed.

**Qualified conclusion**

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the investee company as described in the preceding paragraph been reviewed, 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 GEM 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.

Deloitte & Touche

CPA Keng-Hsi, Chang

CPA Meng-Kuei, Yu

Approved for recordation by Securities and  
Futures Commission, Ministry of Finance  
Tai-Tsai-Cheng-Liu-Tzu No. 0920123784

Approved for recordation by Financial  
Supervisory Commission  
Chin-Kuan-Cheng-Shen-Tzu No. 1130357402

November 10, 2025

GEM SERVICES, INC. AND ITS SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET  
September 30, 2025 and December 31 and September 30, 2024

(In Thousands of New Taiwan Dollars)

Code	Assets	September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 2,031,367	31	\$ 2,275,498	34	\$ 2,104,364	34
1136	Financial assets measured at amortized cost - current (Notes 7 and 8)	334,895	5	196,710	3	-	-
1140	Current contract assets (Notes 5 and 21)	96,636	2	108,353	2	122,997	2
1170	Accounts receivable (Notes 5, 9, 21 and 26)	1,071,707	17	852,200	13	817,223	13
1180	Accounts receivable due from related parties (Notes 5, 21 and 28)	8,493	-	8,903	-	8,583	-
1200	Other receivables (Notes 5 and 9)	120,406	2	119,797	2	123,418	2
1210	Other receivables due from related parties (Notes 5 and 28)	1,022	-	863	-	183	-
130X	Inventories (Note 10)	177,807	3	141,948	2	202,471	3
1410	Prepayments (Note 17)	25,872	-	30,696	-	17,487	-
11XX	Total current assets	<u>3,868,205</u>	<u>60</u>	<u>3,734,968</u>	<u>56</u>	<u>3,396,726</u>	<u>54</u>
	Non-current assets						
1550	Investments accounted for using equity method (Note 12)	125,965	2	125,814	2	124,266	2
1600	Property, plant and equipment (Notes 13 and 25)	2,268,638	35	2,476,339	37	2,550,003	40
1755	Right-of-use assets (Note 14)	104,707	2	137,919	2	61,916	1
1760	Investment property (Note 15)	35,370	-	43,522	1	45,039	1
1780	Other intangible assets (Note 16)	1,981	-	3,246	-	2,801	-
1840	Deferred tax assets (Note 4)	55,590	1	55,961	1	40,043	1
1990	Other non-current assets (Notes 17 and 28)	30,270	-	43,157	1	55,748	1
15XX	Total non-current assets	<u>2,622,521</u>	<u>40</u>	<u>2,885,958</u>	<u>44</u>	<u>2,879,816</u>	<u>46</u>
1XXX	Total assets	<u>\$ 6,490,726</u>	<u>100</u>	<u>\$ 6,620,926</u>	<u>100</u>	<u>\$ 6,276,542</u>	<u>100</u>
	Liabilities and equity						
	Current liabilities						
2130	Current contract liabilities (Note 21)	\$ 70,380	1	\$ 18,892	-	\$ 9,803	-
2170	Accounts payable	755,010	12	683,783	10	728,638	12
2200	Other payables (Notes 18 and 26)	552,351	9	521,970	8	484,521	8
2230	Current tax liabilities (Note 4)	91,791	1	98,948	2	50,381	1
2250	Current provisions (Note 19)	30,000	-	30,000	-	30,000	-
2281	Current lease liabilities (Note 14)	32,081	-	33,212	1	13,328	-
2300	Other current liabilities (Notes 18, 26 and 28)	179,022	3	180,049	3	185,512	3
21XX	Total current liabilities	<u>1,710,635</u>	<u>26</u>	<u>1,566,854</u>	<u>24</u>	<u>1,502,183</u>	<u>24</u>
	Non-current liabilities						
2570	Deferred tax liabilities (Note 4)	17,443	-	27,541	-	11,837	-
2581	Non-current lease liabilities (Note 14)	37,058	1	65,176	1	9,910	-
2670	Other non-current liabilities (Notes 18 and 28)	365,367	6	439,262	7	459,823	8
25XX	Total non-current liabilities	<u>419,868</u>	<u>7</u>	<u>531,979</u>	<u>8</u>	<u>481,570</u>	<u>8</u>
2XXX	Total liabilities	<u>2,130,503</u>	<u>33</u>	<u>2,098,833</u>	<u>32</u>	<u>1,983,753</u>	<u>32</u>
	Equity attributable to owners of the Company (Note 20)						
	Share capital						
3110	Common stock	1,290,474	20	1,290,474	19	1,290,474	20
3200	Capital surplus	624,536	10	624,536	9	624,536	10
	Retained earnings						
3310	Legal reserve	688,542	11	622,122	9	622,122	10
3320	Special reserve	99,617	1	253,910	4	253,910	4
3350	Unappropriated earnings	1,941,968	30	1,830,668	28	1,631,806	26
3300	Total retained earnings	<u>2,730,127</u>	<u>42</u>	<u>2,706,700</u>	<u>41</u>	<u>2,507,838</u>	<u>40</u>
3400	Other equity	( 284,914 )	( 5 )	( 99,617 )	( 1 )	( 130,059 )	( 2 )
3XXX	Total equity	<u>4,360,223</u>	<u>67</u>	<u>4,522,093</u>	<u>68</u>	<u>4,292,789</u>	<u>68</u>
	Total liabilities and equity	<u>\$ 6,490,726</u>	<u>100</u>	<u>\$ 6,620,926</u>	<u>100</u>	<u>\$ 6,276,542</u>	<u>100</u>

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

(Please refer to the review report of Deloitte & Touche on November 10, 2025)

Chairman:  
Chu-Liang, Cheng

General Manager:  
Yen-Chiang, Tang

Head-Finance & Accounting:  
Jui-Ping, Wang

GEM SERVICES, INC. AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

July 1 to September 30, 2025 and 2024 and January 1 to September 30, 2025 and 2024

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

Code		July 1 to September 30, 2025		July 1 to September 30, 2024		January 1 to September 30, 2025		January 1 to September 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes 21 and 28)	\$ 1,389,967	100	\$ 1,193,946	100	\$ 3,991,402	100	\$ 3,441,288	100
5000	Operating costs (Notes 10 and 22)	( 996,219 )	( 72 )	( 902,910 )	( 76 )	( 2,897,783 )	( 73 )	( 2,661,393 )	( 77 )
5900	Gross profit from operations	393,748	28	291,036	24	1,093,619	27	779,895	23
	Operating expenses (Notes 9, 21, 22 and 28)								
6100	Selling expenses	( 4,844 )	-	( 4,924 )	( 1 )	( 14,558 )	-	( 14,153 )	( 1 )
6200	Administrative expenses	( 88,234 )	( 6 )	( 74,039 )	( 6 )	( 244,349 )	( 6 )	( 217,550 )	( 6 )
6300	Research and development expenses	( 12,839 )	( 1 )	( 12,000 )	( 1 )	( 34,313 )	( 1 )	( 36,208 )	( 1 )
6450	Expected credit (losses) or reversal	( 62 )	-	83	-	3,903	-	118	-
6000	Total operating expenses	( 105,979 )	( 7 )	( 90,880 )	( 8 )	( 289,317 )	( 7 )	( 267,793 )	( 8 )
6900	Net operating income	287,769	21	200,156	16	804,302	20	512,102	15
	Non-operating income and expenses								
7100	Interest income (Note 22)	9,059	1	11,144	1	36,247	1	34,917	1
7010	Other income (Note 22)	4,906	-	8,246	1	6,780	-	11,284	-
7020	Other gains and losses (Note 22)	16,744	1	( 33,322 )	( 3 )	( 102,894 )	( 2 )	15,614	1
7050	Finance costs (Note 22)	( 617 )	-	( 191 )	-	( 2,148 )	-	( 744 )	-
7060	Share of profit of associates and joint ventures accounted for using equity method (Note 12)	1,677	-	418	-	11,996	-	9,288	-
7000	Total non-operating income and expenses	31,769	2	( 13,705 )	( 1 )	( 50,019 )	( 1 )	70,359	2
7900	Profit from continuing operations before income tax	319,538	23	186,451	15	754,283	19	582,461	17
7950	Income tax expense (Notes 4 and 23)	( 80,478 )	( 6 )	( 39,597 )	( 3 )	( 188,857 )	( 5 )	( 117,126 )	( 4 )
8200	Profit	239,060	17	146,854	12	565,426	14	465,335	13
	Other comprehensive income (loss) (Note 20)								
8310	Components of other comprehensive income that will not be reclassified to profit or loss:								
8341	Translation differences from functional currency to presentation currency	159,436	11	( 106,573 )	( 9 )	( 311,845 )	( 7 )	115,026	4
8360	Components of other comprehensive income that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	( 20,812 )	( 1 )	81,842	7	126,548	3	8,825	-
8300	Other comprehensive income in the current period (net amount after tax)	138,624	10	( 24,731 )	( 2 )	( 185,297 )	( 4 )	123,851	4
8500	Total comprehensive income in current period	\$ 377,684	27	\$ 122,123	10	\$ 380,129	10	\$ 589,186	17
	Earnings per share (Note 24)								
	From continuing operations								
9710	Basic earnings per share	\$ 1.85		\$ 1.14		\$ 4.38		\$ 3.61	
9810	Diluted earnings per share	\$ 1.84		\$ 1.13		\$ 4.34		\$ 3.57	

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

(Please refer to the review report of Deloitte & Touche on November 10, 2025)

Chairman:  
Chu-Liang, Cheng

General Manager:  
Yen-Chiang, Tang

Head-Finance & Accounting:  
Jui-Ping, Wang

GEM SERVICES, INC. AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
January 1 to September 30, 2025 and 2024

(In Thousands of New Taiwan Dollars)

		Equity attributable to owners of the Company					Other equity Exchange differences on translation of foreign financial statements	Total equity
Code		Share capital	Retained earnings			Unappropriated earnings		
		Common stock	Capital surplus	Legal reserve	Special reserve			
A1	Balance as of January 1, 2024	<u>\$ 1,290,474</u>	<u>\$ 624,536</u>	<u>\$ 565,513</u>	<u>\$ 209,037</u>	<u>\$ 1,719,619</u>	<u>( \$ 253,910 )</u>	<u>\$ 4,155,269</u>
	Distribution of 2023 earnings (Note 20)							
B1	Legal reserve	-	-	56,609	-	( 56,609 )	-	-
B3	Special reserve	-	-	-	44,873	( 44,873 )	-	-
B5	Cash dividends	-	-	-	-	( 451,666 )	-	( 451,666 )
		-	-	56,609	44,873	( 553,148 )	-	( 451,666 )
D1	Net profit from January 1 to September 30, 2024	-	-	-	-	465,335	-	465,335
D3	Other comprehensive income from January 1 to September 30, 2024	-	-	-	-	-	123,851	123,851
D5	Total comprehensive income from January 1 to September 30, 2024	-	-	-	-	465,335	123,851	589,186
Z1	Balance as of September 30, 2024	<u>\$ 1,290,474</u>	<u>\$ 624,536</u>	<u>\$ 622,122</u>	<u>\$ 253,910</u>	<u>\$ 1,631,806</u>	<u>( \$ 130,059 )</u>	<u>\$ 4,292,789</u>
A1	Balance as of January 1, 2025	<u>\$ 1,290,474</u>	<u>\$ 624,536</u>	<u>\$ 622,122</u>	<u>\$ 253,910</u>	<u>\$ 1,830,668</u>	<u>( \$ 99,617 )</u>	<u>\$ 4,522,093</u>
	Distribution of 2024 earnings (Note 20)							
B1	Legal reserve	-	-	66,420	-	( 66,420 )	-	-
B3	Special reserve	-	-	-	( 154,293 )	154,293	-	-
B5	Cash dividends	-	-	-	-	( 541,999 )	-	( 541,999 )
		-	-	66,420	( 154,293 )	( 454,126 )	-	( 541,999 )
D1	Net profit from January 1 to September 30, 2025	-	-	-	-	565,426	-	565,426
D3	Other comprehensive income from January 1 to September 30, 2025	-	-	-	-	-	( 185,297 )	( 185,297 )
D5	Total comprehensive income from January 1 to September 30, 2025	-	-	-	-	565,426	( 185,297 )	380,129
Z1	Balance as of September 30, 2025	<u>\$ 1,290,474</u>	<u>\$ 624,536</u>	<u>\$ 688,542</u>	<u>\$ 99,617</u>	<u>\$ 1,941,968</u>	<u>( \$ 284,914 )</u>	<u>\$ 4,360,223</u>

The accompanying notes are an integral part of the consolidated financial statements.  
(Please refer to the review report of Deloitte & Touche on November 10, 2025)

Chairman:  
Chu-Liang, Cheng

General Manager:  
Yen-Chiang, Tang

Head-Finance & Accounting:  
Jui-Ping, Wang

GEM SERVICES, INC. AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS

January 1 to September 30, 2025 and 2024

(In Thousands of New Taiwan Dollars)

Code		January 1 to September 30, 2025	January 1 to September 30, 2024
	Cash flows from operating activities		
A10000	Profit before tax	\$ 754,283	\$ 582,461
A20010	Adjustments for:		
A20100	Depreciation expense	436,350	490,134
A20200	Amortization expense	1,087	1,214
A20300	Reversal of expected credit losses	( 3,903 )	( 118 )
A20900	Finance costs	2,148	744
A21200	Interest income	( 36,247 )	( 34,917 )
A22300	Share of profit of associates and joint ventures accounted for using equity method	( 11,996 )	( 9,288 )
A22500	Losses (gains) on disposal of property, plant and equipment	19	( 827 )
A23700	Loss on decline in market value and obsolete and slow-moving inventories	66	1,978
A24100	Foreign currency exchange (gain) loss	58,369	( 23,777 )
A29900	Liability provisions	145	484
A30000	Changes in operating assets and liabilities		
A31125	Contract assets	13,497	( 4,976 )
A31150	Accounts receivable	( 300,525 )	( 74,020 )
A31160	Accounts receivable due from related parties	( 131 )	1,712
A31180	Other receivables	( 10,364 )	( 8,490 )
A31200	Inventories	( 44,968 )	( 24,950 )
A31230	Prepayments	3,026	11,672
A32125	Contract liabilities	51,535	( 13,552 )
A32150	Accounts payable	114,445	113,700
A32180	Other payables	35,192	( 21,278 )
A32200	Liability provisions	( 145 )	( 484 )
A32230	Other current liabilities	-	5,487
A33000	Cash inflows generated from operating activities	1,061,883	992,909
A33100	Interest received	39,046	31,851
A33300	Interest paid	( 2,148 )	( 744 )
A33500	Income taxes paid	( 206,982 )	( 72,223 )
AAAA	Net cash generated from operating activities	<u>891,799</u>	<u>951,793</u>

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Code		January 1 to September 30, 2025	January 1 to September 30, 2024
	Cash flows from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	( \$ 340,571 )	\$ -
B00060	Repayment of principal on financial assets measured at amortized cost upon maturity	187,933	-
B02700	Acquisition of property, plant and equipment	( 225,202 )	( 166,433 )
B02800	Proceeds from disposal of property, plant and equipment	-	4,737
B03700	Increase in refundable deposits	( 33 )	( 655 )
B03800	Decrease in refundable deposits	-	783
B04300	Increase in other receivables due from related parties	( 215 )	( 237 )
B04500	Acquisition of intangible assets	-	( 231 )
B07100	Increase in prepayments for equipment	( 11,308 )	( 35,704 )
B07300	Increase in other prepayments	( 7,009 )	-
B07600	Dividends received	<u>4,169</u>	<u>6,500</u>
BBBB	Net cash used in investing activities	( <u>392,236</u> )	( <u>191,240</u> )
	Cash flows from financing activities		
C04020	Repayment of the principal portion of lease liabilities	( 23,688 )	( 25,156 )
C04500	Cash dividends	( <u>541,981</u> )	( <u>451,651</u> )
CCCC	Net cash used in financing activities	( <u>565,669</u> )	( <u>476,807</u> )
DDDD	Effect of exchange rate changes on cash and equivalents	( <u>178,025</u> )	<u>89,125</u>
EEEE	Net (decrease) increase in cash and cash equivalents	( 244,131 )	372,871
E00100	Cash and cash equivalents at beginning of period	<u>2,275,498</u>	<u>1,731,493</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 2,031,367</u>	<u>\$ 2,104,364</u>

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

(Please refer to the review report of Deloitte & Touche on November 10, 2025)

Chairman:  
Chu-Liang, Cheng

General Manager:  
Yen-Chiang, Tang

Head-Finance & Accounting:  
Jui-Ping, Wang

GEM SERVICES, INC. AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements

January 1 to September 30, 2025 and 2024

(Otherwise stated, all amounts are in thousands of NTD)

1. Company history

GEM Services, Inc. (hereinafter referred to as “the Company”) was established in the Cayman Islands in April 1998. On June 23, 2015, with the resolution of the shareholders’ meeting, the Company changed the denomination of shares to New Taiwan Dollars to be listed where the face value per share is NT\$10. As of September 30, 2025, the Company’s paid-in capital was \$1,290,474 thousand, and its business activities include 1. Semiconductor packaging and testing foundry; 2. Plant leasing, etc.

The Company’s functional currency is US dollars, but the Company’s stock was listed TWSE on April 12, 2016. To increase the comparability and consistency of the financial statement, this consolidated financial statement is presented in New Taiwan Dollar.

2. Dates and procedures for the financial statement approval

The consolidated financial statements were approved by the Company’s Board of Directors on November 10, 2025.

3. Application of new and revised standards, amendments, and interpretations

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

Amendments to IAS 21 - Lack of Exchangeability

The application of the amendment to IAS 21, "Lack of Exchangeability," is not expected to cause a significant change to the accounting policies of the Company and its subsidiaries (collectively as the “Consolidated Company”).

- (2) Applicable FSC-approved IFRS Accounting Standards in 2026

New, revised or amended standards and interpretations	Effective date issued by IASB
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

New, revised or amended standards and interpretations	Effective date issued by IASB
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 the consolidated financial statements were authorized, the Consolidated Company is continuously assessing the possible impact of various amendments on its consolidated financial position and consolidated financial performance and will disclose the relevant impact when the assessment is completed.

- (3) New IFRSs Accounting Standards in issue by IASB but not yet endorsed and issued into effect by the FSC

New, revised or amended standards and interpretations	Effective date issued by IASB (Note 1)
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 IASB
IFRS 18 - Presentation and Disclosure in Financial Statements	January 1, 2027 (Note 2)
IFRS 19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures” (Including the 2025 Amendments)	January 1, 2027

Note 1: Unless stated otherwise, the above new/revised/amended standards or interpretations are effective for annual reporting periods beginning on their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will be mandatory for Taiwanese companies starting January 1, 2028, with an option for early adoption once the FSC has approved the standard.

#### IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 “Presentation of Financial Statements”. The main changes in this standard include:

- The statement of profit or loss should classify income and expenses in the operating, investing, financing, income taxes, and discontinued operations categories.
- An entity has to present totals and subtotals in the statement of profit or loss for operating profit or loss, pre-tax profit or loss before financing, and profit or loss.

- Requirements for provision of guidance to enhance aggregation and disaggregation: The Consolidated Company should identify assets, liabilities, equity, income, expenses, losses, and cash flows in each transaction or other events, and classify and aggregate them based on shared characteristics so that the main line items presented in the financial statements share at least one similar characteristic. Items should be disaggregated based on non-similar characteristics. The Consolidated Company should label such items as "other" only if it cannot find a more informative title.
- Increasing the disclosure of management-defined performance measures (MPMs): When the Consolidated Company engages in public communications outside financial statements and communicate to management's view of an aspect of the financial performance of the entity as a whole, the Consolidated Company should disclose information about its MPMs in a single note to the financial statements, including a description of how the MPM is measured, how the MPM is calculated, and a reconciliation between the MPM and the total or subtotal required by IFRS Accounting Standards, including the income tax effect and the effect on non-controlling interests for each item disclosed in the reconciliation.

In addition to the above impacts, as of the date the consolidated financial statements were authorized, the Consolidated Company is continuously assessing the other impacts that the application of the standards and interpretations will have on the Consolidated Company's financial position and financial performance and will disclose the relevant impacts when the assessment is completed.

#### 4. Summary of significant accounting policies

##### (1) Statement of compliance

This consolidated financial statement has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" approved and issued by the FSC. This consolidated financial statement does not contain all the IFRSs Accounting Standards disclosures required by the annual report.

##### (2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis.

##### (3) Consolidation basis

This consolidated financial statement includes the financial statement of the Company and the entities (subsidiaries) controlled by the Company. The financial

statements of subsidiaries have been adjusted to ensure the accounting policies are line with those of the Consolidated Company. Transactions between entities, account balances, profit and losses have been fully eliminated in preparing the consolidated financial statements.

For details of subsidiaries, shareholding ratio and business activities, please refer to Note 11 and Table 4 and Table 5 of Note 31.

(4) Other significant accounting policies

In addition to the following descriptions, please refer to the Summary of Significant Accounting Policies in the 2024 consolidated financial statement.

Income tax expenses

Income tax expense is the sum of current income tax and deferred income tax. Income tax for the interim period is assessed on an annual basis and is calculated on the interim pre-tax profit at the tax rate applicable to the expected total annual earnings.

5. Major sources of uncertainty in significant accounting judgments, estimations, and assumptions

When Consolidated Company adopts accounting policies, the management must make relevant judgments, estimates and assumptions based on experience and other relevant factors for the information that is not easily obtained from other sources. Actual results may differ from estimates.

The Consolidated Company will take the possible impacts of inflation and market interest rate fluctuations, foreign exchange market fluctuations, and U.S. reciprocal tariff measures into consideration when making major estimates, such as cash flow estimates, growth rates, discount rates, and profitability. The management will continue to review the estimates and the basic assumptions.

Main sources of uncertainty in estimates and assumptions

Estimated impairment of financial assets and contract assets

The estimated impairment of accounts receivable, other receivables and contract assets is based on the Consolidated Company's assumptions of probability of default and loss given default. The Consolidated Company takes experience, current market conditions and forward-looking information into account to develop assumptions and inputs for impairment assessments. Please refer to Note 9 and Note 21 for the key assumptions and inputs used. If the actual future cash flow is less than the Consolidated Company's expectations, there may be significant impairment losses.

6. Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and working fund	\$ 180	\$ 297	\$ 188
Bank demand deposit	1,742,627	1,457,028	1,382,554
Cash Equivalent (Investments with original maturity within 3 months)			
Bank fixed deposit	288,560	818,173	721,622
	<u>\$ 2,031,367</u>	<u>\$ 2,275,498</u>	<u>\$ 2,104,364</u>

As of September 30, 2025, and December 31 and September 30, 2024, the interest rate ranges for bank deposits were 0.05% to 4.20%, 0.05% to 4.80%, and 0.05% to 5.30%, respectively.

7. Financial assets measured at amortized cost

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Time deposits with original maturities exceeding 3 months (1)	<u>\$ 334,895</u>	<u>\$ 196,710</u>	<u>\$ -</u>

(1) As of September 30, 2025, and December 31, 2024, the interest rate for time deposits with an original maturity of more than 3 months was 4.14% to 4.40% and 4.30% per annum, respectively.

(2) Please refer to Note 8 for information on credit risk management and impairment assessment related to financial assets measured at amortized cost.

8. Credit risk management of debt instrument investment

The debt instruments of the Consolidated Company are financial assets measured at amortized cost:

	September 30, 2025	December 31, 2024	September 30, 2024
Measured at amortized cost			
Total amount	\$ 334,895	\$ 196,710	\$ -
Loss allowances	-	-	-
Measured at amortized cost	<u>\$ 334,895</u>	<u>\$ 196,710</u>	<u>\$ -</u>

The policy adopted by the Consolidated Company is to invest only in debt instruments issued by creditworthy entities. The Consolidated Company continues to track changes in the credit risk of the debt instruments it invests in while reviewing other information, such

as material information on debtors, to assess whether the credit risk of debt instrument investments has increased significantly since initial recognition.

To mitigate credit risk, the Consolidated Company's management will collect relevant information to assess the default risk of its debt instrument investments. The Consolidated Company gives appropriate internal ratings based on publicly available financial information.

The Consolidated Company considers the debtor's historical record, current market conditions, and forward-looking information to measure the 12-month expected credit loss or lifetime expected credit loss of its debt instrument investments. As of September 30, 2025, and December 31, 2024, the Consolidated Company assessed that it was not necessary to report expected credit losses for debt instrument investments it held.

9. Accounts receivable and other receivables

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Accounts receivable</u>			
Measured at amortized cost			
Total amount	\$ 1,071,818	\$ 852,290	\$ 817,360
Less: loss allowances	( <u>111</u> )	( <u>90</u> )	( <u>137</u> )
	<u>\$ 1,071,707</u>	<u>\$ 852,200</u>	<u>\$ 817,223</u>
<u>Other receivables</u>			
OEM collection and payment	\$ 104,296	\$ 109,034	\$ 107,247
Scrap receivable	8,853	754	7,404
Interest receivable	4,326	7,125	5,990
Other	<u>2,931</u>	<u>2,884</u>	<u>2,777</u>
	<u>\$ 120,406</u>	<u>\$ 119,797</u>	<u>\$ 123,418</u>

(1) Accounts receivable

The Consolidated Company's average credit period for commodity sales is 30 to 90 days, and the collection policy does not add interest to overdue accounts receivable. When determining the recoverability of accounts receivable, the Consolidated Company considers any changes in the quality of accounts receivable from the original credit date to the balance sheet date. Experience shows that most accounts receivable are recovered well.

To mitigate credit risk, the management of the Consolidated Company performs credit limit determination, credit approval and other monitoring procedures for each counterparty to ensure appropriate actions have been taken to recover overdue accounts receivable. In addition, the Consolidated Company will review the

recoverable amount of accounts receivable one by one on the balance sheet date to ensure the unrecoverable accounts receivable are recognized as impairment losses. Accordingly, the management of the Consolidated Company believes that the credit risk of the Consolidated Company has been significantly reduced.

The Consolidated Company recognizes loss allowance for accounts receivable based on lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix, which considers experience, current market conditions and business outlook. As the Consolidated Company's credit loss experience shows that there is no significant difference in the provision matrix of different customer groups, the provision matrix does not further differentiate customer groups, and only sets the expected credit loss rate based on the number of days overdue for accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the Consolidated Company cannot reasonably expect the recoverable amount, the Consolidated Company will directly write off the relevant accounts receivable and loss allowance, but will continue to pursue account recovery, and the amount recovered due to pursuit and recovery will be recognized in profit or loss.

The Consolidated Company measures the loss allowance of accounts receivable according to the provision matrix as follows:

#### September 30, 2025

	Not past due	1~60 days past due	61~90 days past due	91~120 days past due	Over 120 days past due	Total
Expected credit loss rate	0.05%	0.08%~ 4.85%	11.56%~ 14.26%	25%~ 33.33%	88.23%~ 100%	
Total amount	\$ 1,052,206	\$ 19,513	\$ -	\$ -	\$ 99	\$ 1,071,818
Loss allowance (lifetime expected credit losses)	( 11 )	( 1 )	-	-	( 99 )	( 111 )
Measured at amortized cost	<u>\$ 1,052,195</u>	<u>\$ 19,512</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,071,707</u>

#### December 31, 2024

	Not past due	1~60 days past due	61~90 days past due	91~120 days past due	Over 120 days past due	Total
Expected credit loss rate	0.02%	0.02%~ 6.19%	6.74%~ 12.59%	13.56%~ 33.33%	50%~ 100%	
Total amount	\$ 809,912	\$ 42,361	\$ 17	\$ -	\$ -	\$ 852,290
Loss allowance (lifetime expected credit losses)	( 19 )	( 69 )	( 2 )	-	-	( 90 )
Measured at amortized cost	<u>\$ 809,893</u>	<u>\$ 42,292</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 852,200</u>



## September 30, 2024

	Not past due	1~60 days past due	61~90 days past due	91~120 days past due	Over 120 days past due	Total
Expected credit loss rate	0.01%	0.01%~ 7.95%	4.05%~ 18.50%	10.84%~ 42.92%	50%~100%	
Total amount	\$ 797,299	\$ 19,648	\$ 413	\$ -	\$ -	\$ 817,360
Loss allowance (lifetime expected credit losses)	( 48 )	( 65 )	( 24 )	-	-	( 137 )
Measured at amortized cost	<u>\$ 797,251</u>	<u>\$ 19,583</u>	<u>\$ 389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 817,223</u>

Changes in loss allowance for accounts receivable is as follows:

	January 1 to September 30, 2025	January 1 to September 30, 2024
Opening balance	\$ 90	\$ 255
Add: Impairment losses for the current period	21	-
Less: Reversal of impairment loss for the current period	-	( 118 )
Ending balance	<u>\$ 111</u>	<u>\$ 137</u>

## (2) Other receivables

The Consolidated Company accounts for other receivables such as OEM collection and payment, unrecovered amount from the sale of scraps and interest receivable. The Consolidated Company's policy is to only conduct business with customers with good credit. The Consolidated Company continues to monitor and refer to the counterparty's past default records and analyze its current financial position to assess whether the credit risk of other receivables has increased significantly since the original recognition and to measure expected credit losses. If there is evidence that the counterparty has signs of breach of contract or the termination so where the recoverable amount cannot be reasonably estimated, the Consolidated Company will directly write off the relevant other accounts receivable and loss allowance, but will continue to pursue for recovery. The amount recovered by the pursuit will be recognized in profit or loss. As of September 30, 2025, and December 31 and September 30, 2024, the Consolidated Company assessed other receivables without the need to report expected credit losses.

## 10. Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Raw material	<u>\$ 177,807</u>	<u>\$ 141,948</u>	<u>\$ 202,471</u>

The nature of cost of goods sold is as follows:

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Cost of inventories sold	\$ 994,270	\$ 899,703	\$ 2,891,653	\$ 2,653,143
Lease cost	1,949	2,105	6,064	6,272
Loss on decline in market value and obsolete and slow-moving inventories	-	1,102	66	1,978
	<u>\$ 996,219</u>	<u>\$ 902,910</u>	<u>\$ 2,897,783</u>	<u>\$ 2,661,393</u>

## 11. Subsidiary

### Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

Investor Company	Subsidiary	Nature of business	Shareholding percentage		
			September 30, 2025	December 31, 2024	September 30, 2024
The Company	GEM Electronics Company Limited	Holding company business	100.00%	100.00%	100.00%
	GEM Tech Ltd.	Manufacture and sales of electronic parts	100.00%	100.00%	100.00%
GEM Electronics Company Limited	GEM Electronics (Shanghai) Co., Ltd.	Manufacture and sales of electronic parts	100.00%	100.00%	100.00%
GEM Electronics (Shanghai) Co., Ltd.	GEM Electronics (Hefei) Co., Ltd.	Manufacture and sales of electronic parts, plant leasing	100.00%	100.00%	100.00%

## 12. Investments accounted for using equity method

### Investments in associates

	September 30, 2025	December 31, 2024	September 30, 2024
Individually insignificant associates			
Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd.	<u>\$ 125,965</u>	<u>\$ 125,814</u>	<u>\$ 124,266</u>

Shareholding and voting rights of the Consolidated Company in the associates at the balance sheet date are as follows:

Company name	Nature of business	Main business site	Shareholding and voting rights		
			September 30, 2025	December 31, 2024	September 30, 2024
Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd.	Production, design, packaging and testing of power management electronic accessories	Hefei City, Anhui Province, China	20%	20%	20%

### Information of individually insignificant associates

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Attributable to the Consolidated Company				
Net income from continuing operations	\$ 1,677	\$ 418	\$ 11,996	\$ 9,288
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>\$ 1,677</u>	<u>\$ 418</u>	<u>\$ 11,996</u>	<u>\$ 9,288</u>

Share of profit of associates and joint ventures accounted for using equity method is recognized based on the financial statements of the associates that have not been reviewed by CPA during the same period.

### 13. Property, plant and equipment

#### Used for its own

	Building	Machinery equipment	Transportation equipment	Office equipment	Leasehold improvements	Other	Property under construction and equipment to be inspected	Total
<b>Cost</b>								
Balance as of January 1, 2025	\$ 548,006	\$ 6,404,629	\$ 10,673	\$ 64,703	\$ 95,459	\$ 92,534	\$ 129,817	\$ 7,345,821
Enhancements	-	88,050	-	81	6,403	6,487	145,559	246,580
Reclassification (Note)	-	176,299	-	1,134	-	-	( 148,525 )	28,908
Disposals	-	( 505 )	-	( 755 )	-	( 126 )	-	( 1,386 )
Effect of exchange rate changes	( 33,176 )	( 195,563 )	( 238 )	( 3,869 )	( 5,885 )	( 5,708 )	( 5,826 )	( 250,265 )
Balance as of September 30, 2025	<u>\$ 514,830</u>	<u>\$ 6,472,910</u>	<u>\$ 10,435</u>	<u>\$ 61,294</u>	<u>\$ 95,977</u>	<u>\$ 93,187</u>	<u>\$ 121,025</u>	<u>\$ 7,369,658</u>
<b>Accumulated depreciation and impairment</b>								
Balance as of January 1, 2025	\$ 187,927	\$ 4,449,833	\$ 9,945	\$ 59,481	\$ 81,404	\$ 80,892	\$ -	\$ 4,869,482
Depreciation expense	17,941	376,730	532	1,601	4,707	3,946	-	405,457
Disposals	-	( 505 )	-	( 736 )	-	( 126 )	-	( 1,367 )
Effect of exchange rate changes	( 11,675 )	( 147,114 )	( 233 )	( 3,563 )	( 5,006 )	( 4,961 )	-	( 172,552 )
Balance as of September 30, 2025	<u>\$ 194,193</u>	<u>\$ 4,678,944</u>	<u>\$ 10,244</u>	<u>\$ 56,783</u>	<u>\$ 81,105</u>	<u>\$ 79,751</u>	<u>\$ -</u>	<u>\$ 5,101,020</u>
Net amount as of September 30, 2025	<u>\$ 320,637</u>	<u>\$ 1,793,966</u>	<u>\$ 191</u>	<u>\$ 4,511</u>	<u>\$ 14,872</u>	<u>\$ 13,436</u>	<u>\$ 121,025</u>	<u>\$ 2,268,638</u>
Net amount as of December 31, 2024 and January 1, 2025	<u>\$ 360,079</u>	<u>\$ 1,954,796</u>	<u>\$ 728</u>	<u>\$ 5,222</u>	<u>\$ 14,055</u>	<u>\$ 11,642</u>	<u>\$ 129,817</u>	<u>\$ 2,476,339</u>
<b>Cost</b>								
Balance as of January 1, 2024	\$ 519,909	\$ 6,099,106	\$ 10,479	\$ 59,589	\$ 79,227	\$ 90,323	\$ 186,307	\$ 7,044,940
Enhancements	-	17,057	-	698	-	801	45,920	64,476
Reclassification (Note)	1,028	142,754	-	1,322	-	-	( 135,155 )	9,949
Disposals	-	( 23,314 )	-	( 22 )	-	( 2,055 )	-	( 25,391 )
Effect of exchange rate changes	21,761	127,684	156	2,458	3,316	3,777	5,839	164,991
Balance as of September 30, 2024	<u>\$ 542,698</u>	<u>\$ 6,363,287</u>	<u>\$ 10,635</u>	<u>\$ 64,045</u>	<u>\$ 82,543</u>	<u>\$ 92,846</u>	<u>\$ 102,911</u>	<u>\$ 7,258,965</u>
<b>Accumulated depreciation and impairment</b>								
Balance as of January 1, 2024	\$ 154,872	\$ 3,827,863	\$ 8,969	\$ 54,563	\$ 43,794	\$ 71,713	\$ -	\$ 4,161,774
Depreciation expense	18,513	406,098	611	1,576	26,063	6,772	-	459,633
Disposals	-	( 19,407 )	-	( 22 )	-	( 2,052 )	-	( 21,481 )
Effect of exchange rate changes	6,523	95,205	151	2,255	1,891	3,011	-	109,036
Balance as of September 30, 2024	<u>\$ 179,908</u>	<u>\$ 4,309,759</u>	<u>\$ 9,731</u>	<u>\$ 58,372</u>	<u>\$ 71,748</u>	<u>\$ 79,444</u>	<u>\$ -</u>	<u>\$ 4,708,962</u>
Net amount as of September 30, 2024	<u>\$ 362,790</u>	<u>\$ 2,053,528</u>	<u>\$ 904</u>	<u>\$ 5,673</u>	<u>\$ 10,795</u>	<u>\$ 13,402</u>	<u>\$ 102,911</u>	<u>\$ 2,550,003</u>

Note: It was transferred from other non-current assets - prepayments for equipment.

No impairment losses were recognized or reversed from January 1 to September 30, 2025 and 2024.

Depreciation expense is accrued on a straight-line basis for the following economic life:

Building	
Factory main building	20 years
Building improvement	10 to 20 years
Machinery equipment	3 to 15 years
Transportation equipment	5 years
Office equipment	3 to 7 years
Leasehold improvements	2 to 5 years
Other	2 to 10 years

14. Leasing agreement

(1) Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount of right-of-use assets			
Land (Note)	\$ 36,248	\$ 39,469	\$ 39,379
Building	67,905	97,639	21,660
Office equipment	554	811	877
	<u>\$ 104,707</u>	<u>\$ 137,919</u>	<u>\$ 61,916</u>
	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025
Addition of right-of-use assets			January 1 to September 30, 2024
Lease additions	\$ -	\$ 10,595	\$ -
Depreciation expense on right-of-use assets			
Land	\$ 272	\$ 294	\$ 846
Building	7,789	8,292	24,227
Office equipment	68	74	211
	<u>\$ 8,129</u>	<u>\$ 8,660</u>	<u>\$ 25,284</u>
			<u>\$ 24,700</u>

Note: For the land use right in mainland China, the Consolidated Company has obtained the Land Use Certificates for State Owned Land, and the lease period is 50 years.

Part of the land leased by the Consolidated Company in Hefei, Anhui Province, China has been sub-leased to Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd. under operational leasing from January 1, 2022, and the relevant right-of-use assets are presented as investment properties please refer to Note 15. The relevant amount of the above right-of-use assets does not include the right-of-use assets that meet the definition of investment properties.

Except for the above-mentioned additions and recognition of depreciation expenses, there was no impairment of the right-of-use assets for the Consolidated Company from January 1 to September 30, 2025 and 2024.

(2) Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amounts of lease liabilities			
Current	<u>\$ 32,081</u>	<u>\$ 33,212</u>	<u>\$ 13,328</u>
Non-current	<u>\$ 37,058</u>	<u>\$ 65,176</u>	<u>\$ 9,910</u>

The range of discount rates for lease liabilities is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Building	3.6%~4.35%	3.6%~4.35%	3.85%~4.35%
Office equipment	4.35%	4.35%	4.35%

(3) Other lease information

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Expense on short-term lease	<u>\$ 1,472</u>	<u>\$ 1,163</u>	<u>\$ 4,487</u>	<u>\$ 4,491</u>
Total cash outflow from lease	<u>( \$ 9,779 )</u>	<u>( \$ 10,455 )</u>	<u>( \$ 30,323 )</u>	<u>( \$ 30,391 )</u>

15. Investment property

	September 30, 2025	December 31, 2024	September 30, 2024
Building	<u>\$ 30,904</u>	<u>\$ 38,658</u>	<u>\$ 40,186</u>
Right-of-use assets- Land	<u>4,466</u>	<u>4,864</u>	<u>4,853</u>
	<u>\$ 35,370</u>	<u>\$ 43,522</u>	<u>\$ 45,039</u>

The right-of-use asset in the investment property is the subleasing of the leased land located in Hefei City, Anhui Province, China to Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd. under operational leasing.

The lease term of the investment property is 5 years with an option to extend the lease term for 2 years. The lessee does not have the bargain purchase price option at the end of the lease period.

The total lease payments for operational leasing of investment property to be received in the future are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Year 1	\$ 46,868	\$ 49,888	\$ 49,405
Year 2	11,717	49,888	49,405
Year 3	-	-	12,351
Year 4	-	-	-
Year 5	-	-	-
	<u>\$ 58,585</u>	<u>\$ 99,776</u>	<u>\$ 111,161</u>

Except for the recognition of depreciation expenses, there was no significant addition, disposal or impairment of the investment properties of the Consolidated Company from January 1 to September 30, 2025 and 2024. Investment properties are depreciated on a straight-line basis over the following economic life:

Building	
Factory main building	20 years
Right-of-use assets- Land	50 years

The Consolidated Company implements a general risk management policy to reduce the residual risk of the leased buildings and right-of-use assets upon expiry of the lease term.

The fair value of the investment properties is measured by the independent appraisal company Anhui Huateng Property Assessment Office as a Level 3 input on the balance sheet date. The evaluation is based on market evidence of similar property transaction prices and the cash flow method, and the important unobservable input used include discount rate. The fair value obtained from the evaluation is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value	<u>\$ 247,204</u>	<u>\$ 262,385</u>	<u>\$ 257,505</u>

#### 16. Other intangible assets

	<u>Computer software</u>
<u>Cost</u>	
Balance as of January 1, 2025	\$ 4,788
Effect of exchange rate changes	( 290 )
Balance as of September 30, 2025	<u>\$ 4,498</u>
<u>Accumulated amortization</u>	
Balance as of January 1, 2025	\$ 1,542
Amortization expense	1,087
Effect of exchange rate changes	( 112 )
Balance as of September 30, 2025	<u>\$ 2,517</u>
Net amount as of September 30, 2025	<u>\$ 1,981</u>

	<u>Computer software</u>
Net amount as of December 31, 2024 and January 1, 2025	<u>\$ 3,246</u>
<u>Cost</u>	
Balance as of January 1, 2024	\$ 5,053
Additions	231
Disposals	( 1,499 )
Effect of exchange rate changes	<u>209</u>
Balance as of September 30, 2024	<u>\$ 3,994</u>
<u>Accumulated amortization</u>	
Balance as of January 1, 2024	\$ 1,419
Amortization expense	1,214
Disposals	( 1,499 )
Effect of exchange rate changes	<u>59</u>
Balance as of September 30, 2024	<u>\$ 1,193</u>
Net amount as of September 30, 2024	<u>\$ 2,801</u>

Amortization expenses are accrued on a straight-line basis over the economic life:

Computer software

3 to 5 years

17. Other assets

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Current</u>			
Prepayments			
Tax credit	\$ 9,465	\$ 13,250	\$ 3,718
Prepayments to suppliers	7,514	11,954	9,216
Other	<u>8,893</u>	<u>5,492</u>	<u>4,553</u>
	<u>\$ 25,872</u>	<u>\$ 30,696</u>	<u>\$ 17,487</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 14,426	\$ 33,665	\$ 46,171
Refundable deposits paid (Note 28) (Note)	8,952	9,492	9,577
Other prepayments	<u>6,892</u>	<u>-</u>	<u>-</u>
	<u>\$ 30,270</u>	<u>\$ 43,157</u>	<u>\$ 55,748</u>

Note: The Consolidated Company considers the debtor's historical record, current market conditions and business outlook to measure the 12-month expected credit loss or lifetime expected credit loss of the refundable deposit paid. As of September 30, 2025, and December 31 and September 30, 2024, the Consolidated Company

assessed that it was not necessary to report expected credit losses for refundable deposits paid.

18. Other liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Other payables			
Salary and bonus	\$ 128,168	\$ 141,251	121,892
Remuneration to the employees and directors	141,668	139,493	121,827
Payable for equipment (Note 26)	92,368	70,990	63,064
OEM collection and payment	43,767	52,151	56,166
Insurance premium	43,969	38,945	40,762
Pension	16,524	16,387	16,239
Engineering service fee	13,084	-	-
Professional service fee	7,266	4,281	5,037
Utility bill	3,998	1,545	2,977
Processing fee	3,840	-	-
Business tax	1,889	2,778	1,347
Cash dividends (Note 26)	164	146	146
Other	55,646	54,003	55,064
	<u>\$ 552,351</u>	<u>\$ 521,970</u>	<u>\$ 484,521</u>
Other current liabilities			
Guarantee deposit - payments received to retain capacity (Note) (Note 26)	\$ 175,102	\$ 175,872	\$ 175,876
Advance receipts (Note 28)	3,849	4,097	9,559
Temporary receipts	71	80	77
	<u>\$ 179,022</u>	<u>\$ 180,049</u>	<u>\$ 185,512</u>
<u>Non-current</u>			
Guarantee deposits and margins received			
Payments received to retain capacity (Note)	\$ 345,905	\$ 418,545	\$ 439,307
Other (Note 28)	19,462	20,717	20,516
	<u>\$ 365,367</u>	<u>\$ 439,262</u>	<u>\$ 459,823</u>

Note: To expand the production capacity in response to the increase in customer demand, the Consolidated Company has signed a production capacity agreement with its customers and collected a production capacity deposit which the customers can



offset the payment for shipments in phases during the production capacity guarantee period according to the conditions stipulated in the agreement.

19. Liability provisions

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Warranty	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>
	January 1 to September 30, 2025	January 1 to September 30, 2024	
Opening balance	\$ 30,000	\$ 30,000	
Warranty expense for this period	145	484	
Used during this period	( 145 )	( 484 )	
Ending balance	<u>\$ 30,000</u>	<u>\$ 30,000</u>	

The warranty provision for liabilities is the present value of the best estimate of the future economic outflows due to the warranty obligations by the management of the Consolidated Company according to the contract for the sale of goods. This estimate is based on historical warranty and adjusted by taking into account new raw materials, changes in the process or other factors that affect product quality.

20. Equity

(1) Share capital

Common stock

	September 30, 2025	December 31, 2024	September 30, 2024
Number of shares authorized (in thousands)	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Authorized capital amount (NTD in thousand)	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>
Issued and paid shares (in thousands)	<u>129,047</u>	<u>129,047</u>	<u>129,047</u>
Issued capital (NTD in thousand)	<u>\$ 1,290,474</u>	<u>\$ 1,290,474</u>	<u>\$ 1,290,474</u>

(2) Capital surplus

	September 30, 2025	December 31, 2024	September 30, 2024
May be used to offset a deficit, distributed as cash dividends or transferred to capital (Note)			

	September 30, 2025	December 31, 2024	September 30, 2024
Share premium	\$ 530,686	\$ 530,686	\$ 530,686
Treasury shares	<u>93,850</u>	<u>93,850</u>	<u>93,850</u>
	<u>\$ 624,536</u>	<u>\$ 624,536</u>	<u>\$ 624,536</u>

Note: Such capital surplus can be used to offset a deficit, and can be used to distribute cash or transfer to capital when the Company has no deficit. However, the appropriation to the share capital is limited to a certain ratio of the paid-in share capital each year.

(3) Retained earning and dividend policy

According to the earnings distribution policy of the Company's Articles of Association, if there is a surplus in the annual final statement, the Board of Directors shall formulate an earning distribution proposal in the following manner and sequence. In the case of share distribution, a resolution shall be submitted to the shareholders' meeting; in the case of cash distribution, the Board of Directors may be authorized to make a special resolution and report to the shareholders' meeting:

- A. the Company shall set aside all taxes that legally required to be paid;
- B. offset its losses in previous years that have not been previously offset;
- C. set aside 10% as Legal Reserve in accordance with the Applicable Public Company Rules, unless the accumulated amount of such Legal Reserve has reached the total paid-up capital of the Company;
- D. set aside a special capital reserve, if one is required, in accordance with the Applicable Public Company Rules or as requested by the authorities in charge.

The Company is in the growth stage. Based on the needs of capital expenditure, business expansion and sound financial planning for sustainable development, the Company's dividend policy will be appropriated in cash dividends or stock dividends according to the Company's future capital expenditure budget and capital needs. The proportion of cash dividends distributed to shareholders of the Company shall not be less than 10% of the total dividends to shareholders.

Please refer to Note 22 (8) Employee Remuneration and Director Remuneration for the employees and directors remuneration policy stipulated in the Articles of Association of the Company.

According to Article 237 of the Company Act of the Republic of China, when allocating surplus profits after having paid all taxes and dues, shall first set aside 10% of said profits as legal reserve. Where such legal reserve amounts equal to the

total paid-in capital, this provision shall not apply. The legal reserve can be used to make up for losses. When the Company has no losses, the portion of the legal reserve exceeding 25% of the total paid-in capital can be allocated in cash in addition to being accounted as share capital.

The Company set aside the special reserve in accordance with the Official Letter Chin-Kuan-Cheng-Fa-Tzu No. 1090150022 and “Questions and Answers for Special Reserves Appropriated Following Adoption of the IFRSs (IFRS Accounting Standards)”.

The Company’s 2024 and 2023 earnings distribution proposals are as follows:

	2024	2023
Legal reserve	<u>\$ 66,420</u>	<u>\$ 56,609</u>
Special reserve	<u>( \$ 154,293 )</u>	<u>\$ 44,873</u>
Cash dividends	<u>\$ 541,999</u>	<u>\$ 451,666</u>
Cash dividend per share (NTD)	<u>\$ 4.2</u>	<u>\$ 3.5</u>

The above cash dividends have been distributed by the resolution of the Board of Directors on March 10, 2025 and March 12, 2024, respectively, and the remaining earning distribution items were also resolved at the shareholders’ general meeting on May 26, 2025 and May 27, 2024, respectively.

(4) Special reserve

	January 1 to September 30, 2025	January 1 to September 30, 2024
Opening balance	<u>\$ 253,910</u>	<u>\$ 209,037</u>
Reduction of other equity items	-	44,873
Reversal of reduction of other equity items	<u>( 154,293 )</u>	<u>-</u>
Ending balance	<u>\$ 99,617</u>	<u>\$ 253,910</u>

(5) Other equity

Exchange differences on translation of foreign financial statements:

	January 1 to September 30, 2025	January 1 to September 30, 2024
Opening balance	<u>( \$ 99,617 )</u>	<u>( \$ 253,910 )</u>
Recognized in the current period		
Translation differences in presentation currency	( 311,845 )	115,026
Exchange differences on translation	<u>126,548</u>	<u>8,825</u>
Other comprehensive income in the current period	<u>( 185,297 )</u>	<u>123,851</u>
Ending balance	<u>( \$ 284,914 )</u>	<u>( \$ 130,059 )</u>

## 21. Revenue

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Revenue from customer contracts				
Packaging and testing	\$ 1,354,483	\$ 1,157,394	\$ 3,878,411	\$ 3,332,667
Other revenue				
Other (Note 28)	<u>35,484</u>	<u>36,552</u>	<u>112,991</u>	<u>108,621</u>
	<u>\$ 1,389,967</u>	<u>\$ 1,193,946</u>	<u>\$ 3,991,402</u>	<u>\$ 3,441,288</u>

### (1) Contract balance

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Accounts receivable (Note 9)	\$ 1,071,707	\$ 852,200	\$ 817,223	\$ 780,906
Accounts receivable due from related parties (Note 28)	<u>8,493</u>	<u>8,903</u>	<u>8,583</u>	<u>9,885</u>
	<u>\$ 1,080,200</u>	<u>\$ 861,103</u>	<u>\$ 825,806</u>	<u>\$ 790,791</u>
Contract assets				
Packaging and testing	\$ 101,644	\$ 117,427	\$ 129,939	\$ 123,426
Less: loss allowances	( <u>5,008</u> )	( <u>9,074</u> )	( <u>6,942</u> )	( <u>6,933</u> )
Current contract assets	<u>\$ 96,636</u>	<u>\$ 108,353</u>	<u>\$ 122,997</u>	<u>\$ 116,493</u>
Contract liabilities				
Packaging and testing	<u>\$ 70,380</u>	<u>\$ 18,892</u>	<u>\$ 9,803</u>	<u>\$ 23,353</u>

The Consolidated Company recognizes loss allowance for contract assets based on lifetime expected credit losses. The average process duration of the packaging and testing service contracts signed by the Consolidated Company is 20 to 30 days. When determining the possibility of obtaining an unconditional right of payment for contract assets in the future, the policy adopted by the Consolidated Company refers to the historical experience of the counterparty's relevant contract assets, current market conditions and business outlook, considers the contracts that are still under obligations on the balance sheet date, examines each contract for stagnation, and recognizes the loss allowance for contract assets according to the expected credit losses during the duration. If there is evidence that the obligation of the contract have been stagnant for more than 30 days, the Consolidated Company will recognize the loss allowance at full amount, but will continue to pursuit the stagnation of the contract, and carry out the obligation when the stagnation has been eliminated. If

there is evidence that the counterparty has signs of breach of contract or is facing serious financial difficulties where the recoverable amount cannot be reasonably estimated, the Consolidated Company will directly write off the relevant contract assets and loss allowance, but will continue to pursue for recovery. The amount recovered by the pursuit will be recognized in profit or loss.

	September 30, 2025	December 31, 2024	September 30, 2024
Expected credit loss rate	4.9%	7.7%	5.3%
Total amount	\$ 101,644	\$ 117,427	\$ 129,939
Loss allowance (lifetime expected credit losses)	( <u>5,008</u> )	( <u>9,074</u> )	( <u>6,942</u> )
	<u>\$ 96,636</u>	<u>\$ 108,353</u>	<u>\$ 122,997</u>

Information on changes in the loss allowance on contract assets:

	January 1 to September 30, 2025	January 1 to September 30, 2024
Opening balance	\$ 9,074	\$ 6,933
Less: Reversal of impairment loss for the current period	( 3,924)	-
Effect of exchange rate changes	( <u>142</u> )	<u>9</u>
Ending balance	<u>\$ 5,008</u>	<u>\$ 6,942</u>

(2) Detail of revenue from customer contracts

Type of service	January 1 to September 30, 2025	January 1 to September 30, 2024
Packaging and testing	\$ 3,878,411	\$ 3,332,667
Electroplating services	72,515	67,104
Lease and other services	<u>40,476</u>	<u>41,517</u>
	<u>\$ 3,991,402</u>	<u>\$ 3,441,288</u>

22. Profit from continuing operations

(1) Interest income

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Bank deposit	<u>\$ 9,059</u>	<u>\$ 11,144</u>	<u>\$ 36,247</u>	<u>\$ 34,917</u>

(2) Other income

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Government subsidy	\$ 895	\$ 5,271	\$ 1,053	\$ 7,243
Other	<u>4,011</u>	<u>2,975</u>	<u>5,727</u>	<u>4,041</u>
	<u>\$ 4,906</u>	<u>\$ 8,246</u>	<u>\$ 6,780</u>	<u>\$ 11,284</u>

(3) Other gains and losses

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Gain (loss) on foreign exchange	\$ 17,176	( \$ 34,511 )	( \$ 101,448 )	\$ 14,111
Gains (losses) on disposal of property, plant and equipment	1	1,192	( 19 )	827
Other	( 433 )	( 3 )	( 1,427 )	676
	<u>\$ 16,744</u>	<u>( \$ 33,322 )</u>	<u>( \$ 102,894 )</u>	<u>\$ 15,614</u>

(4) Finance costs

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Interest expense on lease liability	<u>\$ 617</u>	<u>\$ 191</u>	<u>\$ 2,148</u>	<u>\$ 744</u>

(5) Depreciation and amortization

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Depreciation expenses summarized by function				
Operating costs	\$ 136,888	\$ 154,975	\$ 410,518	\$ 463,731
Operating expenses	<u>8,002</u>	<u>8,846</u>	<u>25,832</u>	<u>26,403</u>
	<u>\$ 144,890</u>	<u>\$ 163,821</u>	<u>\$ 436,350</u>	<u>\$ 490,134</u>
Amortization expenses summarized by function				
Administrative expenses	<u>\$ 350</u>	<u>\$ 381</u>	<u>\$ 1,087</u>	<u>\$ 1,214</u>

(6) Direct operating expenses of investment property

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Related to lease revenue				
Depreciation expense	\$ 1,803	\$ 1,947	\$ 5,609	\$ 5,801
Other	<u>146</u>	<u>158</u>	<u>455</u>	<u>471</u>
	<u>\$ 1,949</u>	<u>\$ 2,105</u>	<u>\$ 6,064</u>	<u>\$ 6,272</u>

(7) Employee benefits expenses

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Post-employment benefits				
Determined				
appropriation plan	\$ 32,437	\$ 32,916	\$ 97,337	\$ 99,461
Other employee benefits	<u>307,153</u>	<u>307,142</u>	<u>960,200</u>	<u>904,790</u>
Total employee benefits expenses	<u>\$ 339,590</u>	<u>\$ 340,058</u>	<u>\$ 1,057,537</u>	<u>\$ 1,004,251</u>
Summarized by function				
Operating costs	\$ 287,595	\$ 285,061	\$ 897,939	\$ 845,205
Operating expenses	<u>51,995</u>	<u>54,997</u>	<u>159,598</u>	<u>159,046</u>
	<u>\$ 339,590</u>	<u>\$ 340,058</u>	<u>\$ 1,057,537</u>	<u>\$ 1,004,251</u>

(8) Remuneration to the employees and directors

According to the Articles of Association, the Company appropriates the remuneration of employees and directors according to the pre-tax profit before deducting the remuneration of employees and directors of the current year at a rate of 5% to 10% and less than or equal to 3% respectively. Estimated employee remuneration and director remuneration for the three and nine months ended September 30, 2025 and 2024 are as follows:

Estimated ratio

	January 1 to September 30, 2025	January 1 to September 30, 2024
Remuneration to employees	9.3%	9.6%
Remuneration to directors	2.7%	2.9%

Amount

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Remuneration to employees	<u>\$ 31,500</u>	<u>\$ 20,000</u>	<u>\$ 80,130</u>	<u>\$ 64,000</u>
Remuneration to directors	<u>\$ 10,500</u>	<u>\$ 6,000</u>	<u>\$ 23,500</u>	<u>\$ 19,500</u>

If there is still a change in the amount after the annual consolidated financial statement is approved, it will be treated as a change in accounting estimates and adjusted and recorded in the following year.

Employee remuneration and director remuneration in 2024 and 2023 were approved by the Board of Directors on March 10, 2025 and March 12, 2024 as follows:

Amount

	2024	2023
	Cash	Cash
Remuneration to employees	\$ 90,000	\$ 80,000
Remuneration to directors	\$ 26,000	\$ 24,000

There is no difference between the aforementioned approved amounts of employee remuneration and director remuneration in 2024 and 2023 and the recognized amounts in the consolidated financial statement for 2024 and 2023.

For information on employee remuneration and director remuneration as approved by the Board of Directors, please visit the “MOPS” of the TWSE.

(9) Foreign currency exchange gain and loss

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Total foreign currency exchange gain	\$ 62,150	\$ 11,912	\$ 135,647	\$ 110,176
Total foreign currency exchange loss	( 44,974 )	( 46,423 )	( 237,095 )	( 96,065 )
Net (loss) gain	\$ 17,176	( \$ 34,511 )	( \$ 101,448 )	\$ 14,111

23. Income tax for continuing operation

(1) Income tax recognized in profit or loss

Detail of income tax expenses:

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Current income tax				
Current period	\$ 90,872	\$ 42,272	\$ 199,194	\$ 120,307
Prior years' adjustment	1,055	-	631	( 3,524 )
	91,927	42,272	199,825	116,783
Deferred income tax				
Current period	( 11,449 )	( 2,675 )	( 10,968 )	343
Income tax expense recognized in profit or loss	\$ 80,478	\$ 39,597	\$ 188,857	\$ 117,126

(2) Income tax assessment

The Taiwan branch of the Company's subsidiary GEM Tech Ltd.'s profit-seeking enterprise income tax has been approved by the tax authority until 2023.

The Consolidated Company had no pending tax litigation as of September 30, 2025.



## 24. Earnings per share

	Unit: NTD per share			
	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Earnings per share - basic				
From continuing operations	\$ <u>1.85</u>	\$ <u>1.14</u>	\$ <u>4.38</u>	\$ <u>3.61</u>
Earnings per share - diluted				
From continuing operations	\$ <u>1.84</u>	\$ <u>1.13</u>	\$ <u>4.34</u>	\$ <u>3.57</u>

Earnings and the weighted average number of common shares used to calculate earnings per share:

### Profit

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Net profit attributable to owners of the Company	\$ <u>239,060</u>	\$ <u>146,854</u>	\$ <u>565,426</u>	\$ <u>465,335</u>
Net profit used to calculate basic earnings per share and diluted earnings per share	\$ <u>239,060</u>	\$ <u>146,854</u>	\$ <u>565,426</u>	\$ <u>465,335</u>

### Quantity

	Unit: thousand shares			
	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Weighted average number of common shares used to calculate basic earnings per share	129,047	129,047	129,047	129,047
Effect of potential dilutive common shares:				
Remuneration to employees	<u>978</u>	<u>989</u>	<u>1,290</u>	<u>1,303</u>
Weighted average number of common shares used to calculate diluted earnings per share	<u>130,025</u>	<u>130,036</u>	<u>130,337</u>	<u>130,350</u>

If the Consolidated Company can choose to pay employee remuneration in shares or cash, when calculating diluted earnings per share, assumed that employee remuneration will be issued in shares, the weighted average number of outstanding shares shall be included in the potentially dilutive common shares to calculate the diluted EPS. When calculating the diluted EPS before deciding on the number of shares for employee remuneration in the following year, the potentially dilutive common shares will also be considered.

25. Government grants

GEM Electronics (Hefei) Co., Ltd., a subsidiary of the Consolidated Company, met the subsidy conditions of the local government and received a subsidy of \$84,796 thousand after filing an application for the buildings built and the machinery and equipment purchased by the subsidiary.

This amount has been deducted from the relevant asset's carrying amount and carried forward to profit or loss over the asset's economic life by reducing the depreciation expense. In the three and nine months ended September 30, 2025 and 2024, the depreciation expenses were reduced \$2,071 thousand, \$2,039 thousand, \$6,473 thousand, and \$7,152 thousand, respectively.

26. Cash flow

(1) Non-cash transaction

Unless disclosed in other notes, the Consolidated Company conducted the following non-cash investment and financing activities from January 1 to September 30, 2025 and 2024:

- A. As of September 30, 2025, and December 31 and September 30, 2024, the purchase price of unpaid properties, plant and equipment acquired by the Consolidated Company were \$92,368 thousand, \$70,990 thousand and \$63,064 thousand respectively, and were accounted as other payables.
- B. As of September 30, 2025, and December 31 and September 30, 2024, there were \$164 thousand, \$146 thousand and \$146 thousand of declared cash dividends that had not been distributed and were accounted under other payables.
- C. The Consolidated Company signed a production capacity guarantee agreement with the customer and offset the security deposit by offsetting the payment according to the conditions stipulated in the contract. In the nine months ended September 30, 2025 and 2024, \$70,704 thousand and \$55,587 thousand, respectively, offset the security deposit by offsetting accounts receivable.

(2) Changes in liabilities from financing activities

January 1 to September 30, 2025

	January 1, 2025	Cash flows	Non-cash changes				September 30, 2025
			Finance costs	Offsetting accounts receivable	Effect of exchange rate change	Other	
Guarantee deposits and margins received	\$ 615,134	\$ -	\$ -	(\$ 70,704)	(\$ 3,961)	\$ -	\$ 540,469
Lease liabilities	98,388	( 23,688 )	2,148	-	( 5,561 )	( 2,148 )	69,139
	<u>\$ 713,522</u>	<u>( \$ 23,688 )</u>	<u>\$ 2,148</u>	<u>( \$ 70,704 )</u>	<u>( \$ 9,522 )</u>	<u>( \$ 2,148 )</u>	<u>\$ 609,608</u>

January 1 to September 30, 2024

	January 1, 2024	Cash flows	Non-cash changes				Other	September 30, 2024
			Lease additions	Finance costs	Offsetting accounts receivable	Effect of exchange rate change		
Guarantee deposits and margins received	\$688,434	\$ -	\$ -	\$ -	( \$ 55,587)	\$ 2,852	\$ -	\$ 635,699
Lease liabilities	<u>36,313</u>	<u>( 25,156)</u>	<u>10,595</u>	<u>744</u>	<u>-</u>	<u>1,486</u>	<u>( 744)</u>	<u>23,238</u>
	<u>\$724,747</u>	<u>( \$ 25,156)</u>	<u>\$ 10,595</u>	<u>\$ 744</u>	<u>( \$ 55,587)</u>	<u>\$ 4,338</u>	<u>( \$ 744)</u>	<u>\$ 658,937</u>

27. Financial instrument

- (1) Fair value information - financial instruments not measured at fair value

The management of the Consolidated Company considers that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

- (2) Types of financial instruments

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial asset</u>			
Financial assets measured at amortized cost (Note 1)	\$ 3,576,842	\$ 3,463,463	\$ 3,063,348
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost (Note 2)	994,441	887,470	931,462

Note 1: The balance includes cash and cash equivalents, financial assets measured at amortized cost - current, accounts receivable (including related parties), other receivables (including related parties) and refundable deposits.

Note 2: The balance includes financial liabilities such as accounts payable, other payables (excluding salaries and bonuses payable, employee remuneration and director remuneration payable, insurance premiums payable, pensions payable, business tax payable, and cash dividends payable) and guarantee deposit.

- (3) Financial risk management objectives and policies

The Group's main financial instruments include cash and cash equivalents, investments in debt instruments, receivables, payables, and lease liabilities. Among the financial instruments held by the Consolidated Company, financial risks related

to operations include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

A. Market risk

The main financial risks borne by the Consolidated Company's operating activities are the foreign currency exchange rate risk (see (A) below) and the interest rate risk (see (B) below).

(A) Foreign currency risk

The Consolidated Company is engaged in foreign currency-denominated sales and purchase transactions, thus causing the Consolidated Company to be exposed to foreign currency risk. The Consolidated Company regularly evaluates the net risk position of the sales amount and cost amount denominated in non-functional currency, and adjusts the cash holding position of the non-functional currency accordingly to achieve hedging.

For the book values of monetary assets and liabilities of the Consolidated Company denominated in non-functional currencies on the balance sheet date (including those monetary items denominated in non-functional currencies that have been eliminated in the consolidated financial statements), please refer to Note 30.

Sensitivity analysis

The Consolidated Company is mainly affected by fluctuations in the exchange rates of US dollars and New Taiwan Dollars.

The table below details the sensitivity analysis of the Consolidated Company when the exchange rate of each functional currency of each entity against each relevant foreign currency increases/decreases by 1%. 1% is the sensitivity rate used when reporting exchange rate risk within the Consolidated Company to key management, and also represents management's assessment of the reasonably possible range of changes in foreign currency exchange rates. Sensitivity analysis only includes foreign currency monetary items in circulation which is translated at the end of the period with a 1% exchange rate adjustment.

When foreign currency monetary items are net assets, a positive number in the table below means that when the functional currency of each consolidated entity depreciates by 1% relative to each related currency (mainly US dollar and New Taiwan Dollar), the pre-tax net profit or equity

will increase by a number of the same amount; when the functional currency of each consolidated entity appreciates by 1% relative to each relevant currency, its impact on pre-tax net profit or equity will be a negative number of the same amount.

	The impact of US Dollar		The impact of New Taiwan Dollar	
	January 1 to September 30, 2025	January 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Gain or (loss)	\$ 21,469 (i)	\$ 17,429 (i)	(\$ 1,148)(ii)	(\$ 927)(ii)

- i. Mainly from the Consolidated Company's USD-denominated cash and cash equivalents, receivables and payables that were in circulation on the balance sheet date without cash flow hedging.

The Consolidated Company's sensitivity to the USD exchange rate increased in the current period, which was due to the increase in receivables denominated in USD.

- ii. Mainly from the Consolidated Company's NTD-denominated payables that were still in circulation on the balance sheet date without cash flow hedging.

The Consolidated Company's sensitivity to the NTD exchange rate increased in the current period compared to the same period last year, which was due to the increase in payables denominated in NTD.

(B) Interest rate risk

Interest rate risk exposure is incurred due to the bank deposits and lease liabilities within the Consolidated Company include fixed and floating interest rates.

The book values of financial assets and financial liabilities of the Consolidated Company subject to interest rate risk exposure on the balance sheet date are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value interest rate risk			
- Financial assets	\$ 623,455	\$ 1,014,883	\$ 721,622
- Financial liabilities	69,139	98,388	23,238
Cash flow interest rate risk			
- Financial assets	1,742,627	1,457,028	1,382,554
- Financial liabilities	-	-	-

### Sensitivity analysis

The sensitivity analysis below is based on the interest rate exposure of non-derivative instruments at the balance sheet date. The analysis for floating rate liabilities assumes that the amounts of the liabilities outstanding at the balance sheet date were all outstanding during the reporting period. The rate of change used in reporting interest rates within the Consolidated Company to key management is a 1% increase or decrease in interest rates, which represents management's assessment of the reasonably possible range of changes in interest rates.

If interest rates increased/decreased by 1% when all other variables are held constant, the Consolidated Company's net profit before tax from January 1 to September 30, 2025 and 2024 will increase/decrease by \$13,070 thousand and \$10,369 thousand, respectively, mainly due to the interest rate risk with fluctuations arising from the bank deposits floating interest rate.

The Consolidated Company's sensitivity to interest rates increased in the current period, which is due to the increase in bank deposits with floating interest rates.

#### B. Credit risk

Credit risk refers to the risk that the counterparty defaults on its contractual obligations resulting in financial losses to the Consolidated Company. As of the balance sheet date, the maximum credit risk exposure of the Consolidated Company that may result in financial losses due to the counterparty's failure to perform its obligations is from the carrying amount of financial assets recognized in the consolidated balance sheet.

The policy adopted by the Consolidated Company is to transact with reputable counterparties and to obtain adequate guarantees to mitigate the risk of financial loss due to default when necessary. The Consolidated Company rates major customers by creating complete customer profiles, using publicly available financial and non-financial information, and referring to past transaction records with the Consolidated Company. The Consolidated Company continuously monitors the credit exposure and the credit rating of the counterparty and controls the credit exposure through the counterparty's credit limit which is reviewed and approved annually by the responsible supervisor.

The Consolidated Company continuously evaluates the financial status of customers with accounts receivable and contract assets and reviews the recoverable amounts of accounts receivable and contract assets to ensure that unrecoverable accounts receivable and contract assets have been properly set aside for impairment losses. When necessary, receipts in advance will be adopted as a transaction term to reduce credit risk. Thus, the credit risk on accounts receivable and contract assets is expected to be limited.

The credit risk of the Consolidated Company is concentrated in the top five customers. As of September 30, 2025, and December 31 and September 30, 2024, the ratio for the total amount of accounts receivable and total contract assets came from the top five customers were 61%, 47% and 49%, respectively.

C. Liquidity risk

The Consolidated Company manages and maintains a sufficient position of cash and cash equivalents to support the Group's operations and mitigate the impact of fluctuations in cash flow.

Liquidity and Interest Rate Risk for Non-Derivative Financial Liabilities

The analysis of the remaining contractual maturity of non-derivative financial liabilities is based on the earliest date on which the Consolidated Company may be required to repay, and is prepared based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). The maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment date.

September 30, 2025

	Payment at sight or less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years
Non-interest bearing liabilities	\$ 210,365	\$ 219,918	\$ 544,860	\$ 19,462	\$ -
Lease liabilities	7,446	1,022	25,405	37,688	-
	<u>\$ 217,811</u>	<u>\$ 220,940</u>	<u>\$ 570,265</u>	<u>\$ 57,150</u>	<u>\$ -</u>

December 31, 2024

	Payment at sight or less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years
Non-interest bearing liabilities	\$ 197,279	\$ 216,442	\$ 453,178	\$ 20,717	\$ -
Lease liabilities	<u>7,926</u>	<u>1,088</u>	<u>27,042</u>	<u>67,159</u>	<u>-</u>
	<u>\$ 205,205</u>	<u>\$ 217,530</u>	<u>\$ 480,220</u>	<u>\$ 87,876</u>	<u>\$ -</u>

September 30, 2024

	Payment at sight or less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years
Non-interest bearing liabilities	\$ 203,109	\$ 237,727	\$ 470,256	\$ 20,516	\$ -
Lease liabilities	<u>7,812</u>	<u>1,012</u>	<u>5,010</u>	<u>10,189</u>	<u>-</u>
	<u>\$ 210,921</u>	<u>\$ 238,739</u>	<u>\$ 475,266</u>	<u>\$ 30,705</u>	<u>\$ -</u>

28. Related party transaction

The ultimate parent entity and ultimate controller of the Company is Elite Advanced Laser Corporation which held 51% of the Company's shares on September 30, 2025, and December 31 and September 30, 2024.

Transactions, account balances, income and expenses between the Company and its subsidiaries (which are related parties of the Company) are all eliminated upon consolidation, thus not disclosed in this note. Unless disclosed in other notes, the transactions between the Consolidated Company and other related parties are as follows.

(1) Name and relationship of related party

Related party	Relationship with the consolidated company
Elite Advanced Laser Corporation	Ultimate parent entity
Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd.	Associate

(2) Revenue

Account	Related party categories	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Electroplating services	Associate	<u>\$ 22,473</u>	<u>\$ 22,611</u>	<u>\$ 72,515</u>	<u>\$ 67,104</u>
Lease revenue	Associate	<u>\$ 11,325</u>	<u>\$ 12,235</u>	<u>\$ 35,229</u>	<u>\$ 36,435</u>
Other	Associate	<u>\$ 1,686</u>	<u>\$ 1,706</u>	<u>\$ 5,247</u>	<u>\$ 5,082</u>

There is no other comparable transaction of the same sales price and conditions of the related parties. The revenue from electroplating services is determined by the cost-plus pricing, and the payment terms are monthly T/T 45 days. The lease revenue is based on the contract signed according to the general market conditions, and the



rent is collected on a monthly basis; the other service revenue is collected on a monthly basis according to the contract content.

(3) Receivables from related parties

Account	Related party categories	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable due from related parties	Associate	\$ 8,493	\$ 8,903	\$ 8,583
Other receivables - related parties	Associate	\$ 1,022	\$ 863	\$ 183

The outstanding receivables from related parties are not overdue, and no guarantee has been received. No allowance for losses was provided for receivables from related parties

(4) Lease agreement

Related party categories	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
<u>Lease expense</u>				
Ultimate parent entity	\$ 51	\$ 51	\$ 153	\$ 153

The Consolidated Company leased buildings and parking spaces from the Ultimate Parent Entity over a lease term of one year. The rent is signed according to the general market conditions and rents are paid monthly.

The lease fee is a short-term lease, and the total lease payments to be paid in the future are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Total lease payments to be paid in the future	\$ 166	\$ 115	\$ 176

(5) Lease agreement

Operation lease/ sublease

The Consolidated Company leases the buildings and subleases the land use rights related to the buildings to its associate, Mitsubishi Electric GEM Power Semiconductor (Hefei) Co., Ltd., for a lease term of five years, with an option to extend the lease term for two years. The rent is signed according to the general market conditions and rents are paid monthly. At the end of the lease period, the lessee will not have the bargain purchase price option to purchase the real estate. As of September 30, 2025, and December 31 and September 30, 2024, the total lease payments to be received in the future are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Year 1	\$ 46,868	\$ 49,888	\$ 49,405
Year 2	11,717	49,888	49,405
Year 3	-	-	12,351
Year 4	-	-	-
Year 5	-	-	-
	<u>\$ 58,585</u>	<u>\$ 99,776</u>	<u>\$ 111,161</u>

The lease revenue recognized for the three and nine months ended September 30, 2025 and 2024 was \$11,325 thousand, \$12,235 thousand, \$35,229 thousand, and \$36,435 thousand, respectively.

(6) Other related party transactions

Account	Related party categories	September 30, 2025	December 31, 2024	September 30, 2024
Guarantee deposits and margins received	Associate	<u>\$ 1,660</u>	<u>\$ 1,767</u>	<u>\$ 1,750</u>
Refundable deposits paid	Ultimate parent entity	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ 20</u>
Advance receipts	Associate	<u>\$ 3,849</u>	<u>\$ 4,097</u>	<u>\$ 4,057</u>

(7) Remuneration for key managerial officers

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Short-term employee benefits	\$ 32,766	\$ 17,801	\$ 73,998	\$ 61,836
Post-employment benefits	<u>54</u>	<u>54</u>	<u>162</u>	<u>162</u>
	<u>\$ 32,820</u>	<u>\$ 17,855</u>	<u>\$ 74,160</u>	<u>\$ 61,998</u>

The remuneration of directors and other key managerial officers is determined by the Remuneration Committee in accordance with individual performance and market trends.

29. Material contingent liabilities and unrecognized contractual commitments

The unrecognized contractual commitments of the Consolidated Company are as follows:

Unit: Foreign currency (thousand)			
	September 30, 2025	December 31, 2024	September 30, 2024
Acquisition of property, plant and equipment			
USD	<u>\$ 30</u>	<u>\$ 30</u>	<u>\$ 230</u>
RMB	<u>\$ 2,052</u>	<u>\$ 2,127</u>	<u>\$ 2,010</u>

30. Information on significant foreign currency assets and liabilities

The following information is expressed in foreign currencies other than the functional currencies of the Consolidated Companies. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to functional currencies. Significant foreign currency assets and liabilities are as follows:

September 30, 2025

	Foreign currency (thousand)	Exchange rate	Carrying amount
Assets in foreign currency			
<u>Monetary items</u>			
USD	\$ 60,878	7.1055 (USD: RMB)	\$ 1,853,433
USD	45,775	30.4450 (USD: NTD)	1,393,623
Liabilities in foreign currency			
<u>Monetary items</u>			
USD	9,747	7.1055 (USD: RMB)	296,761
USD	26,389	30.4450 (USD: NTD)	803,405
NTD	39,246	0.0328 (NTD: USD)	39,246
NTD	75,546	0.2334 (NTD: RMB)	75,546

December 31, 2024

	Foreign currency (thousand)	Exchange rate	Carrying amount
Assets in foreign currency			
<u>Monetary items</u>			
USD	\$ 48,235	7.1884 (USD: RMB)	\$ 1,581,389
USD	41,697	32.7850 (USD: NTD)	1,367,050
Liabilities in foreign currency			
<u>Monetary items</u>			
USD	10,254	7.1884 (USD: RMB)	336,163
USD	22,361	32.7850 (USD: NTD)	733,121
NTD	44,289	0.0305 (NTD: USD)	44,289
NTD	81,334	0.2193 (NTD: RMB)	81,334

September 30, 2024

	Foreign currency (thousand)	Exchange rate	Carrying amount
Assets in foreign currency			
<u>Monetary items</u>			
USD	\$ 48,564	7.0074(USD: RMB)	\$ 1,537,036
USD	38,403	31.6500(USD: NTD)	1,215,445
Liabilities in foreign currency			
<u>Monetary items</u>			
USD	10,118	7.0074(USD: RMB)	320,231
USD	21,781	31.6500(USD: NTD)	689,377
NTD	39,334	0.0316(NTD: USD)	39,334
NTD	53,413	0.2214(NTD: RMB)	53,413

The Consolidated Company's net gain or (loss) on foreign exchange (including realized and unrealized) for the three and nine months ended September 30, 2025 and 2024 were \$17,176 thousand, (\$34,511) thousand, (\$101,448) thousand and \$14,111 thousand, respectively. Due to the wide variety of foreign currency transactions and functional currencies of the Group, it is not possible to disclose exchange gains and losses and significant impact for each currency.

31. Notes to disclosures

(1) Information on significant transactions:

- A. Lending funds to others. (None)
- B. Providing endorsements or guarantees for others. (None)
- C. Holding of significant 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. The purchase and sale of goods with related parties reaching NT\$100 million or 20% of paid-in capital or more. (Table 1)
- E. Accounts receivable from related parties reaching NT\$100 million or 20% of paid-in capital or more. (Table 2)
- F. Others: The relationship and circumstances and amounts of material transactions between the parent and subsidiary companies and between each subsidiary. (Table 3)

(2) Information on investees. (Table 4)

(3) Information of investment in Mainland China:

- A. Name of the investee company in Mainland China, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, profit or loss for the period, and recognized investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in Mainland China. (Table 5)
- B. Any of the following significant transactions with investees in Mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:
  - (A) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (Table 1 and Table 3)
  - (B) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (None)
  - (C) The amount of property transactions and the amount of the resultant gains or losses. (None)
  - (D) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (None)
  - (E) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. (None)
  - (F) 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 receiving of services. (Note 28)

32. Department information

Information provided to the operation decision maker to allocate resources and measure departmental performance, focusing on each type of product or service delivered or provided.

The operation decision maker regards semiconductor foundry and sales units in each region as individual operating departments, but when preparing financial statements, the Consolidated Company considers the following factors and aggregates these operating departments as a single department:

- (1) Similar product properties and process;
- (2) Similar product pricing strategy and sales model.

GEM SERVICES, INC. AND ITS SUBSIDIARIES

The purchase and sale of goods with related parties reaching NT\$100 million or 20% of paid-in capital or more

January 1 to September 30, 2025

Table 1

(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/ Accounts Payable or Receivable		Remark
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
GEM Electronics (Shanghai) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	Subsidiary to subsidiary	Sales	( \$1,227,084 )	( 61% )	Net 90 days from the end of the month of delivery	—	—	\$ 434,189	66%	Notes 1, 2 and 3
GEM Tech Ltd., Taiwan Branch	GEM Electronics (Shanghai) Co., Ltd.	"	Purchase	1,227,084	63%	"	—	—	( 434,189 )	( 62% )	Notes 1, 2 and 3
	GEM Electronics (Hefei) Co., Ltd.	"	Purchase	700,636	36%	"	—	—	( 262,462 )	( 38% )	Notes 1, 2 and 3
GEM Electronics (Hefei) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	"	Sales	( 700,636 )	( 60% )	"	—	—	262,462	77%	Notes 1, 2 and 3
	Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd.	Subsidiaries to affiliates	Sales	( 112,991 )	( 10% )	Electroplating services: monthly T/T 45 days; Lease and other services: collected on a monthly basis.	—	—	8,493	2%	Notes 2 and 4

Note 1: The transaction price is determined by the cost-plus pricing.

Note 2: There is no unrealized profit or loss for this period.

Note 3: It has been eliminated when preparing the consolidated financial statements.

Note 4: The revenue from electroplating services is determined by the cost-plus method; the lease revenue is based on the contract signed according to the general market conditions; the income from other services is based on the content of the contract.

GEM SERVICES, INC. AND ITS SUBSIDIARIES

Accounts receivable from related parties reaching NT\$100 million or 20% of paid-in capital or more

September 30, 2025

Table 2

(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Nature of Relationships	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 1)	Allowance for Bad Debts
					Amount	Action Taken		
GEM Electronics (Shanghai) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	Subsidiary to subsidiary	Accounts receivable \$ 434,189	3.97	\$ -	—	\$ 150,689	\$ -
GEM Electronics (Hefei) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	Subsidiary to subsidiary	Accounts receivable 262,462	3.86	-	—	90,414	-

Note 1: Amount recovered from October 1 to November 10, 2025.

Note 2: It has been eliminated when preparing the consolidated financial statements.

GEM SERVICES, INC. AND ITS SUBSIDIARIES

The relationship and circumstances and amounts of material transactions between the parent and subsidiary companies and between each subsidiary.

January 1 to September 30, 2025

Table 3

(In Thousands of New Taiwan Dollars)

No.	Counterparty	Transaction Counterparty	Relationship to the Counterparty	Transaction Details			
				Account	Amount (Note 1)	Transaction Terms	% of Total Sales or Assets (Note 2)
1	GEM Electronics (Shanghai) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	Note 3 (3)	Sales Revenue	\$ 1,227,084 (Note 4)	Net 90 days from the end of the month of delivery	31%
				Accounts receivable due from related parties	434,189	-	7%
				Contract assets - related parties	51,413	-	1%
2	GEM Electronics (Hefei) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	Note 3 (3)	Sales Revenue	700,636 (Note 4)	Net 90 days from the end of the month of delivery	18%
				Accounts receivable due from related parties	262,462	-	4%
				Contract assets - related parties	20,075	-	-
3	GEM Tech Ltd.	The Company	Note 3 (2)	Remittance of earnings	631,267	-	10%

The business relationship between the parent and the subsidiaries:

The Company and GEM Electronics Company Limited are holding companies; GEM Electronics (Shanghai) Co., Ltd., GEM Tech Ltd., Taiwan Branch, and GEM Tech Ltd. are mainly engaged in the manufacture and sale of electronic parts; GEM Electronics (Hefei) Co., Ltd. is mainly engaged in the manufacture and sale of electronic parts and plant leasing.

Note 1: This table discloses information on one-way transactions only, which have been eliminated when preparing the consolidated financial statements.

Note 2: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets is calculated by the closing balance for the consolidated total assets if it is an asset-liability account or calculated by the interim accumulated amount for the consolidated total revenue if it is a profit and loss account.

Note 3: Relationship to the counterparty:

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

Note 4: There is no unrealized profit or loss for this period.



GEM SERVICES, INC. AND ITS SUBSIDIARIES  
Information, location... and other related information of subsidiaries  
January 1 to September 30, 2025

Table 4

(Except for the number of shares, all denominated in thousands of New Taiwan Dollars and foreign currency)

Investor Company	Investee Company	Location	Business Scope	Original Investment Amount		Holding of Investment at the End of the Period			Net Income (Losses) of the Investee	Share of Profits (Losses) of Investee	Remark
				End of the Current Period	End of Last Year	Quantity	Proportion	Carrying amount			
The Company	GEM Electronics Company Limited	British Virgin Islands Samoa	Holding company business	\$ -	\$ -	100	100%	\$3,203,163	\$ 291,336	\$ 291,336	Note 1
	GEM Tech Ltd.		Manufacture and sales of electronic parts	18,202 (USD 606)	18,202 (USD 606)	606,091	100%	1,155,687	386,492	386,492	Note 1

Note 1: The share of profit (losses) of investee is based on the financial statements of the investee company reviewed by the CPA during the same period.

Note 2: It has been eliminated when preparing the consolidated financial statements.

Note 3: Please refer to Table 5 for relevant information on investment in Mainland China.

GEM SERVICES, INC. AND ITS SUBSIDIARIES

Information of investment in Mainland China

January 1 to September 30, 2025

Table 5

Unit: thousands of New Taiwan Dollars/ foreign currency

Investee Company in China	Business Scope	Paid-in shares Capital	Investment Method	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2025	The Company's Direct or Indirect Holding Percentage	Net Income (Losses) of the Investee	Share of Profits (Losses) of Investee	Carrying Amount of Investments at the End of the Period	Accumulated Inward Remittance of Earnings as of September 30, 2025
					Outflow	Inflow						
GEM Electronics (Shanghai) Co., Ltd. (Note 4)	Manufacture and sales of electronic parts	\$ 2,100,705 ( USD 69,000 ) (Note 5)	Reinvested by GEM Electronics Company Limited (Note 1(2))	\$ -	\$ -	\$ -	\$ -	100%	\$ 291,336	\$ 291,336 (Note 2(2) 2.)	\$ 3,203,163	\$ -
GEM Electronics (Hefei) Co., Ltd. (Note 4)	Manufacture and sales of electronic parts, plant leasing	1,870,323 ( RMB 436,511 )	Reinvested by GEM Electronics (Shanghai) Co., Ltd. (Note 1(3))	-	-	-	-	100%	72,584	72,584 (Note 2(2) 2.)	1,326,052	-
Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd.	Production, design, packaging and testing of power management electronic accessories	152,225 ( USD 5,000 )	Reinvested by GEM Electronics (Shanghai) Co., Ltd. (Note 1(3))	-	-	-	-	20%	59,982	11,996 (Note 2(2) 3.)	125,965	-

Accumulated Investment in Mainland China as of September 30, 2025 (Note 6)	Investment Amounts Authorized by Investment Commission, MOEA (Note 6)	Upper Limit on Investment (Note 6)
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Note 1: There are three types of investment methods, and they indicated below:

1. Directly conduct investment in China.
2. Reinvestment in Mainland China through a third regional company (GEM Electronics Company Limited).
3. Other methods (reinvestment through GEM Electronics (Shanghai) Co., Ltd.).

Note 2: In share of profits (losses) of investee

1. It shall be indicated if it is under preparation without investment profit or loss.
2. The basis for recognition of investment gains and losses is divided into the following three types, which should be indicated.
  - (1) Financial statements reviewed by an international accounting firm that has a cooperative relationship with an accounting firm of the Republic of China.
  - (2) Financial statements reviewed by the certified accounting firm by the parent company in Taiwan.
  - (3) Based on the financial statements of the investee that have not been reviewed by accountants during the same period.

Note 3: Relevant figures in this table should be denominated in New Taiwan Dollars.

Note 4: It has been eliminated when preparing the consolidated financial statements.

Note 5: Part of it is reinvested with surplus funds from the third region.

Note 6: The Company is not a company established by the Republic of China, so it is not applicable.