

**Sunplus Technology Company Limited
and Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2025 and 2024 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The Company required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Sunplus Technology Company Limited

By

CHOU-CHYE HUANG
Chairman

March 13, 2026

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sunplus Technology Company Limited

Opinion

We have audited the accompanying consolidated financial statements of Sunplus Technology Company Limited and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sunplus Technology Company Limited and its subsidiaries as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in Sunplus Technology Company Limited and its subsidiaries' consolidated financial statements for the year ended December 31, 2025 is as follows:

Occurrence of Revenue from Specific Goods

There exists a risk concerning the authenticity of revenue transactions for Sunplus Technology Co., Ltd. and its subsidiaries, particularly with respect to specific goods that have experienced significant sales growth and involve material transaction amounts during the current year carry a higher risk related to the occurrence of sales revenue. Therefore, we considered the occurrence of revenue as a key audit matter. For detailed disclosure of revenue, refer to Notes 4 and 25 to the accompanying consolidated financial statements.

Our audit procedures performed in respect of the above key audit matter included the following:

1. We obtained an understanding of the related internal control and operating procedures in Sunplus Technology Company Limited and its subsidiaries' sales transaction cycle, and we evaluated and confirmed the operating effectiveness of the related internal control and operating procedures.
2. We selected samples from the sales details, and we examined customers' original orders, sales transmission receipt, delivery orders, shipment notice or logistics receipt documents or export declaration, and sales invoices for any abnormalities and confirmed that sales revenue did occur.

Other Matter

We have also audited the accompanying financial statements of Sunplus Technology Company Limited as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing Sunplus Technology Company Limited and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sunplus Technology Company Limited and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Sunplus Technology Company Limited and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Sunplus Technology Company Limited and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within Sunplus Technology Company Limited and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ming-Hui Chen and Tung-Hui Yeh.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2026

Notice to Readers

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

ASSETS	2025		2024	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 4,746,631	34	\$ 4,919,087	34
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,089,327	8	1,081,478	8
Trade receivables, net (Notes 4, 5, 11, 25 and 34)	844,368	6	946,597	7
Other receivables (Notes 4, 11 and 34)	106,953	-	37,895	-
Inventories (Notes 4 and 12)	1,257,213	9	1,220,895	8
Other financial assets - current (Notes 4 and 19)	138,988	1	153,476	1
Other current assets (Notes 19 and 34)	140,865	1	83,524	1
Total current assets	8,324,345	59	8,442,952	59
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	1,255,404	9	1,519,152	11
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	240,909	2	422,728	3
Financial assets at amortized cost - non-current (Notes 4, 9 and 10)	100,329	1	50,258	-
Investments accounted for using the equity method (Notes 4 and 14)	380,108	3	440,318	3
Property, plant and equipment (Notes 4, 15 and 35)	1,761,118	13	1,790,783	13
Right-of-use assets (Notes 4 and 16)	185,724	1	205,807	1
Investment properties (Notes 4 and 17)	690,426	5	759,166	5
Intangible assets (Notes 4 and 18)	440,981	3	231,150	2
Deferred tax assets (Notes 4 and 27)	38,032	-	42,546	-
Net defined benefit assets - non-current (Notes 4 and 23)	84,390	1	68,223	-
Other financial assets - non-current (Notes 4, 19 and 35)	342,189	2	243,669	2
Other non-current assets (Notes 4 and 19)	155,505	1	118,973	1
Total non-current assets	5,675,115	41	5,892,773	41
TOTAL	\$ 13,999,460	100	\$ 14,335,725	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 20)	\$ 127,291	1	\$ 75,078	-
Contract liabilities - current (Note 25)	30,293	-	48,318	-
Accounts payable (Note 21)	423,581	3	381,779	3
Current tax liabilities (Notes 4 and 27)	128,401	1	126,378	1
Lease liabilities - current (Notes 4 and 16)	11,713	-	13,251	-
Deferred revenue - current (Notes 4, 22 and 29)	1,638	-	1,635	-
Current portion of long-term bank borrowings (Note 20)	187,500	1	231,250	2
Other current liabilities (Note 22)	939,947	7	969,788	7
Total current liabilities	1,850,364	13	1,847,477	13
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 20)	962,500	7	931,250	7
Lease liabilities - non-current (Notes 4 and 16)	186,470	1	204,463	1
Deferred revenue - non-current (Notes 4, 22 and 29)	50,764	-	52,192	-
Net defined benefit liabilities - non-current (Notes 4 and 23)	14,584	-	13,899	-
Guarantee deposits (Note 34)	248,022	2	255,434	2
Other liabilities (Note 22)	95,178	1	888	-
Total non-current liabilities	1,557,518	11	1,458,126	10
Total liabilities	3,407,882	24	3,305,603	23
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 24 and 31)				
Share capital				
Ordinary shares	5,919,949	42	5,919,949	41
Capital surplus	1,136,189	8	1,148,828	8
Retained earnings				
Legal reserve	1,898,136	13	1,898,136	13
Special reserve	124,159	1	124,159	1
Accumulated deficit	(305,851)	(2)	(147,075)	(1)
Total retained earnings	1,716,444	12	1,875,220	13
Other equity	(497,699)	(3)	(271,415)	(2)
Treasury shares	(63,401)	-	(63,401)	-
Total equity attributable to owners of the Company	8,211,482	59	8,609,181	60
NON-CONTROLLING INTERESTS (Notes 4, 13, 24 and 31)	2,380,096	17	2,420,941	17
Total equity	10,591,578	76	11,030,122	77
TOTAL	\$ 13,999,460	100	\$ 14,335,725	100

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	2025		2024	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 25 and 34)	\$ 6,303,139	100	\$ 6,434,086	100
OPERATING COSTS (Notes 12 and 26)	<u>3,368,028</u>	<u>54</u>	<u>3,319,165</u>	<u>52</u>
GROSS PROFIT	<u>2,935,111</u>	<u>46</u>	<u>3,114,921</u>	<u>48</u>
OPERATING EXPENSES (Notes 26 and 34)				
Selling and marketing expenses	335,394	5	328,215	5
General and administrative expenses	508,961	8	526,417	8
Research and development expenses	<u>2,182,897</u>	<u>35</u>	<u>2,153,360</u>	<u>34</u>
Total operating expenses	<u>3,027,252</u>	<u>48</u>	<u>3,007,992</u>	<u>47</u>
OTHER OPERATING INCOME AND EXPENSES	<u>(2,765)</u>	<u>-</u>	<u>(381)</u>	<u>-</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(94,906)</u>	<u>(2)</u>	<u>106,548</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 14, 26, 29 and 34)				
Interest income	73,697	1	69,593	1
Other income	227,295	4	201,298	3
Other gains and losses	92,607	2	488,423	8
Finance costs	(39,648)	(1)	(47,265)	(1)
Share of profit or loss of associates	<u>(51,225)</u>	<u>(1)</u>	<u>(26,213)</u>	<u>-</u>
Total non-operating income and expenses	<u>302,726</u>	<u>5</u>	<u>685,836</u>	<u>11</u>
PROFIT BEFORE INCOME TAX	207,820	3	792,384	12
INCOME TAX EXPENSE (Notes 4 and 27)	<u>141,323</u>	<u>2</u>	<u>196,176</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>66,497</u>	<u>1</u>	<u>596,208</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss (Notes 4 and 24):				
Remeasurement of defined benefit plans	14,616	-	30,105	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(193,848)	(3)	(204,884)	(3)
Share of the other comprehensive loss of associates accounted for using the equity method	(461)	-	(8,138)	-

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss (Notes 4 and 24):				
Exchange differences on translation of the financial statements of foreign operations	\$ 11,102	-	\$ 80,145	2
Share of other comprehensive income of associates accounted for using the equity method	<u>-</u>	<u>-</u>	<u>5,460</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(168,591)</u>	<u>(3)</u>	<u>(97,312)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (102,094)</u>	<u>(2)</u>	<u>\$ 498,896</u>	<u>8</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ (215,489)	(3)	\$ 258,969	4
Non-controlling interests	<u>281,986</u>	<u>4</u>	<u>337,239</u>	<u>5</u>
	<u>\$ 66,497</u>	<u>1</u>	<u>\$ 596,208</u>	<u>9</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ (385,018)	(6)	\$ 149,039	2
Non-controlling interests	<u>282,924</u>	<u>4</u>	<u>349,857</u>	<u>6</u>
	<u>\$ (102,094)</u>	<u>(2)</u>	<u>\$ 498,896</u>	<u>8</u>
(LOSS) EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ (0.37)</u>		<u>\$ 0.44</u>	
Diluted	<u>\$ (0.37)</u>		<u>\$ 0.44</u>	

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

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share Capital Issued and Outstanding		Capital Surplus	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
	Share (Thousands)	Amount		Legal Reserve	Special Reserve	Accumulated Deficit						
BALANCE ON JANUARY 1, 2024	591,995	\$ 5,919,949	\$ 1,160,931	\$ 1,898,136	\$ 180,682	\$ (486,919)	\$ (190,170)	\$ 66,011	\$ (63,401)	\$ 8,485,219	\$ 2,314,062	\$ 10,799,281
Appropriation of 2023 earnings	-	-	-	-	(56,523)	56,523	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(56,523)	56,523	-	-	-	-	-	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	(43,427)	-	-	-	-	-	-	(43,427)	-	(43,427)
Proceeds from disposal of subsidiaries	-	-	-	-	-	-	(1,102)	-	-	(1,102)	-	(1,102)
Proceeds from disposal of associates	-	-	1,264	-	-	-	10,887	(23,039)	-	(10,888)	-	(10,888)
Difference between the consideration and carrying amount of subsidiaries during actual disposal or acquisition	-	-	32,258	-	-	-	83	197	-	32,538	-	32,538
Changes in percentage of ownership interest in subsidiaries	-	-	(2,198)	-	-	-	-	-	-	(2,198)	2,198	-
Net profit for the year ended December 31, 2024	-	-	-	-	-	258,969	-	-	-	258,969	337,239	596,208
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	27,757	75,454	(213,141)	-	(109,930)	12,618	(97,312)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	286,726	75,454	(213,141)	-	149,039	349,857	498,896
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(245,176)	(245,176)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(3,405)	-	3,405	-	-	-	-
BALANCE ON DECEMBER 31, 2024	591,995	5,919,949	1,148,828	1,898,136	124,159	(147,075)	(104,848)	(166,567)	(63,401)	8,609,181	2,420,941	11,030,122
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	14,745	-	-	-	-	-	-	14,745	-	14,745
Proceeds from disposal of associates	-	-	(27,384)	-	-	-	-	(42)	-	(27,426)	-	(27,426)
Net (loss) profit for the year ended December 31, 2025	-	-	-	-	-	(215,489)	-	-	-	(215,489)	281,986	66,497
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	15,040	9,902	(194,471)	-	(169,529)	938	(168,591)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	(200,449)	9,902	(194,471)	-	(385,018)	282,924	(102,094)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(323,769)	(323,769)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	41,673	-	(41,673)	-	-	-	-
BALANCE ON DECEMBER 31, 2025	591,995	5,919,949	1,136,189	1,898,136	124,159	(305,851)	(94,946)	(402,753)	(63,401)	8,211,482	2,380,096	10,591,578

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 207,820	\$ 792,384
Adjustments for:		
Depreciation expense	317,483	344,073
Amortization expense	212,531	124,792
Net loss on fair value change of financial assets at FVTPL	6,174	11,336
Finance costs	39,648	47,265
Interest income	(73,697)	(69,593)
Dividend income	(41,596)	(39,065)
Compensation costs of share-based payments	-	-
Share of loss of associates	51,225	26,213
Loss on disposal of property, plant and equipment	971	15
Loss on disposal of intangible assets	1,794	366
Gain on disposal of subsidiaries	-	(978)
Gain on disposal of associates	(89,786)	(424,639)
Impairment loss recognized on financial assets	-	-
Unrealized gain on transactions with associates	-	(1,256)
Net loss (gain) on foreign currency exchange	8,780	(8,982)
Intangible assets transferred to expenses	-	773
Changes in operating assets and liabilities:		
Trade receivables	111,056	(124,842)
Other receivables	(70,054)	31,106
Inventories	(36,318)	145,402
Other current assets	(25,408)	(36,044)
Net defined benefits assets - non-current	(16,167)	(27,710)
Contract liabilities	(18,025)	18,774
Accounts payables	39,714	46,588
Deferred revenue	(1,582)	(1,932)
Other current liabilities	(93,441)	30,635
Net defined benefits liabilities	<u>15,300</u>	<u>25,590</u>
Cash generated from operations	546,422	910,271
Interest received	74,490	70,979
Dividends received	41,596	47,294
Interest paid	(40,400)	(47,670)
Income tax paid	<u>(134,508)</u>	<u>(209,241)</u>
Net cash generated from operating activities	<u>487,600</u>	<u>771,633</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(62,800)	(244,490)
Proceeds from the disposal of financial assets at fair value through other comprehensive income	48,832	1,904
Purchase of financial assets at amortized cost	(50,145)	(50,265)

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SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
Purchase of financial assets at fair value through profit or loss	\$ (1,449,089)	\$ (1,438,453)
Proceeds from the sale of financial assets at fair value through profit or loss	1,656,873	1,495,667
Acquisition of associates	(25,000)	-
Proceeds from disposal of associates	110,629	739,315
Increase in prepayments for long-term investments	(81,000)	-
Net cash outflow on acquisition of subsidiaries	(1,000)	-
Net cash inflow on disposal of subsidiaries	1,005	-
Payments for property, plant and equipment	(188,812)	(185,567)
Proceeds from the disposal of property, plant and equipment	13	154
Increase in refundable deposits	(744)	(986)
Decrease in refundable deposits	21,219	24,965
Payments for intangible assets	(285,690)	(108,975)
Other financial assets	(82,795)	(116,219)
Increase in other non-current assets	(108)	-
Decrease in other non-current assets	-	2,183
Proceeds from return of capital of financial assets at fair value through profit or loss	29,000	95,000
Refund of shares through capital reduction of financial assets at fair value through profit or loss	12,967	53,256
Refund of shares through capital reduction of financial assets at fair value through other comprehensive income	<u>2,803</u>	<u>-</u>
Net cash (used in) generated from investing activities	<u>(343,842)</u>	<u>267,489</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	52,422	46,235
Proceeds from long-term borrowings	662,500	850,000
Repayments of long-term borrowings	(675,000)	(887,500)
Proceeds of guarantee deposits received	12,612	6,244
Refund of guarantee deposits received	(12,672)	(12,896)
Repayment of principal portion of lease liabilities	(15,055)	(13,952)
Dividends paid to non-controlling interests	(323,735)	(250,978)
Disposal of equity in subsidiaries	-	41,840
Decrease in non-controlling interests	<u>(34)</u>	<u>(3,500)</u>
Net cash used in financing activities	<u>(298,962)</u>	<u>(224,507)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(17,252)</u>	<u>13,254</u>

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (172,456)	\$ 827,869
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>4,919,087</u>	<u>4,091,218</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 4,746,631</u>	<u>\$ 4,919,087</u>

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

(Concluded)

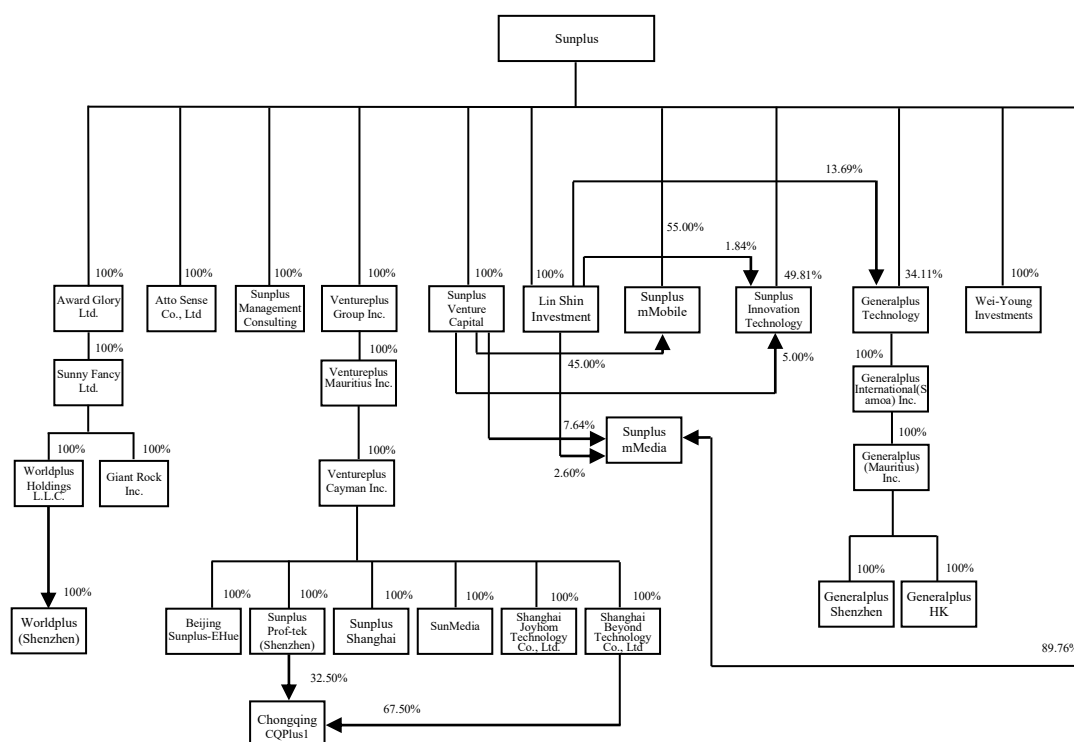
SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Sunplus Technology Company Limited (the “Company”) was established in August 1990 and moved to Hsinchu Science Park in October 1993. It designs, produces, tests and sells various integrated circuits (ICs); it researches, develops, sells various software application and silicon intellectual property; it engages in the tradings and agency business of various integrated circuits. Sunplus’ shares have been listed on the Taiwan Stock Exchange since January 2000.

Following is a diagram of the relationship and ownership percentages between Sunplus and its subsidiaries (collectively, the “Company”):



Note 1: The liquidation of Atto Sense Co., Ltd. has been completed on December 1, 2025.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors and authorized for issue on March 13, 2026.

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

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

1) Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Company’s accounting policies.

2) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

1) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

a) The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

- i. If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

- ii. To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
 - iii. To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.
- b) The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

- The Company having no practical ability to withdraw, stop or cancel the payment instruction;
- The Company having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

The Company shall apply the amendments retrospectively but is not required to restate comparative periods. The effect of initial application shall be recognized at the date of initial application. An entity may restate comparative periods if, and only if, it is possible to do so without the use of hindsight.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company’s financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate, i.e., the Company’s share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence over an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate, i.e., the Company’s share of the gain or loss is eliminated.

2) IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of

profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, other regulations and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of Sunplus and the entities controlled by Sunplus (i.e., its subsidiaries).

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

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

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

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

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

See Note 13 and Tables 5 and 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of nonmonetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of nonmonetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Sunplus' foreign operations (including subsidiaries and associates) that are prepared using functional currencies which are different from the currency of the Sunplus are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. The inventories of Sunplus, Generalplus Technology, Sunplus Innovation Technology, Sunplus mMedia and Jumplux Technology are generally recorded at standard cost. On the balance sheet date, the cost is adjusted to approximate weighted-average cost method. Other subsidiaries' inventories are recorded at the weighted-average cost.

g. Investments in associates

An associate is an entity over which the Company has significant influence and that is not a subsidiary.

The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate is recognized in the Company's consolidated financial statements only to the extent of interests in the associate that is not related to the Company.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation. (It includes right-of-use assets that meet the definition of investment properties.)

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

k. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of property, plant and equipment, right-of-use asset and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets is classified as at FVTPL when such a financial asset is mandatorily classified or it is designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income respectively; any remeasurement gains or losses on such financial assets are recognized and interest income, in other gains or losses. Fair value is determined in the manner described in Note 33: Financial Instruments.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, other financial assets, notes receivable and trade receivables, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

Bank balances used by the Company that are subject to third-party contractual restrictions are included as part of cash unless the restrictions result in a bank balance that no longer meets the definition of cash. Contractual restrictions affecting the use of bank balances are disclosed in Note 37. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definition of an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

n. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

o. Revenue recognition

The Company identifies a contract with a customer, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Unearned receipts for merchandise sales would be recognized as contract liabilities before the Company fulfills its performance obligations.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from the sale of ICs. Sales of ICs are recognized as revenue when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and the price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Other

Other income mainly comes from software development and royalties.

p. Lease

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

All leases are classified as operating leases.

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying a recognition exemption, the sublease is classified as an operating lease.

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note 4(i) for the accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero,

any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Company requested the lessor for rent subsidy as a direct subsidy of the Covid-19 to change the lease payments. There is no substantive change to other terms and conditions. The Company elects to apply the practical expedient to all of the rent subsidy and, therefore, does not assess whether the rent subsidy are lease modifications. Instead, the Company recognizes the reduction in lease payment in profit or loss as a deduction of expenses of variable lease payments.

q. Borrowing costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

r. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to the grants and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

s. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

t. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act, an additional tax of inappropriate earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which The Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact on the material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2025	2024
Cash on hand	\$ 3,834	\$ 4,408
Checking accounts and demand deposits	1,248,500	1,328,156
Cash equivalents		
Time deposits in banks	<u>3,494,297</u>	<u>3,586,523</u>
	<u>\$ 4,746,631</u>	<u>\$ 4,919,087</u>

The market rate intervals of cash in bank and bank overdrafts at the end of the reporting period are as follows:

	<u>December 31</u>	
	2025	2024
Bank balances	0.005%-3.730%	0.001%-4.250%

7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	2025	2024
<u>Financial assets at FVTPL - current</u>		
Financial assets classified as at FVTPL		
Non-derivative financial assets		
Domestic and foreign investments		
- Mutual funds	\$ 724,661	\$ 778,473
- Listed shares	193,546	210,514
- Unlisted shares	121,219	30,000
- Eemerging stock	39,676	49,971
Hybrid financial assets		
Domestic and foreign investments		
- Unlisted convertible bonds	<u>10,225</u>	<u>12,520</u>
	<u>\$ 1,089,327</u>	<u>\$ 1,081,478</u>

(Continued)

	<u>December 31</u>	
	2025	2024
<u>Financial assets at FVTPL - non-current</u>		
Financial assets classified as at FVTPL		
Non-derivative financial assets		
Domestic and foreign investments		
- Limited Partnership	\$ 920,269	\$ 922,675
- Emerging stock	142,748	-
- Unlisted shares	108,342	488,572
- Listed shares	<u>84,045</u>	<u>107,905</u>
	<u>\$ 1,255,404</u>	<u>\$ 1,519,152</u>
		(Concluded)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	2025	2024
<u>Non-current</u>		
Domestic and foreign investments		
Unlisted shares	\$ 175,252	\$ 339,901
Listed shares	13,119	50,351
Private listed shares	<u>52,538</u>	<u>32,476</u>
	<u>\$ 240,909</u>	<u>\$ 422,728</u>

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	2025	2024
<u>Non-current</u>		
Domestic investments		
Corporate bonds	<u>\$ 100,329</u>	<u>\$ 50,258</u>

In November 2024, the Company bought 5-year corporate bonds issued by Taiwan Power Company at face value of \$50,000 thousand with a coupon rate of 1.90% and an effective interest rate of 1.76%.

In December 2025, the Company bought 5-year corporate bonds issued by Taiwan Semiconductor Manufacturing Company Limited at face value of \$50,000 thousand with a coupon rate of 1.54% and an effective interest rate of 1.41%.

Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at amortized cost were as follows:

	<u>December 31</u>	
	2025	2024
Gross carrying amount	\$ 100,329	\$ 50,258
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 100,329</u>	<u>\$ 50,258</u>

The Company invests only in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Company's exposure and the external credit ratings are continuously monitored. The Company reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

In determining the expected credit losses for debt instrument investments, the Company considers the historical probability of default and loss given default of each credit rating supplied by external rating agencies, the current financial condition of debtors, and the future prospects of the industries.

The Company's current credit risk grading mechanism is as follows:

Category	Description	Basis for Recognizing ECLs	Expected Loss Rate
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECLs	-

11. TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>December 31</u>	
	2025	2024
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 844,368	\$ 946,597
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 844,368</u>	<u>\$ 946,597</u>

Trade receivables

The average credit period on sales of goods was 30 to 60 days without interest. The Company's exposure to credit risk and external credit ratings are continuously monitored. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the industry outlooks. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

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

The Company's current credit risk grading framework is shown in the following table:

December 31, 2025

	Not Overdue	Overdue 1- 60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 120 days or More	Total
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	\$ 841,030	\$ 3,338	\$ -	\$ -	\$ -	\$ 844,368
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	<u>\$ 841,030</u>	<u>\$ 3,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 844,368</u>

December 31, 2024

	Not Overdue	Overdue 1- 60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 120 days or More	Total
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	\$ 946,597	\$ -	\$ -	\$ -	\$ -	\$ 946,597
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	<u>\$ 946,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 946,597</u>

Other receivables

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Receivables from sale of investments	\$ 69,242	\$ -
Tax refund receivable	23,009	24,737
Interest receivables	10,927	11,646
Others	<u>3,775</u>	<u>1,512</u>
	<u>\$ 106,953</u>	<u>\$ 37,895</u>

12. INVENTORIES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Finished goods	\$ 440,840	\$ 416,772
Work in progress	519,773	520,808
Raw materials	<u>296,600</u>	<u>283,315</u>
	<u>\$ 1,257,213</u>	<u>\$ 1,220,895</u>

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2025 and 2024 were \$3,269,239 thousand and \$3,215,589 thousand, respectively.

The costs of inventories recognized as costs of goods sold for the years ended December 31, 2025 and 2024 were as follows:

	For the Year Ended December 31	
	2025	2024
Inventory write-downs reversed	\$ 20,660	\$ 53,828
Income from scrap sales	<u>57</u>	<u>254</u>
	<u><u>\$ 20,717</u></u>	<u><u>\$ 54,082</u></u>

The reversal of previous write-down resulted from inventory closeout.

13. SUBSIDIARIES

a. The subsidiaries included in the consolidated financial statements

The information of the subsidiaries at the end of reporting period was as follows:

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership		Note
			December 31		
			2025	2024	
Sunplus	Sunplus Management Consulting Inc.	Management	100.00	100.00	-
	Ventureplus Group Inc.	Investment	100.00	100.00	-
	Sunplus Venture Capital Co., Ltd.	Investment	100.00	100.00	-
	Lin Shin Investment Co., Ltd.	Investment	100.00	100.00	-
	Sunplus Innovation Technology Inc.	Design of ICs	49.81	49.81	Sunplus and its subsidiaries held 56.65% of the equity in Sunplus Innovation Technology Inc.
	Generalplus Technology Inc.	Design of ICs	34.11	34.11	Sunplus and its subsidiaries held 47.80% of the equity in Generalplus Technology Inc. and the Company had controlling interest over Generalplus Technology; the investee is included in the consolidated financial statements.
	Wei-Young Investment Inc.	Investment	100.00	100.00	-
	Sunplus mMedia Inc.	Design of ICs	89.76	89.76	Sunplus and its subsidiaries held 100% of the equity in Sunplus mMedia Inc.
	Award Glory Ltd.	Investment	100.00	100.00	-
	Jumplux Technology Co., Ltd.	Design of ICs	55.00	55.00	Sunplus and its subsidiaries held 100% of the equity in Jumplux Technology Co., Ltd.
	Atto Sense Co., Ltd	Biotechnology Services	-	-	The liquidation of Atto Sense Co., Ltd has been completed on December 1, 2025.
Ventureplus Group Inc. Ventureplus Mauritius Inc. Ventureplus Cayman Inc.	Ventureplus Mauritius Inc.	Investment	100.00	100.00	-
	Ventureplus Cayman Inc.	Investment	100.00	100.00	-
	Sunplus Prof-tek Technology (Shenzhen) Co., Ltd.	Software development, customer technical services, leasing business, property management and corporate management	100.00	100.00	-
	Sunplus Technology (Shanghai) Co., Ltd.	Software development, customer technical services, leasing business and property management	100.00	100.00	The Investment Commission, MOEA approved the splitting of Sunplus Technology (Shanghai) Co., Ltd. into Shanghai Joyhom Technology Co., Ltd. and Shanghai Beyond Technology Co., Ltd. on November 14, 2023, which were completed on January 16, 2024.
	Shanghai Joyhom Technology Co., Ltd.	Corporate management	100.00	100.00	A new company incorporated upon the split of Sunplus Technology (Shanghai) Co., Ltd.
	Shanghai Beyond Technology Co., Ltd.	Software development and customer technical services	100.00	100.00	A new company incorporated upon the split of Sunplus Technology (Shanghai) Co., Ltd.
	SunMedia Technology Co., Ltd.	Software development, customer technical services, leasing business and property management	100.00	100.00	-
	Beijing Sunplus-EHue Tech Co., Ltd.	Software development, customer technical services and leasing business	100.00	100.00	-

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership		Note
			2025	2024	
Sunplus Prof-tek Technology (Shenzhen) Co., Ltd.	Chongqing CQPlus1 Technology Co., Ltd.	Software Development and IC Design	32.50	32.50	Sunplus Prof-tek Technology (Shenzhen) Co., Ltd. transferred part of its holding of Chongqing CQPlus1 Technology Co., Ltd. to Shanghai Beyond Technology Co., Ltd. on March 4, 2024.
Shanghai Beyond Technology Co., Ltd.	Chongqing CQPlus1 Technology Co., Ltd.	Software Development and IC Design	67.50	67.50	Sunplus' subsidiaries held 100% of the equity in Chongqing CQPlus1 Technology Co., Ltd.
Sunplus Venture Capital Co., Ltd.	Jumplux Technology Co., Ltd.	Design of ICs	45.00	45.00	Sunplus and its subsidiaries held 100% of the equity in Jumplux Technology Co., Ltd.
	Sunplus mMedia Inc.	Design of ICs	7.64	7.64	Sunplus and its subsidiaries held 100% of the equity in Sunplus mMedia Inc.
	Sunplus Innovation Technology Inc.	Design of ICs	5.00	5.00	Sunplus and its subsidiaries held 56.65% of the equity in Sunplus Innovation Technology Inc.
Lin Shin Investment Co., Ltd.	Generalplus Technology Inc.	Design of ICs	13.69	13.69	Sunplus and its subsidiaries held 47.80% of the equity in Generalplus Technology Inc. and the Company had controlling interest over Generalplus Technology; the investee is included in the consolidated financial statements.
	Sunplus mMedia Inc.	Design of ICs	2.60	2.60	Sunplus and its subsidiaries held 100% of the equity in Sunplus mMedia Inc.
	Sunplus Innovation Technology Inc.	Design of ICs	1.84	1.84	Sunplus and its subsidiaries held 56.65% of the equity in Sunplus Innovation Technology Inc.
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Investment	100.00	100.00	-
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Investment	100.00	100.00	-
Generalplus (Mauritius) Inc.	Generalplus Technology (Shenzhen) Co.	Design of ICs, after sales service and marketing research	100.00	100.00	-
Award Glory Ltd.	Generalplus HK Co., Ltd.	Marketing	100.00	100.00	-
	Sunny Fancy Ltd.	Investment	100.00	100.00	-
Sunny Fancy Ltd.	Giant Rock Inc.	Investment	100.00	100.00	-
	Worldplus Holdings L.L.C.	Investment	100.00	100.00	-
Worldplus Holdings L.L.C.	Worldplus Technology (Shenzhen) Co., Ltd.	Software development, leasing business and property management	100.00	100.00	-

(Concluded)

The financial statements as of and for the years ended December 31, 2025 and 2024 of the above subsidiaries except Sunplus Management Consulting Inc., was audited by the auditors. The management of the Company believes that the financial statements of Sunplus Management Consulting Inc. will not be subject to major adjustments if it is audited.

b. Subsidiary excluded from the consolidated financial statements

Company name	The Voting Ratio of Non-controlling Equity	
	2025	2024
Generalplus Technology Inc.	52.20%	52.20%
Sunplus Innovation Technology Inc.	43.35%	43.35%

Refer to attachment 6 for registered countries and company information.

Company Name	Profits Attributed to Non-controlling Interests		Non-controlling Interests	
	For the Year Ended December 31		December 31	
	2025	2024	2025	2024
Generalplus Technology Inc.	\$ 58,652	\$ 128,588	\$ 1,129,137	\$ 1,197,244
Sunplus Innovation Technology Inc.	223,334	208,423	1,257,231	1,229,970

The summarized financial information below represents amounts before intragroup eliminations:

	December 31	
	2025	2024
Current assets	\$ 4,898,896	\$ 5,052,943
Non-current assets	982,147	949,246
Current liabilities	916,557	960,802
Non-current liabilities	<u>190,163</u>	<u>199,565</u>
Equity	<u>\$ 4,774,323</u>	<u>\$ 4,841,822</u>
Equity attributable to:		
Owners of the Company	\$ 2,387,954	\$ 2,414,608
Non-controlling interests	<u>2,386,369</u>	<u>2,427,214</u>
	<u>\$ 4,774,323</u>	<u>\$ 4,841,822</u>
	For the Year Ended December 31	
	2025	2024
Operating revenue	<u>\$ 4,127,758</u>	<u>\$ 4,279,822</u>
Net income	\$ 627,530	\$ 728,954
Other comprehensive income	<u>1,751</u>	<u>24,158</u>
Total other comprehensive income	<u>\$ 629,281</u>	<u>\$ 753,112</u>
Net income attributable to:		
Owners of the Company	\$ 345,544	\$ 391,943
Non-controlling interests	<u>281,986</u>	<u>337,011</u>
	<u>\$ 627,530</u>	<u>\$ 728,954</u>
Comprehensive income attributable to:		
Owners of the Company	\$ 346,357	\$ 403,483
Non-controlling interests	<u>282,924</u>	<u>349,629</u>
	<u>\$ 629,281</u>	<u>\$ 753,112</u>
Cash flows		
Operating activities	\$ 758,257	\$ 741,336
Investing activities	(133,780)	(64,527)
Financing activities	(650,773)	(521,393)
Effect of exchange rate changes on the balance of cash held in foreign currencies	<u>(2,668)</u>	<u>3,545</u>
Net cash (outflow) inflow	<u>\$ (28,964)</u>	<u>\$ 158,961</u>
Dividend paid to non-controlling interests	<u>\$ (323,735)</u>	<u>\$ (250,978)</u>

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31</u>	
	2025	2024
Investments in associates	<u>\$ 380,108</u>	<u>\$ 440,318</u>

a. Investments in associates

	<u>December 31</u>	
	2025	2024
Listed companies		
iCatch Technology Inc.	\$ 203,818	\$ 271,710
AkiraNET Co., Ltd.	67,798	80,022
eNeural Technologies, Inc.	57,548	27,345
AutoSys (TW) Co., Ltd. (Note)	45,794	-
DeepLux Technology, Inc.	3,399	3,205
GlintMed Innovation Co., Ltd.	1,751	378
AutoSys Co., Ltd. (Note)	<u>-</u>	<u>57,658</u>
	<u>\$ 380,108</u>	<u>\$ 440,318</u>

Name of Associate	<u>December 31</u>	
	2025	2024
iCatch Technology, Inc.	10.53%	12.98%
AkiraNET Company	17.41%	17.41%
eNeural Technologies, Inc.	27.90%	34.88%
AutoSys (TW) Co., Ltd. (Note)	16.25%	-
DeepLux Technology, Inc.	25.00%	25.00%
GlintMed Innovation Co., Ltd.	25.00%	25.00%
AutoSys Co., Ltd. (Note)	-	16.25%

Note: In alignment with the organizational restructuring of AutoSys Co., Ltd., the investment company, AutoSys (TW) Co., Ltd., continues to be directly held by Sunplus.

Refer to Table 6 following these Notes to Consolidated Financial Statements for information on the associates' business types, main operating locations and registered countries.

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

	<u>December 31</u>	
Name of Associate	2025	2024
iCatch Technology	<u>\$ 459,064</u>	<u>\$ 821,527</u>

Investments in the above jointly controlled entities are accounted for using the equity method.

The summarized financial information of the Company's associates is set out below:

	<u>December 31</u>	
	2025	2024
Total assets	<u>\$ 2,517,497</u>	<u>\$ 2,609,303</u>
Total liabilities	<u>\$ 345,804</u>	<u>\$ 251,860</u>

For the Year Ended December 31
2025 **2024**

Revenue	\$ 1,200,739	\$ 1,037,681
Loss for the year	\$ (379,924)	\$ (184,780)
Other comprehensive loss for the year	\$ (282,838)	\$ (157,761)
Share of loss of associates accounted for using the equity	\$ (51,225)	\$ (26,213)

The financial statements as of and for the years ended December 31, 2025 and 2024 of the above associates except GlintMed Innovation and DeepLux were audited by the auditors. The management of the Company believes that the financial statements of GlintMed Innovation and DeepLux will not be subject to major adjustments if it is audited.

15. PROPERTY, PLANT AND EQUIPMENT

a. Assets used by the Company

	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Other Equipment	Construction in Progress	Total
Cost										
Balance on January 1, 2025	\$ 2,387,883	\$ 209,655	\$ 20,132	\$ 900,988	\$ 3,830	\$ 346,779	\$ 1,308	\$ 23,241	\$ 1,225	\$ 3,895,041
Additions	-	25,839	15,586	121,988	-	30,828	-	249	5,950	200,440
Reductions	-	(7,029)	-	(102,937)	-	(56,381)	-	(173)	-	(166,520)
Reclassified	-	2,486	-	1,186	-	60	-	-	(3,732)	-
Effect of exchange rate changes	4,608	1,228	-	(520)	12	482	(2)	51	(3)	5,856
Balance on December 31, 2025	<u>\$ 2,392,491</u>	<u>\$ 232,179</u>	<u>\$ 35,718</u>	<u>\$ 920,705</u>	<u>\$ 3,842</u>	<u>\$ 321,768</u>	<u>\$ 1,306</u>	<u>\$ 23,368</u>	<u>\$ 3,440</u>	<u>\$ 3,934,817</u>
Accumulated depreciation										
Balance on January 1, 2025	\$ 815,233	\$ 181,512	\$ 16,931	\$ 799,748	\$ 3,620	\$ 263,616	\$ 1,051	\$ 22,547	\$ -	\$ 2,104,258
Depreciation expense	51,135	8,934	5,537	128,689	64	37,996	84	294	-	232,733
Reductions	-	(6,269)	-	(102,837)	-	(56,257)	-	(173)	-	(165,536)
Effect of exchange rate changes	2,045	145	-	(523)	12	464	(2)	103	-	2,244
Balance on December 31, 2025	<u>\$ 868,413</u>	<u>\$ 184,322</u>	<u>\$ 22,468</u>	<u>\$ 825,077</u>	<u>\$ 3,696</u>	<u>\$ 245,819</u>	<u>\$ 1,133</u>	<u>\$ 22,771</u>	<u>\$ -</u>	<u>\$ 2,173,699</u>
Carrying amount on December 31, 2025	<u>\$ 1,524,078</u>	<u>\$ 47,857</u>	<u>\$ 13,250</u>	<u>\$ 95,628</u>	<u>\$ 146</u>	<u>\$ 75,949</u>	<u>\$ 173</u>	<u>\$ 597</u>	<u>\$ 3,440</u>	<u>\$ 1,761,118</u>
Cost										
Balance on January 1, 2024	\$ 2,312,165	\$ 203,535	\$ 40,152	\$ 873,314	\$ 3,727	\$ 352,656	\$ 1,042	\$ 25,203	\$ 17,346	\$ 3,829,140
Additions	7,774	5,743	-	144,312	-	29,830	263	225	16,201	204,348
Reductions	-	(8,574)	-	(143,066)	-	(51,507)	-	(971)	-	(204,118)
Reclassified	33,314	-	(20,020)	20,020	-	104	-	(104)	(17,088)	16,226
Effect of exchange rate changes	34,630	8,951	-	6,408	103	15,696	3	(1,112)	(15,234)	49,445
Balance on December 31, 2024	<u>\$ 2,387,883</u>	<u>\$ 209,655</u>	<u>\$ 20,132</u>	<u>\$ 900,988</u>	<u>\$ 3,830</u>	<u>\$ 346,779</u>	<u>\$ 1,308</u>	<u>\$ 23,241</u>	<u>\$ 1,225</u>	<u>\$ 3,895,041</u>
Accumulated depreciation										
Balance on January 1, 2024	\$ 740,576	\$ 176,532	\$ 20,424	\$ 783,924	\$ 3,343	\$ 267,888	\$ 992	\$ 23,821	\$ -	\$ 2,017,500
Depreciation expense	51,658	9,028	4,433	148,587	969	42,014	410	533	-	257,632
Reductions	-	(8,574)	-	(143,045)	-	(51,383)	-	(946)	-	(203,948)
Reclassified	14,604	-	(7,926)	7,926	-	-	-	-	-	14,604
Effect of exchange rate changes	8,395	4,526	-	2,356	(692)	5,097	(351)	(861)	-	18,470
Balance on December 31, 2024	<u>\$ 815,233</u>	<u>\$ 181,512</u>	<u>\$ 16,931</u>	<u>\$ 799,748</u>	<u>\$ 3,620</u>	<u>\$ 263,616</u>	<u>\$ 1,051</u>	<u>\$ 22,547</u>	<u>\$ -</u>	<u>\$ 2,104,258</u>
Carrying amount on December 31, 2024	<u>\$ 1,572,650</u>	<u>\$ 28,143</u>	<u>\$ 3,201</u>	<u>\$ 101,240</u>	<u>\$ 210</u>	<u>\$ 83,163</u>	<u>\$ 257</u>	<u>\$ 694</u>	<u>\$ 1,225</u>	<u>\$ 1,790,783</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives as follows:

Buildings	10-56 years
Auxiliary equipment	3-11 years
Machinery and equipment	3-10 years
Testing equipment	1-10 years
Transportation equipment	4 years
Furniture and fixtures	1-5 years
Leasehold improvements	4-5 years
Other equipment	3-10 years

Refer to Note 35 for the carrying amounts of property, plant and equipment that have been pledged by the Company to secure borrowings.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
<u>Carrying amount</u>		
Land	\$ 164,942	\$ 178,707
Buildings	20,193	25,423
Transportation equipment	<u>589</u>	<u>1,677</u>
	<u>\$ 185,724</u>	<u>\$ 205,807</u>
	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ 34,504</u>
Depreciation charge for right-of-use assets		
Land	\$ 6,396	\$ 6,671
Buildings	8,128	7,232
Transportation equipment	<u>1,088</u>	<u>1,431</u>
	<u>\$ 15,612</u>	<u>\$ 15,334</u>

Except for the aforementioned addition and recognized depreciation, the Company did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2025 and 2024.

The other part of right-of-use assets-land in China is subleased by operating leases, and the relevant right-of-use assets are classified as investment properties. Please refer to Note 17.

b. Lease liabilities

	December 31	
	2025	2024
Carrying amount		
Current	\$ 11,713	\$ 13,251
Non-current	<u>\$ 186,470</u>	<u>\$ 204,463</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2025	2024
Land	2.390%	2.390%
Buildings	2.250%-5.000%	2.250%-5.630%
Transportation equipment	2.450%	1.625%-2.450%

c. Material lease-in activities and terms

The Company leases land and buildings for the use of plants and offices, also leases transportation equipment for the use of business travel with lease terms of 2 to 20 years. Lease terms of land in the ROC is 20 years, the lease contract for land located in the ROC specifies that lease payments will be adjusted on the basis of changes in announced land value prices. The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

The Company did not enter into significant lease contracts in the year ended December 31, 2025 and 2024.

d. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	<u>\$ 6,424</u>	<u>\$ 7,135</u>
Expenses relating to low-value asset leases	<u>\$ 822</u>	<u>\$ 391</u>
Total cash outflow for leases	<u>\$ 27,376</u>	<u>\$ 26,997</u>

The Company leases certain transportation equipment and other leases which qualify as short-term leases. The Company has elected to apply the recognition exemption and, therefore not recognize right-of-use assets and lease liabilities for these leases.

17. INVESTMENT PROPERTIES

	Completed Investment Properties	Right-of-use Assets	Total
<u>Cost</u>			
Balance on January 1, 2025	\$ 1,452,740	\$ 104,902	\$ 1,557,642
Effect of exchange rate differences	<u>5,700</u>	<u>422</u>	<u>6,122</u>
Balance on December 31, 2025	<u>\$ 1,458,440</u>	<u>\$ 105,324</u>	<u>\$ 1,563,764</u>
<u>Accumulated depreciation</u>			
Balance on January 1, 2025	\$ 783,245	\$ 15,231	\$ 798,476
Depreciation expense	66,668	2,470	69,138
Effect of exchange rate differences	<u>5,570</u>	<u>154</u>	<u>5,724</u>
Balance on December 31, 2025	<u>\$ 855,483</u>	<u>\$ 17,855</u>	<u>\$ 873,338</u>
Carrying amount on December 31, 2025	<u>\$ 602,957</u>	<u>\$ 87,469</u>	<u>\$ 690,426</u>
<u>Cost</u>			
Balance on January 1, 2024	\$ 1,420,999	\$ 101,365	\$ 1,522,364
Transfers to property, plant and equipment	(16,226)	-	(16,226)
Effect of exchange rate differences	<u>47,967</u>	<u>3,537</u>	<u>51,504</u>
Balance on December 31, 2024	<u>\$ 1,452,740</u>	<u>\$ 104,902</u>	<u>\$ 1,557,642</u>

(Continued)

	Completed Investment Properties	Right-of-use Assets	Total
<u>Accumulated depreciation</u>			
Balance on January 1, 2024	\$ 704,899	\$ 12,252	\$ 717,151
Depreciation expense	68,567	2,538	71,105
Transfers to property, plant and equipment	(14,604)	-	(14,604)
Effect of exchange rate differences	<u>24,383</u>	<u>441</u>	<u>24,824</u>
Balance on December 31, 2024	<u>\$ 783,245</u>	<u>\$ 15,231</u>	<u>\$ 798,476</u>
Carrying amount on December 31, 2024	<u>\$ 669,495</u>	<u>\$ 89,671</u>	<u>\$ 759,166</u> (Concluded)

The right-of-use assets in the investment properties are the use right of land signed by the Company and is subleased under operating lease. The lease terms of the investment properties are from 1 to 15 years, with extension option according to the original contract when exercising the renewal right. The lessee do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties is as follows:

	<u>December 31</u>	
	2025	2024
Year 1	\$ 185,589	\$ 203,990
Year 2	146,379	130,020
Year 3	<u>115,930</u>	<u>106,954</u>
	<u>\$ 447,898</u>	<u>\$ 440,964</u>

The above items of investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Completed investment properties	5-26 years
Right-of-use assets	35-39 years

The fair value of the investment properties of Worldplus Technology (Shenzhen) Co., Ltd. assessed in 2025 and 2024 had been determined on the basis of valuations carried out on December 31, 2025 and 2024 by Suzhou Fengzheng Renhe Estate Land Assets Appraisal Co., Ltd. The valuation was arrived at by reference to the income approach. The significant unobservable inputs used include discount rates; the fair value as appraised is as follows:

	<u>December 31</u>	
	2025	2024
Fair value	\$ 40,615	\$ 42,933

The fair value of the investment properties of SunMedia Technology Co., Ltd. assessed in 2025 and 2024 had been determined on the basis of valuations carried out on December 31, 2025 and 2024 by Suzhou Fengzheng Renhe Estate Land Assets Appraisal Co., Ltd. The valuation was arrived at by reference to the income approach. The significant unobservable inputs used include discount rates; the fair value as appraised is as follows:

	<u>December 31</u>	
	2025	2024
Fair value	\$ 1,144,554	\$ 1,172,443

The fair value of the investment properties of Sunplus Technology (Shanghai) Co., Ltd. assessed in 2025 and 2024 had been determined on the basis of valuations carried out on December 31, 2025 and 2024 by Suzhou Fengzheng Renhe Estate Land Assets Appraisal Co., Ltd. The valuation was arrived at by reference to the income approach. The significant unobservable inputs used include discount rates; the fair value as appraised is as follows:

	<u>December 31</u>	
	2025	2024
Fair value	\$ 1,363,219	\$ 1,902,582

18. INTANGIBLE ASSETS

	Technology License Fees	Software	Patents	Goodwill	Total
<u>Cost</u>					
Balance on January 1, 2025	\$ 1,094,398	\$ 432,165	\$ 114,504	\$ 30,596	\$ 1,671,663
Additions	383,562	38,830	-	-	422,392
Reductions	(176,044)	(7,888)	-	-	(183,932)
Effect of exchange rate differences	<u>56</u>	<u>96</u>	<u>2</u>	<u>-</u>	<u>154</u>
Balance on December 31, 2025	<u>\$ 1,301,972</u>	<u>\$ 463,203</u>	<u>\$ 114,506</u>	<u>\$ 30,596</u>	<u>\$ 1,910,277</u>
<u>Accumulated amortization</u>					
Balance on January 1, 2025	\$ 818,039	\$ 399,369	\$ 89,935	\$ -	\$ 1,307,343
Amortization expense	171,309	40,511	711	-	212,531
Reductions	(176,044)	(7,888)	-	-	(183,932)
Effect of exchange rate differences	<u>62</u>	<u>118</u>	<u>4</u>	<u>-</u>	<u>184</u>
Balance on December 31, 2025	<u>\$ 813,366</u>	<u>\$ 432,110</u>	<u>\$ 90,650</u>	<u>\$ -</u>	<u>\$ 1,336,126</u>
<u>Accumulated impairment</u>					
Balance on December 31, 2025	<u>\$ 111,593</u>	<u>\$ -</u>	<u>\$ 21,577</u>	<u>\$ -</u>	<u>\$ 133,170</u>
Carrying amounts on December 31, 2025	<u>\$ 377,013</u>	<u>\$ 31,093</u>	<u>\$ 2,279</u>	<u>\$ 30,596</u>	<u>\$ 440,981</u>
<u>Cost</u>					
Balance on January 1, 2024	\$ 1,024,557	\$ 404,113	\$ 114,495	\$ 30,596	\$ 1,573,761
Additions	117,739	40,157	-	-	157,896
Reductions	(48,364)	(11,609)	-	-	(59,973)
Reclassified	-	(1,301)	-	-	(1,301)
Effect of exchange rate differences	<u>466</u>	<u>805</u>	<u>9</u>	<u>-</u>	<u>1,280</u>
Balance on December 31, 2024	<u>\$ 1,094,398</u>	<u>\$ 432,165</u>	<u>\$ 114,504</u>	<u>\$ 30,596</u>	<u>\$ 1,671,663</u>

(Continued)

	Technology License Fees	Software	Patents	Goodwill	Total
<u>Accumulated amortization</u>					
Balance on January 1, 2024	\$ 772,993	\$ 379,417	\$ 89,175	\$ -	\$ 1,241,585
Amortization expense	92,961	31,079	752	-	124,792
Reductions	(48,364)	(11,243)	-	-	(59,607)
Reclassified	-	(528)	-	-	(528)
Effect of exchange rate differences	<u>449</u>	<u>644</u>	<u>8</u>	<u>-</u>	<u>1,101</u>
Balance on December 31, 2024	<u>\$ 818,039</u>	<u>\$ 399,369</u>	<u>\$ 89,935</u>	<u>\$ -</u>	<u>\$ 1,307,343</u>
<u>Accumulated impairment</u>					
Balance on December 31, 2024	<u>\$ 111,593</u>	<u>\$ -</u>	<u>\$ 21,577</u>	<u>\$ -</u>	<u>\$ 133,170</u>
Carrying amounts on December 31, 2024	<u>\$ 164,766</u>	<u>\$ 32,796</u>	<u>\$ 2,992</u>	<u>\$ 30,596</u>	<u>\$ 231,150</u> (Concluded)

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Technology license fees	1-10 years
Software	1-10 years
Patents	8-18 years

An analysis of depreciation by function

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Operating costs	\$ 776	\$ 199
Selling and marketing expenses	185	497
General and administrative expenses	2,313	3,415
Research and development expenses	<u>209,257</u>	<u>120,681</u>
	<u>\$ 212,531</u>	<u>\$ 124,792</u>

19. OTHER ASSETS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Current</u>		
Other financial assets		
Restricted assets (a)	\$ 55,362	\$ 75,917
Time deposits (b)	<u>83,626</u>	<u>77,559</u>
	<u>\$ 138,988</u>	<u>\$ 153,476</u>
Other assets		
Prepayments for EDA tools	\$ 31,373	\$ 28,381
Prepaid technical licensing fee	37,091	5,159
Refundable deposits (c)	-	4,500
Others	<u>72,401</u>	<u>45,484</u>
	<u>\$ 140,865</u>	<u>\$ 83,524</u> (Continued)

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Non-current</u>		
Other financial assets		
Time deposits (d)	\$ 328,689	\$ 230,169
Pledged time deposits (e)	<u>13,500</u>	<u>13,500</u>
	<u>\$ 342,189</u>	<u>\$ 243,669</u>
Other assets		
Prepayments for investments	\$ 81,000	\$ -
Refundable deposits (f)	64,034	90,420
Prepayments for purchases (g)	2,671	20,753
Others	<u>7,800</u>	<u>7,800</u>
	<u>\$ 155,505</u>	<u>\$ 118,973</u>

(Concluded)

- a. Refer to Note 29 for information on restricted assets.
- b. Sunplus Prof-tek Technology (Shenzhen) Co., Ltd., Beijing Sunplus-EHue Tech Co., Ltd. and Shanghai Joyhom Technology Co., Ltd. made time deposit of RMB\$18,600 thousand at banks on December 31, 2025; Sunplus Technology (Shanghai) Co., Ltd., Beijing Sunplus-EHue Tech Co., Ltd. and Shanghai Joyhom Technology Co., Ltd. made time deposit of RMB\$17,320 thousand at banks on December 31, 2024. The period of time deposit is 6 months to 1 year, and interest can be charged at a certain interest rate during the deposit period.
- c. The margin for the guaranteed purchase of shares by Lin Shin Investment Co., Ltd..
- d. Sunplus Technology (Shanghai) Co., Ltd., Beijing Sunplus-EHue Tech Co., Ltd., Shanghai Beyond Technology Co., Ltd., Shanghai Joyhom Technology Co., Ltd. and Generalplus Technology (Shenzhen) Co. made time deposit of RMB\$73,107 thousand at banks on December 31, 2025; Sunplus Technology (Shanghai) Co., Ltd., Shanghai Beyond Technology Co., Ltd. and Generalplus Technology (Shenzhen) Co. made time deposit of RMB\$51,400 thousand at banks on December 31, 2024. The deposit period of the certificates of deposit is 2 to 3 years, and interest can be charged at a certain interest rate during the deposit period.
- e. Refer to Note 35 for information on pledged time deposits.
- f. Refer to Note 36 for information on refundable deposits.
- g. The amount of prepayments is Generalplus Technology Inc. signed a production capacity cooperation agreement with the supplier, and the prepayment paid in accordance with the contract will be offset in 5 years when the production capacity conditions in the contract are met.

20. BORROWINGS

- a. Short-term borrowings

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>\$ 127,291</u>	<u>\$ 75,078</u>

The effective interest rate intervals for bank loans as of December 31, 2025 and 2024 were 4.48%-4.60% and 5.49%-5.70% per annum, respectively.

b. Long-term borrowings

The borrowings of the Company were as follows:

	Maturity Date	Significant Covenant	December 31	
			2025	2024
<u>Floating rate borrowings</u>				
Secured borrowings (Note 35)	2026.06.30	Repayable quarterly from grace period expiration date, per installment repay 5% respectively, and the balance will be paid on maturity	\$ 50,000	\$ 237,500
Unsecured bank borrowings	2027.03.12	The first installment is due in the 15th month from the initial drawdown date, with each subsequent installment occurring every three months. Each installment repays NT\$37,500 thousand, with the remaining balance settled in full upon maturity	37,500	150,000
Unsecured bank borrowings	2027.09.02	Repayable semiannually from grace period expiration date, in 3 installments, 1&2 installment repay 20% respectively, and the balance will be paid on final installment	400,000	400,000
Unsecured bank borrowings	2027.11.18	Repayable quarterly from grace period expiration date, in 16 installments	-	375,000
Unsecured bank borrowings	2028.08.18	Repayable quarterly from grace period expiration date, in 5 installments	162,500	-
Unsecured bank borrowings	2030.11.18	Repayable quarterly from grace period expiration date, in 20 installments	500,000	-
Less: Current portion			<u>(187,500)</u>	<u>(231,250)</u>
Long-term borrowings			<u>\$ 962,500</u>	<u>\$ 931,250</u>

The interval of effective borrowing rates as of December 31, 2025 and 2024 were 2.000%-2.144% and 1.965%-2.142%, respectively.

According to the loan contract, the consolidated financial statements of the company for annual, semiannual and quarterly periods are limited by current ratio, net tangible assets, debt ratio, interest guarantee multiple. However, the Company's inability to meet the ratio requirements would not be deemed as a violation of the contracts. the Company was in compliance with these financial ratio requirements.

21. ACCOUNTS PAYABLE

	December 31	
	2025	2024
<u>Accounts payable</u>		
Payable - operating	<u>\$ 423,581</u>	<u>\$ 381,779</u>

The average credit period on purchases of certain goods was 15-60 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

22. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Current</u>		
Other liabilities		
Payables for salaries or bonuses	\$ 484,282	\$ 492,352
Payables for intangible assets	118,773	50,372
Refund liabilities (Note 25)	50,796	82,883
Others	<u>286,096</u>	<u>344,181</u>
	<u>\$ 939,947</u>	<u>\$ 969,788</u>
Deferred revenue		
Government grants (Note 29)	<u>\$ 1,638</u>	<u>\$ 1,635</u>
<u>Non-current</u>		
Other liabilities		
Long-term payables for intangible assets	\$ 94,290	\$ -
Decommissioning liabilities	<u>888</u>	<u>888</u>
	<u>\$ 95,178</u>	<u>\$ 888</u>
Deferred revenue		
Government grants (Note 29)	<u>\$ 50,764</u>	<u>\$ 52,192</u>

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

Sunplus, Generalplus Technology and Sunplus Innovation Technology of the Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by Sunplus, Generalplus Technology and Sunplus Innovation Technology in accordance with the Labor Standards Act is operated by the government of the ROC. Under this plan, employees should receive either a series of pension payments with a defined annuity or a lump sum that is payable immediately on retirement and is equivalent to 2 base units for each of the first 15 years of service and 1 base unit for each year of service thereafter. The total retirement benefit is subject to a maximum of 45 units. The pension benefits are calculated on the basis of the length of service and average monthly salaries of the six month before retirement. In addition, the Company makes monthly contributions, equal to 2% of salaries, to a pension fund, which is administered by a fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name and are managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the company has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Company's defined benefit plans are as follows:

	December 31	
	2025	2024
Present value of funded defined benefit obligation	\$ 123,334	\$ 123,534
Fair value of plan assets	<u>(193,140)</u>	<u>(177,858)</u>
Net assets arising from defined benefit obligation	<u>\$ (69,806)</u>	<u>\$ (54,324)</u>

Movements in net defined benefit (assets) liabilities were as follows:

	Present Value of Funded Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Assets
Balance on January 1, 2024	\$ 148,670	\$ 170,769	\$ (22,099)
Service cost			
Current service cost	248	-	248
Net interest expense (income)	<u>1,873</u>	<u>2,141</u>	<u>(268)</u>
Recognized gain and loss	<u>2,121</u>	<u>2,141</u>	<u>(20)</u>
Remeasurement			
Return on plan assets	-	15,309	(15,309)
Actuarial gain-experience adjustment	(12,355)	-	(12,355)
Actuarial loss-changes in financial assumptions	<u>(2,441)</u>	<u>-</u>	<u>(2,441)</u>
Recognized in other comprehensive income	<u>(14,796)</u>	<u>15,309</u>	<u>(30,105)</u>
Contributions from the employer	<u>-</u>	<u>172</u>	<u>(172)</u>
Benefit paid	<u>(12,461)</u>	<u>(10,533)</u>	<u>(1,928)</u>
Balance on December 31, 2024	<u>\$ 123,534</u>	<u>\$ 177,858</u>	<u>\$ (54,324)</u>
Balance on January 1, 2025	\$ 123,534	\$ 177,858	\$ (54,324)
Service cost			
Current service cost	165	-	165
Net interest expense (income)	<u>1,807</u>	<u>2,683</u>	<u>(876)</u>
Recognized gain and loss	<u>1,972</u>	<u>2,683</u>	<u>(711)</u>
Remeasurement			
Return on plan assets	-	14,877	(14,877)
Actuarial gain-experience adjustment	(2,008)	-	(2,008)
Actuarial loss-changes in financial assumptions	<u>2,269</u>	<u>-</u>	<u>2,269</u>
Recognized in other comprehensive income	<u>261</u>	<u>14,877</u>	<u>(14,616)</u>
Contributions from the employer	<u>-</u>	<u>155</u>	<u>(155)</u>
Benefit paid	<u>(2,433)</u>	<u>(2,433)</u>	<u>-</u>
Balance on December 31, 2025	<u>\$ 123,334</u>	<u>\$ 193,140</u>	<u>\$ (69,806)</u>

An analysis by function of the amounts recognized in loss (profit) in respect of the benefit plans is as follows:

	For the Year Ended December 31	
	2025	2024
Operating costs	\$ (174)	\$ (70)
Selling and marketing expenses	(12)	(4)
General and administrative expenses	(299)	(114)
Research and development expenses	<u>(226)</u>	<u>162</u>
Net liability arising from defined benefit obligation	<u>\$ (711)</u>	<u>\$ (26)</u>

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2025	2024
Discount rate (s)	1.250%-1.300%	1.500%-1.600%
Expected rate (s) of salary increase	3.625%-4.250%	3.625%-4.250%
Resignation rate	0.000%-28.000%	0.000%-28.000%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2025	2024
Discount rate (s)		
0.25% increase	<u>\$ (2,156)</u>	<u>\$ (2,341)</u>
0.25% decrease	<u>\$ 2,219</u>	<u>\$ 2,412</u>
Expected rate (s) of salary increase		
1% increase	<u>\$ 8,968</u>	<u>\$ 9,892</u>
1% decrease	<u>\$ (8,176)</u>	<u>\$ (8,961)</u>

The above sensitivity analysis may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2025	2024
Expected contributions to the plan for the next year	\$ <u>155</u>	\$ <u>229</u>
Average duration of the defined benefit obligation	8-24 years	8-25 years

24. EQUITY

a. Ordinary shares

	December 31	
	2025	2024
Shares authorized (in thousands of shares)	<u>1,200,000</u>	<u>1,200,000</u>
Value of authorized shares	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>
Shares issued and fully paid (in thousands)	<u>591,995</u>	<u>591,995</u>
Shares issued and fully paid	<u>\$ 5,919,949</u>	<u>\$ 5,919,949</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

Of Sunplus' authorized shares, 80,000 thousand shares had been reserved for the issuance of subscription warrants, preferred shares with warrants or corporate bonds with warrants.

b. Capital surplus

	December 31	
	2025	2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>		
From business combinations	\$ 92,448	\$ 92,448
The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	330,103	330,103
<u>May on be used to offset a deficit</u>		
From treasury share transactions	57,435	57,435
Changes in percentage of ownership interests in subsidiaries (2)	459,104	459,104
Changes in net equity of associates accounted for using the equity method	<u>197,099</u>	<u>209,738</u>
	<u>\$ 1,136,189</u>	<u>\$ 1,148,828</u>

1) When Sunplus has no deficit, such capital surplus may be distributed as cash dividends, or may be transferred to share capital once a year and within a certain percentage of Sunplus' capital surplus.

- 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

The shareholders' meeting resolved the Sunplus' Articles of Association on June 8, 2022. Under the dividends policy as set forth in the amended Articles, when the Sunplus makes a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, though this limitation is not applicable when the legal reserve has reached the total capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Sunplus' board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. However, the ratio of earnings for distribution and the ratio of the shareholders' cash dividends may depend on the current year. The actual profit and capital status shall be adjusted by the resolution of the shareholders in their meeting. The total number of shareholders' dividends based on the annual surplus shall be distributed at the rate of not less than 10% of the newly added distributable surplus for the year but shall not be distributed when the annual surplus is less than 1% of the paid-in capital. The aforementioned cash dividends shall not be less than 10% of the total dividends to be distributed to shareholders.

For the policies on the distribution of employees' compensation and remuneration to directors and supervisors before and after the amendment, refer to Note 26-h.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Sunplus' paid-in capital. Legal reserve may be used to offset deficit. If the Sunplus has no deficit and the legal reserve has exceeded 25% of the Sunplus' paid-in capital, the excess may be transferred to capital or distributed in cash.

The deficit compensation proposal for 2024 and 2023 were approved by the shareholder in the shareholders' meeting on June 13, 2025 and June 8, 2024, respectively, as follows:

	For Year 2024	For Year 2023
Reversal of special reserve	\$ <u> -</u>	\$ <u>56,523</u>

The proposal for 2025 deficit compensation is subject to resolution in the shareholders' meeting to be held on June 15, 2026.

d. Special reserve

	For the Year Ended December 31	
	2025	2024
Balance on January 1	\$ 124,159	\$ 180,682
Reversal of special reserve	<u> -</u>	<u>(56,523)</u>
Balance on December 31	<u>\$ 124,159</u>	<u>\$ 124,159</u>

e. Other equity items

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

	For the Year Ended December 31	
	2025	2024
Balance on January 1	\$ (104,848)	\$ (190,170)
Recognized for the year		
Exchange differences on translating foreign operations	9,902	69,994
Share from associates accounted for using the equity method	-	5,460
Proceeds from disposal of subsidiaries	-	(1,102)
Share from the disposal of associates accounted for using the equity method	-	10,887
Disposal of partial interests in subsidiaries	-	83
Balance on December 31	<u>\$ (94,946)</u>	<u>\$ (104,848)</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI:

	For the Year Ended December 31	
	2025	2024
Balance on January 1	\$ (166,567)	\$ 66,011
Recognized for the year		
Unrealized loss - equity instruments	(193,848)	(204,884)
Proceeds from disposal of associates	(42)	(23,039)
Disposal of partial interests in subsidiaries	-	197
Share from associates accounted for using the equity method	(623)	(8,257)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>(41,673)</u>	<u>3,405</u>
Balance on December 31	<u>\$ (402,753)</u>	<u>\$ (166,567)</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2025	2024
Balance on January 1	\$ 2,420,941	\$ 2,314,062
Share of profit for the year	281,986	337,239
Other comprehensive income (loss) during the year		
Exchange difference on translation the financial statements of foreign entities	1,200	10,151
Remeasurement of defined benefit plans	(262)	2,467
Cash dividends from subsidiaries	(323,735)	(250,978)
Decrease in non-controlling interests	(34)	(1,914)
Partial disposal of Sunplus Innovation Technology Inc.	-	5,708
Partial disposal of Generalplus Technology Inc.	-	4,206
Balance on December 31	<u>\$ 2,380,096</u>	<u>\$ 2,420,941</u>

g. Treasury shares

Purpose of Buyback	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Its Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares as of January 1 and December 31, 2025	<u>-</u>	<u>3,560</u>	<u>3,560</u>
Number of shares as of January 1 and December 31, 2024	<u>-</u>	<u>3,560</u>	<u>3,560</u>

The Sunplus' shares held by its subsidiaries at the end of the reporting periods were as follows:

Name of Subsidiary	Number of Shares Held (in Thousands of Shares)	Carrying Amount	Market Price
<u>December 31, 2025</u>			
Lin Shin Investment	3,560	\$ <u>63,401</u>	\$ <u>70,844</u>
<u>December 31, 2024</u>			
Lin Shin Investment	3,560	\$ <u>63,401</u>	\$ <u>109,114</u>

The shares of the Company held by its subsidiaries were treated as treasury shares. The subsidiaries can exercise shareholder's right on these treasury shares, except for the right to subscribe for the Company's new shares and voting rights.

25. REVENUE

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Revenue from the sale of goods	\$ 5,907,042	\$ 6,057,979
Rental income from property	239,874	255,980
Other	<u>156,223</u>	<u>120,127</u>
	<u>\$ 6,303,139</u>	<u>\$ 6,434,086</u>

a. Contract information

Revenue from the sale of goods

IC products are sold to agents and customers. The Company determines the sales price of products based on orders. It takes into consideration the past purchases of agents and customers in order to estimate the most likely discount amount and return rate. Based on the determination of revenue, the Company recognizes the amount and the liabilities for refunds (accounted for as other current liabilities).

Other income

Other income mainly comes from software development and royalties.

b. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Trade receivables (Note 11)	<u>\$ 844,368</u>	<u>\$ 946,597</u>	<u>\$ 805,983</u>
Contract liabilities - current	<u>\$ 30,293</u>	<u>\$ 48,318</u>	<u>\$ 29,544</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the Company's performance and the respective customer's payment.

c. Disaggregation of revenue

	<u>Reportable Segments</u>	
	<u>Direct Sales</u>	
	2025	2024
<u>Primary geographical markets</u>		
Asia	\$ 3,647,660	\$ 3,766,467
Taiwan	2,654,028	2,667,457
Others	<u>1,451</u>	<u>162</u>
	<u>\$ 6,303,139</u>	<u>\$ 6,434,086</u>
<u>Timing of revenue recognition</u>		
Satisfied at a point in time	\$ 6,050,835	\$ 6,153,464
Satisfied over time	<u>252,304</u>	<u>280,622</u>
	<u>\$ 6,303,139</u>	<u>\$ 6,434,086</u>

26. NET (LOSS) PROFIT

Net (loss) profit included the following items:

a. Interest income

	<u>For the Year Ended December 31</u>	
	2025	2024
Bank deposits	\$ 73,684	\$ 69,583
Others	<u>13</u>	<u>10</u>
	<u>\$ 73,697</u>	<u>\$ 69,593</u>

b. Other income

	For the Year Ended December 31	
	2025	2024
Subsidy income (Note 29)	\$ 90,504	\$ 85,002
Rental income	59,702	60,698
Dividend income	41,596	39,065
Others	<u>35,493</u>	<u>16,533</u>
	<u>\$ 227,295</u>	<u>\$ 201,298</u>

c. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Gain on disposal of associates	\$ 89,786	\$ 424,639
Fair value changes of financial assets and financial liabilities		
Net loss on financial assets designated as at FVTPL (Note 7)	(6,174)	(11,336)
Gain on disposal of subsidiaries	-	978
Net foreign exchange (loss) gain	(11,133)	57,075
Others	<u>20,128</u>	<u>17,067</u>
	<u>\$ 92,607</u>	<u>\$ 488,423</u>

d. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank loans	\$ 29,887	\$ 35,129
Interest on lease liabilities	4,899	5,262
Other finance costs	<u>4,862</u>	<u>6,874</u>
	<u>\$ 39,648</u>	<u>\$ 47,265</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
An analysis of depreciation by function		
Operating costs	\$ 82,560	\$ 83,452
Operating expenses	<u>234,923</u>	<u>260,621</u>
	<u>\$ 317,483</u>	<u>\$ 344,073</u>
An analysis of amortization by function		
Operating costs	\$ 776	\$ 199
Operating expenses	<u>211,755</u>	<u>124,593</u>
	<u>\$ 212,531</u>	<u>\$ 124,792</u>

f. Operating expenses directly related to investment properties

	<u>For the Year Ended December 31</u>	
	2025	2024
Direct operating expenses from investment property that generated rental income	<u>\$ 98,789</u>	<u>\$ 103,577</u>

g. Employee benefit expense

	<u>For the Year Ended December 31</u>	
	2025	2024
Short-term benefits	<u>\$ 1,743,335</u>	<u>\$ 1,789,756</u>
Post-employment benefits		
Defined contribution plans	49,097	48,501
Defined benefit plans (Note 23)	<u>(711)</u>	<u>(26)</u>
	<u>48,386</u>	<u>48,475</u>
Share-based payments		
Other employee benefits	<u>42,197</u>	<u>40,445</u>
Total employee benefit expense	<u>\$ 1,833,918</u>	<u>\$ 1,878,675</u>
An analysis of employee benefit expense by function		
Operating costs	\$ 96,553	\$ 100,160
Operating expenses	<u>1,737,365</u>	<u>1,778,515</u>
	<u>\$ 1,833,918</u>	<u>\$ 1,878,675</u>

h. Employees' compensation and remuneration of directors and supervisors

The Sunplus resolved amendments to its Articles of Incorporation to distribute employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 1.5%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of Sunplus resolved the amendments to the Company's Articles at their regular meeting on June 13, 2025. The amendments explicitly stipulate the allocation of no less than 10% of the compensation of employees as compensation distributions for non-executive employees. There were both no employees' compensation accrued due to the Company has net loss before income tax for the year ended December 31, 2025, and accumulated losses for the year ended December 31, 2024.

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimates and will be adjusted in next fiscal year.

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

i. Gain or loss on exchange rate changes

	<u>For the Year Ended December 31</u>	
	2025	2024
Exchange rate gains	\$ 229,513	\$ 131,304
Exchange rate losses	<u>(240,646)</u>	<u>(74,229)</u>
Net (loss) gain	<u>\$ (11,133)</u>	<u>\$ 57,075</u>

27. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	<u>For the Year Ended December 31</u>	
	2025	2024
Current tax		
In respect of the current year	\$ 165,767	\$ 237,055
Adjustments for prior periods	<u>(28,958)</u>	<u>(56,230)</u>
	136,809	180,825
Deferred tax		
In respect of the current year	<u>4,514</u>	<u>15,351</u>
Income tax expense recognized in profit or loss	<u>\$ 141,323</u>	<u>\$ 196,176</u>

A reconciliation of accounting profit and current income tax expenses is as follows:

	<u>For the Year Ended December 31</u>	
	2025	2024
Profit before tax	<u>\$ 207,820</u>	<u>\$ 792,384</u>
Income tax expense calculated at the statutory rate	\$ 41,564	\$ 158,477
Different statutory rate in other jurisdictions	3,050	5,874
Tax effect of adjusting items:		
Nondeductible expenses in determining taxable income	(10,019)	(80,543)
Temporary differences	13,057	6,540
Current investment credit	(11,119)	(7,570)
Tax-exempt income	(262)	(298)
Differences in income basic tax	<u>13,673</u>	<u>16,893</u>
Current income tax expense	49,944	99,373
Unrecognized loss carryforwards	120,336	153,032
Adjustments for prior years' tax	(28,958)	(56,230)
Foreign income tax expense	<u>1</u>	<u>1</u>
Income tax expense recognized in profit or loss	<u>\$ 141,323</u>	<u>\$ 196,176</u>

b. Current tax liabilities

	<u>December 31</u>	
	2025	2024
Current tax liabilities		
Income tax payable	<u>\$ 128,401</u>	<u>\$ 126,378</u>

c. Deferred tax assets

The Company offset certain deferred tax assets and deferred tax liabilities that met the offset criteria.

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2025

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Closing Balance
Temporary differences			
Unrealized loss on inventories	\$ 22,216	\$ (5,010)	\$ 17,206
Fixed assets	9,357	(1,435)	7,922
Exchange (losses) gains	(2,073)	2,776	703
Other	<u>13,046</u>	<u>(845)</u>	<u>12,201</u>
	<u>\$ 42,546</u>	<u>\$ (4,514)</u>	<u>\$ 38,032</u>

For the year ended December 31, 2024

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Closing Balance
Temporary differences			
Unrealized loss on inventories	\$ 32,896	\$ (10,680)	\$ 22,216
Fixed assets	11,490	(2,133)	9,357
Exchange gains (losses)	4,359	(6,432)	(2,073)
Other	<u>9,152</u>	<u>3,894</u>	<u>13,046</u>
	<u>\$ 57,897</u>	<u>\$ (15,351)</u>	<u>\$ 42,546</u>

- d. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Loss Carryforwards</u>		
Expiry in 2025	\$ -	\$ 27,164
Expiry in 2026	11,154	11,154
Expiry in 2027	22,555	35,903
Expiry in 2028	130,320	130,320
Expiry in 2029	377,202	391,411
Expiry in 2030	77,150	77,149
Expiry in 2031	21,335	21,335
Expiry in 2032	110	110
Expiry in 2033	544,674	544,674
Expiry in 2034	91,986	71,802
Expiry in 2034	<u>108</u>	<u>-</u>
	<u>\$ 1,276,594</u>	<u>\$ 1,311,022</u>
Deductible temporary differences	<u>\$ 410,040</u>	<u>\$ 404,610</u>

e. Unused loss carryforwards and tax-exemptions

Loss carryforwards as of December 31, 2025 pertaining to Sunplus:

Unused Amount	Expiry Year
\$ 10,909	2027
315,690	2029
48,825	2030
5,675	2031
544,549	2033
<u>91,931</u>	2034
<u>\$ 1,017,579</u>	

Loss carryforwards as of December 31, 2025 pertaining to Sunplus mMedia:

Unused Amount	Expiry Year
\$ 11,154	2026
9,369	2027
57,427	2028
25,045	2029
335	2030
76	2031
110	2032
125	2033
55	2034
<u>108</u>	2035
<u>\$ 103,804</u>	

Loss carryforwards as of December 31, 2025 pertaining to Jumplux Technology:

Unused Amount	Expiry Year
\$ 2,277	2027
72,893	2028
36,467	2029
27,990	2030
<u>15,584</u>	2031
<u>\$ 155,211</u>	

f. Income tax assessments

The income tax returns of Sunplus, Generalplus Technology Inc., Sunplus Innovation Technology Inc., Lin Shin Investment Co., Ltd., Sunplus Venture Capital Co., Ltd., Wei-Young Investment Inc., Jumplux Technology Co., Ltd., Sunplus Management Consulting Inc. and Sunplus mMedia Inc. through 2023 have been assessed by the tax authorities.

28. (LOSS) EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2025	2024
Basic (loss) earnings per share	<u>\$ (0.37)</u>	<u>\$ 0.44</u>
Diluted (loss) earnings per share	<u>\$ (0.37)</u>	<u>\$ 0.44</u>

The (loss) profit and weighted average number of ordinary shares outstanding used in the computation of (loss) earnings per share were as follows:

Net (loss) profit for the year

	For the Year Ended December 31	
	2025	2024
(Loss) earnings used in the computation of basic and diluted earnings per share	<u>\$ (215,489)</u>	<u>\$ 258,969</u>

The weighted average number of ordinary shares outstanding (in thousand shares) is as follows:

	For the Year Ended December 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic and diluted (loss) earnings per shares	<u>588,435</u>	<u>588,435</u>

Sunplus may settle the compensation of employees in cash or shares; therefore, Sunplus assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

Due to the net loss of the Sunplus for the year ended December 31, 2025, the inclusion of potential ordinary shares will result in an anti-dilution effect, therefore, they are excluded from the computation of diluted earnings per share.

29. GOVERNMENT GRANTS

In August 2013, SunMedia Technology Co., Ltd. received a government grant amounting to RMB\$16,390 thousand (\$79,213 thousand) for the purchase of land on which to build a plant. The amount was recognized as deferred revenue and subsequently transferred to profit or loss over the useful life of the related asset. The total revenue recognized as profit for the years ended December 31, 2025 and 2024 were \$1,578 thousand and \$1,623 thousand, respectively.

Sunplus applied for the Industrial Upgrading Platform Innovation Counseling Program from the Ministry of Economic Affairs, and the “Multimodal Large Language Model Accelerator Chips for Generative AI Edge Application R&D Program” was reviewed and approved on October 23, 2024. The approved subsidy amounted to \$160,000 thousand. The subsidy program will be closed on December 31, 2026. As of December 31, 2025 and 2024, the accumulated subsidies received were \$130,910 thousand and \$75,917 thousand, respectively. The amounts of the recognized subsidy income for the year ended December 31, 2025 and 2024 were \$54,940 thousand and \$75,917 thousand, respectively. Sunplus has a special account for subsidies in accordance with regulations. The monthly withdrawal amount shall be withdrawn according

to the monthly expenditure summary statement, and the withdrawal amount shall not be higher than the expenditure amount.

In October 2025, Generalplus Technology Inc. received a government grant under the ‘Taiwan Industry Innovation Platform - Subsidy Program to Promote Advanced Development of Domestic IC Design Enterprises’ administered by the Industrial Development Administration of the Ministry of Economic Affairs. Under the aforementioned program, government subsidy income of \$30,000 thousand was recognized in 2025.”

30. LIQUIDATION AND DISPOSAL OF SUBSIDIARIES

For the Year Ended December 31, 2025

a. Analysis of assets and liabilities from liquidation

Sunplus completed the liquidation of their subsidiaries, Atto Sense Co., Ltd. on December 1, 2025.

	Atto Sense Co., Ltd.
Current assets	
Cash and cash equivalents	\$ <u>1,005</u>
Net assets disposed of	\$ <u>1,005</u>

b. Gain on liquidation of subsidiaries

	Atto Sense Co., Ltd.
Consideration received	\$ 1,005
Net assets disposed of	<u>(1,005)</u>
Gain on disposals	<u>\$ -</u>

For the Year Ended December 31, 2024

a. Analysis of assets and liabilities from liquidation

Giant Rock Inc. and Ventureplus Cayman Inc. completed the liquidation of their subsidiaries, Sunplus App Technology Co., Ltd. on September 10, 2024.

	Sunplus App Technology Co., Ltd.
Current assets	
Cash and cash equivalents	\$ 1,302
Other current assets	<u>72</u>
Net assets disposed of	\$ <u>1,374</u>

b. Gain on liquidation of subsidiaries

	Sunplus App Technology Co., Ltd.
Consideration received	\$ 1,250
Net assets disposal of	(1,374)
Reclassification of other comprehensive income in respect of the subsidiaries	<u>1,102</u>
Gain on disposals	<u>\$ 978</u>

c. Net cash inflow on liquidation of subsidiaries

	Sunplus App Technology Co., Ltd.
Consideration received in cash and cash equivalents	\$ 1,250
Less: Cash and cash equivalent balances disposal of	<u>(272)</u>
	<u>\$ 978</u>

31. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In May, June and July 2024, Sunplus Venture Capital Co., Ltd. and Sunplus disposed of their shares in Sunplus Innovation Technology Inc., resulting in a decrease in the overall shareholding ratio from 56.92% to 56.65%.

In October 2023, Sunplus Technology (Shanghai) Co., Ltd. transferred its equity interest in Chongqing CQPlus1 Technology Co., Ltd. to Sunplus Prof-tek Technology (Shenzhen) Co., Ltd., and in March 2024, transferred part of the equity to Shanghai Beyond Technology Co., Ltd., with Sunplus subsidiaries combining to hold 100% of the equity interest.

In June and July 2024, Sunplus disposed of its shares in Generalplus Technology Inc., resulting in a decrease in the overall shareholding ratio from 47.99% to 47.80%.

In April 2024, Sunplus Venture Capital Co., Ltd. had acquired the shares of Jumplux Technology Co., Ltd.'s non-controlling interest by cash consideration, resulting in an increase in the overall shareholding ratio from 97.08% to 100.00%.

The above transactions were accounted for as equity transactions since the Company did not cease to have control over these subsidiaries.

32. CAPITAL MANAGEMENT

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

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings and other equity) attributable to owners of the Company.

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

33. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

December 31, 2025

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 100,329	\$ -	\$ 100,517	\$ -	\$ 100,517

December 31, 2024

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 50,258	\$ -	\$ 50,110	\$ -	\$ 50,110

The fair value of the financial assets included in the Level 2 category above have been determined was based on the quotation of Taipei Exchange.

b. Fair value of financial instruments that are measured at fair value on recurring basis.

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 724,661	\$ -	\$ -	\$ 724,661
Domestic/foreign listed shares	277,591	-	-	277,591
Domestic emerging stock	39,676	-	142,748	182,424
Domestic/foreign unlisted shares	-	-	229,561	229,561
Domestic/foreign- CB	10,225	-	-	10,225
Limited partnership	-	-	920,269	920,269
	<u>\$ 1,052,153</u>	<u>\$ -</u>	<u>\$ 1,292,578</u>	<u>\$ 2,344,731</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic listed shares	\$ 13,119	\$ -	\$ -	\$ 13,119
Domestic private listed shares	-	-	52,538	52,538
Domestic/foreign unlisted shares	-	-	175,252	175,252
	<u>\$ 13,119</u>	<u>\$ -</u>	<u>\$ 227,790</u>	<u>\$ 240,909</u>
				(Concluded)

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 778,473	\$ -	\$ -	\$ 778,473
Domestic/foreign listed shares	318,419	-	-	318,419
Domestic emerging stock	49,971	-	-	49,971
Domestic/foreign unlisted shares	-	-	518,572	518,572
Domestic/foreign- CB	12,520	-	-	12,520
Limited partnership	-	-	922,675	922,675
	<u>\$ 1,159,383</u>	<u>\$ -</u>	<u>\$ 1,441,247</u>	<u>\$ 2,600,630</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 50,351	\$ -	\$ -	\$ 50,351
Domestic private listed shares	-	-	32,476	32,476
Domestic/foreign unlisted shares	-	-	339,901	339,901
	<u>\$ 50,351</u>	<u>\$ -</u>	<u>\$ 372,377</u>	<u>\$ 422,728</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the Year Ended December 31, 2025

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance on January 1, 2025	\$ 1,441,247	\$ 372,377	\$ 1,813,624
Recognized in profit or loss	(137,343)	-	(137,343)
Recognized in other comprehensive income	-	(205,436)	(205,436)
Purchases	191,957	62,800	254,757
Disposals	(131,480)	(10)	(131,490)
Return of capital	(12,967)	-	(12,967)
			(Continued)

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Return of capital from capital reduction	\$ (29,000)	\$ (2,804)	\$ (31,804)
Transfers out of Level 3	(30,000)	-	(30,000)
Effect of exchange rate changes	<u>163</u>	<u>863</u>	<u>1,027</u>
Balance on December 31, 2025	<u>\$ 1,292,578</u>	<u>\$ 227,790</u>	<u>\$ 1,520,368</u> (Concluded)

For the Year Ended December 31, 2024

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance on January 1, 2024	\$ 1,536,284	\$ 324,387	\$ 1,860,671
Recognized in profit or loss	(55,612)	-	(55,612)
Recognized in other comprehensive income	-	(199,768)	(199,768)
Purchases	107,803	244,490	352,293
Disposals	-	(1,904)	(1,904)
Return of capital	(53,256)	-	(53,256)
Return of capital from capital reduction	(95,000)	-	(95,000)
Effect of exchange rate changes	<u>1,028</u>	<u>5,172</u>	<u>6,200</u>
Balance on December 31, 2024	<u>\$ 1,441,247</u>	<u>\$ 372,377</u>	<u>\$ 1,813,624</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

- a) The fair values of unlisted equity securities - domestic and foreign were determined using the market approach. The significant unobservable inputs used are listed in the table below. An increase in the price-to-book ratio or price-sales ratio or a decrease in the discount for lack of marketability used in isolation would result in increases in fair value.

	December 31	
	2025	2024
Price-to-book ratio	0.455-38.120	0.670-49.910
Price-to-sales ratio	0.505-1879.280	0.710-943.910
Discount for lack of marketability	20%-30%	20%-30%

- b) The fair values of unlisted shares and limited partnership were determined using the asset-based approach. The Company assesses that the amount of its net assets attributable to its investment approaches the fair value of the equity investment. The Company assesses the total value of the individual assets and liabilities covered by the target to reflect the overall value of the business.

- c) Domestic listed private equity investment refers to the transaction price of the listed company's stock in the active market, and uses the unobservable input value as discount for lack of marketability to determine the value of the evaluation target.

	December 31	
	2025	2024
Discount for lack of marketability	56.4%	81.6%

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Financial assets</u>		
Fair value through profit or loss (FVTPL)	\$ 2,344,731	\$ 2,600,630
Financial assets at amortized cost (1)	6,343,492	6,445,902
Financial assets at (FVTOCI)		
Equity instruments	240,909	422,728

Financial liabilities

Measured at amortized cost (2)	1,948,894	1,874,791
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- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables, other receivables, other financial assets and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, accounts payable, current portion of long-term bank borrowings, long-term borrowings and guarantee deposits.

d. Financial risk management objectives and policies

The Company's major financial instruments included mutual funds, corporate bonds, convertible bonds, investment in equity instruments, trade receivables, accounts payable, borrowings and lease liability. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Corporate Treasury function reported quarterly to the Company's Board of Directors.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

A part of the Company's cash flows is in foreign currency, and the use by management of derivative financial instruments is for hedging adverse changes in exchange rates, not for profit.

For exchange risk management, each foreign-currency item of net assets and liabilities is reviewed regularly. In addition, before obtaining foreign loans, the Company considers the cost of the hedging instrument and the hedging period.

The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period were refer to Note 37.

Sensitivity analysis

The Company was mainly exposed to the USD and RMB.

The following table details the Company sensitivity to a US\$1.00 and RMB1.00 increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity analysis considers the currencies of USD and RMB in circulation, and adjusts the end-of-term conversion to exchange rate change of \$1.00. The sensitivity analysis covers cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets, long-term and short-term loans, accounts payable, other accounts payable and deposit margins. A negative number below indicates a decrease in post-tax profit associated with the New Taiwan dollar strengthening \$1.00 against USD and RMB. For a \$1.00 weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on post-tax profit, and the balances below would be positive.

	USD Impact	
	For the Year Ended December 31	
	2025	2024
Profit or loss	\$ 12,812	\$ 20,364

	RMB Impact	
	For the Year Ended December 31	
	2025	2024
Profit or loss	\$ 2,623	\$ 382

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2025	2024
Fair value interest rate risk		
Financial assets	\$ 2,644,012	\$ 3,907,751
Financial liabilities	325,474	217,714
Cash flow interest rate risk		
Financial assets	2,521,542	1,328,152
Financial liabilities	1,150,000	1,237,578

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. Basis points of 0.125% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been increased/decreased by 0.125% and all other variables held constant, the Company's post-tax profit for the years ended December 31, 2025 and 2024 would decrease/increase by \$1,714 thousand and \$113 thousand, respectively.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

Had the prices of financial assets at FVTPL been 1% higher/lower, post-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$23,447 thousand and \$26,006 thousand, respectively.

Had the prices of financial assets at FVTOCI been 1% higher/lower, post-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$2,409 thousand and \$4,227 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company is arising from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company's credit risk was significantly reduced.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

The Company's concentration of credit risk of 61% and 63% in total trade receivables as of December 31, 2025 and 2024, respectively, was related to the five largest customers within the property construction business segment. The Company believed that the concentration of credit risk is relatively insignificant for the remaining accounts receivables.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2025 and 2024, the Company had available unutilized overdraft and financing facilities refer to the following instruction.

a) Liquidity and interest risk rate tables

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows.

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 313,560	\$ 202,939	\$ 51,494	\$ 1	\$ -
Lease liabilities	1,409	2,820	12,057	49,426	199,232
Variable interest rate liabilities	1,297	190,078	125,000	962,500	-
Fixed interest rate liabilities	-	-	-	6,512	163,224
	<u>\$ 316,266</u>	<u>\$ 395,837</u>	<u>\$ 188,551</u>	<u>\$ 1,018,439</u>	<u>\$ 362,456</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 16,286</u>	<u>\$ 49,426</u>	<u>\$ 46,449</u>	<u>\$ 39,951</u>	<u>\$ 36,702</u>	<u>\$ 76,130</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 321,892	\$ 178,863	\$ 49,376	\$ 30	\$ -
Lease liabilities	1,537	3,403	14,468	59,021	216,921
Variable interest rate liabilities	27,227	92,279	187,500	931,250	-
Fixed interest rate liabilities	-	-	650	5,727	167,882
	<u>\$ 350,656</u>	<u>\$ 274,545</u>	<u>\$ 251,994</u>	<u>\$ 996,028</u>	<u>\$ 384,803</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 19,408</u>	<u>\$ 59,021</u>	<u>\$ 48,321</u>	<u>\$ 43,588</u>	<u>\$ 38,180</u>	<u>\$ 86,832</u>

b) Financing facilities

	December 31	
	2025	2024
Unsecured bank overdraft facility, review annually and payable on demand		
Amount used	\$ 1,332,285	\$ 1,313,495
Amount unused	<u>3,499,114</u>	<u>3,401,482</u>
	<u>\$ 4,831,399</u>	<u>\$ 4,714,977</u>

34. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below.

a. Name and relationship of related parties

Name	Relationship with the Company
iCatch Technology Inc.	Associate
AutoSys (TW) Co., Ltd.	Associate
eNeural Technologies, Inc.	Associate
Tian Yuan Global Corp.	Related party in substance

b. Sales of goods

Line Item	Related Party Category	For the Year Ended December 31	
		2025	2024
Sales	Associates	<u>\$ 45,576</u>	<u>\$ 60,392</u>

Sales price to related parties is based on cost and market price. The sales terms to related parties were similar to those with external customers.

c. Receivables from related parties (excluding loans to related parties)

Line Items	Related Party Categories	December 31	
		2025	2024
Trade receivables	Associates	<u>\$ 99</u>	<u>\$ 2,180</u>
Other receivables	Associates	<u>\$ 147</u>	<u>\$ 139</u>

There were no guarantees on outstanding receivables from related parties. For the years ended December 31, 2025 and 2024, no impairment loss was recognized for trade receivables from related parties.

d. Prepayments

Line Item	Related Party Category/Name	December 31	
		2025	2024
Prepayments for investments	Related party in substance/Tian Yuan Global Corp.	\$ <u>81,000</u>	\$ <u>-</u>
Prepaid expenses	Associate	\$ <u>125</u>	\$ <u>-</u>

e. Guarantee deposits received (excluding loans to related parties)

Line Item	Related Party Category	December 31	
		2025	2024
Guarantee deposits received	Associate	\$ <u>3,325</u>	\$ <u>3,319</u>

The lease agreements for real estate, factories, and equipment leased to related parties by the Company are determined by mutual agreement between the lessor and lessee. Rent is paid monthly according to the lease terms, and the related rental income is recognized under other income. The pricing for the technical support agreements with related parties is determined based on mutual agreements, and the related service fees are recognized as technical income.

f. Other transactions with related parties

Line Items	Related Parties Categories	December 31	
		2025	2024
Operating expenses	Associates	\$ <u>1,875</u>	\$ <u>3,221</u>
Non-operating income and expenses	Associates	\$ <u>21,785</u>	\$ <u>20,200</u>

Service fees and administrative support services price between the Company and the related parties were negotiated and were thus not comparable with those in the market. There are no other available transactions to be compared with.

The pricing and the payment terms of the lease contract between the Company and the related parties were similar to those with external customers.

g. Compensation of key management personnel

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	\$ 81,900	\$ 72,212
Post-employment benefits	<u>1,160</u>	<u>1,160</u>
	\$ <u>83,060</u>	\$ <u>73,372</u>

The remuneration of directors and other key management personnel was determined in accordance with individual performance and market trends.

35. PLEDGED ASSETS

The following assets of the Company have been pledged or mortgaged as guarantees for endorsement, loan, purchase quota, leased land and customs clearance:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Buildings, net	\$ 479,324	\$ 498,726
Pledged time deposits (classified as other financial assets - non-current)	<u>13,500</u>	<u>13,500</u>
	<u>\$ 492,824</u>	<u>\$ 512,226</u>

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitment of the Company as of the end of the reporting period, excluding these disclosed in other note, were as follow:

Long-term purchase contract:

Generalplus Technology signed a long-term supply contract with the supplier in December 2021. According to the contract agreed that supply quantity and price from January 1, 2022 to December 31, 2026. According to the contract, Generalplus has been paid USD\$1,944 thousand to the supplier as a guarantee to ensure the supply of production capacity. The contract stipulates that if fail to fulfill the agreed purchase quantity or supply quantity, the other party has the right to demand a certain amount of compensation.

37. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2025

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 43,243	31.430	\$ 1,359,127
JPY	61,174	0.201	12,296
CNY	2,623	4.496	11,793
HKD	64	4.038	258
GBP	3	42.330	127
<u>Financial liabilities</u>			
Monetary items			
USD	30,431	31.430	956,446

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 41,810	32.785	\$ 1,370,741
JPY	7,761	0.210	1,630
CNY	5,072	4.478	22,712
HKD	74	4.222	312
GBP	3	41.190	124
<u>Financial liabilities</u>			
Monetary items			
USD	21,446	32.785	703,107
CNY	4,690	4.478	21,002

For the years ended December 31, 2025 and 2024, (realized and unrealized) net foreign exchange (losses) gains were \$(11,133) thousand and \$57,075 thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Company.

38. ADDITIONAL DISCLOSURES

a. Information on significant transactions:

- 1) Financings provided to others: Table 1
- 2) Endorsement/guarantee provided: No
- 3) Significant marketable securities held: Table 2
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: No
- 6) Intercompany relationships and significant intercompany transactions: Table 4

b. Information on investees (Table 5)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 7)
- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services.

39. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods provided. Since all products have similar economic characteristics and product selling is centralized, the Company reports information as referring to one segment. Thus, the information of the operating segment is the same as that presented in the accompanying financial statements. That is, the revenue by sub segment and operating results for the years ended December 31, 2025 and 2024 are shown in the accompanying consolidated income statements, and the assets by segment as of December 31, 2025 and 2024 are shown in the accompanying consolidated balance sheets.

a. Segment revenues and results

The following was an analysis of the Company's operating revenue and results by reportable segment.

	Segment Revenue	
	For the Year Ended December 31	
	2025	2024
IC design	\$ 5,907,042	\$ 6,057,979
Income from lease of property	239,874	255,980
Other income	<u>156,223</u>	<u>120,127</u>
	<u>\$ 6,303,139</u>	<u>\$ 6,434,086</u>

b. Geographical information

The Company operates in two principal geographical areas - the Asia and Taiwan.

The Company's revenue from external customers by location of operations and information about its non-current assets by location of assets is detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2025	2024	2025	2024
Asia	\$ 3,647,660	\$ 3,766,467	\$ 1,608,503	\$ 1,684,469
Taiwan	2,654,028	2,667,457	1,469,746	1,302,437
Others	<u>1,451</u>	<u>162</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,303,139</u>	<u>\$ 6,434,086</u>	<u>\$ 3,078,249</u>	<u>\$ 2,986,906</u>

Non-current assets exclude financial instruments, deferred tax assets and other non-current assets.

c. Information about major customers

Single customers contributing 10% or more to the Company's revenue were as follows:

	For the Year Ended December 31	
	2025	2024
Customer A	\$ 781,878	\$ 887,005

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
1	Shanghai Beyond Technology Co., Ltd.	SunMedia	Receivables from related parties	Yes	\$ 312,551	\$ 289,542	\$ 289,542	1.8%-2.4%	Note 1	\$ -	Note 2	\$ -	-	\$ -	\$ 320,381 (Note 5)	\$ 320,381 (Note 5)
2	Lin Shin Investment Co., Ltd.	SunMedia	Receivables from related parties	Yes	63,980	15,715	15,715	2.3%	Note 1	-	Note 3	-	-	-	346,929 (Note 6)	346,929 (Note 6)
3	Lin Shin Investment Co., Ltd.	Ventureplus Cayman Inc.	Receivables from related parties	Yes	33,205	31,430	31,430	2.3%	Note 1	-	Note 4	-	-	-	346,929 (Note 6)	346,929 (Note 6)

Note 1: Short-term financing.

Note 2: Shanghai Beyond Technology Co., Ltd. provided funds for the operating needs of SunMedia.

Note 3: Lin Shin Investment Co., Ltd. provided funds for the operating needs of SunMedia.

Note 4: Lin Shin Investment Co., Ltd. provided funds for the operating needs of Ventureplus Cayman Inc.

Note 5: Shanghai Beyond Technology Co., Ltd. and the loans are all foreign companies whose parent company directly and indirectly holds 100% of the voting shares. When the short-term financing funds need to be engaged in capital lending, the capital loan and the individual amount and total amount should not exceed the capital loan. The enterprise's net worth should not exceed to 80%, and its period should not exceed more than 2 years.

Note 6: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 40% of Lin Shin Investment Co., Ltd.'s net equity as of its latest financial statements.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD

FOR THE YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note	
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value		
Sunplus	Nomura Taiwan Money Market Fund	-	Financial assets at FVTPL - current	903,214	\$ 15,544	-	\$ 15,544	Note 3	
	Nomura Global Short Duration Bond Fund	-	Financial assets at FVTPL - current	1,400,251	16,006	-	16,006	Note 3	
	PineBridge Global ESG Quantitative Bond Fund	-	Financial assets at FVTPL - current	1,086,772	10,665	-	10,665	Note 3	
	Inpsytech, Inc.	-	Financial assets at FVTPL - current	198,629	91,370	-	91,370	Note 5	
	TriKnight Capital Corporation	-	Financial assets at FVTPL - non-current	16,441,800	94,931	5	94,931	Note 1	
	Vertex Growth II (SG) L.P.	-	Financial assets at FVTPL - non-current	-	23,697	-	23,697	Note 1	
	AMED Ventures II,L.P.	-	Financial assets at FVTPL - non-current	-	17,762	1	17,762	Note 1	
	Intudo Ventures III,L.P.	-	Financial assets at FVTPL - non-current	-	30,422	1	30,422	Note 1	
	Intudo Ventures II,L.P.	-	Financial assets at FVTPL - non-current	-	160,659	6	160,659	Note 1	
	AMED Ventures I,L.P.	-	Financial assets at FVTPL - non-current	-	18,074	2	18,074	Note 1	
	Intudo Istimewa I, LLC	-	Financial assets at FVTPL - non-current	-	13,151	14	13,151	Note 1	
	Intudo Istimewa II, LLC	-	Financial assets at FVTPL - non-current	-	13,808	7	13,808	Note 1	
	Foxtron Vehicle Technologies Co., Ltd.	-	Financial assets at FVTPL - non-current	1,950,000	84,045	-	84,045	Note 2	
	AnHorn Holdings Inc.	-	Financial assets at FVTOCI - non-current	581,396	10,686	2	10,686	Note 1	
	eYs3D Microelectronics, Inc.	-	Financial assets at FVTOCI - non-current	1,190,476	15,130	1	15,130	Note 1	
	Egis Technology Inc.	-	Financial assets at FVTOCI - non-current	1,000,000	52,538	1	52,538	Note 1	
	Lin Shin Investment	JG-SSG Co., Ltd.	-	Financial assets at FVTPL - current	448,061	29,850	-	29,850	Note 2
		Minson Integration, Inc.	-	Financial assets at FVTPL - current	240,000	30,948	-	30,948	Note 4
		King Slide Works Co., Ltd.	-	Financial assets at FVTPL - current	3,000	11,250	-	11,250	Note 2
Unimicron Technology Corp.		-	Financial assets at FVTPL - current	50,000	11,000	-	11,000	Note 2	
Sunplus Venture Capital	Lead Sun Corporation	-	Financial assets at FVTPL - non-current	1,000,000	39,880	11	39,880	Note 1	
	Sunplus	Parent company	Financial assets at FVTPL - non-current	3,559,996	70,844	1	70,844	Note 2	
	Asrock Rack Incorporation	-	Financial assets at FVTPL - current	40,000	10,360	-	10,360	Note 2	
	Taiwan Semiconductor Manufacturing Company Limited	-	Financial assets at FVTPL - current	24,000	37,200	-	37,200	Note 2	
	Chunghwa Telecom Co., Ltd.	-	Financial assets at FVTPL - current	100,000	13,050	-	13,050	Note 2	
	Eastspring Investments Well Pool Money Market Fund	-	Financial assets at FVTPL - current	4,188,102	60,072	-	60,072	Note 3	
	CDIB-Innolux II Limited Partnership	-	Financial assets at FVTPL - non-current	-	17,370	1	17,370	Note 1	
	Beiley Biofund Inc.	-	Financial assets at FVTPL - non-current	12,331,473	142,748	6	142,748	Note 1	
	Foryou Venture Capital Limited Partnership	-	Financial assets at FVTPL - non-current	-	34,360	10	34,360	Note 1	
	TIEF fund I, L.P.	-	Financial assets at FVTPL - non-current	-	37,453	7	37,453	Note 1	
	Foryou Private Equity Limited Partnership	-	Financial assets at FVTPL - non-current	-	56,331	5	56,331	Note 1	
	CDIB Capital Growth Partners L.P.	-	Financial assets at FVTPL - non-current	-	53,057	2	53,057	Note 1	
	Intudo Ventures I,L.P.	-	Financial assets at FVTPL - non-current	-	92,927	8	92,927	Note 1	
	TGVest Capital Limited Partnership	-	Financial assets at FVTPL - non-current	-	200,430	5	200,430	Note 1	
	Pacific 8 Ventures Fund II,L.P.	-	Financial assets at FVTPL - non-current	-	21,943	2	21,943	Note 1	
	Cerulean Asset Management Venture Capital Limited Partnership	-	Financial assets at FVTPL - non-current	-	25,770	11	25,770	Note 1	
	CSVI Ventures, L.P.	-	Financial assets at FVTPL - non-current	-	22,223	2	22,223	Note 1	
Innorich Venture Capital Corp.	-	Financial assets at FVTOCI - non-current	1,878,505	12,079	6	12,079	Note 1		
Promise Technology Inc.	-	Financial assets at FVTOCI - non-current	626,178	13,118	1	13,118	Note 2		
Graphen Drugomics, Inc.	-	Financial assets at FVTOCI - non-current	2,000,000	64,710	2	64,710	Note 5		
GIGA-IMAGE Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	3,000,000	24,428	9	24,428	Note 1		

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Wei-Young Investment	Marketch International Corp.	-	Financial assets at FVTPL - current	150,000	\$ 41,250	-	\$ 41,250	Note 2
	Desiccant Technology Corporation	-	Financial assets at FVTPL - current	203,000	34,612	-	34,612	Note 2
Sunplus Shanghai	GF Daily Income Money Market Fund B	-	Financial assets at FVTPL - current	3,270,000	16,488	-	16,488	Note 3
	GF Qi Bao Money Market Fund D	-	Financial assets at FVTPL - current	7,700,000	34,716	-	34,716	Note 3
Shanghai Beyond Technology Co., Ltd.	Vicoretek Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	8,890	2	8,890	Note 1
	Ready Sun Investment Group Fund	-	Financial assets at FVTPL - non-current	-	40,952	16	40,952	Note 1
Generalplus Technology	Yuanta De-Li Money Market Fund	-	Financial assets at FVTPL - current	4,067,795	70,167	-	70,167	Note 3
	Taiwan Power Company 5th Unsecured Ordinary Corporate Bonds Type A in 2024	-	Financial assets at amortized cost - non-current	-	50,189	-	50,377	-
	Taiwan Semiconductor Manufacturing Company Limited 1st Unsecured Ordinary Corporate Bonds Type A in 2023	-	Financial assets at amortized cost - non-current	-	50,140	-	50,140	-
Sunplus Innovation Technology	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	10,133,835	145,617	-	145,617	Note 3
	Taishin Ta-Chong Money Market Fund	-	Financial assets at FVTPL - current	6,557,231	98,658	-	98,658	Note 3
	UPAMC James Bond Money Market Fund	-	Financial assets at FVTPL - current	8,571,465	151,390	-	151,390	Note 3
	Fubon Money Market Fund	-	Financial assets at FVTPL - current	6,398,853	100,518	-	100,518	Note 3
Chongqing CQPLus1	Vicoretek Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	33,777	6	33,777	Note 1

Note 1: The market value was based on the fair value as of December 31 2025.

Note 2: The market value was based on the closing price as of December 31, 2025.

Note 3: The market value was based on the net asset value of the fund as of December 31, 2025.

Note 4: The market value was based on the average transaction price as of December 31, 2025.

Note 5: The market value was based on the exercising price per share as of December 31, 2025.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details			Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note	
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% of Total
Generalplus Technology	Generalplus Shenzhen	Subsidiary	Sale	\$ 101,029	5.00	Monthly settlement in 45 days	\$ -	-	\$ 10,872	3.09	-

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statement Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Sunplus	SunMedia	1	Research and development expenses	\$ 105,127	Note 2	1.67%
	Sunplus Prof-tek (Shenzhen)	1	Other payables	12,094	Note 3	0.09%
			Research and development expenses	125,505	Note 2	1.99%
Sunplus Innovation Technology	SunMedia	2	Selling and marketing expenses	10,005	Note 2	0.16%
	Worldplus (Shenzhen)	2	Selling and marketing expenses	29,393	Note 2	0.47%
Generalplus Technology	Generalplus Shenzhen	2	Sales	101,029	Note 2	1.60%
			Research and development expenses	60,713	Note 2	0.96%
			Trade receivables	10,872	Note 3	0.08%
			Other receivables	15,362	Note 3	0.11%
	Generalplus H.K.	2	Selling and marketing expenses	11,863	Note 2	0.19%
Shanghai Beyond	SunMedia	2	Other receivables	156,910	Note 3	1.12%
			Long-term receivables	132,632	Note 3	0.95%
Lin Shin Investment	SunMedia	2	Other receivables	15,729	Note 3	0.11%
	VENTUREPLUS CAYMAN INC.	2	Other receivables	31,436	Note 3	0.22%

Note 1: The transactions were based on normal commercial prices and terms.

Note 2: The prices were based on negotiations; the payment period and related terms were not comparable to market terms.

Note 3: The transaction payment terms were similar to normal commercial terms.

Note 4: 1 - From parent company to subsidiary.

2 - Between subsidiaries.

TABLE 5

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2025	December 31, 2024	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Sunplus	Ventureplus Group	Belize	Investment	\$ 2,515,234 (US\$ 74,605 RMB\$ 37,900)	\$ 2,515,234 (US\$ 74,605 RMB\$ 37,900)	80,821,284	100	\$ 1,616,749	\$ 7,163	\$ 9,423	Subsidiary
	Award Glory	Belize	Investment	335,419 (US\$ 7,072 RMB\$ 25,166)	335,419 (US\$ 7,072 RMB\$ 25,166)	10,691,948	100	144,820	(106,004)	(106,004)	Subsidiary
	Lin Shin Investment	Hsinchu, Taiwan	Investment	699,988	699,988	70,000,000	100	796,479	18,656	18,656	Subsidiary
	Generalplus Technology	Hsinchu, Taiwan	Design of ICs	279,442	279,442	37,117,304	34	711,253	112,351	38,324	Subsidiary
	Sunplus Venture Capital	Hsinchu, Taiwan	Investment	1,109,982	1,109,982	123,748,800	100	1,475,989	144,374	144,374	Subsidiary
	Sunplus Innovation Technology	Hsinchu, Taiwan	Design of ICs	271,986	271,986	29,890,061	50	1,233,566	515,179	256,628	Subsidiary
	iCatch Technology	Hsinchu, Taiwan	Design of ICs	76,016	124,285	10,111,546	11	203,818	(175,913)	(21,064)	Investee
	Sunplus mMedia	Hsinchu, Taiwan	Design of ICs	407,565	407,565	22,440,723	90	22,406	(110)	(99)	Subsidiary
	Sunplus Management Consulting	Hsinchu, Taiwan	Management	5,000	5,000	500,000	100	2,745	(116)	(116)	Subsidiary
	Wei-Young Investment	Hsinchu, Taiwan	Investment	140,157	140,157	12,400,000	100	156,027	33,924	33,924	Subsidiary
	Jumplus Technology	Hsinchu, Taiwan	Design of ICs	132,000	132,000	13,200,000	55	47,084	17,156	9,437	Subsidiary
	AutoSys Co., Ltd.	Cayman Islands, British West Indies	Investment	-	78,575 (US\$ 2,500)	-	-	-	-	(6,166)	(Note 2)
	AutoSys (TW) Co., Ltd.	Hsinchu, Taiwan	Design of ICs	78,575 (US\$ 2,500)	-	5,000,000	16	45,794	(101,946)	(10,400)	Investee (Note 2)
	AkiraNET	Taipei, Taiwan	Information software service	174,000	174,000	17,400,000	17	67,798	(70,212)	(12,224)	Investee
DeepLux Technology, Inc.	America	Design of ICs	3,143 (US\$ 100)	3,143 (US\$ 100)	3,806	25	3,399	920	228	Investee	
Atto Sense Co., Ltd.	Hsinchu, Taiwan	Biotechnology Services	-	-	-	-	-	-	-	5	Subsidiary (Note 3)
Lin Shin Investment	Generalplus Technology	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892,301	14	286,533	112,351	15,376	Subsidiary
	Sunplus Innovation Technology	Hsinchu, Taiwan	Design of ICs	15,735	15,701	1,106,750	2	43,310	515,179	9,473	Subsidiary
	Sunplus mMedia	Hsinchu, Taiwan	Design of ICs	19,408	19,408	650,185	3	5,313	(110)	(3)	Subsidiary
Sunplus Venture Capital	GlintMed Innovation	Hsinchu, Taiwan	Investment management consultant	1,250	1,250	125,000	12	875	5,486	686	Investee
	Jumplus Technology	Hsinchu, Taiwan	Design of ICs	104,500	104,500	10,800,000	45	38,523	17,156	7,720	Subsidiary
	Sunplus Innovation Technology	Hsinchu, Taiwan	Design of ICs	60,525	60,525	1,909,092	8	353	(110)	(8)	Subsidiary
	Sunplus mMedia	Hsinchu, Taiwan	Design of ICs	44,878	44,878	22,142,856	28	57,548	(9,221)	(2,971)	Subsidiary
	eNeural Technologies, Inc.	Hsinchu, Taiwan	Software service	62,500	37,500	125,000	13	876	5,486	686	Investee
Ventureplus Group	GlintMed Innovation	Hsinchu, Taiwan	Investment management consultant	1,250	1,250	8,082,129	100	1,632,647	7,163	7,163	Investee
	Ventureplus Mauritius	Mauritius	Investment	2,515,234 (US\$ 74,605 RMB\$ 37,900)	2,515,234 (US\$ 74,605 RMB\$ 37,900)	8,082,129	100	1,632,647	7,163	7,163	Subsidiary
Ventureplus Mauritius	Ventureplus Cayman	Cayman Islands, British West Indies	Investment	2,515,234 (US\$ 74,605 RMB\$ 37,900)	2,515,234 (US\$ 74,605 RMB\$ 37,900)	80,821,284	100	1,632,623	7,164	7,164	Subsidiary
Generalplus Technology	Generalplus Samoa	Samoa	Investment	599,999 (US\$ 19,090)	599,999 (US\$ 19,090)	19,090,000	100	576,393	8,808	8,808	Subsidiary
Generalplus Samoa	Generalplus Mauritius	Mauritius	Investment	599,999 (US\$ 19,090)	599,999 (US\$ 19,090)	19,090,000	100	587,666	8,808	8,808	Subsidiary
Generalplus Mauritius	Generalplus H.K.	Hong Kong	Marketing	12,258 (US\$ 390)	12,258 (US\$ 390)	-	100	10,881	(247)	(247)	Subsidiary
Award Glory	Sunny Fancy	Seychelles	Investment	335,419 (US\$ 7,072 RMB\$ 25,166)	335,419 (US\$ 7,072 RMB\$ 25,166)	10,691,948	100	144,820	(106,005)	(106,005)	Subsidiary
Sunny Fancy	Giant Rock	Anguilla	Investment	198,007 (US\$ 2,700 RMB\$ 25,166)	198,007 (US\$ 2,700 RMB\$ 25,166)	6,320,022	100	69,857	(94,863)	(94,863)	Subsidiary
	Worldplus	America	Investment	113,148 (US\$ 3,600)	113,148 (US\$ 3,600)	-	100	74,830	(11,100)	(11,100)	Subsidiary

Note 1: The initial exchange rate was based on the exchange rate as of December 31, 2025.

Note 2: In alignment with the organizational restructuring of AutoSys Co., Ltd., the investment company, AutoSys (TW) Co., Ltd., continues to be directly held by Sunplus.

Note 3: The liquidation of Atto Sense Co., Ltd. has been completed on December 1, 2025.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the investee	Investment Loss (Note 4)	Carrying Value as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow						
Sunplus Shanghai	Software development, customer technical services, leasing business and property management	\$ 62,860 (US\$ 2,000)	Note 1	\$ 554,897 (US\$ 17,655)	\$ -	\$ -	\$ 554,897 (US\$ 17,655)	100%	\$ 75,365	\$ 75,365	\$ 198,067	\$ -
Sunplus Prof-tek (Shenzhen)	Software development, customer technical services, leasing business, property management and corporate management	1,013,618 (US\$ 32,250)	Note 1	1,013,618 (US\$ 32,250)	-	-	1,013,618 (US\$ 32,250)	100%	(7,991)	(7,991)	736,026	-
SunMedia	Software development, customer technical services, leasing business and property management	628,600 (US\$ 20,000)	Note 1	628,600 (US\$ 20,000)	-	-	628,600 (US\$ 20,000)	100%	(16,281)	(16,281)	221,463	-
Beijing Sunplus-EHue	Software development, customer technical services and leasing business	121,392 (RMB\$ 27,000)	Note 1	121,392 (RMB\$ 27,000)	-	-	121,392 (RMB\$ 27,000)	100%	(1,567)	(1,567)	52,108	-
Worldplus Technology (Shenzhen) Co., Ltd	Software development, building rental and property management	85,599 (RMB\$ 19,039)	Note 2	113,148 (US\$ 3,600)	-	-	113,148 (US\$ 3,600)	100%	(9,524)	(11,100)	74,830	-
Chongqing CQPlus1	Development of computer software and IC design	179,840 (RMB\$ 40,000)	Note 5	-	-	-	-	100%	12,080	12,080	66,983	-
Shanghai Beyond Technology Co., Ltd.	Software development and customer technical services	446,306 (US\$ 14,200)	Note 6	-	-	-	-	100%	8,102	8,102	400,476	-
Shanghai Joyhom Technology Co., Ltd.	Corporate management	31,430 (US\$ 1,000)	Note 6	-	-	-	-	100%	(463)	(463)	36,378	-

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2025	Investment Amounts Authorized by the Investment Commission, MOEA (Notes 7)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
(US\$ 78,602 RMB\$ 61,800)	(US\$ 73,505 RMB\$ 27,000)	\$ 4,926,889

Generalplus Technology Inc.

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	% Ownership of Direct or Indirect Investment	Net Loss of the investee	Investment Income (Note 4)	Carrying Value as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow						
Generalplus Shenzhen	Design of Ics, sales, after sales service and marketing research	\$ 587,741 (US\$ 18,700)	Note 3	\$ 587,741 (US\$ 18,700)	\$ -	\$ -	\$ 587,741 (US\$ 18,700)	100%	\$ 9,055	\$ 9,055	\$ 576,764	\$ -

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amount Authorized by the Investment Commission, MOEA	Limit on Investment
US\$ 18,700	US\$ 18,700	\$1,268,000

(Continued)

Note 1: Indirect investment in a company located in mainland China through investment in a company, Ventureplus Cayman Inc., registered in a third country.

Note 2: Indirect investment in a company located in mainland China through investment in a company, Worldplus Holdings L.L.C., registered in a third country.

Note 3: Indirect investment in a company located in mainland China through investment in a company, Generalplus (Mauritius) Inc., registered in a third country.

Note 4: Based on the reviewed financial statements of investees in the same period.

Note 5: Sunplus pro-tek (Shenzhen) and Shanghai Lingchuan Jiayang Technology Co., Ltd. reinvested in a company located in mainland China.

Note 6: It is a new company established through the spin-off of Shanghai Sunplus Technology Co., Ltd., which was completed on January 16, 2024.

Note 7: On October 24, 2024 and November 24, 2020, the Company respectively cancelled the investment of Sunplus App Technology Co., Ltd. and Ytrip Technology, which approved by the Investment Commission of the Ministry of Economic Affairs.

Note 8: The original foreign currency was derived from the exchange rate on December 31, 2025.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars,)

Investee Company	Transaction Type	Research and Development Expense		Price	Transaction Details		Notes/Trade Receivables (Payables)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Market Transactions	Ending Balance	%		
Generalplus Shenzhen	Sales	\$ 101,029	5.00	Based on contract	Based on contract	Not comparable with market transactions	\$ 10,872	3.09	\$ 11,275	NA
	R&D expenses	60,713	14.28	Based on contract	Based on contract	Not comparable with market transactions	15,362	89.09	-	NA
SunMedia	Development and processing services	106,108	7.05	Based on contract	Based on contract	Not comparable with market transactions	(989)	7.56	-	NA
Sunplus Prof-tek (Shenzhen)	Processing services	126,679	8.42	Based on contract	Based on contract	Not comparable with market transactions	(12,094)	92.44	-	NA