

Stock Code: 6921

LeRain Technology Co., Ltd.
Financial Statements
for the Years Ended December 31, 2025 and 2024
and Independent Auditors' Report

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Independent Auditors' Report

The Board of Directors and Shareholders
LeRain Technology Co., Ltd.

Opinion

We have audited the accompanying financial statements of LeRain Technology Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2025 and 2024, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 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 Financial Statements section of our report. We are independent of the Company 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 financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the 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 matters that we consider should be communicated in our audit report are as follows:

Revenue Recognition

For the accounting policies related to revenue recognition, please refer to Note IV (11) "Revenue Recognition" to the financial statements; for details of revenue, please refer to Note VI (15) "Revenue."

Description of Key Audit Matter:

Operating revenue is the most critical factor in determining the Company's operating performance, and its performance is highly scrutinized by users of the financial statements. Accordingly, the testing of revenue recognition is one of the most significant areas in our audit of the Company's financial statements.

Audit Procedures Performed:

We obtained an understanding of, and tested the effectiveness of the design and implementation of internal controls over sales revenue. In addition, we performed substantive testing by selecting samples of sales transactions occurring near the balance sheet date and inspecting supporting external documentation to assess the appropriateness of the timing of revenue recognition.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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 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 Tsai,Pei-Ju and Lee,Feng-Hui.

KPMG

Taipei, Taiwan (Republic of China)

March 6, 2026

Notice to Readers

The accompanying financial statements are intended only to present the 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 financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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 financial statements shall prevail.

LeRain Technology Co., Ltd.
Balance Sheets
December 31, 2025 and 2024

Unit: NT\$ thousands

Assets		<u>Dec 31, 2025</u>		<u>Dec 31, 2024</u>		Liabilities and Equity		<u>Dec 31, 2025</u>		<u>Dec 31, 2024</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>			<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Current Assets:						Liabilities:					
1100	Cash and cash equivalents (Notes VI (1) and (17))	\$ 138,321	37	123,170	41	2100	Short-term borrowings (Notes VI (6) and (17))	\$ 50,000	13	50,000	17
1170	Accounts receivable, net (Note VI (2))	31,461	8	18,179	6	2150	Notes payable (Note VI (17))	-	-	263	-
1181	Accounts receivable – related parties (Notes VI (2) and VII)	2,603	1	268	-	2170	Accounts payable (Note VI (17))	15,881	4	7,049	3
1200	Other receivables (Note VI (2))	116	-	173	-	2200	Other payables (Note VI (17))	19,845	6	15,967	5
1220	Current income tax assets	704	-	619	-	2300	Other current liabilities (Notes VI (7) and (17))	<u>3,683</u>	<u>1</u>	<u>9,242</u>	<u>3</u>
130X	Inventories (Note VI (3))	73,983	19	29,032	10	Total Liabilities		<u>89,409</u>	<u>24</u>	<u>82,521</u>	<u>28</u>
1410	Prepayments	<u>2,705</u>	<u>1</u>	<u>1,713</u>	<u>1</u>	Equity:					
Non-current Assets:		<u>249,893</u>	<u>66</u>	<u>173,154</u>	<u>58</u>	3100	Share capital (Note VI (11))	318,369	84	300,679	100
1600	Property, plant and equipment (Note VI (4))	124,560	33	124,864	41	3200	Capital surplus (Note VI (11))	42,915	11	815	-
1780	Intangible assets (Note VI (5))	3,105	1	2,169	1	3300	Retained earnings (Note VI (11))	<u>(73,113)</u>	<u>(19)</u>	<u>(83,806)</u>	<u>(28)</u>
1900	Other non-current assets	<u>22</u>	<u>-</u>	<u>22</u>	<u>-</u>	Total Equity		288,171	76	217,688	72
Total Assets		<u>\$ 377,580</u>	<u>100</u>	<u>300,209</u>	<u>100</u>	Total Liabilities and Equity		<u>\$ 377,580</u>	<u>100</u>	<u>300,209</u>	<u>100</u>

(Please refer to Notes to the Financial Statements)
Manager: GAO, MIAO-BIN

Chairperson: CHU, TE-HSIANG

Accounting Manager: CHEN, YUEH-CHING

LeRain Technology Co., Ltd.
Statement of Comprehensive Income
For the Years Ended December 31, 2025 and 2024

Unit: NT\$ thousands

		<u>2025</u>		<u>2024</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Notes VI (15) and VII)	\$ 194,898	100	151,727	100
5000	Operating costs (Notes VI (3) and XII)	<u>82,875</u>	<u>43</u>	<u>52,292</u>	<u>34</u>
	Gross Profit	<u>112,023</u>	<u>57</u>	<u>99,435</u>	<u>66</u>
	Operating Expenses (Notes VII and XII):				
6100	Selling expenses	5,577	3	5,798	4
6200	Administrative expenses	34,549	18	28,839	19
6300	Research and development expenses	<u>55,931</u>	<u>28</u>	<u>52,947</u>	<u>35</u>
	Total Operating Expenses	<u>96,057</u>	<u>49</u>	<u>87,584</u>	<u>58</u>
	Operating Income	<u>15,966</u>	<u>8</u>	<u>11,851</u>	<u>8</u>
	Non-operating Income and Expenses (Notes VI (16) and VII):				
7100	Interest income	2,865	2	4,383	3
7010	Other income	185	-	282	-
7020	Other gains and losses	(7,267)	(4)	7,434	5
7050	Finance costs	<u>(1,056)</u>	<u>(1)</u>	<u>(1,092)</u>	<u>(1)</u>
	Total Non-operating Income and Expenses	<u>(5,273)</u>	<u>(3)</u>	<u>11,007</u>	<u>7</u>
7900	Profit Before Income Tax	10,693	5	22,858	15
7950	Less: Income tax expense (Note VI (10))	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8200	Net Profit for the Year	<u>10,693</u>	<u>5</u>	<u>22,858</u>	<u>15</u>
8300	Other Comprehensive Income for the Year (net of tax)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8500	Total Comprehensive Income for the Year	<u><u>\$ 10,693</u></u>	<u><u>5</u></u>	<u><u>22,858</u></u>	<u><u>15</u></u>
9750	Earnings per Share (NT\$) (Note VI (13))	<u><u>\$</u></u>	<u><u>0.35</u></u>	<u><u></u></u>	<u><u>0.76</u></u>

(Please refer to Notes to the Financial Statements)

Chairperson: CHU, TE-HSIANG
Manager: GAO, MIAO-BIN
Accounting Manager: CHEN, YUEH-CHING

LeRain Technology Co., Ltd.
Statement of Changes in Equity
For the Years Ended December 31, 2025 and 2024

Unit: NT\$ thousands

	<u>Share capital</u>		<u>Retained earnings</u>	
	<u>Ordinary share capital</u>	<u>Capital surplus</u>	<u>Accumulated deficits</u>	<u>Total equity</u>
Balance as of January 1, 2024	\$ 300,679	73,082	(179,746)	194,015
Total comprehensive income for the year (i.e., net profit for the year)	-	-	22,858	22,858
Changes in capital surplus:				
Capital surplus used to offset accumulated deficits	-	(73,082)	73,082	-
Compensation cost of employee stock options	-	815	-	815
Balance as of December 31, 2024	300,679	815	(83,806)	217,688
Total comprehensive income for the year (i.e., net profit for the year)	-	-	10,693	10,693
Changes in capital surplus:				
Compensation cost of employee stock options	-	865	-	865
Cash capital increase	17,690	41,235	-	58,925
Balance as of December 31, 2025	<u>\$ 318,369</u>	<u>42,915</u>	<u>(73,113)</u>	<u>288,171</u>

(Please refer to Notes to the Financial Statements)

Chairperson: CHU, TE-HSIANG

Manager: GAO, MIAO-BIN

Accounting Manager: CHEN, YUEH-CHING

LeRain Technology Co., Ltd.
Statement of Cash Flows
For the Years Ended December 31, 2025 and 2024

Unit: NT\$ thousands

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Profit before income tax	\$ 10,693	22,858
Adjustments:		
Items affecting profit or loss:		
Depreciation expense	8,104	7,248
Amortization expense	4,631	4,561
Interest expense	1,056	1,092
Interest income	(2,865)	(4,384)
Loss (gain) on inventory write-down and obsolescence	8,559	(3,122)
Compensation cost of share-based payments	875	815
Total adjustments for items affecting profit or loss	<u>20,360</u>	<u>6,210</u>
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Increase in accounts receivable	(15,617)	11,483
Increase in current income tax assets	(85)	(421)
Increase (decrease) in inventories	(53,510)	10,794
Increase in prepayments	(992)	(1,393)
Total net changes in operating assets	<u>(70,204)</u>	<u>20,463</u>
Net changes in operating liabilities:		
Increase (decrease) in notes payable	(263)	263
Increase in accounts payable	8,832	3,462
Increase in other payables	3,910	1,438
Increase (decrease) in other current liabilities	(5,559)	9,162
Total net changes in operating liabilities	<u>6,920</u>	<u>14,325</u>
Total net changes in operating assets and liabilities	<u>(63,284)</u>	<u>34,788</u>
Total adjustments	<u>(42,924)</u>	<u>40,998</u>
Net cash (used in) generated from operations	(32,231)	63,856
Interest received	2,922	4,410
Interest paid	(1,088)	(1,061)
Net cash (used in) generated from operating activities	<u>(30,397)</u>	<u>67,205</u>
Cash Flows from Investing Activities:		
Acquisition of property, plant and equipment	(7,800)	(42,567)
Acquisition of intangible assets	(5,567)	(5,578)
Net cash used in investing activities	<u>(13,367)</u>	<u>(48,145)</u>
Cash Flows from Financing Activities:		
Increase in short-term borrowings	-	10,000
Cash capital increase	58,915	-
Net cash generated from financing activities	<u>58,915</u>	<u>10,000</u>
Net increase in cash and cash equivalents	15,151	29,060
Cash and cash equivalents at beginning of the year	123,170	94,110
Cash and cash equivalents at end of the year	<u><u>\$ 138,321</u></u>	<u><u>123,170</u></u>

(Please refer to Notes to the Financial Statements)

Chairperson: CHU, TE-HSIANG

Manager: GAO, MIAO-BIN

Accounting Manager: CHEN, YUEH-CHING

LeRain Technology Co., Ltd.
Notes to the Financial Statements
For the Years Ended December 31, 2025 and 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

I. Company History

LeRain Technology Co., Ltd. (the “Company”) was incorporated on January 2, 2020, in accordance with the Company Act of the Republic of China (Taiwan), and was duly registered upon approval. The Company’s registered address is 5F.-2, No. 268, Liancheng Rd., Zhonghe Dist., New Taipei City, Taiwan. The Company’s shares have been listed and traded on the Taiwan Innovation Board of the Taiwan Stock Exchange since December 23, 2025. The Company is principally engaged in the design, development, production, manufacturing, and sale of high-speed signal transmission interfaces and high-speed analog circuits. Please refer to Note XIV for further details.

II. Approval Date and Procedures of the Financial Statements

These financial statements were approved for issuance by the Board of Directors on March 6, 2026.

III. Application of New and Revised Standards and Interpretations

- (1) Effects of the Adoption of New and Revised Standards and Interpretations Endorsed by the Financial Supervisory Commission (FSC)

The Company has applied the following amended International Financial Reporting Standards (IFRS Accounting Standards), as endorsed by the FSC, effective January 1, 2025. The adoption of these standards did not have a material impact on the Company’s financial statements:

- Amendments to IAS 21 “Lack of Exchangeability”

- (2) Effects of IFRS Accounting Standards Endorsed by the FSC but Not Yet Adopted

The Company has assessed the impact of the following new and amended IFRS Accounting Standards, which will become effective on January 1, 2026, and expects that their adoption will not have a material impact on the Company’s financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

LeRain Technology Co., Ltd.
Notes to the Financial Statements

- (3) New and Revised Standards and Interpretations Not Yet Endorsed by the FSC
Standards and interpretations issued or amended by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC, which may be relevant to the Company, are as follows:

New or Amended Standards	Summary of Amendments	Effective Date Issued by the IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two new subtotals in the statement of profit or loss, and a single note on management performance measures (MPMs). These changes, together with enhanced guidance on the disaggregation of information in financial statements, aim to provide users with more useful and consistent information and will affect all entities. • More structured statement of profit or loss: Under current standards, entities use different formats to present their financial performance, making it difficult for investors to compare financial results across entities. The new standard introduces a more structured statement of profit or loss, including a newly defined “operating profit” subtotal, and requires all income and expenses to be classified into three distinct categories based on the entity’s main business activities. • Management Performance Measures (MPMs): The new standard defines management performance measures and requires entities to disclose, in a single note to the financial statements, why each measure provides useful information, how it is calculated, and how it reconciles to amounts recognized in accordance with IFRS Accounting Standards. • More disaggregated information: The new standard provides guidance on how entities should enhance the grouping and disaggregation of information in financial statements, including whether such information should be presented in the primary financial statements or further disclosed in the notes.	January 1, 2027 Note: The FSC announced on September 25, 2025, that Taiwan will adopt IFRS 18 starting from the 2028 fiscal year. Early adoption is permitted upon approval by the FSC.

LeRain Technology Co., Ltd.
Notes to the Financial Statements

The Company is currently in the process of evaluating the impact of the aforementioned standards and interpretations on its financial position and financial performance. The related impact will be disclosed upon completion of the assessment.

The Company expects that the following other new and amended standards, which have not yet been endorsed, will not have a material impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19
- Amendments to IAS 21 “Lack of Exchangeability for Translation into a Hyperinflationary Presentation Currency”

IV. Summary of Major Accounting Policies

(1) Statement of Compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 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.

(2) Classification of Current and Non-current Assets and Liabilities

An asset is classified as a current asset if it meets any of the following criteria; all other assets are classified as non-current assets:

1. It is expected to be realized, or intended to be sold or consumed, in the Company’s normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is expected to be realized within twelve months after the reporting period; or
4. It is cash or cash equivalents (as defined in IAS 7), unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as a current liability if it meets any of the following criteria; all other liabilities are classified as non-current liabilities:

1. It is expected to be settled in the Company’s normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(3) Basis of Preparation

1. Measurement Basis

These financial statements have been prepared on a historical cost basis.

2. Functional Currency and Presentation Currency

The Company’s functional currency is the currency of the primary economic environment in which it operates. These financial statements are presented in the Company’s functional

LeRain Technology Co., Ltd.
Notes to the Financial Statements

currency, New Taiwan Dollar (NT\$). All financial information presented in New Taiwan Dollars is expressed in thousands of New Taiwan Dollars.

(4) Foreign Currency

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period (the “reporting date”), monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rates at the date when the fair value is determined, while non-monetary items measured at historical cost are translated at the exchange rates at the dates of the transactions.

(5) Cash and Cash Equivalents

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

(6) Financial Instruments

Accounts receivable are initially recognized when they are originated. Accounts receivable that do not contain a significant financing component are initially measured at their transaction price.

1. Financial Assets

The Company reclassifies all affected financial assets only when it changes its business model for managing financial assets, and such reclassification is applied prospectively from the beginning of the next reporting period.

(1) Financial Assets Measured at Amortized Cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):

- The financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 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.

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

(2) Impairment of Financial Assets

The Company recognizes a loss allowance for expected credit losses (ECL) on financial assets measured at amortized cost, including cash and cash equivalents, accounts

LeRain Technology Co., Ltd.
Notes to the Financial Statements

receivable, other receivables, and refundable deposits.

The loss allowance for accounts receivable is measured at an amount equal to lifetime expected credit losses.

Expected credit losses represent a probability-weighted estimate of credit losses over the expected life of the financial instrument. Credit losses are measured as the present value of all cash shortfalls, i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. Expected credit losses are discounted at the effective interest rate of the financial asset.

The loss allowance for financial assets measured at amortized cost is deducted from the gross carrying amount of the assets.

When the Company has no reasonable expectation of recovering all or part of a financial asset, it directly reduces the gross carrying amount of the financial asset. For corporate customers, the Company performs an individual assessment of the timing and amount of write-off based on whether recovery is reasonably expected. The Company does not expect significant reversals of amounts written off. However, financial assets that have been written off may still be subject to enforcement activities in order to comply with the Company's procedures for recovery of overdue amounts.

(3) 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 have been transferred to another entity, or when it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

When the Company enters into transactions to transfer financial assets but retains all or substantially all the risks and rewards of ownership of the transferred assets, it continues to recognize the transferred assets in the balance sheet.

2. Financial Liabilities

Financial liabilities are classified as measured at amortized cost (including notes payable, accounts payable, and other payables) and are subsequently measured at amortized cost using the effective interest method. Upon derecognition of a financial liability, the difference between the carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(7) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost includes expenditures incurred in acquiring the inventories and bringing them to their present location and condition, including purchase costs, conversion costs, and other costs, and is determined using the weighted-average method. The cost of finished goods and work in progress includes manufacturing overheads allocated based on normal production capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the

LeRain Technology Co., Ltd.
Notes to the Financial Statements

estimated costs of completion and the estimated costs necessary to make the sale.

(8) Property, Plant and Equipment

1. Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

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

2. Subsequent Costs

Subsequent expenditures are capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company.

3. Depreciation

Depreciation is calculated based on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component.

Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

(1) Buildings and structures	50 years
(2) Machinery and equipment	5 years
(3) Other equipment	2~5 years

The Company reviews the depreciation methods, useful lives, and residual values at each reporting date and adjusts them if appropriate.

(9) Leases

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

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

Subsequently, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the Company periodically assesses whether the right-of-use asset is impaired and recognizes any impairment losses identified. The right-of-use asset is also adjusted for any remeasurement of the lease liability.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined; if not, the Company uses its incremental borrowing rate. In general, the Company uses its incremental borrowing rate as the discount rate.

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

- (1) Fixed payments, including in-substance fixed payments;
- (2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- (3) Amounts expected to be payable under residual value guarantees; and
- (4) The exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the Company exercising a termination option.

Subsequently, the lease liability is measured at amortized cost using the effective interest method and is remeasured when:

- (1) There is a change in future lease payments arising from a change in an index or rate;
- (2) There is a change in the amounts expected to be payable under a residual value guarantee;
- (3) There is a change in the assessment of a purchase option;
- (4) There is a change in the assessment of whether the Company will exercise an extension or termination option, resulting in a change in the lease term; or
- (5) There is a modification to the lease contract.

When the lease liability is remeasured due to changes in an index or rate, residual value guarantees, or reassessment of purchase, extension, or termination options, a corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero, any remaining remeasurement amount is recognized in profit or loss.

For lease modifications that decrease the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and any difference between the remeasurement of the lease liability and the adjustment to the right-of-use asset is recognized in profit or loss.

The Company presents right-of-use assets and lease liabilities as separate line items in the balance sheet.

For short-term leases of offices and leases of low-value assets, the Company elects not to recognize right-of-use assets and lease liabilities, and instead recognizes the lease payments as an expense on a straight-line basis over the lease term.

(10) Intangible Assets

1. Computer Software

Computer software acquired by the Company is measured at cost less accumulated amortization and any accumulated impairment losses.

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2. Subsequent Expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

3. Amortization

Amortization is calculated based on the cost of the asset less its residual value, and the amortizable amount is recognized in profit or loss on a straight-line basis over the estimated useful lives of 1 to 5 years, commencing when the asset is available for use.

The Company reviews the amortization method, useful lives, and residual value of intangible assets at each reporting date and adjusts them if appropriate.

(11) Revenue Recognition

Revenue from Contracts with Customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to customers. The Company recognizes revenue when control of the goods or services is transferred to the customer, thereby satisfying a performance obligation.

The Company is principally engaged in the design, development, production, manufacturing, and sale of high-speed signal transmission interfaces and high-speed analog circuits. Revenue is recognized when control of the products is transferred to the customer. Transfer of control occurs when the products have been delivered to the customer, the customer has full discretion over the distribution channels and pricing of the products, and there are no unfulfilled obligations that could affect the customer's acceptance of the products. Delivery occurs when the products are shipped to a specified location, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all acceptance criteria have been satisfied.

Revenue is recognized based on the contract price, net of estimated quantity discounts. The amount of such discounts is estimated using the expected value method based on accumulated historical experience, and revenue is recognized only to the extent that it is highly probable that a significant reversal will not occur. As of the reporting date, the expected amount payable to customers arising from such discounts is recognized as a refund liability. The average credit period for sales ranges from 30 to 120 days, which is consistent with industry practice; therefore, no significant financing component is included.

The Company recognizes accounts receivable upon delivery of the goods, as it has an unconditional right to consideration at that point in time.

The Company expects that, for all customer contracts, the period between the transfer of goods or services and the receipt of consideration will not exceed one year; therefore, the Company does not adjust the transaction price for the time value of money.

(12) Employee Benefits

Contributions to defined contribution retirement plans are recognized as an expense during the period in which employees render services.

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Notes to the Financial Statements

(13) Share-based Payment Transactions

Equity-settled share-based payment arrangements are measured at the fair value at the grant date and are recognized as an expense over the vesting period, with a corresponding increase in equity. The amount recognized as an expense is adjusted based on the number of awards expected to vest in accordance with the service conditions and non-market vesting conditions. The amount ultimately recognized is based on the number of awards that meet the service conditions and non-market vesting conditions at the vesting date.

Non-vesting conditions related to share-based payment awards are reflected in the measurement of the fair value at the grant date, and no adjustment is made for differences between expected and actual outcomes.

For cash-settled share appreciation rights, the fair value of the amount payable to employees is recognized as an expense over the period during which the employees become unconditionally entitled to the payment, with a corresponding increase in liabilities. The liability is remeasured at fair value at each reporting date and at the settlement date, and any changes are recognized in profit or loss.

The grant date of the Company's share-based payment arrangements is the date on which both the Company and the employees reach a mutual understanding of the subscription price and the number of shares to be subscribed.

(14) Income Taxes

Income tax expense comprises current and deferred income taxes. Except for items related to business combinations or recognized directly in equity or other comprehensive income, current and deferred income taxes are recognized in profit or loss.

Current income tax includes the expected tax payable or receivable on the taxable income (or loss) for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount is measured based on the best estimate of the expected amount to be paid or received, using the statutory tax rates or substantively enacted tax rates at the reporting date.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases.

Deferred income tax is not recognized for the following temporary differences:

1. The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable income (loss) at the time of the transaction;
2. Temporary differences arising from investments in subsidiaries and joint ventures, to the extent that it is probable that they will not reverse in the foreseeable future; and
3. The initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits, and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting

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date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized, or are reversed when it becomes probable that sufficient taxable profits will be available.

Deferred income tax is measured at the tax rates that are expected to apply when the temporary differences reverse, based on the statutory tax rates or substantively enacted tax rates at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only when:

1. The Company has a legally enforceable right to offset current tax assets against current tax liabilities, and;
2. When the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (1) The same taxable entity; or
 - (2) Different taxable entities that intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(15) Earnings per Share

The Company presents basic and diluted earnings per share attributable to ordinary equity holders of the Company. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(16) Segment Information

Operating segments are components of the Company that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company). The operating results of all operating segments are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment has discrete financial information available.

V. Primary Sources of Major Accounting Judgment, Estimate and Assumption Uncertainties

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

Management continuously reviews the estimates and underlying assumptions, which are consistent with the Company's risk management and climate-related commitments. Revisions to estimates are recognized prospectively in the period in which the estimates are revised and in any future periods affected.

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Notes to the Financial Statements

The following assumptions and sources of estimation uncertainty have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The relevant information is as follows:

Valuation of Inventories

Inventories are measured at the lower of cost and net realizable value. The Company evaluates, as of the reporting date, the amount of inventories that may be affected by normal wear and tear, obsolescence, or lack of marketability, and writes down the cost of inventories to their net realizable value. The net realizable value of inventories may change significantly due to rapid changes in the industry and the introduction of new products. For details of inventory valuation and related estimates, please refer to Note VI (3).

VI. Descriptions for Important Accounting Items

(1) Cash and Cash Equivalents

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Demand deposits and checking accounts	\$ 85,833	57,600
Time deposits	<u>52,488</u>	<u>65,570</u>
Cash and cash equivalents as presented in the statement of cash flows	<u>\$ 138,321</u>	<u>123,170</u>

(2) Accounts Receivable and Other Receivables

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Accounts receivable (including related parties)	\$ 34,064	18,447
Other receivables (including related parties)	<u>116</u>	<u>173</u>
	<u>\$ 34,180</u>	<u>18,620</u>

For the allowance for expected credit losses on accounts receivable as of December 31, 2025 and 2024, please refer to Note VI (17) Impairment Loss.

(3) Inventories

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Finished goods	\$ 29,079	12,689
Work in process	8,440	9,762
Raw materials	<u>36,464</u>	<u>6,581</u>
Total	<u>\$ 73,983</u>	<u>29,032</u>

As of December 31, 2025 and 2024, inventories included allowance for inventory write-downs of NT\$7,395 thousand and NT\$2,989 thousand, respectively.

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The details of inventory-related expenses and losses recognized by the Company are as follows:

	<u>2025</u>	<u>2024</u>
Cost of goods sold	\$ 74,316	55,414
Loss (reversal) on inventory write-down and obsolescence	<u>8,559</u>	<u>(3,122)</u>
Total	<u>\$ 82,875</u>	<u>52,292</u>

As of December 31, 2025 and 2024, none of the Company's inventories were pledged as collateral.

(4) Property, Plant and Equipment

The movements in cost, accumulated depreciation, and impairment losses of the Company's property, plant and equipment are as follows:

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost or deemed cost:					
Balance as of January 1, 2025	\$ 67,558	28,459	27,707	20,980	144,704
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,800</u>	<u>7,800</u>
Balance as of December 31, 2025	<u>\$ 67,558</u>	<u>28,459</u>	<u>27,707</u>	<u>28,780</u>	<u>152,504</u>
Balance as of January 1, 2024	\$ 38,442	15,770	27,679	20,246	102,137
Additions	<u>29,116</u>	<u>12,689</u>	<u>28</u>	<u>734</u>	<u>42,567</u>
Balance as of December 31, 2024	<u>\$ 67,558</u>	<u>28,459</u>	<u>27,707</u>	<u>20,980</u>	<u>144,704</u>
Accumulated depreciation and impairment losses:					
Balance as of January 1, 2025	\$ -	938	6,212	12,690	19,840
Depreciation for the year	<u>-</u>	<u>558</u>	<u>2,594</u>	<u>4,952</u>	<u>8,104</u>
Balance as of December 31, 2025	<u>\$ -</u>	<u>1,496</u>	<u>8,806</u>	<u>17,642</u>	<u>27,944</u>
Balance as of January 1, 2024	\$ -	567	3,620	8,405	12,592
Depreciation for the year	<u>-</u>	<u>371</u>	<u>2,592</u>	<u>4,285</u>	<u>7,248</u>
Balance as of December 31, 2024	<u>\$ -</u>	<u>938</u>	<u>6,212</u>	<u>12,690</u>	<u>19,840</u>
Carrying amount:					
December 31, 2025	<u>\$ 67,558</u>	<u>26,963</u>	<u>18,901</u>	<u>11,138</u>	<u>124,560</u>
January 1, 2024	<u>\$ 38,442</u>	<u>15,203</u>	<u>24,059</u>	<u>11,841</u>	<u>89,545</u>
December 31, 2024	<u>\$ 67,558</u>	<u>27,521</u>	<u>21,495</u>	<u>8,290</u>	<u>124,864</u>

LeRain Technology Co., Ltd.
Notes to the Financial Statements

As of December 31, 2025 and 2024, none of the property, plant and equipment were pledged as collateral.

(5) Intangible Assets

The movements in cost and accumulated amortization of the Company's intangible assets are as follows:

	<u>Computer software</u>
Cost:	
Balance as of January 1, 2025	\$ 5,578
Additions	5,567
Derecognitions	(4,281)
Balance as of December 31, 2025	<u>\$ 6,864</u>
Balance as of January 1, 2024	\$ 2,876
Additions	5,578
Derecognitions	(2,876)
Balance as of December 31, 2024	<u>\$ 5,578</u>
Amortization and impairment losses:	
Balance as of January 1, 2025	\$ 3,409
Amortization for the year	4,631
Derecognitions	(4,281)
Balance as of December 31, 2025	<u>\$ 3,759</u>
Balance as of January 1, 2024	\$ 1,724
Amortization for the year	4,561
Derecognitions	(2,876)
Balance as of December 31, 2024	<u>\$ 3,409</u>
Carrying amount:	
December 31, 2025	<u>\$ 3,105</u>
January 1, 2024	<u>\$ 1,152</u>
December 31, 2024	<u>\$ 2,169</u>

(6) Short-term Borrowings

Details of the Company's short-term borrowings are as follows:

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Unsecured bank borrowings	<u>\$ 50,000</u>	<u>50,000</u>
Unused credit facilities	<u>\$ 130,000</u>	<u>130,000</u>
Interest rate range	<u>2.025%~2.142%</u>	<u>2.025%~2.908%</u>

For details of guarantee notes issued by the Company in connection with bank borrowings and credit facilities, please refer to Note IX.

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(7) Other Current Liabilities

Details of the Company's other current liabilities are as follows:

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Refund liabilities	\$ 3,587	9,147
Others	<u>96</u>	<u>95</u>
	<u>\$ 3,683</u>	<u>9,242</u>

(8) Operating Leases

The amounts recognized in profit or loss relating to leases are as follows:

	<u>2025</u>	<u>2024</u>
Expenses relating to short-term leases	\$ <u>338</u>	<u>316</u>
Expenses relating to leases of low-value assets (excluding short-term leases of low-value assets)	<u>\$ 30</u>	<u>30</u>

The amounts recognized in the statement of cash flows relating to leases are as follows:

	<u>2025</u>	<u>2024</u>
Total cash outflow for leases	\$ <u>368</u>	<u>346</u>

The Company leases office equipment and parking spaces with lease terms ranging from one to four years. For leases that qualify as short-term leases and leases of low-value assets, the Company elects to apply the recognition exemption and does not recognize the related right-of-use assets and lease liabilities.

(9) Employee Benefits

Defined Contribution Plans

The Company's defined contribution plan is in accordance with the Labor Pension Act, under which contributions are made at a rate of 6% of employees' monthly wages to individual pension accounts maintained by the Bureau of Labor Insurance. Under this plan, the Company has no legal or constructive obligation to pay additional amounts once the fixed contributions have been made.

The Company recognized pension expenses under the defined contribution plan of NT\$1,585 thousand and NT\$1,399 thousand for the years ended December 31, 2025 and 2024, respectively, which have been contributed to the Bureau of Labor Insurance.

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Notes to the Financial Statements

(10) Income Taxes

1. Income Tax Expense

Details of the Company's income tax expense are as follows:

	<u>2025</u>	<u>2024</u>
Income tax expense	\$ <u>-</u>	<u>-</u>

A reconciliation of income tax expense and profit before income tax is as follows:

	<u>2025</u>	<u>2024</u>
Profit before income tax	\$ <u>10,693</u>	<u>22,858</u>
Income tax calculated at the domestic tax rate applicable to the Company	\$ 2,138	4,572
Changes in unrecognized temporary differences	(25)	(841)
Changes in current taxable losses not recognized as deferred tax assets	<u>(2,113)</u>	<u>(3,731)</u>
Total	\$ <u>-</u>	<u>-</u>

2. Deferred Tax Assets

Unrecognized Deferred Tax Assets

The components of deferred tax assets not recognized by the Company are as follows:

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Loss on inventory write-down	\$ 1,479	598
Tax losses	27,109	30,166
Others	<u>446</u>	<u>1,352</u>
Total	\$ <u>29,034</u>	<u>32,116</u>

Tax losses may be carried forward for ten years in accordance with the Income Tax Act and may be used to offset taxable income in the respective carryforward years upon approval by the tax authorities. These items have not been recognized as deferred tax assets because it is not probable that sufficient taxable profits will be available in the future against which these temporary differences can be utilized.

The Company's income tax returns have been assessed by the tax authorities up to the fiscal year 2023. As of December 31, 2025, the Company's tax losses available for carryforward are as follows:

<u>Loss Year</u>	<u>Assessed Amount</u>	<u>Expiry Year</u>
2021	14,561	2031
2022	<u>120,986</u>	2032
	\$ <u>135,547</u>	

(11) Capital and Other Equity

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On November 5, 2025, the Company's Board of Directors resolved to issue new shares through a cash capital increase prior to its initial listing on the Taiwan Innovation Board. A total of 1,769 thousand new shares were issued with a par value of NT\$10 per share, amounting to NT\$17,690 thousand. The capital increase was set with a capital increase record date of December 19, 2025, and the new shares were issued at a premium price of NT\$35 per share, resulting in total proceeds of NT\$61,915 thousand. Related issuance costs were deducted from share premium. The registration of the capital increase was completed on January 5, 2026, and the paid-in capital was increased to NT\$318,369 thousand.

As of December 31, 2025 and 2024, the Company's authorized share capital was NT\$500,000 thousand, with a par value of NT\$10 per share, and the issued share capital amounted to NT\$318,369 thousand and NT\$300,679 thousand, respectively.

1. Capital Surplus

The components of the Company's capital surplus are as follows:

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Share premium	\$ 41,235	-
Employee stock options	<u>1,680</u>	<u>815</u>
Total	<u>\$ 42,915</u>	<u>815</u>

In accordance with the Company Act, capital surplus shall first be used to offset accumulated deficits before it may be distributed to shareholders in proportion to their shareholdings, either in the form of new shares or cash, provided that such distribution is derived from realized capital surplus. The realized capital surplus referred to above includes the premium in excess of par value from the issuance of shares and amounts received as donations. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the amount of capital surplus to be capitalized each year shall not exceed 10% of the paid-in capital. On May 31, 2024, the Company's shareholders' meeting resolved to use NT\$73,082 thousand of capital surplus to offset accumulated deficits.

2. Retained Earnings

In accordance with the Company's Articles of Incorporation, if the Company has net income after tax for the year, it shall first offset accumulated deficits (including adjustments to unappropriated retained earnings), and then set aside 10% of the remaining amount as a legal reserve, unless the legal reserve has reached the total paid-in capital of the Company. Any remaining earnings, together with the beginning unappropriated retained earnings (including adjustments thereto), shall be distributed as dividends or bonuses to shareholders upon a resolution proposed by the Board of Directors and approved by the shareholders' meeting. The Company is currently in a growth stage. Its dividend policy takes into consideration the Company's current and future development plans, investment environment, capital requirements, domestic and international competition, and capital budget. Each year, not less than 3% of distributable earnings shall be allocated for distribution to shareholders.

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Dividends may be distributed in the form of cash or shares, of which cash dividends shall not be less than 10% of the total dividends for the year. If the dividend per share calculated based on distributable earnings is less than NT\$0.5, no distribution shall be made.

On May 31, 2024, the Company's shareholders' meeting resolved to use NT\$73,082 thousand of capital surplus to offset accumulated deficits.

(12) Share-based Payments

On November 5, 2025, the Company's Board of Directors resolved to reserve 177 thousand shares from a cash capital increase for subscription by employees.

The Company issued its first employee stock options in 2023 (500 units, with each unit entitling the holder to subscribe for 1,000 ordinary shares), which became effective upon filing with the Financial Supervisory Commission on November 2, 2023. On December 27, 2023, the Board of Directors approved the eligible employees and the number of options granted, and authorized the Chairman to determine the actual issuance date and exercise price. The issuance date was set as January 22, 2024, with an exercise price of NT\$10 per share.

As of December 31, 2025, the Company had the following share-based payment arrangements:

	<u>Equity-settled</u>	
	<u>Employee stock options</u>	<u>Shares reserved for employee subscription under cash capital increase</u>
Grant Date	Jan. 22, 2024	Dec. 16, 2025
Number of Shares Granted	500 thousand shares	177 thousand shares
Contract Term	5 years	N/A
Eligible Participants	Current employees	Current employees
Vesting Conditions	Service over the next 2–4 years	Immediately vested

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1. Measurement of Fair Value at Grant Date

The Company applied the Black-Scholes option pricing model to estimate the fair value of share-based payments at the grant date. The inputs to the model are as follows:

	<u>2025</u>	<u>2024</u>	
	<u>Employee stock options</u>	<u>Shares reserved for employee subscription under cash capital increase</u>	<u>Employee stock options</u>
Fair value at grant date	NT\$5.06~5.75	NT\$0.053	NT\$5.06~5.75
Share price at grant date	NT\$11.81	NT\$33.59	NT\$11.81
Exercise price	NT\$10	NT\$35	NT\$10
Expected volatility (%)	50.22%~52.68%	43.47%	50.22%~52.68%
Expected life of options (years)	3.5~4.5 years	0.01 years	3.5~4.5 years
Expected dividends	-	-	-
Risk-free interest rate (%)	1.16%~1.19%	1.138%	1.16%~1.19%

Expected volatility is based on the weighted-average historical volatility, adjusted for expected changes based on publicly available information. The expected life of the options is determined in accordance with the respective issuance terms. The risk-free interest rate is based on government bond yields. The measurement of fair value does not take into account service conditions and non-market performance conditions included in the arrangement.

2. Information on Employee Stock Option Plan

Details of the employee stock options described above are as follows:

(In thousand shares)

	<u>2025</u>		<u>2024</u>	
	<u>Weighted- average exercise price (NT\$)</u>	<u>Number of options</u>	<u>Weighted- average exercise price (NT\$)</u>	<u>Number of options</u>
Outstanding as of Jan. 1	\$ 10	500	-	-
Granted during the period	<u>-</u>	<u>-</u>	<u>10</u>	<u>500</u>
Outstanding as of Dec. 31	<u>\$ 10</u>	<u>500</u>	<u>10</u>	<u>500</u>
Exercisable as of Dec. 31		<u>-</u>		<u>-</u>

3. Employee Expenses

The expenses recognized by the Company arising from share-based payment transactions are as follows:

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	<u>2025</u>	<u>2024</u>
Expenses related to employee stock options	\$ 865	815
Expenses related to shares reserved for employee subscription under cash capital increase	<u>10</u>	<u>-</u>
Total	<u>\$ 875</u>	<u>815</u>

(13) Earnings per Share

The calculation of the Company's basic earnings per share is as follows:

	<u>2025</u>	<u>2024</u>
Net profit attributable to the Company	\$ <u>10,693</u>	<u>22,858</u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u>30,131</u>	<u>30,068</u>
Basic earnings per share	<u>\$ 0.35</u>	<u>0.76</u>

(14) Employees' and Directors' Compensation

On May 27, 2025, the Company's shareholders' meeting approved amendments to the Company's Articles of Incorporation. According to the amended Articles, if the Company has profits for the year, it shall allocate no less than 3% of such profits as employees' compensation (of which no less than 10% shall be used for salary adjustments or bonuses for non-executive employees) and no more than 3% as directors' compensation. However, if the Company has accumulated deficits (including adjustments to unappropriated retained earnings), such deficits shall be offset before any such allocations are made. Employees' compensation shall be distributed in the form of shares or cash as resolved by the Board of Directors. The recipients of such compensation may include employees of controlled or affiliated companies who meet certain conditions, which are to be determined by the Board of Directors; however, salary adjustments shall be limited to employees of the Company. The distribution of employees' and directors' compensation shall be reported to the shareholders' meeting. Under the Articles of Incorporation prior to the amendment, the Company was required to allocate no less than 3% of profits as employees' compensation and no more than 3% as directors' compensation, subject to the same condition that accumulated deficits must first be offset. Employees' compensation could be distributed in shares or cash as resolved by the Board of Directors, and recipients could include employees of controlled or affiliated companies meeting certain conditions determined by the Board of Directors. The distribution was also required to be reported to the shareholders' meeting.

For the years ended December 31, 2025 and 2024, the Company had accumulated deficits; therefore, no employees' compensation or directors' compensation was accrued.

LeRain Technology Co., Ltd.
Notes to the Financial Statements

(15) Revenue from Contracts with Customers – Disaggregation of Revenue

	<u>2025</u>	<u>2024</u>
Major geographical markets:		
Taiwan	\$ 184,074	132,843
Mainland China	8,226	18,884
Others	<u>2,598</u>	<u>-</u>
	<u>\$ 194,898</u>	<u>151,727</u>
Major products:		
Linear high-frequency signal equalizers	<u>\$ 194,898</u>	<u>151,727</u>

(16) Non-operating Income and Expenses

1. Interest Income and Other Income

Details of the Company's interest income and other income are as follows:

	<u>2025</u>	<u>2024</u>
Interest income	\$ 2,865	4,383
Others	<u>185</u>	<u>282</u>
Total	<u>\$ 3,050</u>	<u>4,665</u>

2. Other Gains and Losses

Details of the Company's other gains and losses are as follows:

	<u>2025</u>	<u>2024</u>
Foreign exchange (losses) gains	<u>\$ (7,267)</u>	<u>7,434</u>

3. Finance Costs

Details of the Company's finance costs are as follows:

	<u>2025</u>	<u>2024</u>
Interest expense	<u>\$ 1,056</u>	<u>1,092</u>

(17) Financial Instruments

1. Credit Risk

(1) Exposure to Credit Risk

The carrying amount of financial assets represents the maximum exposure to credit risk. As of December 31, 2025 and 2024, the maximum exposure to credit risk amounted to NT\$172,523 thousand and NT\$141,812 thousand, respectively.

(2) Concentration of Credit Risk

The Company's customers are concentrated in the high-tech and computer industry sectors. To mitigate credit risk associated with accounts receivable, the Company continuously evaluates the financial condition of its customers and, when necessary, adjusts the terms of transactions. As of December 31, 2025 and 2024, there were three individual customers whose accounts receivable balances each exceeded 5% of total

LeRain Technology Co., Ltd.
Notes to the Financial Statements

accounts receivable. The Company regularly assesses the recoverability of accounts receivable and recognizes loss allowances accordingly, and the total losses are within management's expectations.

(3) Impairment Loss

The aging analysis of accounts receivable as of the reporting date is as follows:

	<u>Dec 31, 2025</u>		<u>Dec 31, 2024</u>	
	<u>Total</u>	<u>Impairment</u>	<u>Total</u>	<u>Impairment</u>
Not past due	\$ 33,435	-	15,667	-
Past due 1–30 days	629	-	-	-
Past due 31–60 days	-	-	2,780	-
	<u>\$ 34,064</u>	<u>-</u>	<u>18,447</u>	<u>-</u>

2. Liquidity Risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2025							
Non-derivative financial liabilities							
Short-term borrowings	\$50,000	50,062	50,062	-	-	-	-
Accounts payable	15,881	15,881	15,881	-	-	-	-
Other payables	19,845	19,845	19,845	-	-	-	-
Other current liabilities	3,683	3,683	3,683	-	-	-	-
	\$ 89,409	89,471	89,471				
December 31, 2024							
Non-derivative financial liabilities							
Short-term borrowings	\$50,000	50,082	50,082	-	-	-	-
Notes payable	263	263	263	-	-	-	-
Accounts payable	7,049	7,049	7,049	-	-	-	-
Other payables	15,967	15,967	15,967	-	-	-	-
Other current liabilities	9,242	9,242	9,242	-	-	-	-
	\$82,521	82,603	82,603				

The Company does not expect that the timing of the cash flows presented in the maturity analysis will occur significantly earlier, or that the actual amounts will differ significantly.

LeRain Technology Co., Ltd.
Notes to the Financial Statements

3. Market Risk – Foreign Currency Risk

(1) Exposure to Foreign Currency Risk

The Company's significant financial assets and liabilities exposed to foreign currency risk are as follows:

	<u>Dec 31, 2025</u>			<u>Dec 31, 2024</u>		
	Foreign currency (in thousands)	Exchange rate	NT\$	Foreign currency (in thousands)	Exchange rate	NT\$
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$3,094	31.4300	97,258	3,603	32.7850	118,136
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	442	31.4300	13,906	375	32.7850	12,306

(2) Sensitivity Analysis

The Company's exposure to foreign currency risk primarily arises from cash and cash equivalents, accounts receivable, accounts payable, other payables, and refund liabilities denominated in foreign currencies, resulting in foreign exchange gains or losses upon translation. As of December 31, 2025 and 2024, if the New Taiwan Dollar had depreciated or appreciated by 1% against the foreign currencies held by the Company, with all other variables held constant, profit or loss before income tax for the years 2025 and 2024 would have increased or decreased by NT\$834 thousand and NT\$1,058 thousand, respectively.

4. Market Risk – Interest Rate Risk

The Company's exposure to interest rate risk primarily arises from floating-rate bank demand deposits and short-term borrowings. Therefore, changes in interest rates will affect the effective interest rates of these financial instruments and cause fluctuations in future cash flows.

The following sensitivity analysis is based on the interest rate exposure of financial instruments at the reporting date. For floating-rate liabilities, the analysis assumes that the amount outstanding at the reporting date remains outstanding for the entire year. The change in interest rate used in reporting to key management personnel is an increase or decrease of 1%, which represents management's assessment of a reasonably possible change in interest rates.

As of December 31, 2025 and 2024, the Company held financial assets with floating interest rates of NT\$85,833 thousand and NT\$57,576 thousand, respectively, while financial liabilities amounted to NT\$50,000 thousand for both years. If interest rates had increased by 1%, with all other variables held constant, profit or loss before income tax for the years 2025 and 2024 would have increased by NT\$358 thousand and NT\$76 thousand, respectively.

LeRain Technology Co., Ltd.
Notes to the Financial Statements

5. Market Risk – Fair Value

The Company estimates the fair value of short-term financial instruments based on their carrying amounts in the balance sheet, as these instruments have short maturities and their carrying amounts are considered a reasonable approximation of fair value. This approach applies to cash and cash equivalents, notes receivable and payable, accounts receivable and payable, and refundable deposits.

(18) Financial Risk Management

1. Overview

The Company is exposed to the following risks arising from its use of financial instruments:

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

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk. Further quantitative disclosures are included in the relevant notes to the financial statements.

2. Risk Management Framework

The Board of Directors has delegated full responsibility to the Chairman for establishing and overseeing the Company's risk management framework, and the Chairman reports regularly to the Board of Directors on its operation.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor compliance with those limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's operations. Through training, management guidelines, and operating procedures, the Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal auditors assist the Board of Directors in its oversight role by performing regular and ad hoc reviews of risk management controls and procedures and reporting the results to the Board of Directors.

3. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Credit risk related to bank deposits and other financial instruments is assessed by the Company's finance department and reported to the Chairman. As the Company's counterparties are reputable banks and financial institutions with investment-grade credit ratings or higher, there are no significant concerns regarding their performance; accordingly, the Company does not have significant credit risk.

LeRain Technology Co., Ltd.
Notes to the Financial Statements

4. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by ensuring that it has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As of December 31, 2025, the Company had unused credit facilities totaling NT\$130,000 thousand.

5. Market Risk

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

(1) Foreign Currency Risk

The Company is exposed to foreign currency risk arising from sales and purchases denominated in currencies other than the Company's functional currency. Gains and losses arising from changes in foreign exchange rates on foreign currency-denominated assets and liabilities are generally offset, resulting in a natural hedge.

The Company regularly reviews its exposure to individual foreign currency positions and undertakes hedging activities for such exposures as appropriate.

(2) Interest Rate Risk

The Company's exposure to interest rate risk primarily arises from floating-rate bank deposits and short-term borrowings. Changes in interest rates will therefore affect the effective interest rates of these instruments and result in fluctuations in future cash flows.

(19) Capital Management

The Board of Directors' policy is to maintain a sound capital base so as to maintain the confidence of investors, creditors, and the market, and to support the future development of the Company's operations. Capital comprises the Company's share capital, capital surplus, and retained earnings. The Board of Directors monitors the return on capital and the level of dividends on ordinary shares.

To maintain or adjust the capital structure, the Company may adjust dividends paid to shareholders, return capital to shareholders through capital reduction, issue new shares, or sell assets to reduce liabilities.

LeRain Technology Co., Ltd.
Notes to the Financial Statements

The Company monitors its capital based on the debt-to-capital ratio. This ratio is calculated as net debt divided by total capital. Net debt is defined as total liabilities as presented in the balance sheet less cash and cash equivalents. Total capital is defined as total equity (i.e., share capital, capital surplus, retained earnings, and other equity) plus net debt. The debt-to-capital ratio as of the reporting date is as follows:

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Total liabilities	\$ 89,409	82,521
Less: Cash and cash equivalents	<u>(138,321)</u>	<u>(123,170)</u>
Net debt	<u>\$ (48,912)</u>	<u>(40,649)</u>
Total equity	<u>\$ 288,171</u>	<u>217,688</u>
Debt-to-capital ratio	<u>(20.44)%</u>	<u>(22.96)%</u>

VII. Related Party Transactions

(1) Names of Related Parties and Relationships

The related parties that had transactions with the Company during the periods covered by these financial statements are as follows:

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Lotes Co., Ltd.	Entity with significant influence over the Company
Lintes Technology (SuZhou) Co., Ltd.	Member of the group with significant influence over the Company
Swiss Good Enterprises Limited	Member of the group with significant influence over the Company
Chaintech Technology Corporation	The chairman of the company is an independent director of the Company
Key Management	Includes directors, managers, and their relatives and spouses

LeRain Technology Co., Ltd.
Notes to the Financial Statements

(2) Significant Transactions with Related Parties

1. Operating Revenue

The Company's significant sales to related parties are as follows:

		<u>2025</u>	<u>2024</u>
Entities with significant influence over the Company	\$	4,425	2,202
Other related parties		-	343
	\$	<u>4,425</u>	<u>2,545</u>

The prices of sales to related parties are not materially different from those of normal transactions.

2. Receivables from Related Parties

Details of receivables from related parties are as follows:

<u>Account</u>	<u>Related Party</u>	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Accounts receivable	Swiss Good Enterprises Limited	\$ 2,590	235
Accounts receivable	Lotes Co., Ltd.	13	33
		\$ <u>2,603</u>	<u>268</u>

3. Selling Expenses

		<u>2025</u>	<u>2024</u>
Entities with significant influence over the Company	\$	<u>19</u>	<u>8</u>

These mainly represent reimbursed freight insurance expenses.

4. Administrative Expenses

		<u>2025</u>	<u>2024</u>
Entities with significant influence over the Company	\$	<u>60</u>	<u>86</u>

The above administrative expenses include operating lease expenses. The lease terms are not materially different from those of general lease arrangements (market rates).

5. Other Income

		<u>2025</u>	<u>2024</u>
Lotes Co., Ltd.	\$	<u>-</u>	<u>19</u>

This mainly represents income from the sale of samples.

LeRain Technology Co., Ltd.
Notes to the Financial Statements

(3) Key Management Personnel Transactions

Compensation of key management personnel comprises:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 18,758	16,956
Post-employment benefits	36	-
Share-based payments	<u>59</u>	<u>-</u>
Total	<u>\$ 18,853</u>	<u>16,956</u>

VIII. Pledged Assets: None.

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

The Company has issued guarantee notes in connection with bank borrowings, credit facilities, and financial instrument transactions:

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Guarantee notes	<u>\$ 186,286</u>	<u>186,557</u>

X. Significant Disaster Loss: None.

XI. Significant Post-Period Events

On March 6, 2026, the Company's Board of Directors approved the issuance of restricted shares to employees without consideration. The Company plans to issue 200 thousand ordinary shares with a par value of NT\$10 per share, for a total amount of NT\$2,000 thousand.

LeRain Technology Co., Ltd.
Notes to the Financial Statements

XII. Others

(1) Summary of Employee Benefits, Depreciation, Depletion, and Amortization by Function

Function Nature	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries expense	735	49,263	49,998	992	42,835	43,827
Labor and health insurance expense	97	3,302	3,399	110	2,808	2,918
Pension expense	45	1,540	1,585	54	1,345	1,399
Directors' remuneration	-	2,900	2,900	-	2,900	2,900
Other employee benefits expense	47	1,450	1,497	50	1,220	1,270
Depreciation expense	2,010	6,094	8,104	1,749	5,499	7,248
Amortization expense	-	4,631	4,631	-	4,561	4,561

Additional information on employee numbers and employee benefits expenses for the years ended December 31, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Number of employees	<u>32</u>	<u>29</u>
Number of directors not concurrently serving as employees	<u>5</u>	<u>5</u>
Average employee benefits expense	<u>\$ 2,092</u>	<u>2,059</u>
Average employee salary expense	<u>\$ 1,852</u>	<u>1,826</u>
Changes in average employee salary expense	<u>1.42 %</u>	
Supervisors' remuneration	<u>\$ -</u>	<u>-</u>

The Company's compensation policy (including for directors, management, and employees) is as follows:

1. Directors' Compensation Policy

The remuneration of directors is determined in accordance with the Company's "Regulations Governing the Remuneration of Directors and Managers" and is paid at a level consistent with general market practices.

LeRain Technology Co., Ltd.
Notes to the Financial Statements

2. Management and Employees' Compensation Policy

The remuneration of management and employees includes salaries, bonuses, and employees' compensation, and is determined based on their positions, job grades, scope of responsibilities, contributions to the Company's overall operating performance, and achievement of individual annual targets, with reference to industry compensation levels. The remuneration of management is determined in accordance with the Company's "Regulations Governing the Remuneration of Directors and Managers" and approved by the Compensation Committee and the Board of Directors. Employees' compensation is primarily determined in accordance with the Company's Articles of Incorporation. If the Company has profits for the year, it shall allocate no less than 3% as employees' compensation (of which no less than 10% shall be used for salary adjustments or bonuses for grassroots employees). However, if the Company has accumulated deficits, such deficits shall be offset before any such allocation is made.

XIII. Disclosing Information

(1) Information on Major Transactions

For the year ended December 31, 2025, the Company has disclosed additional information on significant transactions in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as follows:

1. Financings provided: None.
2. Endorsement/guarantee provided: None.
3. Marketable securities held (excluding investments in subsidiaries, associates, and joint ventures): None.
4. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None.
5. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.

(2) Information on Reinvestment Business: None.

(3) Information on Investment in China: None.

1. The name of the investee in mainland China, the main businesses and products, and other information: None.
2. Limitation on investee in mainland China: None.
3. Significant transactions with the investee in mainland China: None.

XIV. Segment Information

(1) General Information:

The Company is principally engaged in the design, development, production, manufacturing, and sale of high-speed signal transmission interfaces and high-speed analog circuits. The Company operates in a single industry, and key operating decisions are made based on the financial statements of the Company as a whole for performance evaluation and resource allocation. Accordingly, no separate reportable segment information is required.

LeRain Technology Co., Ltd.
Notes to the Financial Statements

(2) Information by Products and Services:

Revenue from external customers is as follows:

<u>Product and service category</u>	<u>2025</u>	<u>2024</u>
Linear high-frequency signal equalizers	\$ <u>194,898</u>	<u>151,727</u>

(3) Geographical Information:

The Company's geographical information is as follows, based on the location of customers for revenue classification, and the location of assets for non-current assets classification:

<u>Region</u>	<u>2025</u>	<u>2024</u>
Revenue:		
Taiwan	\$ 184,074	132,843
Mainland China	8,226	18,884
Other countries	<u>2,598</u>	<u>-</u>
Total	\$ <u>194,898</u>	<u>151,727</u>
Non-current assets:		
Taiwan	\$ <u>127,687</u>	<u>127,055</u>

(4) Information on Major Customers

Customers accounting for more than 10% of the Company's net sales revenue:

<u>Customer name</u>	<u>2025</u>	<u>2024</u>
Customer A	\$ <u>1,948</u>	<u>15,695</u>
Customer B	\$ <u>93,293</u>	<u>65,270</u>
Customer C	\$ <u>85,697</u>	<u>60,899</u>

LeRain Technology Co., Ltd.
Statement of cash and cash equivalents

December 31, 2025

Unit: NT\$ thousands

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash and cash equivalents:		
Checking and demand deposits	NT\$	\$ 75,244
	Foreign currency (USD336,909.38)	<u>10,589</u>
		<u>85,833</u>
Time deposits	Foreign currency (USD1,670,000.00)	<u>52,488</u>
	Maturity date: Jan. 2, 2026 ~ Mar. 18, 2026	
	Interest rate range: 3.60% ~ 4.30%	
Total		\$ <u><u>138,321</u></u>

Statement of accounts receivables

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Related parties:		
Lotes Co., Ltd.		\$ 13
Swiss Good Enterprises Limited		<u>2,590</u>
		\$ <u><u>2,603</u></u>
Non-related parties:		
Company B		\$ 11,485
Company C		14,383
Others (Note)		<u>5,593</u>
		\$ <u><u>31,461</u></u>

Note: The balance of each individual customer does not exceed 5% of the account balance and is therefore not separately disclosed.

LeRain Technology Co., Ltd.

Statement of other receivables

December 31, 2025

Unit: NT\$ thousands

Item	Description	Amount
Others	Primarily interest receivable	\$ <u><u>116</u></u>

Statement of inventories

Item	Amount	Net realizable value
Finished goods	\$ 29,079	109,485
Work in process	8,440	32,071
Raw materials	<u>36,464</u>	<u>36,464</u>
Total	\$ <u><u>73,983</u></u>	<u><u>178,020</u></u>

LeRain Technology Co., Ltd.

Statement of prepayments

December 31, 2025

Unit: NT\$ thousands

Item	Description	Amount
Prepayments for purchases		\$ 1,017
VAT refundable and input VAT		1,190
Prepaid expenses	Primarily prepaid software	498
Total		<u><u>\$ 2,705</u></u>

Statement of other non-current assets

Item	Description	Amount
Refundable deposits		<u><u>\$ 22</u></u>

LeRain Technology Co., Ltd.
Statement of short-term borrowings

December 31, 2025

Unit: NT\$ thousands

<u>Type of</u> <u>Borrowings</u>	<u>Description</u>	<u>Ending</u> <u>Balance</u>	<u>Contract Period</u>	<u>Interest Rate</u>	<u>Credit</u> <u>Line</u>	<u>Collateral or</u> <u>Guarantee</u>	<u>Note</u>
Unsecured borrowings	First Bank	\$ 20,000	Jun. 12, 2025 ~ Jun. 12, 2026	2.125%	80,000	None	
Unsecured borrowings	Mega Bank	20,000	Nov. 11, 2025 ~ Nov. 10, 2026	2.1422%	50,000	None	
Unsecured borrowings	SinoPac Bank	10,000	Jun. 19, 2025 ~ Jun. 30, 2026	2.0250%	50,000	None	
		<u>\$ 50,000</u>			<u>180,000</u>		

Statement of accounts payable

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Non-related parties:		
Company D		\$ 6,961
Company E		<u>8,920</u>
		<u>\$ 15,881</u>

LeRain Technology Co., Ltd.
Statement of other payables

December 31, 2025

Unit: NT\$ thousands

Item	Description	Amount
Accrued salaries	Primarily accrued salaries and bonuses	\$ 12,076
Accrued service fees	Primarily accrued service fees	4,051
Accrued software expenses	Primarily accrued software expenses	1,399
Others		<u>2,319</u>
Total		<u><u>\$ 19,845</u></u>

Note: The balance of each individual counterparty does not exceed 5% of the account balance and is therefore not separately disclosed.

Statement of other current liabilities

Item	Description	Amount
Refund liabilities		\$ 3,587
Other current liabilities	Primarily collections received on behalf of others	<u>96</u>
		<u><u>\$ 3,683</u></u>

LeRain Technology Co., Ltd.
Statement of operating income

For the Years Ended December 31, 2025

Unit: NT\$ thousands

<u>Item</u>	<u>Qty.</u>	<u>Amount</u>
Linear high-frequency signal equalizers	1,206,000 sets	\$ <u><u>194,898</u></u>

Statement of operating costs

<u>Item</u>	<u>Amount</u>
Direct materials	
Beginning raw materials	\$ 6,717
Add: Purchases during the period	81,447
Less: Ending raw materials	<u>(36,601)</u>
Raw materials consumed	51,563
Manufacturing overhead	<u>46,994</u>
Total manufacturing costs	98,557
Add: Beginning work in process	10,748
Less: Ending work in process	<u>(8,440)</u>
Cost of finished goods	<u>100,865</u>
Add: Beginning finished goods	14,556
Less: Ending finished goods	<u>(36,337)</u>
Others	<u>(4,768)</u>
Cost of goods sold	<u>74,316</u>
Loss on inventory write-down, obsolescence and scrap	<u>8,559</u>
Operating costs	\$ <u><u>82,875</u></u>

LeRain Technology Co., Ltd.
Statement of selling expenses
For the Years Ended December 31, 2025

Unit: NT\$ thousands

Item	Description	Amount
Salaries expense		\$ 4,059
Freight		607
Insurance expense		290
Others (Note)		<u>621</u>
Total		<u><u>\$ 5,577</u></u>

Note: The balance of each item does not exceed 5% of the account balance and is therefore not separately disclosed.

Statement of administrative expenses

Item	Description	Amount
Salaries expense		\$ 18,538
Service fees		4,760
Depreciation		2,768
Others (Note)		<u>8,483</u>
Total		<u><u>\$ 34,549</u></u>

Note: The balance of each item does not exceed 5% of the account balance and is therefore not separately disclosed.

LeRain Technology Co., Ltd.
Statement of research and development expenses
For the Years Ended December 31, 2025

Unit: NT\$ thousands

Item	Description	Amount
Salaries expense		\$ 31,107
Sample expenses		7,768
Depreciation		3,300
Amortization expense		4,512
Testing fees		3,100
Others (Note)		<u>6,144</u>
Total		<u><u>\$ 55,931</u></u>

Note: The balance of each item does not exceed 5% of the account balance and is therefore not separately disclosed.

Statement of other income and expense - net

Item	Description	Amount
Non-operating income and gains:		
Interest income		\$ 2,865
Others		<u>185</u>
Total		<u><u>\$ 3,050</u></u>
Non-operating expenses and losses:		
Interest expense		\$ (1,056)
Foreign exchange losses		<u>(7,267)</u>
Total		<u><u>\$ (8,323)</u></u>

For details of other significant accounting item statements, please refer to the following notes:

- (1) Statement of changes in property, plant and equipment and accumulated depreciation, Note VI (4).
- (2) Statement of changes in intangible assets, Note VI (5).