

**Sitronix Technology Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2026 and 2025 and
Independent Auditors' Review Report**

Sitronix Technology Corporation and Subsidiaries

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and the Shareholders
Sitronix Technology Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Sitronix Technology Corporation and its subsidiaries (the "Group") as of March 31, 2026 and 2025, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 and International Accounting Standard NO.34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of March 31, 2026 and 2025, the combined total assets of these non-significant subsidiaries were NT\$3,647,774 thousand and NT\$4,208,404 thousand, respectively, representing 15.66% and 19.18%, respectively, of the Group's consolidated total assets, and the combined total liabilities of these non-significant subsidiaries as of March 31, 2026 and 2025 were NT\$1,178,001 thousand and NT\$1,085,992 thousand, respectively, representing 14.85% and 15.18%, respectively, of the Group's consolidated total liabilities; for the three months ended March 31, 2026 and 2025, the amounts of comprehensive income (loss) of these subsidiaries were NT\$(23,084) thousand and NT\$(55,184) thousand, respectively, representing (2.87)% and (13.13)%, respectively, of the Group's consolidated comprehensive income (loss). As disclosed in Note 14 to the consolidated financial statements, as of March 31, 2026 and 2025, the balance of investments accounted for using the equity method were NT\$2,300 thousand and NT\$4,640 thousand, respectively, and for the three months ended March 31, 2026 and 2025, the balance of share of losses of associates were NT\$(662) thousand and NT\$(727)

thousand, respectively, the financial statements were based on unreviewed of invested in associates as of and for the same reporting periods.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of March 31, 2026 and 2025, its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” by the Financial Supervisory Commission of the ROC.

The engagement partners on the reviews resulting in this independent auditors’ review report are Ya-Yun Chang and Mei-Chen Tsai.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 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 review such consolidated financial statements are those generally applied in the Republic of China.

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

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

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

	Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
NET REVENUE (Notes 24 and 33)	\$ 5,328,772	100	\$ 4,332,354	100
OPERATING COSTS (Notes 12 and 25)	<u>3,659,355</u>	<u>68</u>	<u>2,917,706</u>	<u>67</u>
GROSS PROFIT	<u>1,669,417</u>	<u>32</u>	<u>1,414,648</u>	<u>33</u>
OPERATING EXPENSES (Notes 11, 25 and 33)				
Selling and marketing expenses	106,512	2	89,143	2
General and administrative expenses	184,760	4	188,493	4
Research and development expenses	763,855	14	639,516	15
Expected credit loss (gain)	<u>266</u>	<u>-</u>	<u>(4,145)</u>	<u>-</u>
Total operating expenses	<u>1,055,393</u>	<u>20</u>	<u>913,007</u>	<u>21</u>
OTHER OPERATING INCOME AND EXPENSES (Note 25)	<u>328</u>	<u>-</u>	<u>331</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>614,352</u>	<u>12</u>	<u>501,972</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Notes 25 and 33)				
Interest income	42,910	1	48,224	1
Other income	103,195	2	45,722	1
Other gains and losses	37,520	-	12,762	-
Finance costs	<u>(1,707)</u>	<u>-</u>	<u>(3,849)</u>	<u>-</u>
Share of losses of associates	<u>(662)</u>	<u>-</u>	<u>(727)</u>	<u>-</u>
Total non-operating income and expenses	<u>181,256</u>	<u>3</u>	<u>102,132</u>	<u>2</u>
INCOME BEFORE INCOME TAX	795,608	15	604,104	14
INCOME TAX EXPENSE (Notes 4 and 26)	<u>114,691</u>	<u>2</u>	<u>65,330</u>	<u>1</u>
NET INCOME	<u>680,917</u>	<u>13</u>	<u>538,774</u>	<u>13</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 23)				
Items that will not be reclassified subsequently to profit or loss				
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	83,482	1	(146,299)	(4)

(Continued)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

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

	Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of the financial statements of foreign operations	\$ 44,779	1	\$ 19,750	1
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	(5,086)	-	8,113	-
Other comprehensive (loss) income for the period, net of income tax	<u>123,175</u>	<u>2</u>	<u>(118,436)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 804,092</u>	<u>15</u>	<u>\$ 420,338</u>	<u>10</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 541,690	10	\$ 413,772	9
Non-controlling interests	<u>139,227</u>	<u>3</u>	<u>125,002</u>	<u>3</u>
	<u>\$ 680,917</u>	<u>13</u>	<u>\$ 538,774</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 651,691	12	\$ 299,251	7
Non-controlling interests	<u>152,401</u>	<u>3</u>	<u>121,087</u>	<u>3</u>
	<u>\$ 804,092</u>	<u>15</u>	<u>\$ 420,338</u>	<u>10</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 4.60</u>		<u>\$ 3.45</u>	
Diluted	<u>\$ 4.56</u>		<u>\$ 3.43</u>	

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

(With Deloitte & Touche review report dated May 7, 2026)

(Concluded)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Company (Notes 23, 28 and 29)											
	Share Capital		Capital Surplus	Retained Earnings			Other Equity		Treasury Share	Total	Non-controlling Interests (Notes 13,23,28 and 29)	Total Equity
	Number of Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
BALANCE, JANUARY 1, 2025	120,137	\$ 1,201,369	\$ 2,075,699	\$ 2,351,222	\$ 76,387	\$ 6,076,690	\$ 33,861	\$ 101,742	(\$ 56,009)	\$ 11,860,961	\$ 4,391,251	\$ 16,252,212
Appropriation of 2024 earnings												
Cash dividends distributed by the Company	-	-	-	-	-	(1,441,642)	-	-	-	(1,441,642)	-	(1,441,642)
Other changes in capital surplus												
Differences between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	70,458	-	-	-	-	-	-	70,458	27,492	97,950
Changes in percentage of ownership interests in subsidiaries	-	-	6,194	-	-	-	-	-	-	6,194	(6,194)	-
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	(81)	-	81	-	-	-	-
Net income for the three months ended March 31, 2025	-	-	-	-	-	413,772	-	-	-	413,772	125,002	538,774
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	18,544	(133,065)	-	(114,521)	(3,915)	(118,436)
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	413,772	18,544	(133,065)	-	299,251	121,087	420,338
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,457	2,457
Subsidiary share-based payment transaction	-	-	-	-	-	-	-	-	-	-	8,894	8,894
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(557,809)	(557,809)
BALANCE, MARCH 31, 2025	<u>120,137</u>	<u>\$ 1,201,369</u>	<u>\$ 2,152,351</u>	<u>\$ 2,351,222</u>	<u>\$ 76,387</u>	<u>\$ 5,048,739</u>	<u>\$ 52,405</u>	<u>(\$ 31,242)</u>	<u>(\$ 56,009)</u>	<u>\$ 10,795,222</u>	<u>\$ 3,987,178</u>	<u>\$ 14,782,400</u>
BALANCE, JANUARY 1, 2026	120,137	\$ 1,201,369	\$ 2,060,909	\$ 2,537,139	\$ -	\$ 6,275,327	\$ 58,748	\$ 262,842	(\$ 159,839)	\$ 12,236,495	\$ 4,209,065	\$ 16,445,560
Appropriation of 2025 earnings												
Cash dividends distributed by the Company	-	-	-	-	-	(1,381,574)	-	-	-	(1,381,574)	-	(1,381,574)
Other changes in capital surplus												
Differences between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	(1,793)	-	-	-	-	-	-	(1,793)	(834)	(2,627)
Changes in percentage of ownership interests in subsidiaries	-	-	5,173	-	-	-	-	-	-	5,173	(5,173)	-
The Company's shares held by its subsidiaries treated as treasury shares	-	-	-	-	-	-	-	-	(56,108)	(56,108)	(65,049)	(121,157)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	3,739	-	(3,739)	-	-	-	-
Net income for the three months ended March 31, 2026	-	-	-	-	-	541,690	-	-	-	541,690	139,227	680,917
Other comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	-	43,468	66,533	-	110,001	13,174	123,175
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	541,690	43,468	66,533	-	651,691	152,401	804,092
Increase in non- controlling interests	-	-	-	-	-	-	-	-	-	-	3,506	3,506
Subsidiary share-based payment transaction	-	-	-	-	-	-	-	-	-	-	6,434	6,434
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(393,391)	(393,391)
BALANCE, MARCH 31, 2026	<u>120,137</u>	<u>\$ 1,201,369</u>	<u>\$ 2,064,289</u>	<u>\$ 2,537,139</u>	<u>\$ -</u>	<u>\$ 5,439,182</u>	<u>\$ 102,216</u>	<u>\$ 325,636</u>	<u>(\$ 215,947)</u>	<u>\$ 11,453,884</u>	<u>\$ 3,906,959</u>	<u>\$ 15,360,843</u>

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

(With Deloitte & Touche review report dated May 7, 2026)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025 (In Thousands of New Taiwan Dollars)

	Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 795,608	\$ 604,104
Adjustments for:		
Depreciation expense	119,163	115,845
Amortization expense	25,243	24,817
Expected credit loss (gain) recognized on trade receivables	266	(4,145)
Net (gain) loss on fair value changes of financial assets designated as at fair value through profit or loss	(29,204)	2,130
Finance costs	1,707	3,849
Interest income	(42,910)	(48,224)
Dividend income	(87,616)	(30,783)
Compensation costs of share-based payments	6,434	8,894
Share of losses of associates	662	727
Gain on disposal of financial instruments	(2,928)	-
Write down of inventories recognized (reversed)	(3,145)	41,774
Realized gain with associates	(153)	(154)
Unrealized net gain on foreign currency exchange	(18,640)	(12,010)
Loss on modification of lease agreements	8	-
Changes in operating activities assets and liabilities		
Notes receivable and trade receivables	101,024	(18,177)
Receivables from related parties	2,182	1,744
Other receivables	(110,530)	(93,171)
Inventories	(179,756)	(64,681)
Prepayments	(48,530)	30,360
Other current assets	(10,468)	3,505
Notes payable and trade payables	154,743	(158,680)
Other payables	62,610	(137,860)
Other payables to related parties	128	85
Other current liabilities	60,272	(45,161)
Net defined benefit liabilities	(615)	(581)
Accrued profit sharing bonus to employees' compensation and remuneration of directors	88,221	69,518
Cash generated from operations	883,776	293,725
Interest received	34,386	35,203
Interest paid	(1,639)	(3,734)
Income tax paid	(20,165)	(1,544)
Net cash generated from operating activities	<u>896,358</u>	<u>323,650</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(172,616)	(6,133)
Disposal of financial assets at fair value through other comprehensive income	254,267	514

(Continued)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025 (In Thousands of New Taiwan Dollars)

	Three Months Ended March 31	
	2026	2025
Purchase of financial assets measured at amortized cost	(\$ 704,384)	(\$ 1,833,723)
Proceeds from the return of principal of financial assets at amortized cost	806,214	4,291,458
Acquisition of financial assets at fair value through profit or loss	(424,675)	(152,600)
Disposal of financial assets at fair value through profit or loss	38,650	141,074
Acquisition of property, plant and equipment	(278,681)	(183,779)
Increase in refundable deposits	(515)	(174)
Decrease in refundable deposits	18,340	18,492
Acquisition of intangible assets	(4,758)	(13,172)
Dividends received	<u>87,616</u>	<u>30,783</u>
Net cash (used in) generated from investing activities	(<u>380,542</u>)	<u>2,292,740</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	262,891	492,362
Repayments of short-term borrowings	(300,591)	(454,145)
Increase in guarantee deposits	10,476	-
Decrease in guarantee deposits	(441)	(19,793)
Repayment of the principal portion of lease liabilities	(14,987)	(15,305)
Transaction costs for repurchase of treasury shares	(121,157)	-
Acquisition of subsidiaries	(2,627)	-
Disposal of ownership interests in subsidiaries (without losing control)	-	97,950
Employee compensation issued in the form of stock that are not vested	<u>3,506</u>	<u>2,457</u>
Net cash (used in) generated from financing activities	(<u>162,930</u>)	<u>103,526</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>56,346</u>	<u>33,134</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	409,232	2,753,050
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>5,731,747</u>	<u>3,866,143</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 6,140,979</u>	<u>\$ 6,619,193</u>

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

(With Deloitte & Touche review report dated May 7, 2026)

(Concluded)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Sitronix Technology Corporation (the “Company”) was incorporated in Taipei City, Taiwan (ROC) in July 1992 and commenced operations in the same year. The principal place of business is located in Tai Yuen Hi-Tech Industrial Park, Hsinchu County. The Company operates principally as a designer, manufacturer and supplier of integrated circuits (ICs) and memory chips and focuses on display driver ICs (DDIs) for entry-level mobile phones, industrial displays and automotive systems.

The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since December 25, 2003.

In order to improve the Company’s overall operating performance and increase market competitiveness, the Company reorganized the Group’s structure, carried out a professional division of labor and coordinated the allocation of the Group’s resources. On March 18, 2021, according to the Business Mergers And Acquisitions Act and the Company Act, the Company’s board of directors resolved to spin off the automotive business division to the Company’s subsidiary, Forcelead Technology Corp., which issued new ordinary shares as consideration for the transfer. The spin-off completion date is June 1, 2021.

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 May 7, 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).

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the accounting policies of the Company and its subsidiaries (“the Group”).

- b. The IFRS Accounting Standards issued by IASB but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Issued by International Accounting Standards Board (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) 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 Group 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 Group 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 Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group 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 Group as a whole, the Group 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 Group 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 Group 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.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosure required for a complete set of annual consolidated financial statements prepared under the IFRS Accounting Standards.

b. Basis of preparation

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other 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 used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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 if the Group had directly disposed of the related assets or liabilities.

See Note 13 and Tables 6 and 7 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2025.

1) Defined benefit – retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group considers the possible impact of inflation, market rate of interest fluctuations and U.S. reciprocal tariff measures into significant accounting estimates when making its critical significant estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis.

In addition to the foregoing, for the summary of critical accounting judgments and key sources of estimation uncertainty in these consolidated financial statements, refer to the consolidated financial statements for the year ended December 31, 2025.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	\$ 138	\$ 140	\$ 301
Checking and demand deposits	1,761,699	1,658,030	754,128
Cash equivalents			
Time deposits	2,766,745	2,796,042	4,729,691
Bonds with repurchase agreements	1,612,397	1,277,535	1,135,073
	<u>\$ 6,140,979</u>	<u>\$ 5,731,747</u>	<u>\$ 6,619,193</u>

The market rate intervals of cash equivalents at the end of the reporting period were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits	0.950%~3.800%	1.200%~3.880%	1.000%~4.410%
Bonds with repurchase agreements	1.320%~3.800%	1.320%~3.800%	1.320%~4.400%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Financial assets at FVTPL - current</u>			
Mandatorily measured at FVTPL			
Derivative financial assets			
Foreign exchange forward contracts and foreign exchange swap contracts	\$ 57,370	\$ 81,874	\$ 28,252
Equity linked notes	95,753	-	16,451
Credit linked notes-linked to corporate bonds	222,665	177,753	40,271
Non-derivative financial assets			
Domestic mutual fund investments	120,158	106,516	102,621
Convertible bonds	143,701	138,390	92,566
Exchangeable bonds	20,085	-	-
Domestic listed shares	16,374	761	659
	<u>\$ 676,106</u>	<u>\$ 505,294</u>	<u>\$ 280,820</u>
<u>Financial assets at FVTPL - non-current</u>			
Mandatorily measured at FVTPL			
Derivative financial assets			
Credit linked notes-linked to corporate bonds	\$ 547,974	\$ 337,304	\$ 297,092
Non-derivative financial assets			
Limited partnership	285,384	239,524	159,141
Exchangeable bonds	19,670	19,635	9,675
	<u>\$ 853,028</u>	<u>\$ 596,463</u>	<u>\$ 465,908</u>
<u>Financial liabilities at FVTPL - current</u>			
Mandatorily measured at FVTPL			
Derivative financial liabilities			
Foreign exchange forward contracts and foreign exchange swap contracts	\$ 48,030	\$ 71,445	\$ 24,778

At the end of the reporting period, outstanding foreign exchange forward contracts and foreign exchange swaps contracts not under hedge accounting were as follows:

	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (In Thousands)</u>
<u>March 31, 2026</u>			
Sell forward exchange contracts	USD/NTD	2026.04.09~2026.08.19	US\$49,500/NT\$1,536,261
Buy forward exchange contracts	NTD/USD	2026.04.13~2026.08.17	NT\$1,382,943/US\$45,000
<u>December 31, 2025</u>			
Sell forward exchange contracts	USD/NTD	2026.01.27~2026.08.19	US\$46,000/NT\$1,374,515
Buy forward exchange contracts	NTD/USD	2026.01.28~2026.08.17	NT\$1,364,086/US\$46,000

	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (In Thousands)</u>
<u>March 31, 2025</u>			
Sell forward exchange contracts	USD/NTD	2025.05.08~2025.08.07	US\$23,000/NT\$738,937
Buy forward exchange contracts	NTD/USD	2025.05.12~2025.08.06	NT\$735,463/US\$23,000

The Group entered into foreign exchange forward contracts and foreign exchange swaps contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Current</u>			
Investments in equity instruments at FVTOCI	\$ 982,682	\$ 1,009,619	\$ 532,145
Investments in debt instruments at FVTOCI	-	-	82,322
	<u>\$ 982,682</u>	<u>\$ 1,009,619</u>	<u>\$ 614,467</u>
<u>Non-current</u>			
Investments in equity instruments at FVTOCI	\$ 1,685,287	\$ 1,713,616	\$ 1,124,358
Investments in debt instruments at FVTOCI	526,421	467,205	483,974
	<u>\$ 2,211,708</u>	<u>\$ 2,180,821</u>	<u>\$ 1,608,332</u>

a. Investments in equity instruments at FVTOCI

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Current</u>			
Domestic investments			
Listed shares (1) 、(2) and (3)	\$ 976,928	\$ 1,000,254	\$ 520,777
Foreign investments			
Listed shares (1) and (3)	5,754	9,365	11,368
	<u>\$ 982,682</u>	<u>\$ 1,009,619</u>	<u>\$ 532,145</u>
<u>Non-current</u>			
Domestic investments			
Unlisted equity investments (1)	\$ 975,239	\$ 953,469	\$ 448,900
Foreign investments			
Unlisted equity investments (1)	710,048	760,147	675,458
	<u>\$ 1,685,287</u>	<u>\$ 1,713,616</u>	<u>\$ 1,124,358</u>

- 1) These investments in equity instruments are not held for trading. Instead, they are held for strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for purposes.

- 2) For the three months ended March 31, 2026 and 2025, the Group acquired the ordinary shares of domestic listed at \$23,055 thousand and \$6,133 thousand, respectively. The management designated these investments as at FVTOCI due to their strategic investment purposes.
- 3) In order to manage credit concentration risk, the Group sold its preference shares and ordinary shares of domestic and foreign listed companies for the three months ended March 31, 2026 and 2025 in the amounts of \$161,803 thousand and \$514 thousand, respectively; and transferred a (loss) gain of \$3,739 thousand and \$(81) thousand from other equity to increase (decrease) retained earnings, respectively.

b. Investments in debt instruments at FVTOCI

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Current</u>			
Corporate bonds	\$ -	\$ -	\$ 82,322
<u>Non-current</u>			
Corporate bonds	\$ 526,421	\$ 467,205	\$ 483,974

For the three months ended March 31, 2026, the Group purchased corporate bonds for \$150,000 thousand with a coupon rate of 3.75%.

For the three months ended March 31, 2026, the Group disposal corporate bonds in the amount of \$92,464 thousand.

In 2025, the Group purchased corporate bonds for \$63,576 thousand with a coupon rate of 6.100%.

In 2025, the Group disposal value of corporate bonds at maturity was \$134,573 thousand.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 2,063,300	\$ 2,165,200	\$ 2,722,200
Pledged fixed deposits (b)	830,520	830,450	833,548
Corporate bonds (c)	-	-	33,264
	<u>\$ 2,893,820</u>	<u>\$ 2,995,650</u>	<u>\$ 3,589,012</u>

a. The interest rates for time deposits with original maturities of more than 3 months ranged from 0.900%~1.730%, 0.900%~1.745% and 0.900%~1.770% per annum as of March 31, 2026, December 31 and March 31, 2025, respectively.

b. Refer to Note 34 for information relating to investments in financial assets at amortized cost pledged as security.

- c. In August 2016, the Group purchased the priority unsecured US dollar debt issued by Formosa Group (Cayman) Limited at US\$1,028 thousand, the bonds bear a coupon rate of 3.375% and matured on April 22, 2025.

10. CREDIT RISK MANAGEMENT OF DEBT INSTRUMENT INVESTMENTS

The Group's debt instruments are financial assets at fair value through other comprehensive income:

March 31, 2026

	At Fair Value Through Other Comprehensive Income	At Amortized Cost
Gross carrying amount	\$ 526,103	\$ -
Allowance for impairment loss	-	-
Amortized cost	526,103	-
Adjustment to fair value	318	-
	<u>\$ 526,421</u>	<u>\$ -</u>

December 31, 2025

	At Fair Value Through Other Comprehensive Income	At Amortized Cost
Gross carrying amount	\$ 461,815	\$ -
Allowance for impairment loss	-	-
Amortized cost	461,815	-
Adjustment to fair value	5,390	-
	<u>\$ 467,205</u>	<u>\$ -</u>

March 31, 2025

	At Fair Value Through Other Comprehensive Income	At Amortized Cost
Gross carrying amount	\$ 546,727	\$ 31,877
Allowance for impairment loss	-	-
Amortized cost	546,727	31,877
Adjustment to fair value	19,569	1,387
	<u>\$ 566,296</u>	<u>\$ 33,264</u>

The Group only invests in debt instruments with a credit rating of investment grade or higher and that are considered to have low credit risk under impairment assessment. The credit rating information is provided by independent rating agencies. The Group continuously monitor external rating information to track changes in the credit risk of the invested debt instruments. Additionally, the Group review other information such as bond yield curves and significant disclosures from debtors to assess whether there has been a significant increase in credit risk since initial recognition.

In assessing the 12-month expected credit loss or lifetime expected credit loss of debt instrument investments, the Group considers the historical default probabilities and loss give default associated with each rating category provided by external rating agencies, the current financial status of the debtor, and the industry outlook in which the debtor operates.

The Group's current credit risk rating framework is as follows:

<u>Credit Rating</u>	<u>Definition</u>	<u>Basis for Expected Credit Loss Recognition</u>
Performing	Less than 30 days past due, the debtor has low credit risk and sufficient ability to meet contractual cash flows	12-month expected credit loss

Gross carrying amount and applicable expected credit loss rate of investments in debt instruments are as follows:

March 31, 2026

<u>Credit Rating</u>	<u>Expected Credit Loss Rate</u>	<u>Gross Carrying Amount</u>	
		<u>At Fair Value Through Other Comprehensive Income</u>	<u>At Amortized Cost</u>
Performing	0%	\$ 526,103	\$ -

December 31, 2025

<u>Credit Rating</u>	<u>Expected Credit Loss Rate</u>	<u>Gross Carrying Amount</u>	
		<u>At Fair Value Through Other Comprehensive Income</u>	<u>At Amortized Cost</u>
Performing	0%	\$ 461,815	\$ -

March 31, 2025

<u>Credit Rating</u>	<u>Expected Credit Loss Rate</u>	<u>Gross Carrying Amount</u>	
		<u>At Fair Value Through Other Comprehensive Income</u>	<u>At Amortized Cost</u>
Performing	0%	\$ 546,727	\$ 31,877

11. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 211	\$ 381	\$ 52
Less: Allowance for impairment loss	-	-	-
	<u>\$ 211</u>	<u>\$ 381</u>	<u>\$ 52</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,704,247	\$ 1,773,426	\$ 1,697,540
Less: Allowance for impairment loss	(10,621)	(10,317)	(18,782)
	<u>\$ 1,693,626</u>	<u>\$ 1,763,109</u>	<u>\$ 1,678,758</u>

(Continued)

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>March 31,</u> <u>2025</u>
<u>Other receivables</u>			
Income tax refund receivable	\$ 128,880	\$ 53,546	\$ 232,152
Interest receivables	31,892	24,194	37,923
Others	18,609	17,775	5,738
	<u>\$ 179,381</u>	<u>\$ 95,515</u>	<u>\$ 275,813</u>

(Concluded)

The credit period of sales of goods was 5~135 days. No interest was charged on trade receivables. The Group adopted a policy of obtaining advance payment or sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information or its own historical trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Group annually.

The Group 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 by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of notes receivable and trade receivables based on the Group's provision matrix:

March 31, 2026

	<u>Not Past Due</u>	<u>Up to</u> <u>60 Days</u>	<u>61 to 90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Expected credit loss rate	0.26%	61.19%	-	100.00%	
Gross carrying amount	\$ 1,696,786	\$ 3,705	\$ -	\$ 3,967	\$ 1,704,458
Loss allowance (Lifetime ECLs)	(4,387)	(2,267)	-	(3,967)	(10,621)
Amortized cost	<u>\$ 1,692,399</u>	<u>\$ 1,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,693,837</u>

December 31, 2025

	<u>Not Past Due</u>	<u>Up to</u> <u>60 Days</u>	<u>61 to 90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Expected credit loss rate	0.25%	2.77%	39.35%	100.00%	
Gross carrying amount	\$ 1,761,381	\$ 6,217	\$ 709	\$ 5,500	\$ 1,773,807
Loss allowance (Lifetime ECLs)	(4,366)	(172)	(279)	(5,500)	(10,317)
Amortized cost	<u>\$ 1,757,015</u>	<u>\$ 6,045</u>	<u>\$ 430</u>	<u>\$ -</u>	<u>\$ 1,763,490</u>

March 31, 2025

	<u>Not Past Due</u>	<u>Up to 60 Days</u>	<u>61 to 90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Expected credit loss rate	0.78%	0.68%	80.84%	100%	
Gross carrying amount	\$ 1,672,413	\$ 19,136	\$ 1,926	\$ 4,117	\$ 1,697,592
Loss allowance (Lifetime ECLs)	(12,978)	(130)	(1,557)	(4,117)	(18,782)
Amortized cost	<u>\$ 1,659,435</u>	<u>\$ 19,006</u>	<u>\$ 369</u>	<u>\$ -</u>	<u>\$ 1,678,810</u>

The movements of the loss allowance of notes receivable and trade receivables were as follows:

	<u>Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Balance at January 1	\$ 10,317	\$ 22,900
Provision (reversal) for expected credit loss	266	(4,145)
Change in exchange rates or others	38	27
Balance at March 31	<u>\$ 10,621</u>	<u>\$ 18,782</u>

Compared with January 1, 2026, the total carrying amount of notes receivable and trade receivables as of March 31, 2026 decreased by a net amount of \$69,349 thousand, and the loss allowance increased by \$304 thousand; compared with January 1, 2025, the total carrying amount of notes receivable and trade receivables as of March 31, 2025 increased by a net amount of \$40,620 thousand, and the loss allowance decreased by \$4,118 thousand.

12. INVENTORIES

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Finished goods	\$ 1,226,108	\$ 1,076,053	\$ 1,062,745
Work in progress	1,720,747	1,720,653	1,654,033
Raw materials	461,933	429,152	387,793
Merchandise	1,694	1,723	2,022
	<u>\$ 3,410,482</u>	<u>\$ 3,227,581</u>	<u>\$ 3,106,593</u>

Cost of goods sold is defined as follows:

	<u>Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Cost of inventories sold	\$ 3,680,472	\$ 2,881,492
Write down of inventories recognized (reversed)		
(a)	(3,145)	41,774
Others	(17,972)	(5,560)
	<u>\$ 3,659,355</u>	<u>\$ 2,917,706</u>

- a. The reversal of the inventories to net realizable value was due to the circumstances that caused the net realizable value of inventories to be lower than its cost no longer existed.

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Main Business	Proportion of Ownership (%)		
			March 31, 2026	December 31, 2025	March 31, 2025
The Company	Sitronix Investment Corp.	Investment	100.00	100.00	100.00
	Sensortek Technology Corp.	R&D, design and sales of sensor integrated circuit products	46.31	46.31	46.06
	INFSitronix Technology Corp.	Comprehensive line of Power supervisor IC design	82.32	82.32	58.42
	mCore Technology Corp.	Providing solutions for consumer display and voice/audio related applications.	100.00	100.00	90.73
	Forcelead Technology Corp.	R&D, design and sales of multi-functional integrated automotive display driver ICs	55.80	55.80	55.10
	Sync-Tech System Corp.	Design, manufacturing and maintenance of semiconductor consumables and testing equipment	45.16	45.11	43.50
	Sitronix Holding International Ltd.	Investment	100.00	100.00	100.00
	Sitronix Global Limited	Investment	100.00	100.00	-
	HeFei ezGreen Co., Ltd.	Design, sales and technical services of Supplier management software development	100.00	100.00	100.00
	CELEFIDE CO., LTD.	R&D, design, sales and technical services of integrated circuits and system hardware and software	90.00	90.00	90.00
	ezGreen Inc.	Software design and electronic information supply services	100.00	100.00	100.00
	Sitronix Technology (Shenzhen) Co., Ltd.	Computer software and hardware development, sales and after-sales service business and related technical consulting services	100.00	100.00	100.00
	HeFei Sitronix Technology Co., Ltd.	R&D, sale and provision of after-sales services and related technical consultancy services of integrated circuits and system hardware and software	-	-	100.00
	Seer Microelectronics, Inc.	High performance sensor IC chip with single photon design and applications	72.66	72.66	72.66
	HesproTech Corp.	Research and development, design, production, and sale of smart products, fire fighting equipment, and industrial control products.	100.00	-	-
	Sitronix Investment Corp.	Sensortek Technology Corp.	R&D, design and sales of sensor integrated circuit products	-	-
INFSitronix Technology Corp.		Comprehensive line of Power supervisor IC design	-	-	-
Sitronix Global Limited	HeFei Sitronix Technology Co., Ltd.	R&D, sale and provision of after-sales services and related technical consultancy services of integrated circuits and system hardware and software	100.00	100.00	-

The financial statements as of and for the three months ended March 31, 2026 and 2025 of above subsidiaries, except for Sensortek Technology Corp. and Forcelead Technology Corp., and for the three months ended March 31, 2026 of Sync-Tech System Corp., the other subsidiaries were non-significant subsidiaries, the financial statements were not reviewed.

As of March 31, 2026, December 31 and March 31, 2025 the Group's shareholding ratio of Sensortek Technology Corp. were 46.31%, 46.31% and 46.06%, respectively. Since Sensortek Technology Corp. is a TPEX listed company in the Republic of China, the remaining 53.69%, 53.69% and 53.94% of the shares held are widely dispersed. After considering the absolute number, relative size and distribution of shareholding held by the other shareholders, the Group was judged to have the substantive ability to dominate the relevant activities of Sensortek Technology Corp., therefore, it is classified as a subsidiary.

As of March 31, 2026, December 31 and March 31, 2025, the Group's shareholding ratio of Sync-Tech System Corp. were 45.16%, 45.11% and 43.50%, respectively and was the largest single shareholder of the latter. After considering the absolute number, relative size and distribution of shareholding held by the other shareholders, the Group was judged to have the substantive ability to dominate the relevant activities of Sync-Tech System Corp. therefore, it is classified as a subsidiary.

On May 8, 2025, the Group's Board of Directors approved the cash acquisition of the remaining shares of mCore Technology Corp., aiming to integrate resources, enhance operational efficiency, and strengthen market competitiveness. Following the acquisition, the Group holds 100% ownership of mCore Technology Corp. in July 2025.

On October 31, 2024, to meet operational needs, the Group's Board of Directors approved a plan to adjust the investment structure. Accordingly, in May 2025, the Group increased its investment in its subsidiary, Sitronix Global Limited, by CNY 35,000 thousand and sold HeFei Sitronix Technology Co., Ltd. to Sitronix Global Limited, and the Group further increased its investment in Sitronix Global Limited by CNY 100,000 thousand in June 2025.

To meet operational needs, the Group increased its investment in its subsidiary, HesproTech Corp., by \$60,000 thousand in February 2026.

Please refer to Note 29 for the equity transactions between the Group and non-controlling interests.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		March 31, 2026	December 31, 2025	March 31, 2025
Sensortek Technology Corp.	Taiwan	53.69 %	53.69 %	53.94 %
Forcelead Technology Corp.	Taiwan	44.20 %	44.20 %	44.90 %
Sync-Tech System Corp.	Taiwan	54.84 %	54.89 %	56.50 %

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests		
	Three Months Ended March 31		March 31, 2026	December 31, 2025	March 31, 2025
	2026	2025			
Sensortek Technology Corp.	\$ 57,515	\$ 54,716	\$ 1,940,605	\$ 2,089,479	\$ 2,089,306
Forcelead Technology Corp.	60,220	44,823	1,093,066	1,206,901	1,029,379
Sync-Tech System Corp.	26,771	29,934	793,440	828,871	754,747
Others	(5,279)	(4,471)	79,848	83,814	113,746
Total	\$ 139,227	\$ 125,002	\$ 3,906,959	\$ 4,209,065	\$ 3,987,178

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations:

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 7,405,734	\$ 7,776,881	\$ 8,603,227
Non-current assets	3,821,467	3,224,576	2,480,270
Current liabilities	(2,925,265)	(2,282,297)	(3,157,452)
Non-current liabilities	(295,217)	(257,612)	(305,635)
Equity	\$ 8,006,719	\$ 8,461,548	\$ 7,620,410

(Continued)

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>March 31,</u> <u>2025</u>
Equity attributable to:			
Owners of the Company	\$ 3,926,108	\$ 4,159,623	\$ 3,683,177
Non-controlling interests of subsidiaries	4,080,611	4,301,925	3,937,233
	<u>\$ 8,006,719</u>	<u>\$ 8,461,548</u>	<u>\$ 7,620,410</u>

(Concluded)

	<u>Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Revenue	\$ 2,013,447	\$ 2,029,856
Net income	\$ 291,782	\$ 254,124
Other comprehensive income (loss)	47,936	(21,615)
Total comprehensive income	<u>\$ 339,718</u>	<u>\$ 232,509</u>
Profit attributable to:		
Owners of the Company	\$ 147,489	\$ 124,832
Non-controlling interests of the subsidiaries	144,293	129,292
	<u>\$ 291,782</u>	<u>\$ 254,124</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 171,574	\$ 114,875
Non-controlling interests of the subsidiaries	168,144	117,634
	<u>\$ 339,718</u>	<u>\$ 232,509</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 317,414	\$ 242,591
Investing activities	(423,435)	802,472
Financing activities	(42,745)	(11,490)
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	10,128	13,556
Net cash (outflow) inflow	<u>(\$ 138,638)</u>	<u>\$ 1,047,129</u>

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>March 31,</u> <u>2025</u>
<u>Associates that are not individually material</u>			
esGMeta Co.,Ltd.	\$ 2,300	\$ 2,809	\$ 4,640

<u>Company name</u>	<u>Main business</u>	<u>Principal Place of Business</u>	<u>Proportion of Ownership Held and Voting Right</u>		
			<u>March 31,2026</u>	<u>December 31, 2025</u>	<u>March 31,2025</u>
esGMeta Co.,Ltd.	Carbon footprint verification, analysis of data on carbon system platforms, execution of carbon reduction projects and commissioning of carbon trading rights	Taiwan	33.93%	33.93%	33.93%

Please refer to Table 6 "Information on Investees, Locations, etc." for information on the nature of business, its area of operations, and country of company registry of the above affiliates.

15. PROPERTY, PLANT AND EQUIPMENT

	<u>Freehold Land</u>	<u>Buildings</u>	<u>Machinery Equipment</u>	<u>Test Equipment</u>	<u>Office Equipment</u>	<u>Property Under Construction and Equipment Under Installation</u>	<u>Total</u>
<u>Cost</u>							
Balance at January1, 2025	\$ 338,466	\$ 1,261,731	\$ 406,767	\$ 1,134,163	\$ 36,795	\$ 166,555	\$3,344,477
Additions	-	35,018	15,219	68,216	2,192	-	120,645
Disposals	-	-	(2,572)	(23,917)	(48)	-	(26,537)
Effect of foreign currency exchange differences	-	5,762	104	1,506	163	-	7,535
Balance at March 31, 2025	<u>\$ 338,466</u>	<u>\$ 1,302,511</u>	<u>\$ 419,518</u>	<u>\$ 1,179,968</u>	<u>\$ 39,102</u>	<u>\$ 166,555</u>	<u>\$3,446,120</u>
<u>Accumulated depreciation</u>							
Balance at January1, 2025	\$ -	\$ 296,657	\$ 232,859	\$ 698,906	\$ 20,417	\$ -	\$1,248,839
Depreciation expense	-	12,517	14,830	68,554	1,407	-	97,308
Disposals	-	-	(2,572)	(23,917)	(48)	-	(26,537)
Effect of foreign currency exchange differences	-	672	73	1,415	79	-	2,239
Balance at March 31, 2025	<u>\$ -</u>	<u>\$ 309,846</u>	<u>\$ 245,190</u>	<u>\$ 744,958</u>	<u>\$ 21,855</u>	<u>\$ -</u>	<u>\$1,321,849</u>
Carrying amount at March 31, 2025	<u>\$ 338,466</u>	<u>\$ 992,665</u>	<u>\$ 174,328</u>	<u>\$ 435,010</u>	<u>\$ 17,247</u>	<u>\$ 166,555</u>	<u>\$2,124,271</u>
<u>Cost</u>							
Balance at January1, 2026	\$ 338,466	\$ 1,240,710	\$ 442,627	\$ 1,434,878	\$ 46,548	\$ 360,863	\$3,864,092
Additions	-	-	12,943	68,674	239	114,837	196,693
Disposals	-	(14,421)	(646)	(40,124)	(292)	-	(55,483)
Effect of foreign currency exchange differences	-	6,020	165	2,733	237	-	9,155
Balance at March 31, 2026	<u>\$ 338,466</u>	<u>\$ 1,232,309</u>	<u>\$ 455,089</u>	<u>\$ 1,466,161</u>	<u>\$ 46,732</u>	<u>\$ 475,700</u>	<u>\$4,014,457</u>
<u>Accumulated depreciation</u>							
Balance at January1, 2026	\$ -	\$ 329,998	\$ 286,693	\$ 930,263	\$ 26,526	\$ -	\$1,573,480
Depreciation expense	-	12,056	14,899	71,565	1,717	-	100,237

(Continued)

	<u>Freehold Land</u>	<u>Buildings</u>	<u>Machinery Equipment</u>	<u>Test Equipment</u>	<u>Office Equipment</u>	<u>Property Under Construction and Equipment Under Installation</u>	<u>Total</u>
Disposals	\$ -	(\$ 14,421)	(\$ 646)	(\$ 40,124)	(\$ 292)	\$ -	(\$ 55,483)
Effect of foreign currency exchange differences	-	600	98	2,233	150	-	3,081
Balance at March 31, 2026	<u>\$ -</u>	<u>\$ 328,233</u>	<u>\$ 301,044</u>	<u>\$ 963,937</u>	<u>\$ 28,101</u>	<u>\$ -</u>	<u>\$ 1,621,315</u>
Carrying amount at March 31, 2026	<u>\$ 338,466</u>	<u>\$ 904,076</u>	<u>\$ 154,045</u>	<u>\$ 502,224</u>	<u>\$ 18,631</u>	<u>\$ 475,700</u>	<u>\$ 2,393,142</u>
Carrying amount at December 31, 2025 and January 1, 2026	<u>\$ 338,466</u>	<u>\$ 910,712</u>	<u>\$ 155,934</u>	<u>\$ 504,615</u>	<u>\$ 20,022</u>	<u>\$ 360,863</u>	<u>\$ 2,290,612</u>

(Concluded)

The impairment loss was not recognized or reversed for the three months ended March 31, 2026 and 2025.

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

Buildings	
Main buildings	40~51 years
Renovation construction / Lease improvement	2~15 years
Machinery equipment	3~6 years
Test equipment	1~6 years
Office equipment	3~6 years

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Carrying amount</u>			
Buildings	\$ 78,908	\$ 74,876	\$ 103,507
Land	137,608	100,702	102,240
Office equipment	3,148	2,923	3,992
Machinery equipment	4,452	4,855	6,067
	<u>\$ 224,116</u>	<u>\$ 183,356</u>	<u>\$ 215,806</u>
	Three Months Ended March 31		
	<u>2026</u>	<u>2025</u>	
Additions to right-of-use assets	<u>\$ 56,905</u>	<u>\$ 248</u>	
Depreciation charge for right-of-use assets			
Buildings	\$ 14,256	\$ 14,129	
Land	685	513	
Office equipment	705	963	
Machinery equipment	404	404	
	<u>\$ 16,050</u>	<u>\$ 16,009</u>	
Income from the subleasing of right-of-use assets (classified under other operating income and expenses)	<u>\$ 336</u>	<u>\$ 331</u>	

Except for the addition and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Group's right-of-use assets for the three months ended March 31, 2026 and 2025.

b. Lease liabilities

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Carrying amount</u>			
Current	\$ 36,472	\$ 38,510	\$ 57,858
Non-current	\$ 179,860	\$ 136,499	\$ 147,373

Range of discount rates for lease liabilities was as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Buildings	1.345%~3.500%	1.345%~3.600%	1.345%~4.750%
Land	1.700%	1.700%	1.700%
Office equipment	2.115%~2.440%	1.980%~2.440%	1.720%~2.430%
Machinery equipment	1.250%	1.250%	1.250%

c. Material lease activities and terms

The Group leases various assets including land, buildings, office equipment and machinery equipment with lease terms between 2~54 years. The leased land is used for constructing a factory building with lease contracts adjusted payment every 2 years on the announced land value. The leased building includes factory and offices, and the leased office equipment includes rental cars. The Group does not have bargain purchase or renewal options to acquire or renew the leases when they expire.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 17.

	<u>Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Expenses relating to short-term leases	\$ 1,267	\$ 1,335
Expenses relating to low-value asset leases	\$ 76	\$ 80
Total cash outflow for leases	\$ 17,443	\$ 17,752

The Group's leases of certain parking spaces qualify as short-term leases and leases of machinery qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. INVESTMENT PROPERTIES

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2025	\$ 205,523	\$ 497,263	\$ 702,786
Disposals	-	(600)	(600)

(Continued)

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Effect of foreign currency exchange differences	\$ -	\$ 871	\$ 871
Balance at March 31, 2025	<u>\$ 205,523</u>	<u>\$ 497,534</u>	<u>\$ 703,057</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2025	\$ -	\$ 66,802	\$ 66,802
Depreciation expense	-	2,528	2,528
Disposals	-	(600)	(600)
Effect of foreign currency exchange differences	-	26	26
Balance at March 31, 2025	<u>\$ -</u>	<u>\$ 68,756</u>	<u>\$ 68,756</u>
Carrying amount at March 31, 2025	<u>\$ 205,523</u>	<u>\$ 428,778</u>	<u>\$ 634,301</u>
<u>Cost</u>			
Balance at January 1, 2026	\$ 205,523	\$ 550,741	\$ 756,264
Effect of foreign currency exchange differences	-	2,744	2,744
Balance at March 31, 2026	<u>\$ 205,523</u>	<u>\$ 553,485</u>	<u>\$ 759,008</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2026	\$ -	\$ 81,669	\$ 81,669
Depreciation expense	-	2,876	2,876
Effect of foreign currency exchange differences	-	158	158
Balance at March 31, 2026	<u>\$ -</u>	<u>\$ 84,703</u>	<u>\$ 84,703</u>
Carrying amount at March 31, 2026	<u>\$ 205,523</u>	<u>\$ 468,782</u>	<u>\$ 674,305</u>
Carrying amount at December 31, 2025 and January 1, 2026	<u>\$ 205,523</u>	<u>\$ 469,072</u>	<u>\$ 674,595</u> (Concluded)

The above-mentioned investment properties were leased out for 1 to 5 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The future minimum lease payments of operating lease commitments were as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Within 1 year	\$ 23,685	\$ 22,512	\$ 17,305
Years 1~5	<u>14,036</u>	<u>14,450</u>	<u>8,896</u>
	<u>\$ 37,721</u>	<u>\$ 36,962</u>	<u>\$ 26,201</u>

Investment properties are depreciated using the straight-line method over their estimated useful lives of 40 to 51 years.

The determination of fair values of the Group's investment properties was performed by independent qualified professional valuers of the China Real Estate Appraising Firm using Level 3 inputs. The evaluation is based on the weighted average of the income method and the market comparison method. The significant unobservable input used include the discount rate, and the appraised fair value are as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Fair value	\$ 984,297	\$ 980,882	\$ 845,160

All of the Group's investment properties were held under freehold interests.

18. INTANGIBLE ASSETS

	<u>Goodwill</u>	<u>Royalty</u>	<u>Computer Software</u>	<u>Specialized Technology</u>	<u>Total</u>
<u>Cost</u>					
Balance at January 1, 2025	\$ 7,074	\$ 181,692	\$ 381,952	\$ 40,161	\$ 610,879
Acquired individually	-	820	11,675	-	12,495
Disposals	-	(752)	(12,331)	(500)	(13,583)
Effect of foreign currency exchange differences	-	-	132	-	132
Balance at March 31, 2025	<u>\$ 7,074</u>	<u>\$ 181,760</u>	<u>\$ 381,428</u>	<u>\$ 39,661</u>	<u>\$ 609,923</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2025	\$ -	\$ 148,410	\$ 260,891	\$ 12,007	\$ 421,308
Amortization expense	-	3,847	19,756	1,214	24,817
Disposals	-	(752)	(12,331)	(500)	(13,583)
Effect of foreign currency exchange differences	-	-	91	-	91
Balance at March 31, 2025	<u>\$ -</u>	<u>\$ 151,505</u>	<u>\$ 268,407</u>	<u>\$ 12,721</u>	<u>\$ 432,633</u>
Carrying amount at March 31, 2025	<u>\$ 7,074</u>	<u>\$ 30,255</u>	<u>\$ 113,021</u>	<u>\$ 26,940</u>	<u>\$ 177,290</u>
<u>Cost</u>					
Balance at January 1, 2026	\$ -	\$ 202,854	\$ 468,607	\$ 41,957	\$ 713,418
Acquired individually	-	26,447	973	-	27,420
Effect of foreign currency exchange differences	-	-	311	-	311
Balance at March 31, 2026	<u>\$ -</u>	<u>\$ 229,301</u>	<u>\$ 469,891</u>	<u>\$ 41,957</u>	<u>\$ 741,149</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2026	\$ -	\$ 165,171	\$ 326,814	\$ 16,745	\$ 508,730
Amortization expense	-	6,014	17,728	1,501	25,243
Effect of foreign currency exchange differences	-	-	181	-	181
Balance at March 31, 2026	<u>\$ -</u>	<u>\$ 171,185</u>	<u>\$ 344,723</u>	<u>\$ 18,246</u>	<u>\$ 534,154</u>

(Continued)

	<u>Goodwill</u>	<u>Royalty</u>	<u>Computer Software</u>	<u>Specialized Technology</u>	<u>Total</u>
Carrying amount at March 31, 2026	\$ -	\$ 58,116	\$ 125,168	\$ 23,711	\$ 206,995
Carrying amount at December 31, 2025 and January 1, 2026	\$ -	\$ 37,683	\$ 141,793	\$ 25,212	\$ 204,688

(Concluded)

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

Royalty	1~10 years
Computer software	2~10 years
Specialized technology	2~10 years

An analysis of amortization by function:

	<u>Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Operating costs	\$ 179	\$ 90
Selling and marketing expenses	46	45
General and administrative expenses	1,416	2,091
Research and development expenses	23,602	22,591
	<u>\$ 25,243</u>	<u>\$ 24,817</u>

19. OTHER ASSETS

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Prepayments</u>			
Input tax and offset against business tax	\$ 178,500	\$ 145,770	\$ 111,718
Prepaid probe cards	66,839	59,212	50,659
Prepayments	26,374	18,106	29,734
Prepayments for purchase	1,966	2,816	1,032
Others	17,821	17,606	4,707
	<u>\$ 291,500</u>	<u>\$ 243,510</u>	<u>\$ 197,850</u>
<u>Other current assets</u>			
Provisional payments	\$ 36,338	\$ 16,499	\$ 9,605
Others	9,694	19,065	8,192
	<u>\$ 46,032</u>	<u>\$ 35,564</u>	<u>\$ 17,797</u>
<u>Other non-current assets</u>			
Prepayments for buildings	\$ 326,208	\$ 298,098	\$ 210,940
Prepayments for equipment	48,230	2,697	53,649
Refundable deposits	37,044	56,753	59,607
	<u>\$ 411,482</u>	<u>\$ 357,548</u>	<u>\$ 324,196</u>

Please refer to Note 35 for details of the contract terms related to the prepayments for buildings and the capacity guarantee deposits.

20. SHORT-TERM BORROWINGS

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Unsecured borrowings</u>			
Bank loans	\$ -	\$ 37,716	\$ 211,788

The range of weighted average effective interest rates on bank loans were 4.20% ~ 4.25% and 3.00% ~ 3.35% as of December 31 and March 31, 2025, respectively.

21. OTHER LIABILITIES

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 897,963	\$ 961,111	\$ 900,035
Payables for research	60,277	47,469	46,340
Payables for equipment	56,182	64,197	80,711
Others	490,415	353,456	353,709
	<u>\$ 1,504,837</u>	<u>\$ 1,426,233</u>	<u>\$ 1,380,795</u>
Other current liabilities			
Contract liabilities	\$ 228,534	\$ 102,082	\$ 77,937
Others	14,273	14,095	13,604
Temporary receipts	12,443	85,803	14,317
Deferred revenue - government grants	7,002	-	-
	<u>\$ 262,252</u>	<u>\$ 201,980</u>	<u>\$ 105,858</u>
<u>Non-current</u>			
Other non-current liabilities			
Guarantee deposits received	\$ 134,234	\$ 121,938	\$ 161,611
Decommissioning liabilities	24,947	24,355	24,157
	<u>\$ 159,181</u>	<u>\$ 146,293</u>	<u>\$ 185,768</u>

22. RETIREMENT BENEFIT PLANS

Defined benefit plan expenses for the three months ended March 31, 2026 and 2025, were calculated based on actuarial assumptions and pension cost rates as at December 31, 2025 and 2024; the above amounts were calculated at \$27 thousand and \$56 thousand, respectively.

23. EQUITY

a. Share capital

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Number of shares authorized (in thousands)	200,000	200,000	200,000
Share capital	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)	120,137	120,137	120,137
Shares issued	<u>\$ 1,201,369</u>	<u>\$ 1,201,369</u>	<u>\$ 1,201,369</u>

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

The authorized shares include 20,000 thousand shares reserved for the exercise of employee stock options.

b. Capital surplus

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of ordinary shares	\$ 401,995	\$ 401,995	\$ 401,995
Conversion of bonds	335,041	335,041	335,041
Treasury share transactions	24,112	24,112	17,604
Differences between the consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	101,584	103,377	206,496
<u>May be used to offset a deficit only (2)</u>			
Changes in percentage of ownership interests in subsidiaries	<u>1,201,557</u>	<u>1,196,384</u>	<u>1,191,215</u>
	<u>\$ 2,064,289</u>	<u>\$ 2,060,909</u>	<u>\$ 2,152,351</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effect 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 and associates accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set in the Company's Articles of Incorporation (the "Articles"), the board of directors is authorized to adopt a special resolution to distribute all or part of the dividends and bonuses in cash, and a report of such distribution should be submitted in the latest shareholders' meeting.

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be distributed in the following order:

- 1) Utilized for paying taxes.
- 2) Offsetting losses of previous years.
- 3) Setting aside as a legal reserve of 10% of the remaining profit (legal reserve that has reached the company's paid-in capital is not subject to this condition).
- 4) Setting aside or reversing a special reserve in accordance with the laws and regulations.
- 5) Any remaining profit together with any undistributed retained earnings shall be used by the Company's 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.

For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 25(h).

The distribution of dividends to shareholders of the Company can be made in cash or shares, but the proportion of cash dividends distributed should not be less than 10% of the total dividends distributed. The dividends policy is dependent on the Company's current and future investment environment, capital needs, domestic and international competition and capital budget, etc., taking into account the interests of shareholders, balance of dividends and long-term financial planning of the Company, the board of directors plans to distribute the case to the shareholders' meeting.

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

The appropriations of earnings for 2025 and 2024 were as follows:

	Years Ended December 31	
	2025	2024
Legal reserve	\$ 174,981	\$ 185,917
Special reserve	\$ 7,634	(\$ 76,387)
Cash dividends	\$ 1,381,574	\$ 1,441,642
Cash dividends per share (NT\$)	\$ 11.5	\$ 12

The above appropriations for cash dividends were resolved by the Company's board of directors on March 5, 2026 and March 6, 2025, respectively; the other proposed appropriations for 2024 were resolved by the shareholders in their meeting on May 29, 2025, and for 2025 has yet to be resolved at the shareholders' meeting to be held on May 25, 2026.

d. Special reserve

	Three Months Ended March 31	
	2026	2025
Balance at January 1 and March 31	\$ -	\$ 76,387

e. Other equity items

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

	Three Months Ended March 31	
	2026	2025
Balance at January 1	\$ 58,748	\$ 33,861
Exchange differences on translating the financial statements of foreign operations	43,468	18,544
Balance at March 31	\$ 102,216	\$ 52,405

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

	Three Months Ended March 31	
	2026	2025
Balance at January 1	\$ 262,842	\$ 101,742
Recognized for the period		
Unrealized (loss) gain - debt instruments	(4,094)	5,211
Unrealized (loss) gain - equity instruments	70,627	(138,276)
Cumulative unrealized (gain) loss of equity instruments transferred to retained earnings due to disposal	(3,739)	81
Balance at March 31	\$ 325,636	(\$ 31,242)

f. Non-controlling interests

	Three Months Ended March 31	
	2026	2025
Balance at January 1	\$ 4,209,065	\$ 4,391,251
Share attributable to non-controlling interests:		
Share in profit for the period	139,227	125,002
Exchange difference on translating the financial statements of foreign operations	1,311	1,206
Financial assets at FVTOCI	11,863	(5,121)
The Company's shares held by its subsidiaries treated as treasury shares	(65,049)	-
Cash dividends distributed by subsidiaries	(393,391)	(557,809)
Non-controlling interests relating to outstanding vested restricted shares granted by employees of subsidiaries	2,845	3,993
Acquisition of partial interest in a subsidiary (Note 29)	(834)	-

(Continued)

	Three Months Ended March 31	
	2026	2025
Disposal of partial interest in a subsidiary (Note 29)	\$ -	\$ 27,492
Disposal of employee trust shares by subsidiary	1,922	1,164
Balance at March 31	<u>\$ 3,906,959</u>	<u>\$ 3,987,178</u>

(Concluded)

g. Treasury shares

The Company's shares held by its subsidiary	Number of Shares
Number of shares at January 1, 2026	1,831,000
Increase during the period	641,000
Number of shares at March 31, 2026	<u>2,472,000</u>
Number of shares at January 1 and March 31, 2025	<u>606,000</u>

The Company's shares held by its subsidiary at the end of the reporting period were as follows:

Name of Subsidiary	Number of Shares Held	Carrying Amount/ Carrying Amount per Share	Market Price/ Market Price per Share
<u>March 31, 2026</u>			
Sensortek Technology Corp.	2,472,000	\$472,152/191	\$472,152/191
<u>December 31, 2025</u>			
Sensortek Technology Corp.	1,831,000	\$328,665/179.5	\$328,665/179.5
<u>March 31, 2025</u>			
Sensortek Technology Corp.	606,000	\$116,655/192.5	\$116,655/192.5

The subsidiary shareholdings of the Company held presented in the table above reflect the actual number of shares held by the subsidiary. The Company's shares held by its subsidiary are treated as treasury shares. The amount of treasury shares recognized by the Company is determined based on its ownership percentage in its subsidiary.

24. REVENUE

a. Disaggregation of revenue

Product	Three Months Ended March 31	
	2026	2025
Integrated circuits	\$ 5,125,313	\$ 4,074,275
Others	203,459	258,079
	<u>\$ 5,328,772</u>	<u>\$ 4,332,354</u>

Primary geographical markets	Three Months Ended March 31	
	2026	2025
Hong Kong	\$ 3,492,252	\$ 3,093,589
China	821,686	322,916
Vietnam	365,703	398,601
Taiwan	323,759	292,718
South Korea	210,101	84,927
Others	115,271	139,603
	<u>\$ 5,328,772</u>	<u>\$ 4,332,354</u>

The basis of calculation of the Group's revenue segregated by geographical location is mainly based on the location the goods were shipped as designated by the customers.

b. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Notes receivable and trade receivables (Note 11)	\$ 1,693,837	\$ 1,763,490	\$ 1,678,810	\$ 1,634,072
Trade receivables from related parties (Note 33)	836	3,018	1,661	3,405
Total	<u>\$ 1,694,673</u>	<u>\$ 1,766,508</u>	<u>\$ 1,680,471</u>	<u>\$ 1,637,477</u>
Contract liabilities - current (Note 21)				
Sales of goods	<u>\$ 228,534</u>	<u>\$ 102,082</u>	<u>\$ 77,937</u>	<u>\$ 92,028</u>

Revenue recognized in the current period that was included in the contract liability balance at the beginning of the year is as follows:

	Three Months Ended March 31	
	2026	2025
<u>From contract liabilities at the start of the year</u>		
Sales of goods	<u>\$ 95,095</u>	<u>\$ 84,264</u>

Changes in contract liabilities are mainly due to the timing difference between the satisfaction of performance obligations and customer payment.

25. NET PROFIT

a. Other operating income and expense

	Three Months Ended March 31	
	2026	2025
Gain on sublease of right-of-use assets	\$ 336	\$ 331
Loss on modification of lease agreements	(8)	-
	<u>\$ 328</u>	<u>\$ 331</u>

b. Interest income

Three Months Ended March 31

	2026	2025
Financial assets at amortized cost	\$ 30,904	\$ 39,876
Investments in debt instruments at FVTOCI	7,094	6,150
Financial asset at FVTPL	4,778	2,104
Others	134	94
	<u>\$ 42,910</u>	<u>\$ 48,224</u>

c. Other income

Three Months Ended March 31

	2026	2025
Dividend income	\$ 87,616	\$ 30,783
Rental income	8,037	7,225
Government grants income	7,236	7,357
Others	306	357
	<u>\$ 103,195</u>	<u>\$ 45,722</u>

d. Other gains and losses

Three Months Ended March 31

	2026	2025
Net foreign exchange gains	\$ 8,266	\$ 17,426
Gains (losses) on financial assets designated as at FVTPL	29,204	(2,130)
Gain on disposal of financial instruments	2,928	-
Depreciation of investment property	(2,876)	(2,528)
Other losses	(2)	(6)
	<u>\$ 37,520</u>	<u>\$ 12,762</u>

e. Finance costs

Three Months Ended March 31

	2026	2025
Interest on lease liabilities	\$ 1,113	\$ 1,032
Interest on loans	426	2,499
Reversal of discounted provisions	83	79
Other interest expenses	85	239
	<u>\$ 1,707</u>	<u>\$ 3,849</u>

f. Depreciation and amortization

Three Months Ended March 31

	2026	2025
Property, plant and equipment	\$ 100,237	\$ 97,308
Investment properties	2,876	2,528
Right-of-use assets	16,050	16,009
Intangible assets	25,243	24,817
	<u>\$ 144,406</u>	<u>\$ 140,662</u>

	Three Months Ended March 31	
	2026	2025
An analysis of depreciation by function		
Operating expenses	\$ 92,246	\$ 92,157
Operating costs	24,041	21,160
Other gains and losses	2,876	2,528
	<u>\$ 119,163</u>	<u>\$ 115,845</u>
An analysis of amortization by function		
Operating expenses	\$ 25,064	\$ 24,727
Operating costs	179	90
	<u>\$ 25,243</u>	<u>\$ 24,817</u>

For information regarding the allocation of intangible asset amortization expense to individual line items, please refer to Note 18.

g. Employee benefits expense

	Three Months Ended March 31	
	2026	2025
Short-term benefits	\$ 779,285	\$ 677,910
Post-employment benefits		
Defined contribution plans	18,962	18,296
Defined benefit plans (Note 22)	27	56
Share-based payments	6,434	8,894
	<u>\$ 804,708</u>	<u>\$ 705,156</u>
An analysis of employee benefits expense by function		
Operating expenses	\$ 717,965	\$ 625,389
Operating costs	86,743	79,767
	<u>\$ 804,708</u>	<u>\$ 705,156</u>

h. Employees' compensation and remuneration of directors

According to the articles of incorporation of the Company, the Company accrued employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 25%, and rates of no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. In accordance with the amendment to the Securities and Exchange Act enacted in August 2024, the Company's Articles of Incorporation were amended and approved by a resolution of the shareholders' meeting on May 29, 2025, to specify that no less than 50% of the employee remuneration allocated for the year shall be allocated to non-executive employees' compensation. The employees' compensation (including non-executive employees' compensation) and the remuneration of directors for the three months ended March 31, 2026 and 2025, respectively, are as follows:

Amount

	Three Months Ended March 31	
	2026	2025
Employees' compensation	<u>\$ 48,752</u>	<u>\$ 35,381</u>
Remuneration of directors	<u>\$ 7,313</u>	<u>\$ 5,307</u>

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

The employees' compensation and the remuneration of directors for the years ended December 31, 2025 and 2024, which were approved by the Company's board of directors on March 5, 2026 and March 6, 2025, respectively, are as follows:

Amount

	Years Ended December 31	
	2025	2024
	Cash	Cash
Employees' compensation	\$ 152,048	\$ 165,705
Remuneration of directors	22,807	24,856

There is no difference between the amounts of employees' compensation and remuneration of directors resolved by the Board of Directors and the amount recognized in the consolidated financial statements for the years ended December 31, 2025 and 2024.

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

i. Gains or losses on foreign currency exchange

	Three Months Ended March 31	
	2026	2025
Foreign exchange gains	\$ 90,076	\$ 69,401
Foreign exchange losses	(81,810)	(51,975)
Net benefit	<u>\$ 8,266</u>	<u>\$ 17,426</u>

26. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the current period	\$ 110,756	\$ 86,845
Adjustments for prior years	570	(20,752)
	<u>111,326</u>	<u>66,093</u>
Deferred tax		
In respect of the current period	3,365	(763)
Income tax expense recognized in profit or loss	<u>\$ 114,691</u>	<u>\$ 65,330</u>

b. Income tax assessments

The Company's tax returns through 2024 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

Unit: NT\$ Per Share

	Three Months Ended March 31	
	2026	2025
Basic earnings per share	\$ 4.60	\$ 3.45
Diluted earnings per share	\$ 4.56	\$ 3.43

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net income

	Three Months Ended March 31	
	2026	2025
Net income for the period	\$ 541,690	\$ 413,772
Earnings used in the computation of basic earnings per share	\$ 541,690	\$ 413,772
Effect of potentially dilutive ordinary shares:		
Employees' compensation	-	-
Earnings used in the computation of diluted earnings per share	\$ 541,690	\$ 413,772

Shares

Unit: in thousands of shares

	Three Months Ended March 31	
	2026	2025
Weighted average number of ordinary shares used in the computation of basic earnings per share	117,847	119,858
Effect of potentially dilutive ordinary shares:		
Employees' compensation	837	732
Weighted average number of ordinary shares used in the computation of dilutive earnings per share	118,684	120,590

Since the Company offered to settle compensation or bonuses paid to employees in cash or shares, the Company assumed the entire amount of the compensation or bonus will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per 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.

28. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee restricted shares of Forcelead Technology Corp.

On September 18, 2024, the extraordinary general shareholders' meeting of Forcelead Technology Corp. approved to issue for free of charge 500 thousand employee restricted shares, with a par value of \$10, according to the issuance plan, Forcelead Technology Corp. may issue the employee restricted shares either all at once or in several installments, depending on the actual needs, within two years from the effective date of the notice of issuance. The resolution was also filed to the Securities and Futures Bureau, FSC of the ROC and enforced on October 9, 2024.

Information on the Forcelead Technology Corp.'s issued employee restricted shares is as follows:

Date of approval by the shareholders' meeting	Number of shares expected to be issued (In thousands)	Number of shares resolved by the Board of Directors (In thousands)	Granted date	Effective date of the capital increase	Number of actually issued shares (In thousands)	Fair value on the granted date
2024.09.18	500	293	2024.10.30	2024.10.30	293	\$ 233.12
2024.09.18	500	46	2025.07.30	2025.07.30	46	132.00
2024.09.18	500	58	2025.12.17	2025.12.17	58	145.50

1) The vesting conditions for the employee restricted shares issued by Forcelead Technology Corp. are as follows:

- I .Remaining employed on each vesting period.
- II .Personnel who satisfied the Company's established individual performance assessment indicators and the Company's overall performance.
- III .Has not violated any contracts entered into with Forcelead Technology Corp. or its domestic or foreign subsidiaries or affiliates during any vesting period.
- IV .Has not violated these regulations or the work rules and company policies of Forcelead Technology Corp. or its domestic or foreign subsidiaries or affiliates during any vesting period.
- V .Has not violated any contracts between third parties and Forcelead Technology Corp. or its domestic or foreign subsidiaries or affiliates during any vesting period.

The maximum percentage of shares that may vest each year is as follows:

Vesting period	Proportion
Remain employed by Forcelead Technology Corp. for one year	25%
Remain employed by Forcelead Technology Corp. for two years	25%
Remain employed by Forcelead Technology Corp. for three years	25%
Remain employed by Forcelead Technology Corp. for four years	25%

2) After the allocation of new shares, employees will be delivered to a trust or custodian according to Forcelead Technology Corp.'s procedures. In addition, before meeting the vesting conditions, the restricted rights are as follows:

- I .According to the trust agreement, after the employee acquired the new shares, the employee cannot sell, mortgage, transfer, donate, pledge, no objection to the right to buy, or other way due to disposal before the vested condition is reached. However, if there are other norms in this measure, they shall be followed.

- II .The attendance, proposals, speeches, voting rights, and other shareholder rights of the shareholders' meeting shall be exercised by the trust custodian institution according to law.
- III .Employee restricted shares, after the new shares are issued, they should be immediately delivered to the trust, and the employee must not ask the trustee for any reason or manner to receive the return of the employee's rights to new shares before the vested condition is reached.
- IV .During the vesting period, if Forcelead Technology Corp. conducts a cash capital reduction or a capital reduction to offset losses, which is not a statutory capital reduction, the employee restricted shares shall be canceled in proportion to the capital reduction. In the case of a cash capital reduction, the refunded cash must be placed in trust or custody and delivered to the employees upon the fulfillment of the vesting conditions. However, if the vesting conditions are not met, Forcelead Technology Corp. will reclaim the cash.

3) The information regarding the new shares of restricted employee share awards issued are as follows:

	Number of Shares (In Thousands)	
	Three Months Ended March 31	
	2026	2025
Balance at January 1	304	293
Vested in current year	(3)	-
Balance at March 31	<u>301</u>	<u>293</u>

On October 30, 2024, Forcelead Technology Corp. granted employee restricted shares, which were valued using the Black-Scholes Pricing Model. The inputs values applied in the valuation model are as follows:

	October 2024
Grant date fair value of shares (NT\$)	\$ 233.12
Expected volatility rate	18.96%
Option life	1~4 years
Dividend yield	0.00%
Risk-free interest rate	1.3625%

If employees fail to meet the vesting conditions, Forcelead Technology Corp. will reclaim the shares without compensation and proceed with cancellation.

Compensation costs of the Group's employee restricted shares were \$6,434 thousand and \$8,894 thousand for the three months ended March 31, 2026 and 2025, respectively.

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In 2025, the Group did not participate in the cash capital increase of INFSitronix Technology Corp. in proportion to its existing ownership, the Group's shareholding percentage increased from 58.42% to 82.32%.

In 2025, due to the Group acquired the remaining of the mCore Technology Corp.'s shares, the Group's shareholding percentage increased from 90.73% to 100.00%.

In 2025, due to the Group acquired part of the Sensortek Technology Corp.'s shares, the Group's shareholding percentage increased from 46.06% to 46.31%.

In 2025, due to the Group acquired part of the Forcelead Technology Corp.'s shares, the issuance of employee restricted shares by Forcelead Technology Corp., and the subsequent retirement of unvested employee restricted shares through capital reduction upon the forfeiture of shares from resigned employees, the Group's shareholding percentage increased from 55.10% to 55.80%.

Due to the Group acquired part of the Sync-Tech System Corp.'s shares for the three months ended March 31, 2026, the Group's shareholding percentage increase from 45.11% to 45.16%.

In 2025, due to the Group sold and acquired part of the Sync-Tech System Corp.'s shares, the Group's shareholding percentage decreased from 45.48% to 45.11%.

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

Three Months Ended March 31, 2026

	<u>Sync-Tech System Corp.</u>
Cash consideration paid	(\$ 2,627)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred in non-controlling interests	834
Differences recognized from equity transactions	<u>(\$ 1,793)</u>

Line items adjusted for equity transactions

Capital surplus - differences between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	<u>(\$ 1,793)</u>
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Three Months Ended March 31, 2025

	<u>Sync-Tech System Corp.</u>
Cash consideration received	\$ 97,950
The proportionate share of the carrying amount of the net assets of the subsidiary transferred in non-controlling interests	<u>(27,492)</u>
Differences recognized from equity transactions	<u>\$ 70,458</u>

Line items adjusted for equity transactions

Capital surplus - differences between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	<u>\$ 70,458</u>
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30. CASH FLOW INFORMATION

a. Changes in liabilities arising from financing activities

Three Months Ended March 31, 2026

	January 1, 2026	Cash Flows	Non-cash Changes			March 31, 2026
			Foreign Exchange Movement	New Leases	Lease Modification	
Short-term borrowings	\$ 37,716	(\$ 37,700)	(\$ 16)	\$ -	\$ -	\$ -
Lease liabilities	175,009	(14,987)	753	56,395	(838)	216,332
Guarantee deposits received	121,938	10,035	2,261	-	-	134,234
	<u>\$ 334,663</u>	<u>(\$ 42,652)</u>	<u>\$ 2,998</u>	<u>\$ 56,395</u>	<u>(\$ 838)</u>	<u>\$ 350,566</u>

Three Months Ended March 31, 2025

	January 1, 2025	Cash Flows	Non-cash Changes		March 31, 2025
			Foreign Exchange Movement	New Leases	
Short-term borrowings	\$ 169,659	\$ 38,217	\$ 3,912	\$ -	\$ 211,788
Lease liabilities	220,031	(15,305)	257	248	205,231
Guarantee deposits received	182,992	(19,793)	(1,588)	-	161,611
	<u>\$ 572,682</u>	<u>\$ 3,119</u>	<u>\$ 2,581</u>	<u>\$ 248</u>	<u>\$ 578,630</u>

31. CAPITAL RISK MANAGEMENT

The objectives, policies and process of capital risk management and the capital structures of the Group in these consolidated financial statements were applied as the same as in the preparation of the consolidated financial statements for the year ended December 31, 2025. Please refer to Note 31 to the consolidated financial statements for the year ended December 31, 2025 for details.

32. FINANCIAL INSTRUMENTS

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

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements are relatively close to their fair values.

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

1) Fair value hierarchy

March 31, 2026

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic corporate funds	\$ 120,158	\$ -	\$ -	\$ 120,158
Convertible bonds	143,701	-	-	143,701
Exchangeable bonds	39,755	-	-	39,755
Domestic listed shares	16,374	-	-	16,374
Limited partnership	-	-	285,384	285,384
Derivative instruments				
Credit linked notes - linked to corporate bonds	-	770,639	-	770,639
Equity linked notes	-	95,753	-	95,753
Foreign exchange forward contracts and foreign exchange swap contracts	-	57,370	-	57,370
	<u>\$ 319,988</u>	<u>\$ 923,762</u>	<u>\$ 285,384</u>	<u>\$ 1,529,134</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI

Domestic listed shares	\$ 976,928	\$ -	\$ -	\$ 976,928
Foreign listed shares	5,754	-	-	5,754
Domestic unlisted equity investments	-	-	975,239	975,239
Foreign unlisted equity investments	-	-	710,048	710,048

(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in debt instruments at FVTOCI				
Corporate bonds	\$ -	\$ 526,421	\$ -	\$ 526,421
	<u>\$ 982,682</u>	<u>\$ 526,421</u>	<u>\$ 1,685,287</u>	<u>\$ 3,194,390</u>

Financial liabilities at FVTPL

Derivative instruments				
Foreign exchange forward contracts and foreign exchange swap contracts	\$ -	\$ 48,030	\$ -	\$ 48,030
				(Concluded)

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic corporate funds	\$ 106,516	\$ -	\$ -	\$ 106,516
Convertible bonds	138,390	-	-	138,390
Exchangeable bonds	19,635	-	-	19,635
Domestic listed shares	761	-	-	761
Limited partnership	-	-	239,524	239,524
Derivative instrument				
Credit linked notes - linked to corporate bonds	-	515,057	-	515,057
Foreign exchange forward contracts and foreign exchange swap contracts	-	81,874	-	81,874
	<u>\$ 265,302</u>	<u>\$ 596,931</u>	<u>\$ 239,524</u>	<u>\$ 1,101,757</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 1,000,254	\$ -	\$ -	\$ 1,000,254
Foreign listed shares	9,365	-	-	9,365
Domestic unlisted equity investments	-	-	953,469	953,469
Foreign unlisted equity investments	-	-	760,147	760,147
Investments in debt instruments at FVTOCI				
Corporate bonds	-	467,205	-	467,205
	<u>\$ 1,009,619</u>	<u>\$ 467,205</u>	<u>\$ 1,713,616</u>	<u>\$ 3,190,440</u>

Financial liabilities at FVTPL

Derivative instruments				
Foreign exchange forward contracts and foreign exchange swap contracts	\$ -	\$ 71,445	\$ -	\$ 71,445

March 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic corporate funds	\$ 102,621	\$ -	\$ -	\$ 102,621
Convertible bonds	92,566	-	-	92,566
Exchangeable bonds	9,675	-	-	9,675
Domestic listed shares	659	-	-	659
Limited partnership	-	-	159,141	159,141
Derivative instruments				
Credit linked notes - linked to corporate bonds	-	337,363	-	337,363
Equity linked notes	-	16,451	-	16,451
Foreign exchange forward contracts and foreign exchange swap contracts	-	28,252	-	28,252
	<u>\$ 205,521</u>	<u>\$ 382,066</u>	<u>\$ 159,141</u>	<u>\$ 746,728</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 520,777	\$ -	\$ -	\$ 520,777
Foreign listed shares	11,368	-	-	11,368
Domestic unlisted equity investments	-	-	448,900	448,900
Foreign unlisted equity investments	-	-	675,458	675,458
Investments in debt instruments at FVTOCI				
Corporate bonds	-	566,296	-	566,296
	<u>\$ 532,145</u>	<u>\$ 566,296</u>	<u>\$ 1,124,358</u>	<u>\$ 2,222,799</u>
<u>Financial liabilities at FVTPL</u>				
Derivative instruments				
Foreign exchange forward contracts and foreign exchange swap contracts	\$ -	\$ 24,778	\$ -	\$ 24,778

For the three months ended March 31, 2026 and 2025, there were no transfers between Level 1 and Level 2 fair value measurements.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Corporate bonds	Based on the public market quotes provided by third -party agencies.
Credit linked notes - linked to corporate bonds	Based on the public market quotation of corporate bond, the parameters of the repurchase, the coupon interest and the interest compensation are considered as the basis for fair value measurement.
Equity linked notes	Based on the public market quotation of stock, the parameters of the repurchase and the interest compensation are considered as the basis for fair value measurement.

Financial Instruments**Valuation Techniques and Inputs**

Derivatives - foreign exchange forward contracts and foreign exchange swap contracts

Discounted cash flow method:

Estimate the future cash flow at the end of the period by observing the forward exchange rate and the exchange rate and interest rate set by the contract, and have already discounted the discount rate of each counterparty's credit risk.

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

Domestic and foreign unlisted equity investments are evaluated by the net asset value method. The management of the Group evaluates the target of such equity investments with the active market quotation, and the net asset amount tends to the fair value of the equity investments.

The domestic and foreign limited partnership are valued using the net asset value method. The management of the Group evaluates that the amount of the net assets of this investment is equivalent to its fair value. The evaluation covers the total value of the investment's individual assets and liabilities, which reflects the value of the entity or business.

4) Adjustment of financial instruments measured using Level 3 fair values

The Group's financial assets under level 3 fair value measurement are financial instruments at FVTPL and equity instruments measured at fair value through other comprehensive income.

Three Months Ended March 31, 2026

	Financial instruments at FVTPL	Equity instruments at FVTOCI	Total
Balance at January 1	\$ 239,524	\$ 1,713,616	\$ 1,953,140
Additions	30,749	-	30,749
Recognized under profit or loss	13,910	-	13,910
Recognized under other comprehensive income	-	(28,329)	(28,329)
Cumulative translation adjustments	1,201	-	1,201
Balance at March 31	<u>\$ 285,384</u>	<u>\$ 1,685,287</u>	<u>\$ 1,970,671</u>

Three Months Ended March 31, 2025

	Financial instruments at FVTPL	Financial instruments at FVTOCI	Total
Balance at January 1	\$ 165,939	\$ 1,260,418	\$ 1,426,357
Disposal	(2,219)	-	(2,219)
Recognized under profit or loss	(4,579)	-	(4,579)
Recognized under other comprehensive income	-	(136,060)	(136,060)
Balance at March 31	<u>\$ 159,141</u>	<u>\$ 1,124,358</u>	<u>\$ 1,283,499</u>

c. Categories of financial instrument

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 1,529,134	\$ 1,101,757	\$ 746,728
Financial assets at amortized cost (1)	10,863,049	10,628,191	12,009,741
Financial assets at FVTOCI			
Equity instruments	2,667,969	2,723,235	1,656,503
Debt instruments	526,421	467,205	566,296
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	48,030	71,445	24,778
Financial liabilities at amortized cost(2)	3,843,374	3,614,197	3,121,617

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, pledged fixed deposits, time deposits with original maturities of more than 3 months, notes receivable and trade receivables (including receivables from related parties), other receivables, other current assets and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes and trade payables, other payables (including other payables to related parties), temporary receipts and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables and borrowings. The Group'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 Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group'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). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

There has been no change in the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group's operating activities are partially denominated in foreign currencies and thus have partial natural hedging effects.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 36.

Sensitivity analysis

The Group was mainly exposed to the USD, JPY and CNY.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e. the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase (decrease) in pre-tax profit and other equity associated with the New Taiwan dollar weakening (strengthening) 5% against the relevant currency.

	USD Impact		JPY Impact		CNY Impact	
	Three Months Ended March 31		Three Months Ended March 31		Three Months Ended March 31	
	2026	2025	2026	2025	2026	2025
Profit or loss	\$ 27,533	\$ 6,910	(\$ 154)	\$ 1,039	\$ 5,290	\$ 11,092

b) Interest rate risk

The Group was exposed to interest rate risk because the Group borrowed funds at both fixed and floating interest rates.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
Financial assets	\$ 7,217,149	\$ 6,948,398	\$ 9,422,385
Financial liabilities	216,332	212,739	293,770
Cash flow interest rate risk			
Financial assets	2,336,288	2,236,790	1,345,060
Financial liabilities	-	-	123,456

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate net assets, the analysis was prepared assuming the amount of each net assets outstanding at the end of the reporting period was outstanding for the three months ended March 31.

If interest rates had been 0.1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2026 and 2025 would increase/decrease by \$584 thousand and \$305 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on variable-rate net assets. The Group's

pre-tax other comprehensive income for the three months ended March 31, 2026 and 2025 would decrease/increase by \$132 thousand and \$142 thousand, respectively, which was mainly due to the changes in the fair value of investments in fixed-rate debt instruments at FVTOCI.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities, convertible bonds, exchangeable bonds, credit linked structured notes of listed companies and mutual fund investments. The Group does not actively trade these investments. The Group's equity price risk is mainly concentrated in equity instruments operating in the semiconductor industry, finance and insurance industries structured notes and exchange-traded funds quoted on the Taiwan Stock Exchange and the Taipei Exchange.

Sensitivity analysis

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

If equity prices had been 5% higher/lower, pre-tax income for the three months ended March 31, 2026 and 2025 would have increased/decreased by \$59,319 thousand and \$27,967 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTPL. Pre-tax other comprehensive income for the three months ended March 31, 2026 and 2025 would have increased/decreased by \$49,134 thousand and \$26,607 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTOCI.

2) Credit risk

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

To mitigate credit risk, the management of the Group assigns a dedicated team responsible for credit line decisions, credit approvals and other monitoring procedures to ensure appropriate actions are taken for the collections of overdue receivables. In addition the Group reviews conditions on each collecting receivable to ensure the uncollectible amounts are provided with appropriate impairment losses. Accordingly, the management of the Group believes that the credit risk of the Group has been significantly reduced.

In addition, since the counterparties of liquidity and derivative financial instruments are banks with sound credit ratings, the credit risk is limited.

Apart from customers whose accounts receivable constitute more than 10% of the Group's total trade receivables, the Group did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk is minimal because the customers which account for more than 10% of the Group's trade receivables balance are creditworthy companies.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2026, December 31 and March 31, 2025, the Group had available unutilized short-term bank loan facilities set out in (c) below.

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

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

March 31, 2026

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities	\$ 1,696,466	\$ 2,116,808	\$ 793,829	\$ -	\$ -	\$ 4,607,103
Dividends payable	-	330,101	1,444,864	-	-	1,774,965
Lease liabilities	5,254	10,522	24,557	59,167	187,335	286,835

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities	\$ 1,778,370	\$ 1,882,645	\$ 754,625	\$ -	\$ -	\$ 4,415,640
Lease liabilities	4,792	9,611	27,046	48,222	136,101	225,772
Fixed interest rate liabilities	37,730	-	-	-	-	37,730

March 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities	\$ 1,351,392	\$ 1,630,623	\$ 666,031	\$ -	\$ -	\$ 3,648,046
Dividends payable	-	501,914	1,497,538	-	-	1,999,452
Lease liabilities	5,381	10,786	44,958	58,282	138,417	257,824
Fixed interest rate liabilities	40	43	88,456	-	-	88,539
Floating interest rate liabilities	91,584	31,872	-	-	-	123,456

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

March 31, 2026

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Foreign exchange forward contracts and foreign exchange swaps contracts				
Inflows	\$ 525,141	\$1,828,547	\$ 622,348	\$ -
Outflows	(523,594)	(1,818,156)	(624,946)	-
	<u>\$ 1,547</u>	<u>\$ 10,391</u>	<u>(\$ 2,598)</u>	<u>\$ -</u>

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Foreign exchange forward contracts and foreign exchange swaps contracts				
Inflows	\$ 293,229	\$1,175,826	\$1,351,241	\$ -
Outflows	(291,403)	(1,172,440)	(1,346,024)	-
	<u>\$ 1,826</u>	<u>\$ 3,386</u>	<u>\$ 5,217</u>	<u>\$ -</u>

March 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Foreign exchange forward contracts and foreign exchange swaps contracts				
Inflows	\$ -	\$ 523,293	\$ 979,360	\$ -
Outflows	-	(525,330)	(973,849)	-
	<u>\$ -</u>	<u>(\$ 2,037)</u>	<u>\$ 5,511</u>	<u>\$ -</u>

c) Financing facilities

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 14,003	\$ 51,719	\$ 243,856
Amount unused	6,994,957	7,129,321	5,899,597
	<u>\$ 7,008,960</u>	<u>\$ 7,181,040</u>	<u>\$ 6,143,453</u>

The amount of used bank facilities includes a performance guarantee of \$14,003 thousand, \$14,003 thousand and \$32,068 thousand, respectively, which were guaranteed by the bank in respect of the IC Design Top Grant Program to the Taipei Computer Association by the Group as of March 31, 2026, December 31 and March 31, 2025.

33. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which were related parties of the Company, had been eliminated on consolidation and are not disclosed in this note. Detail of transactions between the Group and other related parties are disclosed below:

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Silicon Power Computer & Communications Inc.	Substantive related party
ezGlobal Corp.	Substantive related party
esGMeta Co.,Ltd.	Associates

b. Sales of goods

<u>Related Party Category</u>	<u>Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Substantive related party	\$ 2,592	\$ 1,582
Associates	15	100
	<u>\$ 2,607</u>	<u>\$ 1,682</u>

The transactions for related parties were negotiated under the terms of general transactions and prices.

c. Operating expenses

<u>Related Party Category</u>	<u>Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Substantive related party	\$ 266	\$ 326

The transactions in which the Group made payments of operating expenses to a related party were subject to a contractual agreement as there were no similar transactions for comparison.

d. Other income

<u>Related Party Category</u>	<u>Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Associates	<u>\$ 153</u>	<u>\$ 154</u>

In December 2023, the Group invested in associates through technical pricing, recognized other income of \$9,048 thousand. However, as this income will be realized over time, \$4,298 thousand was deferred according to the shareholding ratio. As of March 31, 2026, \$2,610 thousand had been realized and recognized, while the remaining \$1,688 thousand will be deferred. The transaction was subject to the contractual agreement as there were no similar transactions for comparison.

e. Trade receivables from related parties

<u>Line Item</u>	<u>Related Party Category</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Trade receivables from related parties	Substantive related party	<u>\$ 836</u>	<u>\$ 3,018</u>	<u>\$ 1,661</u>

The outstanding trade receivables from related parties were unsecured. No impairment losses were recognized for trade receivables from related parties.

f. Prepayments

<u>Related Party Category</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Substantive related party	<u>\$ 257</u>	<u>\$ 207</u>	<u>\$ 91</u>

g. Trade payables to related parties

<u>Line Item</u>	<u>Related Party Category</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Other payables to related parties	Substantive related party	<u>\$ 332</u>	<u>\$ 204</u>	<u>\$ 439</u>

The outstanding trade payables to related parties are unsecured.

h. Lease arrangement-the Group is lessor

Operating lease rental

Future lease receivables are as follows:

<u>Related Party Category</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Substantive related party	<u>\$ 6,886</u>	<u>\$ 508</u>	<u>\$ 2,034</u>

Lease income were as follows:

Related Party Category	Three Months Ended March 31	
	2026	2025
Substantive related party	\$ 514	\$ 514

The terms of transactions between the Group and its related parties for the collection of rent are based on the terms of contractual agreements as there were no similar transactions for comparison.

Related Party Category	Three Months Ended March 31	
	2026	2025
<u>Deposit interest</u> Substantive related party	\$ 6	\$ 6

i. Contract liability

Related Party Category	March 31, 2026	December 31, 2025	March 31, 2025
Associates	\$ 35	\$ 50	\$ 42

j. Guarantee deposits received

Related Party Category	March 31, 2026	December 31, 2025	March 31, 2025
Substantive related party	\$ 402	\$ 356	\$ 356

The guarantee deposits received are mainly generated from the rental deposits.

k. Remuneration of key management personnel

	Three Months Ended March 31	
	2026	2025
Short-term employee benefits	\$ 61,309	\$ 49,732
Post-employment benefits	605	563
	\$ 61,914	\$ 50,295

The remuneration of directors and other key executives was determined by the performance of individuals and the Group's profits.

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for the tariff of imported raw materials guarantees:

	March 31, 2026	December 31, 2025	March 31, 2025
Pledged time deposits (classified under financial assets measured at amortized cost – current)	\$ 830,520	\$ 830,450	\$ 833,548

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

In addition to those disclosed in other notes, the significant commitments of the Group at the balance sheet date are as follows:

a. Long-term purchase agreements

The Group entered into long-term purchase agreements of materials with suppliers during 2021. Both parties agreed that during the contract period, the suppliers would deliver the materials to the Group in accordance with the agreements. As of March 31, 2026, the Group had paid the suppliers USD 648 thousand as guarantee to ensure the supply of materials. The rights and obligations of both parties are based on the content of each agreement. Refundable deposits was USD 648 thousand.

b. Acquisition of Property

For the construction of its new plant office building, Sync-Tech System Corp. entered into several construction contracts with various companies, with total contractual payments amounting to NT\$580,915 thousand. As of March 31, 2026, NT\$482,440 thousand was paid as consideration by Sync-Tech System Corp., with NT\$98,475 thousand remaining unpaid.

Forcelead Technology Corp's Board of Directors approved on September 6, 2023 to purchase the office premises and entered into a purchase agreement with Winsome Development Co., Ltd. to acquire office on the 8th and 9th floors and parking spaces of Building 2B, Phase 10 of Tai Yuen Hi-Tech Industrial Park, in the amounting of NT\$937,250 thousand (including tax). As of March 31, 2026, NT\$215,570 thousand was paid as consideration.

The Company's Board of Directors approved on May 2, 2024, to purchase the office premises and entered into a purchase agreement with Winsome Development Co., Ltd. to acquire office on the 7th floors and parking spaces of Building 2B, Phase 10 of Tai Yuen Hi-Tech Industrial Park, in the amounting of NT\$468,800 thousand (including tax). As of March 31, 2026, NT\$107,810 thousand was paid as consideration.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	<u>March 31, 2026</u>		<u>December 31, 2025</u>		<u>March 31, 2025</u>	
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 101,918	31.995	\$ 101,325	31.43	\$ 84,418	33.205
JPY	64,245	0.2005	63,509	0.2008	174,476	0.2227
CNY	29,407	4.629	32,745	4.496	48,527	4.573
<u>Non-monetary items</u>						
USD	85,507	31.995	80,597	31.43	53,668	33.205
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	84,707	31.995	90,906	31.43	80,256	33.205
JPY	79,619	0.2005	103,836	0.2008	81,140	0.2227
CNY	6,553	4.629	124	4.496	17	4.573
<u>Non-monetary items</u>						
USD	39,500	31.995	44,000	31.43	23,000	33.205

The Group is mainly exposed to the USD, JPY and CNY. The following information was aggregated by the functional currencies of the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency	Three Months Ended March 31, 2026		Three Months Ended March 31, 2025	
	Exchange Rate	Net Foreign Exchange (Losses) Gains	Exchange Rate	Net Foreign Exchange (Losses) Gains
NTD	1(NTD:NTD)	\$ 15,382	1(NTD:NTD)	\$ 18,835
CNY	4.629(CNY:NTD)	(7,116)	4.573(CNY:NTD)	(1,409)
		<u>\$ 8,266</u>		<u>\$ 17,426</u>

37. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions:
 - 1) Financing provided to others: Table 1 (attached)
 - 2) Endorsements/guarantees provided: Table 2 (attached)
 - 3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 3 (attached)
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4 (attached)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
 - 6) Others: Intercompany relationships and significant intercompany transactions: Table 5 (attached)
- b. Information on investees: Table 6 (attached)
- c. Information on investments in mainland China: Table 7 and 8 (attached)

In the preparation of the consolidated financial statements, major transactions between parent and subsidiary companies and their balances have been fully eliminated.

38. SEGMENT INFORMATION

The operating decision makers of the Group use the distribution of resources and the evaluation of segment performance to focus on the financial information of the Group as a whole, while individual companies have similar economic characteristics, and individual companies have used similar processes to produce similar products and sell them through the same sales method, so the Company and its subsidiaries are reported by the single operating department.

The Company and its subsidiaries provide the segment information reviewed by the operating decision maker on the same basis as the financial statements, and the profit and loss, assets and liabilities of the operating department are measured on the same basis as the combined financial report preparation. Therefore, the segment income and operating results for the three months ended March 31, 2026 and 2025 can be referenced by the consolidated statement of comprehensive income for the three months ended March 31, 2026 and 2025.

Segment assets that should be reported can be found in the consolidated balance sheets as of March 31, 2026, December 31 and March 31, 2025.

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(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 Amount Borrowed	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits
													Item	Value		
0	The Company	INFSitronix Technology Corp.	Other receivables from related parties	Yes	\$ 70,000	\$ 70,000	\$ 6,399	3.98%	For financing	\$ -	Working capital	\$ -	—	\$ -	\$ 2,447,299	\$ 4,894,598
		mCore Technology Corp.	Other receivables from related parties	Yes	50,000	50,000	22,237	3.98%	For financing	-	Working capital	-	—	-	2,447,299	4,894,598
		Seer Microelectronics, Inc.	Other receivables from related parties	Yes	50,000	50,000	-	-	For financing	-	Working capital	-	—	-	2,447,299	4,894,598
		Sitronix Investment Corp.	Other receivables from related parties	Yes	30,000	30,000	30,000	1.8%	For financing	-	Working capital	-	—	-	2,447,299	4,894,598
1	HeFei Sitronix Technology Co., Ltd.	Sitronix Technology (Shenzhen) Co., Ltd.	Other receivables from related parties	Yes	115,725	115,725	-	-	For financing	-	Working capital	-	—	-	173,770	347,539

Note 1: The description is as follows

- Lender is numbered as 0.
- Investee is numbered sequentially from 1.

Note 2: According to the "Financing providing and operation management method", the total amount and the available amount to any individual for lending are as follows:

- The total amount for lending shall not exceed 40% of SITRONIX's net worth. However the total amount lendable to any subsidiary for short-term financing could upper to the total available amount of the company.
- The total amount for lending to or lending from any directly or indirectly hold foreign subsidiaries with 100% ownership, shall not exceed 40% of the net worth of the lending company. The total amount for lending to any individual shall not exceed 50% of the total available amount.
- Where funds are lent to a company or business with business relationships with the Company, the total amount for lending to any individual shall not exceed the amount of business transaction between the two parties. Amount of business transaction defines the highest amount of purchase or sales.
- The total amount for lending to any individual shall not exceed 50% of the Company's net worth for the company or firm that needs short-term financing.

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount of endorsement and guarantee by property	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Company	HeFei Sitronix Technology Co., Ltd.	Subsidiary	\$ 6,118,248	\$ 600,000	\$ 600,000	\$ 319,950	\$ -	5.24	\$ 6,118,248	Yes	—	Yes
		mCore Technology Corp.	Subsidiary	6,118,248	100,000	100,000	23,608	-	0.87	6,118,248	Yes	—	—
		CELEFIDE CO.,LTD.	Subsidiary	6,118,248	200,000	200,000	79,988	-	1.75	6,118,248	Yes	—	Yes
		Seer Microelectronics, Inc.	Subsidiary	6,118,248	200,000	200,000	9,599	-	1.75	6,118,248	Yes	—	—
		INFSitronix Technology Corp.	Subsidiary	6,118,248	100,000	100,000	7,999	-	0.87	6,118,248	Yes	—	—

Note 1: The description is as follows

1. Lender is numbered as 0.
2. Investee is numbered sequentially from 1.

Note 2: According to the “endorsement guarantee operation management measures” of Sitronix Technology Corp. The total amount of endorsement guarantee shall not exceed 50% of the net value in the latest year’s financial statements audited by CPA. The amount of endorsement guarantee for a single enterprise shall not exceed 25% of the net value of the latest year’s financial statements audited by CPA. However, the amount of endorsement guarantee for the company that directly and indirectly holds more than 50% of the voting shares of a company shall not exceed 50% of the net value of the latest year’s financial statements audited by CPA.

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD

MARCH 31, 2026

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2026				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	<u>Stock</u> Cathay Financial Holding Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	3,431,000	\$ 213,065	-	\$ 213,065	Note 1
	Silicon Power Computer & Communications Inc.	Substantive related party	Investments in equity instruments at fair value through other comprehensive income - current	4,198,701	259,480	-	259,480	Note 1
	<u>Equity Investment</u> HANS GLOBAL SELECT FUND LIMITED	-	Investments in equity instruments at fair value through other comprehensive income - non-current	120,000	368,059	-	368,059	Note 2
	Fong Huang VII Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	16,000,000	196,108	7	196,108	Note 2
	Fong Huang VI Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	22,000,000	276,939	11	276,939	Note 2
	Sensortek Technology Corp.	<u>Stock</u> Sitronix Technology Corp.	The Parent Company	Investments in equity instruments at fair value through other comprehensive income - non-current	2,472,000	472,152	-	472,152
Sitronix Investment Corp.	<u>Equity Investment</u> HANS GLOBAL SELECT FUND LIMITED	-	Investments in equity instruments at fair value through other comprehensive income - non-current	111,500	341,989	-	341,989	Note 2

Note 1: Calculated based on the closing price on March 31, 2026.

Note 2: Calculated based on the net value on March 31, 2026.

Note 3: As of March 31, 2026, the above listed marketable securities were neither provided as guarantee nor pledged as collateral for loans.

Note 4: The marketable securities listed in the table above refer to the securities, bonds, beneficiary certificates and securities that fall within the scope of IFRS 9 "Financial Instruments".

Note 5: This table presents the marketable securities disclosed by the Group in accordance with the principle of materiality.

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/ Trade Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	Sensortek Technology Corp.	Subsidiary	Purchase	\$ 637,585	36%	Net 60 days from the ship date	\$ -	—	(\$ 396,032)	(24%)	—

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
 FOR THE THREE MONTHS ENDED MARCH 31, 2026
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms (Note 1)	% of Total Sales or Assets
0	The Company	Sensortek Technology Corp.	from the parent company to the subsidiary	Purchases	\$ 637,585	—	12%
				Other receivables	124,633	—	-
				Trade payables	396,032	—	2%
		Forcelead Technology Corp.	from the parent company to the subsidiary	Other receivables	246,402	—	1%
		mCore Technology Corp.	from the parent company to the subsidiary	Other receivables	33,423	—	-
		Sync-Tech System Corp.	from the parent company to the subsidiary	Other receivables	52,130	—	-
Sitronix Investment Corp.	from the parent company to the subsidiary	Other receivables	30,000	—	-		

Note 1 : The transactions were based on mutual agreement or contractual agreement ; therefore, there was no appropriate transaction object to compare.

Note 2 : The disclosure of significant transactions in this table may be determined by the Group in accordance with the principle of materiality.

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

**NAMES, LOCATIONS, AND RELATED INFORMATION ON INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Foreign Currencies in Thousands)		Balance as of March 31, 2026			Net Income (Loss) of the Investee	Share of (Loss) Profit (Note 2)
				March 31, 2026	December 31, 2025	Number of Shares	Percentage of Ownership (%)	Carrying Amount		
The Company	Sitronix Investment Corp.	Taiwan	Investment	\$ 367,270	\$ 367,270	33,249,060	100.00	\$ 342,009	(\$ 1,704)	(\$ 1,704)
	Forcelead Technology Corp.	Taiwan	R&D, design and sale of multi-functional integrated automotive display driver ICs	734,419	734,419	23,437,545	55.80	1,380,118	136,233	76,013
	Sensortek Technology Corp.	Taiwan	R&D, design and sales of sensor integrated circuit products	133,721	133,721	22,651,596	46.31	1,674,048	107,133	49,614
	mCore Technology Corp.	Taiwan	Providing solutions for consumer display and voice/audio related applications	158,505	158,505	10,562,669	100.00	129,697	8,841	8,841
	Sync-Tech System Corp.	Taiwan	Design, manufacturing and maintenance of semiconductor consumables and testing equipment	564,558	561,930	14,892,855	45.16	654,012	48,416	21,857
	INFSitronix Technology Corp.	Taiwan	Comprehensive line of Power supervisor IC design	292,056	292,056	13,804,166	82.32	98,810	(4,913)	(4,044)
	ezGreen Inc.	Taiwan	Software design and electronic information supply services	90,000	220,000	9,000,000	100.00	67,407	(13,433)	(13,433)
	Seer Microelectronics, Inc.	Taiwan	High performance sensor IC with single photon design and applications	95,000	95,000	9,500,000	72.66	32,778	(3,609)	(2,622)
	Sitronix Holding International Ltd.	Samoa	Investment	191,970	191,970	6,000,000	100.00	249,145	1,474	1,474
	Sitronix Global Limited	Seychelles	Investment	(USD 6,000)	(USD 6,000)	18,783,012	100.00	914,568	43,616	43,616
			(CNY 135,000)	(CNY 135,000)						
	HesproTech Corp.	Taiwan	Research, and development, design, production, and sale of smart products, fire fighting equipment, and industrial control products	60,000	-	6,000,000	100.00	58,665	(1,335)	(1,335)
Sitronix Investment Corp.	Sensortek Technology Corp.	Taiwan	R&D, design and sales of sensor integrated circuit products	10	10	2,290	-	191	107,133	5
	INFSitronix Technology Corp.	Taiwan	Comprehensive line of Power supervisor IC design	10	10	107	-	1	(4,913)	-
ezGreen Inc.	esGMeta Co.,Ltd.	Taiwan	Carbon footprint verification, analysis of data on carbon system platforms, execution of carbon reduction projects and commissioning of carbon trading rights	9,500	9,500	9,500,000	33.93	2,300	(1,951)	(662)

Note 1 : Foreign currencies is converted into NTD using the exchange rates of the US dollar and CNY to NTD on March 31, 2026.

Note 2: The investment income or loss recognized for the current period is calculated based on the investee's financial statements and the percentage of ownership.

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Foreign Currencies in Thousands)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026 (Foreign Currencies in Thousands)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2026 (Foreign Currencies in Thousands)	Net Income (Loss) of the Investee	% Ownership for Direct or Indirect Investment	Investment (Loss) Gain (Note 7)	Carrying Amount as of March 31, 2026	Accumulated Repatriation of Investment Income as of March 31, 2026
					Outward (Foreign Currencies in Thousands)	Inward (Foreign Currencies in Thousands)						
Sitronix Technology (Shenzhen) Co., Ltd.	Computer software and hardware development, sales and after-sales service business and related technical consulting services	\$ 12,798 (USD 400)	Note 3	\$ 12,798 (USD 400)	\$ -	\$ -	\$ 12,798 (USD 400)	\$ 1,826	100%	\$ 1,826	\$ 44,116	\$ 10,237
HeFei ezGreen Co., Ltd.	Design, sales and technical services of Supplier management software development	69,435 (CNY 15,000)	Note 4	69,435 (CNY 15,000)	-	-	69,435 (CNY 15,000)	179	100%	179	19,802	-
CELEFIDE CO., LTD.	R&D, design, sales and technical services of integrated circuits and system hardware and software	231,450 (CNY 50,000)	Note 5	104,153 (CNY 22,500)	-	-	104,153 (CNY 22,500)	(31,143)	90%	(28,029)	389,969	-
HeFei Sitronix Technology Co., Ltd.	R&D and sale of integrated circuits; R&D, service and sales of integrated circuits chip	624,915 (CNY135,000)	Note 6	624,915 (CNY135,000)	-	-	624,915 (CNY135,000)	43,616	100%	43,616	912,845	-

Investor Company	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2026 (Foreign Currencies in Thousands)	Investment Amount Authorized by the Investment Commission, MOEA (Foreign Currencies in Thousands)	Upper Limit on the Amounts of Investment Stipulated by Investment Commission, MOEA (Note 2)
Sitronix Technology Corporation	\$ 836,541 (USD 26,146)	\$ 1,205,604 (USD 37,681)	\$ 6,872,330

Note 1: Foreign currencies are converted into NTD using the exchange rates of the US dollar and CNY to NTD on March 31, 2026.

Note 2: According to the regulations of the Investment Commission, MOEA, the upper limit on investment in mainland China is 60% of net worth.

Note 3: Direct Investment, as of March 31, 2026, the total investment amount approved by the Investment Commission, MOEA, is US\$400 thousand, and the investment amount of US\$400 thousand has been remitted.

Note 4: Direct Investment, as of March 31, 2026, the total investment amount approved by the Investment Commission, MOEA, is CNY20,000 thousand, and the investment amount of CNY15,000 thousand has been remitted.

Note 5: Direct Investment, as of March 31, 2026, the total investment amount approved by the Investment Commission, MOEA, is CNY45,000 thousand, and the investment amount of CNY22,500 thousand has been remitted, and the capital increase from capital surplus in the amount of CNY22,500 thousand.

Note 6: Indirect Investment, through investment in a company through incorporating a company in a third region, as of March 31, 2026, the total investment amount approved by the Investment Commission, MOEA, is CNY190,000 thousand, and the investment amount of CNY135,000 thousand has been remitted.

Note 7: The investment income or loss recognized for the current period is calculated based on the investee's financial statements and the percentage of ownership.

SITRONIX TECHNOLOGY CORPORATION 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 THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Relationship	Transaction Type	Total Operating Expenses		Price	Transaction Details		Notes/Trade Receivable (Payable)		Unrealized (Loss) Gain	Note
				Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
The Company	Sitronix Technology (Shenzhen) Co., Ltd.	from the parent company to the subsidiary	Professional service fees	\$ 27,808	6%	Calculated based on the contract	Calculated based on the contract	No related similar transactions to follow	(\$ 28,885)	4%	\$ -	—