

**PHOENIX SILICON INTERNATIONAL
CORPORATION
FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REVIEW REPORT
MARCH 31, 2026 AND 2025**

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

PHOENIX SILICON INTERNATIONAL CORPORATION
MARCH 31, 2026 AND 2025 FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REVIEW REPORT
TABLE OF CONTENTS

<u>Contents</u>	<u>Page/Number/Index</u>
1. Cover Page	1
2. Table of Contents	2 ~ 3
3. Independent Auditors' Review Report	4 ~ 5
4. Balance Sheets	6 ~ 7
5. Statements of Comprehensive Income	8
6. Statements of Changes in Equity	9
7. Statements of Cash Flows	10 ~ 11
8. Notes to the Financial Statements	12 ~ 50
(1) History and Organisation	12
(2) The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation	12
(3) Application of New Standards, Amendments and Interpretations	12 ~ 13
(4) Summary of Material Accounting Policies	13 ~ 14
(5) Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty	14
(6) Details of Significant Accounts	14 ~ 35

Contents	Page/Number/Index
(7) Related Party Transactions	35
(8) Pledged Assets	35
(9) Significant Contingent Liabilities and Unrecognised Contract Commitments	35 ~ 36
(10) Significant Disaster Loss	36
(11) Significant Events after the Balance Sheet Date	36
(12) Others	36 ~ 49
(13) Supplementary Disclosures	49
(14) Segment Information	50

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR26000164

To the Board of Directors and Shareholders of Phoenix Silicon International Corporation

Introduction

We have reviewed the accompanying balance sheets of Phoenix Silicon International Corporation (the "Company") as at March 31, 2026 and 2025, and the related statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these financial statements based on our reviews.

Scope of review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company as at March 31, 2026 and 2025, and of its financial performance and its cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Liu, Chien-Yu

Li, Tien-Yi

For and on behalf of PricewaterhouseCoopers, Taiwan

May 12, 2026

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

PHOENIX SILICON INTERNATIONAL CORPORATION
BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
 (Expressed in thousands of New Taiwan dollars)

Assets			March 31, 2026		December 31, 2025		March 31, 2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 946,326	8	\$ 1,000,272	8	\$ 1,266,358	12
1110	Current financial assets at fair value through profit or loss	6(2)	6,527	-	11,762	-	7,000	-
1140	Current contract assets	6(19)	1,145,994	9	919,910	8	487,120	5
1170	Accounts receivable, net	6(4)	597,194	5	493,100	4	504,958	5
1200	Other receivables		29,436	-	5,484	-	18,009	-
130X	Inventories	6(5)	173,647	1	167,316	1	168,471	2
1410	Prepayments		30,030	-	55,918	1	15,746	-
1470	Other current assets		1,666	-	895	-	268	-
11XX	Current Assets		2,930,820	23	2,654,657	22	2,467,930	24
Non-current assets								
1535	Non-current financial assets at amortised cost	6(3) and 8	15,055	-	15,055	-	16,555	-
1600	Property, plant and equipment	6(6) and 9	9,135,451	71	8,677,663	71	6,962,431	68
1755	Right-of-use assets	6(7)	289,535	2	293,870	3	306,873	3
1780	Intangible assets		15,814	-	16,634	-	16,967	-
1840	Deferred income tax assets		47,056	1	44,946	-	34,262	1
1900	Other non-current assets	6(9)	374,976	3	466,109	4	405,966	4
15XX	Non-current assets		9,877,887	77	9,514,277	78	7,743,054	76
1XXX	Total assets		\$ 12,808,707	100	\$ 12,168,934	100	\$ 10,210,984	100

(Continued)

PHOENIX SILICON INTERNATIONAL CORPORATION
BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	March 31, 2026		December 31, 2025		March 31, 2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2120	Financial liabilities at fair value	6(10)						
	through profit or loss - current		\$	-	-	\$	200	-
							\$	1,326
2170	Accounts payable			205,341	2		197,503	2
2200	Other payables	6(11)		1,301,126	10		877,292	7
2230	Current income tax liabilities			152,205	1		104,998	1
2280	Current lease liabilities			17,310	-		18,303	-
2320	Long-term liabilities, current	6(13) and 8						
	portion			590,946	5		637,472	5
								851,014
2399	Other current liabilities, others			57	-		460	-
								75
21XX	Current Liabilities			2,266,985	18		1,836,228	15
								1,645,001
Non-current liabilities								
2530	Bonds payable	6(12)		970,842	8		1,498,430	13
2540	Long-term borrowings	6(13) and 8		3,815,318	30		3,400,938	28
2550	Provisions for liabilities - non-	6(15)						
	current			25,624	-		25,126	-
								23,688
2570	Deferred tax liabilities			6,086	-		5,570	-
								4,780
2580	Non-current lease liabilities			270,928	2		274,485	2
								288,238
2600	Other non-current liabilities	6(14)		19,990	-		20,289	-
								19,328
25XX	Non-current liabilities			5,108,788	40		5,224,838	43
								3,941,641
2XXX	Total Liabilities			7,375,773	58		7,061,066	58
								5,586,642
Equity								
	Share capital	6(16)						
3110	Share capital - common stock			1,794,917	14		1,752,831	14
	Capital surplus	6(17)						
3200	Capital surplus			2,456,485	19		1,969,058	17
								1,657,049
	Retained earnings	6(18)						
3310	Legal reserve			278,330	2		278,330	2
3350	Unappropriated retained							
	earnings			903,202	7		1,107,649	9
								1,011,873
3XXX	Total equity			5,432,934	42		5,107,868	42
								4,624,342
Significant Contingent Liabilities 9								
and Unrecognised Contract								
Commitments								
3X2X	Total liabilities and equity		\$	12,808,707	100	\$	12,168,934	100
								\$ 10,210,984
								100

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

PHOENIX SILICON INTERNATIONAL CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2026 AND 2025

(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

		Notes	Three months ended March 31			
			2026		2025	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19)	\$ 1,303,393	100	\$ 1,082,444	100
5000	Operating costs	6(5)(24)(25)	(813,639)	(62)	(678,382)	(63)
5950	Gross profit from operations		489,754	38	404,062	37
	Operating expenses	6(24)(25)				
6100	Selling expenses		(16,339)	(1)	(17,374)	(2)
6200	Administrative expenses		(119,268)	(9)	(101,824)	(9)
6300	Research and development expenses		(21,766)	(2)	(25,124)	(2)
6000	Total operating expenses		(157,373)	(12)	(144,322)	(13)
6900	Operating profit		332,381	26	259,740	24
	Non-operating income and expenses					
7100	Interest income	6(20)	1,422	-	3,608	-
7010	Other income	6(21)	5,229	-	3,158	-
7020	Other gains and losses	6(22)	11,137	1	11,078	1
7050	Finance costs	6(23)	(17,771)	(1)	(16,007)	(1)
7000	Total non-operating income and expenses		17	-	1,837	-
7900	Profit before income tax		332,398	26	261,577	24
7950	Income tax expense	6(26)	(46,053)	(4)	(30,705)	(3)
8200	Profit for the period		\$ 286,345	22	\$ 230,872	21
8500	Total comprehensive income for the period		\$ 286,345	22	\$ 230,872	21
	Basic earnings per share	6(27)				
9750	Total basic earnings per share		\$ 1.61		\$ 1.34	
	Diluted earnings per share	6(27)				
9850	Total diluted earnings per share		\$ 1.57		\$ 1.26	

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

PHOENIX SILICON INTERNATIONAL CORPORATION
STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

		Share capital - common stock	Capital surplus	Retained earnings		
	Notes			Legal reserve	Unappropriated retained earnings	Total equity
<u>Three months ended March 31, 2025</u>						
Balance at January 1, 2025		\$ 1,726,280	\$ 1,380,185	\$ 229,140	\$ 781,001	\$ 4,116,606
Profit for the period		-	-	-	230,872	230,872
Total comprehensive income		-	-	-	230,872	230,872
Issuance of convertible corporate bonds	6(12)(17)	-	276,864	-	-	276,864
Balance at March 31, 2025		<u>\$ 1,726,280</u>	<u>\$ 1,657,049</u>	<u>\$ 229,140</u>	<u>\$ 1,011,873</u>	<u>\$ 4,624,342</u>
<u>Three months ended March 31,2026</u>						
Balance at January 1, 2026		\$ 1,752,831	\$ 1,969,058	\$ 278,330	\$ 1,107,649	\$ 5,107,868
Profit for the period		-	-	-	286,345	286,345
Total comprehensive income		-	-	-	286,345	286,345
Distribution of 2025 earnings:	6(18)					
Cash dividends		-	-	-	(490,792)	(490,792)
Convertible bonds	6(12)(16)(17)	42,086	487,464	-	-	529,550
Reversal of expired unclaimed cash dividends	6(17)	-	(37)	-	-	(37)
Balance at March 31, 2026		<u>\$ 1,794,917</u>	<u>\$ 2,456,485</u>	<u>\$ 278,330</u>	<u>\$ 903,202</u>	<u>\$ 5,432,934</u>

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

PHOENIX SILICON INTERNATIONAL CORPORATION
STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 332,398	\$ 261,577
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	266,388	223,697
Amortization	6(24)	2,120	3,302
Net (gain) loss on financial assets at fair value through profit or loss		239 (	724)
Interest expense	6(23)	17,771	16,007
Interest income	6(20)	(1,422) (	3,608)
Gain on disposals of property, plant and equipment	6(22)	- (	20)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial asset at fair value through profit or loss, mandatorily measured at fair value - current		1,261	1,050
Contract assets - current		(226,084) (	57,744)
Accounts receivable		(104,094) (	23,339)
Other receivables		(23,954) (	14,988)
Inventories		(6,331)	8,061
Prepayments		25,888	19,135
Other current assets		(319)	2
Other non-current assets		147 (	589)
Changes in operating liabilities			
Financial liabilities held for trading		(670)	-
Accounts payable		7,838 (	10,386)
Other payables		(19,008)	15,797
Other current liabilities		257 (	64)
Net defined benefit liability		(183) (	5,033)
Long-term payables		-	641
Cash inflow generated from operations		272,242	432,774
Interest received		1,424	3,496
Interest paid		(10,368) (	9,888)
Income taxes paid		(440) (	307)
Net cash flows from operating activities		262,858	426,075

(Continued)

PHOENIX SILICON INTERNATIONAL CORPORATION
STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

		Three months ended March 31	
	Notes	2026	2025
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortized cost		\$ -	(\$ 3,000)
Acquisition of property, plant and equipment	6(28)	(669,425)	(937,529)
Proceeds from disposal of property, plant and equipment		-	20
Acquisition of intangible assets	6(28)	(130)	(338)
Capitalisation of interest paid	6(6)	(9,556)	(6,907)
Increase in refundable deposits		(452)	-
Decrease in refundable deposits		332	-
Net cash flows used in investing activities		(679,231)	(947,754)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from issuance of convertible bonds	6(29)	-	2,069,002
Increase in long-term borrowings	6(29)	865,265	-
Repayment of long-term borrowings	6(29)	(497,475)	(1,563,885)
Increase in guarantee deposits received	6(29)	8	21
Decrease in guarantee deposits received	6(29)	(784)	(26)
Repayment of principal portion of lease liabilities	6(29)	(4,550)	(4,432)
Other financing activities		(37)	-
Net cash flows from financing activities		362,427	500,680
Net decrease in cash and cash equivalents		(53,946)	(20,999)
Cash and cash equivalents at beginning of period	6(1)	1,000,272	1,287,357
Cash and cash equivalents at end of period	6(1)	\$ 946,326	\$ 1,266,358

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

PHOENIX SILICON INTERNATIONAL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Phoenix Silicon International Corporation (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C) in March 1997 and has begun operations in June 1998. The Company is primarily engaged in the research, development, manufacture and sale of regenerative wafers, test wafers, product wafers and the import and export trade related to the Company’s business.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These financial statements were authorised for issuance by the Board of Directors on May 12, 2026.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

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

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

None.

(3) IFRS issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

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

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment:

IFRS 18, 'Presentation and disclosure in financial statements'

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

4. Summary of Material Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the financial statements for the year ended December 31, 2025, except for the compliance statement, basis of preparation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.
- B. These financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of preparation

- A. Except for the following items, the financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(4) Income tax

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

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

There was no significant change in the reporting period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2025.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and petty cash	\$ 70	\$ 70	\$ 70
Demand deposits	946,256	1,000,202	956,748
Time deposits	-	-	309,540
Total	<u>\$ 946,326</u>	<u>\$ 1,000,272</u>	<u>\$ 1,266,358</u>

- A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The Company has no cash and cash equivalents pledged to others. For pledged time deposits that were accounted as financial assets at amortised cost, please refer to Notes 6(3) and 8.

(2) Financial assets at fair value through profit or loss

Items	March 31, 2026	December 31, 2025	March 31, 2025
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Derivative instruments	\$ -	\$ -	\$ -
Call options of convertible bonds	3,158	4,901	6,000
Valuation adjustment	3,369	6,861	1,000
Total	<u>\$ 6,527</u>	<u>\$ 11,762</u>	<u>\$ 7,000</u>

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Three months ended March 31,	
	2026	2025
Financial assets mandatorily measured at fair value through profit or loss		
Derivative instruments	\$ 1,261	\$ 1,050
Call options of convertible bonds	(1,030)	1,000
Total	<u>\$ 231</u>	<u>\$ 2,050</u>

B. The Company entered into forward foreign exchange contracts to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

Items	March 31, 2026	December 31, 2025	March 31, 2025
Non-current items :			
Pledged time deposits	<u>\$ 15,055</u>	<u>\$ 15,055</u>	<u>\$ 16,555</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three months ended March 31,	
	2026	2025
Interest income	<u>\$ 38</u>	<u>\$ 36</u>

B. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Company's investments in certificates of deposit are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(4) Accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	\$ 597,194	\$ 493,100	\$ 504,958
Less: Allowance for uncollectible accounts	-	-	-
	<u>\$ 597,194</u>	<u>\$ 493,100</u>	<u>\$ 504,958</u>

A. The ageing analysis of accounts receivable that was past due but not impaired is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
	<u>Accounts receivable</u>	<u>Accounts receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 596,414	\$ 491,217	\$ 502,781
Up to 30 days	780	1,883	2,177
	<u>\$ 597,194</u>	<u>\$ 493,100</u>	<u>\$ 504,958</u>

The above ageing analysis was based on past due date.

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, accounts receivable was all from contracts with customers. As of January 1, 2025, the balance of receivables from contracts with customers amounted to \$481,619.

C. The Company has no accounts receivable pledged to others as collateral.

D. As of March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable were \$597,194, \$493,100 and \$504,958, respectively.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

	March 31, 2026		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 289,522	(\$ 123,644)	\$ 165,878
Work in progress	2,178	(807)	1,371
Finished goods	7,657	(1,259)	6,398
Total	<u>\$ 299,357</u>	<u>(\$ 125,710)</u>	<u>\$ 173,647</u>
	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 278,004	(\$ 120,145)	\$ 157,859
Work in progress	1,758	(551)	1,207
Finished goods	9,467	(1,217)	8,250
Total	<u>\$ 289,229</u>	<u>(\$ 121,913)</u>	<u>\$ 167,316</u>

	March 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 262,986	(\$ 97,415)	\$ 165,571
Work in progress	955	(103)	852
Finished goods	3,272	(1,224)	2,048
Total	<u>\$ 267,213</u>	<u>(\$ 98,742)</u>	<u>\$ 168,471</u>

The cost of inventories recognised as expense for the period:

	Three months ended March 31,	
	2026	2025
Cost of goods sold	\$ 818,294	\$ 675,959
Loss on decline in market value	3,797	4,841
Revenue from sales of scraps	(114)	(26)
Others	(8,338)	(2,392)
	<u>\$ 813,639</u>	<u>\$ 678,382</u>

(6) Property, plant and equipment

2026

	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total
At January 1							
Cost	\$ 3,185,390	\$ 8,295,116	\$ 6,598	\$ 42,919	\$ 79,664	\$ 2,028,274	\$ 13,637,961
Accumulated depreciation	(1,076,544)	(3,801,919)	(5,241)	(20,793)	(55,801)	-	(4,960,298)
	<u>\$ 2,108,846</u>	<u>\$ 4,493,197</u>	<u>\$ 1,357</u>	<u>\$ 22,126</u>	<u>\$ 23,863</u>	<u>\$ 2,028,274</u>	<u>\$ 8,677,663</u>
At January 1	\$ 2,108,846	\$ 4,493,197	\$ 1,357	\$ 22,126	\$ 23,863	\$ 2,028,274	\$ 8,677,663
Additions	60,921	35,588	719	3,075	-	620,708	721,011
Reclassifications (transfers)(Note)	78,822	434,535	-	-	-	(514,527)	(1,170)
Depreciation charge	(69,318)	(188,713)	(145)	(2,073)	(1,804)	-	(262,053)
At March 31	<u>\$ 2,179,271</u>	<u>\$ 4,774,607</u>	<u>\$ 1,931</u>	<u>\$ 23,128</u>	<u>\$ 22,059</u>	<u>\$ 2,134,455</u>	<u>\$ 9,135,451</u>
At March 31							
Cost	\$ 3,325,133	\$ 8,763,089	\$ 7,318	\$ 45,994	\$ 79,665	\$ 2,134,455	\$ 14,355,654
Accumulated depreciation and impairment	(1,145,862)	(3,988,482)	(5,387)	(22,866)	(57,606)	-	(5,220,203)
	<u>\$ 2,179,271</u>	<u>\$ 4,774,607</u>	<u>\$ 1,931</u>	<u>\$ 23,128</u>	<u>\$ 22,059</u>	<u>\$ 2,134,455</u>	<u>\$ 9,135,451</u>

Note: It pertained to the reclassification of the unfinished construction and equipment pending acceptance to intangible assets amounting to \$1,170.

	2025						
	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total
At January 1							
Cost	\$ 2,630,084	\$ 6,918,737	\$ 5,908	\$ 36,615	\$ 78,092	\$ 903,732	\$ 10,573,168
Accumulated depreciation	(825,908)	(3,164,257)	(4,650)	(13,700)	(47,535)	-	(4,056,050)
	<u>\$ 1,804,176</u>	<u>\$ 3,754,480</u>	<u>\$ 1,258</u>	<u>\$ 22,915</u>	<u>\$ 30,557</u>	<u>\$ 903,732</u>	<u>\$ 6,517,118</u>
At January 1	\$ 1,804,176	\$ 3,754,480	\$ 1,258	\$ 22,915	\$ 30,557	\$ 903,732	\$ 6,517,118
Additions	40,139	88,198	-	-	269	536,070	664,676
Reclassifications	211,019	156,390	-	-	-	(367,409)	-
Depreciation charge	(59,606)	(155,393)	(145)	(1,718)	(2,501)	-	(219,363)
At March 31	<u>\$ 1,995,728</u>	<u>\$ 3,843,675</u>	<u>\$ 1,113</u>	<u>\$ 21,197</u>	<u>\$ 28,325</u>	<u>\$ 1,072,393</u>	<u>\$ 6,962,431</u>
At March 31							
Cost	\$ 2,881,242	\$ 7,158,581	\$ 5,908	\$ 36,615	\$ 78,362	\$ 1,072,393	\$ 11,233,101
Accumulated depreciation and impairment	(885,514)	(3,314,906)	(4,795)	(15,418)	(50,037)	-	(4,270,670)
	<u>\$ 1,995,728</u>	<u>\$ 3,843,675</u>	<u>\$ 1,113</u>	<u>\$ 21,197</u>	<u>\$ 28,325</u>	<u>\$ 1,072,393</u>	<u>\$ 6,962,431</u>

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	Three months ended March 31,	
	2026	2025
Amount capitalised	\$ 9,556	\$ 6,907
Range of the interest rates for capitalisation	1.33%~1.62%	1.67%~2.05%

B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(7) Leasing arrangements — lessee

A. The Company leases various assets including land, buildings, employees' dorms, parking spaces and warehouse, etc. The lease term of employees' dorms, parking spaces and warehouse is 12 months or less. The contract period of other leased objects is typically 2 to 20 years. In addition, the Company's low-value assets comprise furniture and fixtures and other equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 282,750	\$ 285,534	\$ 293,886
Buildings	6,785	8,336	12,987
	<u>\$ 289,535</u>	<u>\$ 293,870</u>	<u>\$ 306,873</u>

	<u>Three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 2,785	\$ 2,784
Buildings	1,550	1,550
	<u>\$ 4,335</u>	<u>\$ 4,334</u>

C. For the three months ended March 31, 2026 and 2025, the Company had no additions and disposals on right-of-use assets.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 941	\$ 1,009
Expense on short-term lease contracts	<u>\$ 2,633</u>	<u>\$ 480</u>
Expense on leases of low-value assets	<u>\$ 189</u>	<u>\$ 236</u>

E. For the three months ended March 31, 2026 and 2025, the Company's total cash outflow for leases were \$8,313 and \$6,158, respectively.

F. Extension and termination options

In determining the lease term, the Company takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(8) Leasing arrangements — lessor

- A. The Company leases various assets including buildings. Rental contracts are typically made for periods of 3 and 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.
- B. For the three months ended March 31, 2026 and 2025, the Company recognised rent income in the amounts of \$345 and \$390, respectively, based on the operating lease agreement, which does not include variable lease payments.
- C. The maturity analysis of the lease payments under the operating leases is as follows:

	March 31, 2026		December 31, 2025		March 31, 2025
2026	\$ 1,029	2026	\$ 1,374	2025	\$ 1,126
2027	1,367	2027	1,367	2026	1,374
2028	1,367	2028	1,367	2027	1,367
2029	1,367	2029	1,367	2028	1,367
After 2030	2,232	After 2030	2,232	After 2029	3,599
Total	<u>\$ 7,362</u>	Total	<u>\$ 7,707</u>	Total	<u>\$ 8,833</u>

(9) Other non-current assets

	March 31, 2026	December 31, 2025	March 31, 2025
Prepayments for equipment	\$ 371,492	\$ 462,145	\$ 401,605
Prepayments for intangible assets	-	-	338
Refundable deposits	3,038	3,371	3,372
Others	446	593	651
Total	<u>\$ 374,976</u>	<u>\$ 466,109</u>	<u>\$ 405,966</u>

(10) Financial liabilities at fair value through profit or loss

Items	March 31, 2026	December 31, 2025	March 31, 2025
Current items:			
Financial liabilities held for trading			
Derivative instruments	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 1,326</u>

- A. Amounts recognised in profit or loss in relation to financial liabilities at fair value through profit or loss are listed below :

	Three months ended March 31,	
	2026	2025
Net losses recognised in profit or loss :		
Financial liabilities held for trading		
Derivative instruments	<u>(\$ 470)</u>	<u>(\$ 1,326)</u>

B. Explanations of the transactions and contract information in respect of derivative financial liabilities that the Company does not adopt hedge accounting are as follows :

March 31, 2026: None.

	December 31, 2025	
	Contract amount	Contract period
Non-hedging derivative financial liabilities	(notional principal)	
Current items:		
Forward foreign exchange contracts	USD 2,000	2025.12.15-2026.01.02

	March 31, 2025	
	Contract amount	Contract period
Non-hedging derivative financial liabilities	(notional principal)	
Current items:		
Forward foreign exchange contracts	USD 5,000	2025.03.12-2025.04.02

The Company entered into forward foreign exchange contracts to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(11) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Payable on machinery and equipment	\$ 316,426	\$ 365,049	\$ 117,405
Employees' compensation and directors' remuneration payable	234,711	206,838	180,900
Wages and salaries payable	108,428	164,263	95,089
Payable on repair expenses	50,411	53,894	47,147
Dividends payable	490,792	-	-
Other accrued expenses	100,358	87,248	85,302
Total	<u>\$ 1,301,126</u>	<u>\$ 877,292</u>	<u>\$ 525,843</u>

(12) Bonds payable

	March 31, 2026	December 31, 2025	March 31, 2025
Second domestic unsecured convertible bonds	\$ 1,052,800	\$ 1,633,600	\$ 2,000,000
Less: Discount on bonds payable	(81,958)	(135,170)	(194,544)
	<u>\$ 970,842</u>	<u>\$ 1,498,430</u>	<u>\$ 1,805,456</u>

A. The issuance of the second domestic convertible bonds

(a) The terms of the second domestic unsecured convertible bonds issued by the Company are as follows:

- i. The Company issued \$2,000,000, 0% second domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature five years from the issue

date (January 22, 2025 ~ January 22, 2030) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on January 22, 2025.

- ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three month of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted.
- iv. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% (including 30%) for 30 consecutive trading days during the period from the date after one month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
- v. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

(b) As of March 31, 2026, the convertible bonds of \$947,200 was converted into common shares amounting to 6,863,696 shares.

- B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$276,864 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32.

The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 0.18%.

(13) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 2026
Plant loan	2020.07.24~2035.07.24 Repayment by installments and installments over the agreed period	Floating rate	Buildings and structures	\$ 113,170
Mid-term secured syndicated loan (Note 1)	2022.11.15~2029.04.15 Repayment by installments and installments over the agreed period	Floating rate	Buildings and structures	226,531
Mid-term secured loan	2020.07.15~2027.12.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	634,303
Medium-term unsecured syndicated loan (Note 1)	2024.12.16~2029.04.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	90,612
Unsecured borrowings	2025.06.03~2032.11.15 Repayment by installments and installments over the agreed period	Floating rate	None	1,487,154
Unsecured borrowings	2025.06.12~2030.12.31 Repayment by installments and installments over the agreed period	Floating rate	None	1,400,000
Unsecured borrowings	2025.12.29~2030.12.05 Repayment by installments and installments over the agreed period	Floating rate	None	92,000
Unsecured borrowings	2026.03.12~2029.03.12 Repayment by installments and installments over the agreed period	Floating rate	None	365,265
				4,409,035
Less: Current portion				(590,946)
Less: Arrangement fee for the syndicated loan				(2,771)
				\$ 3,815,318
Annual interest rate range				1.43%~2.05%

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2025
Plant loan	2020.07.24~2035.07.24 Repayment by installments and installments over the agreed period	Floating rate	Buildings and structures	\$ 119,150
Mid-term secured syndicated loan (Note 1)	2022.11.15~2029.04.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	629,388
Mid-term secured loan	2020.07.15~2027.12.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	715,595
Medium-term unsecured syndicated loan (Note 1)	2024.12.16~2029.04.15 Repayment by installments and installments over the agreed period	Floating rate	None	97,959
Unsecured borrowings	2025.06.03~2032.11.15 Repayment by installments and installments over the agreed period	Floating rate	None	1,487,154
Unsecured borrowings	2025.06.12~2030.12.31 Repayment by installments and installments over the agreed period	Floating rate	None	900,000
Unsecured borrowings	2025.12.29~2030.12.05 Repayment by installments and installments over the agreed period	Floating rate	None	92,000
				4,041,246
Less: Current portion				(637,472)
Less: Arrangement fee for the syndicated loan				(2,836)
				\$ 3,400,938
Annual interest rate range				1.43%~2.21%

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 2025
Plant loan	2020.07.24~2035.07.24 Repayment by installments and installments over the agreed period	Floating rate	Buildings and structures	\$ 132,064
Mid-term secured syndicated loan (Note 1)	2022.06.15~2029.06.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	871,000
Mid-term secured loan	2020.07.15~2027.12.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	983,119
Medium-term unsecured syndicated loan (Note 1)	2024.12.16~2029.04.15 Repayment by installments and installments over the agreed period	Floating rate	None	120,000
Unsecured borrowings	2022.08.23~2026.12.04 Repayment by installments and installments over the agreed period	Floating rate	None	504,167
Unsecured borrowings (Note 1)	2023.02.07~2026.02.07 Repayment by installments and installments over the agreed period	Floating rate	None	44,444
				2,654,794
Less: Current portion				(851,014)
Less: Arrangement fee for the syndicated loan				(3,629)
				\$ 1,800,151
Annual interest rate range				1.43%~2.10%

A. Taking into consideration financial planning, the medium-term and long-term borrowing agreements maturing on April 15, 2029, February 7, 2026 and December 4, 2026 have been subsequently repaid in advance for the years ended December 31, 2026 and 2025.

B. As of March 31, 2026, the Company's unamortised arrangement fee for the syndicated loan amounting to \$2,771 was recorded as a deduction amount of initial measurement of long-term secured borrowings and amortised as interest expense over the borrowing period.

C. Details of the collateral for long-term borrowings are provided in Note 8.

Note 1: According to the agreement, the Company should maintain a specific current ratio, debt ratio, interest coverage ratio and shareholders' equity amount every year during the loan period.

(14) Pensions

- A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method; to the employees expected to be qualify for retirement in the following year, the Company will make contributions for the deficit by next March.
- (b) The Company recognised pension costs of \$68 and \$19 for the three months ended March 31, 2026 and 2025, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2027 amount to \$1,035.
- B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The pension costs under defined contribution pension plan of the Company for the three months ended March 31, 2026 and 2025, were \$7,684 and \$6,842, respectively.

(15) Provisions

	Decommissioning liabilities
2026	
At January 1	\$ 25,126
Unwinding of discount	498
At March 31	<u>\$ 25,624</u>

	Decommissioning liabilities
2025	
At January 1	\$ 23,227
Unwinding of discount	461
At March 31	<u>\$ 23,688</u>

Analysis of total provisions:

	March 31, 2026	December 31, 2025	March 31, 2025
Non-current	<u>\$ 25,624</u>	<u>\$ 25,126</u>	<u>\$ 23,688</u>

Decommissioning liabilities

According to the policy published, applicable agreement or the law/regulation requirement, the Company bears dismantling, removing the asset and restoring the site obligations for certain property, plant and equipment and right-of-use assets in the future. A provision is recognised for the present value of costs to be incurred for dismantling, removing the asset and restoring the site. It is expected that the provision will start to be used within the next 23 to 36 years.

(16) Share capital

A. As of March 31, 2026, the Company's authorised capital was \$4,000,000, consisting of 400,000 thousand shares of ordinary stock (including 40,000 thousand shares reserved for employee stock options), and the paid-in capital was \$1,794,917 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

B. The Company applied for the registration for changes in capital with the competent authority on a quarterly basis, based on the situation that the shareholders convert convertible bonds. The shareholders converted 2,655 thousand convertible bond shares for the year ended December 31, 2025, and the registration was completed. The shareholders converted 4,209 thousand convertible bond shares for the three months ended March 31, 2026. As of May 12, 2026, the registration has not yet been completed.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2026	Unit: share 2025
At January 1	175,283,086	172,628,033
Conversion of convertible bonds	4,208,643	-
At March 31	<u>179,491,729</u>	<u>172,628,033</u>

(17) Capital surplus

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

in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2026				
	Changes in				
	ownership interests				
	Share premium	in subsidiaries	Options	Other	Total
At January 1	\$ 1,734,389	\$ 1,742	\$ 226,143	\$ 6,784	\$ 1,969,058
Conversion of convertible bonds	567,866	-	(80,402)	-	487,464
Recovery of expired unclaimed cash dividends	-	-	-	(37)	(37)
At March 31	<u>\$ 2,302,255</u>	<u>\$ 1,742</u>	<u>\$ 145,741</u>	<u>\$ 6,747</u>	<u>\$ 2,456,485</u>

	2025				
	Changes in				
	ownership interests				
	Share premium	in subsidiaries	Options		Total
At January 1	\$ 1,378,443	\$ 1,742	\$ -		\$ 1,380,185
Issuance of convertible bonds	-	-	276,864		276,864
At March 31	<u>\$ 1,378,443</u>	<u>\$ 1,742</u>	<u>\$ 276,864</u>		<u>\$ 1,657,049</u>

(18) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's profit after tax, if any, shall first be used to offset accumulated operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the authorised capital. In addition, after setting aside or reversing special reserve, the remainder along with the beginning unappropriated earnings shall be proposed by the Board of Directors as dividends and submitted to the shareholders for resolution.

Dividends and bonuses or legal reserve and capital surplus distributed in the form of cash shall be authorised to be resolved by the Board of Directors with a majority vote at its meeting attended by at least two-thirds of the total number of directors and reported to the shareholders' meeting and are not subject to the aforementioned regulations of resolutions from the shareholders.

B. The Company's dividend distribution policy aligns with the current and future development plan by taking into account of factors such as investment environment, capital needs, domestic and overseas competition, along with the consideration of shareholders' interest. Each year, at least 10% of the Company's distributable earnings shall be appropriated as dividends and bonuses, and cash dividends and bonuses shall account for at least 50% of the total dividends and bonuses distributed.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion

in excess of 25% of the Company's paid-in capital.

- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. On February 10, 2026, the Board of Directors of the Company proposed the distribution of 2025 retained earnings. Additionally, the distribution of 2024 earnings as resolved by shareholders on May 26, 2025 was as follows:

	2025		2024	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 75,562		\$ 49,190	
Cash dividends	490,792	\$ 2.80	379,782	\$ 2.20
Total	<u>\$ 566,354</u>		<u>\$ 428,972</u>	

The appropriation of 2025 earnings is pending resolution by the shareholders, and the details of cash distribution are yet to be reported to the shareholders.

(19) Operating revenue

	Three months ended March 31,	
	2026	2025
Revenue from contracts with customers	<u>\$ 1,303,393</u>	<u>\$ 1,082,444</u>

A. Disaggregation of revenue from contracts with customers

	Three months ended March 31,	
	2026	2025
Revenue from external customer contracts	<u>\$ 1,303,393</u>	<u>\$ 1,082,444</u>
Timing of revenue recognition		
At a point in time	\$ 11,717	\$ 9,860
Over time	<u>1,291,676</u>	<u>1,072,584</u>
	<u>\$ 1,303,393</u>	<u>\$ 1,082,444</u>

B. Contract assets

The Company has recognised the following revenue-related contract assets:

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Contract assets	<u>\$ 1,145,994</u>	<u>\$ 919,910</u>	<u>\$ 487,120</u>	<u>\$ 429,376</u>

(20) Interest income

	Three months ended March 31,	
	2026	2025
Interest income from bank deposits	\$ 1,105	\$ 3,571
Interest income from financial assets measured at amortised cost	38	36
Other interest income	279	1
	<u>\$ 1,422</u>	<u>\$ 3,608</u>

(21) Other income

	Three months ended March 31,	
	2026	2025
Rent income	\$ 345	\$ 390
Other income, others	4,884	2,768
	<u>\$ 5,229</u>	<u>\$ 3,158</u>

(22) Other gains and losses

	Three months ended March 31,	
	2026	2025
Gains on disposals of property, plant and equipment	\$ -	\$ 20
Net foreign exchange gains	11,376	10,334
(Losses) gains on financial (liabilities) assets at fair value through profit or loss	(239)	724
	<u>\$ 11,137</u>	<u>\$ 11,078</u>

(23) Finance costs

	Three months ended March 31,	
	2026	2025
Borrowings from financial institutions	\$ 10,161	\$ 7,219
Bonds payable	6,168	7,318
Lease liabilities	941	1,009
Provisions - unwinding of discount	498	461
Other financial cost	3	-
	<u>\$ 17,771</u>	<u>\$ 16,007</u>

(24) Expenses by nature

	Three months ended March 31,	
	2026	2025
Employee benefit expense	\$ 297,526	\$ 259,664
Depreciation charges	\$ 266,388	\$ 223,697
Amortisation charges on intangible assets	<u>\$ 2,120</u>	<u>\$ 3,302</u>

(25) Employee benefit expense

	Three months ended March 31,	
	2026	2025
Wages and salaries	\$ 255,339	\$ 221,404
Labour and health insurance fees	18,687	17,532
Pension costs	7,752	6,861
Other personnel expenses	15,748	13,867
	<u>\$ 297,526</u>	<u>\$ 259,664</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 10%~15% for employees' compensation and shall not be higher than 2% for directors' remuneration.

B. For the three months ended March 31, 2026 and 2025, employees' compensation were accrued at \$60,072 and \$47,273, respectively; while directors' remuneration were accrued at \$8,010 and \$6,303, respectively. The aforementioned amounts were recognised in salary expenses. For the three months ended March 31, 2026, the employees' compensation and directors' remuneration were estimated and accrued based on 15% and 2% of distributable profit of current year as of the end of reporting period.

Employees' compensation and directors' remuneration of 2025 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2025 financial statements.

C. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended March 31,	
	2026	2025
Current tax:		
Current tax on profits for the period	\$ 47,648	\$ 32,168
Total current tax	<u>47,648</u>	<u>32,168</u>
Deferred tax:		
Origination and reversal of temporary differences	(1,595)	(1,463)
Total deferred tax	<u>(1,595)</u>	<u>(1,463)</u>
Income tax expense	<u>\$ 46,053</u>	<u>\$ 30,705</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows: None.

(c) The income tax charged/(credited) to equity during the period is as follows: None.

B. The Company's income tax returns through 2024 have been assessed and approved by the Tax Authority.

(27) Earnings per share

Three months ended March 31, 2026			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 286,345	178,042	\$ 1.61
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 286,345	178,042	
Assumed conversion of all dilutive potential ordinary shares			
Bonds payable	5,758	7,629	
Employees' compensation	-	758	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 292,103	186,429	\$ 1.57
Three months ended March 31, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 230,872	172,628	\$ 1.34
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 230,872	172,628	
Assumed conversion of all dilutive potential ordinary shares			
Bonds payable	5,054	14,255	
Employees' compensation	-	762	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 235,926	187,645	\$ 1.26

(28) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Three months ended March 31,	
	2026	2025
Purchase of property, plant and equipment	\$ 721,011	\$ 664,676
Add: Opening balance of payable on machinery and equipment	365,049	235,232
Add: Ending balance of prepayments for equipment	371,492	401,605
Less: Ending balance of payable on machinery and equipment	(316,426)	(117,405)
Less: Opening balance of prepayments for equipment	(462,145)	(239,672)
Less: Capitalisation of interest	(9,556)	(6,907)
Cash paid during the period	<u>\$ 669,425</u>	<u>\$ 937,529</u>

	Three months ended March 31,	
	2026	2025
Purchase of intangible assets	\$ 130	\$ -
Add: Ending balance of prepayments	-	338
Cash paid during the period	<u>\$ 130</u>	<u>\$ 338</u>

B. Financing activities with no cash flow effects

	Three months ended March 31,	
	2026	2025
Convertible bonds being converted to capital stocks	\$ 609,952	\$ -
Declared cash dividends to be distributed to shareholders	490,792	-
	<u>\$ 1,100,744</u>	<u>\$ -</u>

(29) Changes in liabilities from financing activities

	2026					
	Long-term borrowings	Bonds payable	Lease liabilities	Guarantee deposits received	Dividends payable	Liabilities from financing activities-gross
At January 1	\$ 4,038,410	\$ 1,498,430	\$ 292,788	\$ 1,009	\$ -	\$ 5,830,637
Changes in cash flow from financing activities	367,790	-	(4,550)	(776)	-	362,464
Interest paid on lease liabilities	-	-	(941)	-	-	(941)
Changes non-cash items	64	(527,588)	941	-	490,792	(35,791)
At March 31	<u>\$ 4,406,264</u>	<u>\$ 970,842</u>	<u>\$ 288,238</u>	<u>\$ 233</u>	<u>\$ 490,792</u>	<u>\$ 6,156,369</u>

	2025				
	Long-term borrowings	Bonds payable	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	\$ 4,214,986	\$ -	\$ 319,000	\$ 982	\$ 4,534,968
Changes in cash flow from financing activities	(1,563,885)	2,069,002	(4,432)	(5)	500,680
Interest paid on lease liabilities	-	-	(1,009)	-	(1,009)
Changes non-cash items	64	(263,546)	(7,371)	-	(270,853)
At March 31	<u>\$ 2,651,165</u>	<u>\$ 1,805,456</u>	<u>\$ 306,188</u>	<u>\$ 977</u>	<u>\$ 4,763,786</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
All directors, president, vice presidents	Key management

(2) Significant related party transactions

None.

(3) Key management compensation

	Three months ended March 31,	
	2026	2025
Short-term employee benefits	\$ 29,971	\$ 19,606
Post-employment benefits	300	281
Total	<u>\$ 30,271</u>	<u>\$ 19,887</u>

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

Pledged asset	Book value			Purpose
	March 31, 2026	December 31, 2025	March 31, 2025	
Time deposits (shown as 'non-current financial assets at amortised cost')	\$ 4,500	\$ 4,500	\$ 6,000	Guarantee for duty paid after customs release
Time deposits (shown as 'non-current financial assets at amortised cost')	10,555	10,555	10,555	Guarantee for land lease in science park
Buildings and structures	1,704,811	1,640,731	1,512,781	Long-term borrowings
Machinery and equipment (including equipment pending acceptance)	2,490,283	2,586,745	1,790,324	Long-term borrowings
	<u>\$ 4,210,149</u>	<u>\$ 4,242,531</u>	<u>\$ 3,319,660</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

To protect the shareholders' equity, the Company filed a lawsuit against an employee, with the surname Li, and Integrated Service Technology Inc., "INTEGRATED" who reproduced products and used the manufacturing process without obtaining authorization with the Hsinchu District Prosecutors Office in 2021 in accordance with Article 13-1, Paragraph 1, Subparagraph 2 and Article

13-4 of the Trade Secrets Act. After more than four years of trial, on June 30, 2025, the Hsinchu District Court rendered a criminal judgment and an ancillary civil judgment in the case prosecuted by the Hsinchu District Prosecutors Office against an employee with the surname Li and INTEGRATED for violating the Trade Secrets Act.

The Company is the complainant in the criminal litigation and the plaintiff in the ancillary civil litigation. This judgment is in favor of the Company in the case; however, the opposing party has filed an appeal, and the case is still pending judgment at the Hsinchu District Court.

(2) Commitments

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

	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment	\$ 3,734,686	\$ 3,775,804	\$ 1,661,279

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

During the year ended December 31, 2026, the Company's strategy, which was unchanged from 2025, was to maintain the gearing ratio at a reasonable level of risks and to adjust according to the future operating strategy. The gearing ratios at March 31, 2026, December 31, 2025 and March 31, 2025 were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Total borrowings	\$ 5,377,106	\$ 5,536,840	\$ 4,456,621
Less: Cash and cash equivalents	(946,326)	(1,000,272)	(1,266,358)
Net debt	4,430,780	4,536,568	3,190,263
Total equity	5,432,934	5,107,868	4,624,342
Total capital	\$ 9,863,714	\$ 9,644,436	\$ 7,814,605
Gearing ratio	44.92%	47.04%	40.82%

(2) Financial instruments

A. Financial instruments by category

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 6,527	\$ 11,762	\$ 7,000
Financial assets at amortised cost			
Cash and cash equivalents	\$ 946,326	\$ 1,000,272	\$ 1,266,358
Financial assets at amortised cost	15,055	15,055	16,555
Accounts receivable	597,194	493,100	504,958
Other receivables	29,436	5,484	18,009
Refundable deposits (including current portion)	4,343	4,223	3,640
	<u>\$ 1,592,354</u>	<u>\$ 1,518,134</u>	<u>\$ 1,809,520</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	\$ -	\$ 200	\$ 1,326
Financial liabilities at amortised cost			
Accounts payable	\$ 205,341	\$ 197,503	\$ 150,421
Bonds payable	970,842	1,498,430	1,805,456
Other payables	1,301,126	877,292	525,843
Long-term borrowings (including current portion)	4,406,264	4,038,410	2,651,165
Guarantee deposits received	233	1,009	977
	<u>\$ 6,883,806</u>	<u>\$ 6,612,644</u>	<u>\$ 5,133,862</u>
Lease liabilities (including current portion)	<u>\$ 288,238</u>	<u>\$ 292,788</u>	<u>\$ 306,188</u>

B. Financial risk managements policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.
- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial

instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. Management has set up a policy to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Company treasury. Exchange rate risk is measured through a forecast of highly probable USD expenditures.

Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.

- ii. The Company hedges foreign exchange rate by using forward exchange contracts. However, the Company does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Notes 6(2) and 6(10).

- iii. The Company's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

March 31, 2026			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 30,640	32.00	\$ 980,488
JPY:NTD	290,094	0.2007	58,207
<u>Non-monetary items</u> : None			
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 6,549	32.00	\$ 209,555
JPY:NTD	349,430	0.2007	70,113
<u>Non-monetary items</u> : None			

December 31, 2025			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 29,711	31.42	\$ 933,519
JPY:NTD	65,955	0.2009	13,247
<u>Non-monetary items</u> : None			
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 3,384	31.42	\$ 106,325
JPY:NTD	62,246	0.2009	12,502
<u>Non-monetary items</u> : None			
March 31, 2025			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 33,323	33.18	\$ 1,105,646
JPY:NTD	96,748	0.2227	21,541
<u>Non-monetary items</u> : None			
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 2,830	33.18	\$ 93,902
JPY:NTD	34,780	0.2227	7,744
EUR:NTD	13	35.98	466
<u>Non-monetary items</u> : None			

- iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the three months ended March 31, 2026 and 2025, amounted to \$11,376 and \$10,334, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Three months ended March 31, 2026				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	10%	\$	98,049	\$ -
JPY:NTD	10%		5,821	-
<u>Non-monetary items</u> : None				
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	10%	(\$	20,956)	\$ -
JPY:NTD	10%	(	7,011)	-
<u>Non-monetary items</u> : None				

Three months ended March 31, 2025				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	10%	\$	110,565	\$ -
JPY:NTD	10%		2,154	-
<u>Non-monetary items</u> : None				
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	10%	(\$	9,390)	\$ -
JPY:NTD	10%	(	774)	-
EUR:NTD	10%	(	47)	-
<u>Non-monetary items</u> : None				

Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. For the three months ended March 31, 2026 and 2025, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars. Fixed-rate long-term bonds issued by the Company are not subject to interest rate risk or fair value interest rate risk.
- ii. The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

- iii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the three months ended March 31, 2026 and 2025 would have increased/decreased by \$2,754 and \$1,657, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients and other counterparties on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost and at fair value through profit or loss.
- ii. The Company regularly monitors and reviews its credit limits based on market conditions and the credit status of its counterparties and makes timely adjustments to manage credit risk. The Company only transacts with banks and financial institutions with high credit quality, so it does not expect to be exposed to credit risk.
- iii. The Company manages their credit risk taking into consideration the entire Company's concern. According to the Company's credit policy, each local unit in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iv. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- v. The Company adopts the following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- vi. The Company classifies customers' accounts receivable, contract assets and rents receivable in accordance with credit risk on trade. The Company applies the modified approach using loss rate methodology to estimate the expected credit loss.
- vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments.

- viii. The Company used the forecast ability to adjust historical and timely information to assess the default possibility of accounts receivable and contract assets. On March 31, 2026, December 31, 2025 and March 31, 2025, the loss rate methodology is as follows:

	Not past due and up to 90 days past due	91~180 days past due	181~270 days past due	271~360 days past due	Over 360 days past due	Total
<u>March 31, 2026</u>						
Expected loss rate	0~1%	25%	50%	75%	100%	
Total book value	\$ 1,743,188	\$ -	\$ -	\$ -	\$ -	\$ 1,743,188
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Not past due and up to 90 days past due	91~180 days past due	181~270 days past due	271~360 days past due	Over 360 days past due	Total
<u>December 31, 2025</u>						
Expected loss rate	0~1%	25%	50%	75%	100%	
Total book value	\$ 1,413,010	\$ -	\$ -	\$ -	\$ -	\$ 1,413,010
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Not past due and up to 90 days past due	91~180 days past due	181~270 days past due	271~360 days past due	Over 360 days past due	Total
<u>March 31, 2025</u>						
Expected loss rate	0~1%	25%	50%	75%	100%	
Total book value	\$ 992,078	\$ -	\$ -	\$ -	\$ -	\$ 992,078
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

- ix. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable and contract assets due from related parties and contract assets are as follows:

	2026	2025
	Accounts receivable	Accounts receivable
At January 1 / March 31	\$ -	\$ -

- x. For investments in debt instruments at amortised cost, the credit rating levels are presented below:

	March 31, 2026	December 31, 2025	March 31, 2025
	12 months	12 months	12 months
Financial assets at amortised cost	\$ 15,055	\$ 15,055	\$ 16,555

(c) Liquidity risk

- Cash flow forecasting is performed by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.
- Company treasury invests surplus cash held by the Company over and above balance required for working capital management in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to

provide sufficient head-room as determined by the above-mentioned forecasts. As at March 31, 2026, December 31, 2025 and March 31, 2025, the Company held money market position of \$946,256, \$1,000,202 and \$1,266,288, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii The Company has the following undrawn borrowing facilities:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Floating rate:			
Expiring within one year	\$ 600,000	\$ 400,000	\$ 455,556
Expiring beyond one year	1,405,581	1,420,846	400,000
Fixed rate:			
Expiring within one year	-	-	-
Expiring beyond one year	-	-	-
	<u>\$ 2,005,581</u>	<u>\$ 1,820,846</u>	<u>\$ 855,556</u>

iv. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>March 31, 2026</u>	<u>Less than 6 months</u>	<u>Between 6 months and 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>
<u>Non-derivative financial liabilities:</u>				
Accounts payable	\$ 205,341	\$ -	\$ -	\$ -
Other payables	955,914	2,074	-	-
Lease liability	10,452	10,452	16,999	298,876
Bonds payable	-	-	-	1,052,800
Long-term borrowings (including current portion)	290,395	381,467	1,220,227	2,730,984
Guarantee deposits received	-	-	-	233
<u>Derivative financial liabilities:</u> None				

		Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Over 2 years
<u>December 31, 2025</u>					
<u>Non-derivative financial liabilities:</u>					
Accounts payable	\$ 197,503	\$ -	\$ -	\$ -	
Other payables	503,597	2,593	-	-	
Lease liability	10,982	10,982	17,592	302,715	
Bonds payable	-	-	-	1,633,600	
Long-term borrowings (including current portion)	319,433	391,583	1,030,684	2,508,173	
Guarantee deposits received	-	-	733	276	
Derivative financial liabilities: None					
		Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Over 2 years
<u>March 31, 2025</u>					
<u>Non-derivative financial liabilities:</u>					
Accounts payable	\$ 150,421	\$ -	\$ -	\$ -	
Other payables	247,861	1,992	-	-	
Lease liability	10,884	10,933	20,905	315,875	
Bonds payable	-	-	-	2,000,000	
Long-term borrowings (including current portion)	466,258	449,954	1,284,613	617,254	
Guarantee deposits received	-	-	733	245	
<u>Derivative financial liabilities</u>					
Financial liabilities at fair value through profit or loss	\$ 1,326	\$ -	\$ -	\$ -	

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in derivative instrument is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity instrument without active market is included in Level 3.

B. The carrying amounts of the Company's cash and cash equivalents, accounts receivable, other receivables, guarantee deposits paid, accounts payable, other payables, long-term borrowings, lease liabilities and guarantee deposits received are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at March 31, 2026, December 31, 2025 and March 31, 2025 are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

March 31, 2026	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Call options of convertible bonds	\$ -	\$ -	\$ 6,527	\$ 6,527
December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Call options of convertible bonds	\$ -	\$ -	\$ 11,762	\$ 11,762
Liabilities				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 200	\$ -	\$ 200
March 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Call options of convertible bonds	\$ -	\$ -	\$ 7,000	\$ 7,000
Liabilities				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 1,326	\$ -	\$ 1,326

(b) The methods and assumptions the Company used to measure fair value are as follows:

- i. The fair value of financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.
- ii. Forward exchange contracts are usually valued based on the current forward exchange rate.

D. For the three months ended March 31, 2026 and 2025, there were no transfer between Level 1 and Level 2.

- E. The following chart is the movement of Level 3 for the three months ended March 31, 2026 and 2025:

	2026	2025
	<u>Convertible bonds</u>	<u>Convertible bonds</u>
At January 1	\$ 11,762	\$ -
Gains recognised in profit or loss		
Recorded as non-operating income and expenses	(1,030)	1,000
Issued in the period	-	6,000
Converted in the period	(4,205)	-
At March 31	<u>\$ 6,527</u>	<u>\$ 7,000</u>
Movement of unrealised gain or loss in profit or loss of assets and liabilities held as at March 31, 2026 (Note)	(\$ <u>1,030</u>)	<u>\$ 1,000</u>
Note: Recorded as non-operating income and expenses.		

- F. Company treasury is in charge of valuation procedures for fair value measurements being categorised within Level 3 by the external valuer, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Call options of convertible bonds	\$ 6,527	Binary tree model	Risk-free interest rate	1.3131%	The higher the risk-free interest rate, the lower the fair value
			Stock price	181	The higher the stock price, the higher the fair value
			Volatility	53.31%	The higher the stock price volatility, the higher the fair value
	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Call options of convertible bonds	\$ 11,762	Binary tree model	Risk-free interest rate	1.2825%	The higher the risk-free interest rate, the lower the fair value
			Stock price	178	The higher the stock price, the higher the fair value
			Volatility	53.98%	The higher the stock price volatility, the higher the fair value

	Fair value at March 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Call options of convertible bonds	\$ 7,000	Binary tree model	Risk-free interest rate	1.4913%	The higher the risk-free interest rate, the lower the fair value
			Stock price	116	The higher the stock price, the higher the fair value
			Volatility	59.18%	The higher the stock price volatility, the higher the fair value

H. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			March 31, 2026			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets	Input	Change				
Call options of convertible bonds	Risk-free interest rate	±20bp	\$ -	\$ -	\$ -	\$ -
	Stock price	±10%	120 (	80)	-	-
	Volatility	±5%	60 (	50)	-	-

			December 31, 2025			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Call options of convertible bonds	Risk-free interest rate	±20bp	\$ -	\$ -	\$ -	\$ -
	Stock price	±10%	140 (	290)	-	-
	Volatility	±5%	50 (	140)	-	-
			March 31, 2025			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Call options of convertible bonds	Risk-free interest rate	±20bp	\$ 30	(\$ 20)	\$ -	\$ -
	Stock price	±10%	40 (	120)	-	-
	Volatility	±5%	60 (	160)	-	-

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- F. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): None.

(3) Information on investments in Mainland China

None.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Company was identified as the single reportable segment.

(2) Information about segment profit or loss, assets and liabilities

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

	Three months ended March 31,	
	2026	2025
Total segment revenue	\$ 1,303,393	\$ 1,082,444
Segment income	\$ 286,345	\$ 230,872
Segment assets	\$ 12,808,707	\$ 10,210,984

(3) Reconciliation for segment income (loss), assets and liabilities

The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.