Forcelead Technology Corporation

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

Forcelead Technology Corporation

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and the Shareholders
Forcelead Technology Corporation

Introduction

We have reviewed the accompanying balance sheets of Forcelead Technology Corporation (the Company) as of March 31, 2026 and 2025, statements of comprehensive income for the three months and three months ended March 31, 2026 and 2025, statements of changes in equity and cash flows for the three months ended March 31, 2026 and 2025, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 financial statements based on our reviews.

Scope of Review

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 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 caused us to believe that the accompanying financial statements do not give a true and fair view of the financial position of the Company as of March 31, 2026 and 2025, its financial performance and its 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 NO.34, "Interim Financial Reporting" by the Financial Supervisory Commission of the ROC.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 6, 2026

<u>*Notice to Readers*</u>

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

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

FORCELEAD TECHNOLOGY CORPORATION

BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31 AND MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

	March 31, 2026		December 31, 2025		March 31, 2025	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 27)	$ 628,188	17	$ 633,521	18	$ 544,412	16
Financial assets at fair value through profit or loss - current (Notes 7 and 27)	87,096	2	67,224	2	22,642	1
Financial assets at fair value through other comprehensive income - current (Notes 8 and 27)	139,879	4	124,012	3	-	-
Financial assets at amortized cost - current (Notes 9, 27 and 29)	1,136,705	32	1,246,705	36	1,875,805	53
Trade receivables (Notes 11, 20 and 27)	274,127	8	250,436	7	177,559	5
Trade receivables from related parties (Notes 20, 27 and 28)	16,592	-	91,707	3	46,679	1
Other receivables (Note 27)	24,170	1	6,432	-	20,572	1
Inventories (Note 12)	469,581	13	468,262	13	495,049	14
Prepayments and other current assets (Notes 16, and 27)	21,735	1	27,610	1	17,207	-
Total current assets	2,798,073	78	2,915,909	83	3,199,925	91
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 27)	143,110	4	47,580	1	-	-
Financial assets at fair value through other comprehensive income- non-current (Notes 8, 10 and 27)	205,138	6	115,414	3	-	-
Property, plant and equipment (Note 13)	125,678	3	132,316	4	82,499	2
Right-of-use assets (Notes 14 and 28)	23,553	1	19,043	1	25,333	1
Intangible assets (Note 15)	18,371	-	21,285	1	15,693	1
Other non-current assets (Notes 16, 27, 28 and 30)	286,279	8	242,422	7	184,846	5
Total non-current assets	802,129	22	578,060	17	308,371	9
TOTAL	$ 3,600,202	100	$ 3,493,969	100	$ 3,508,296	100

	March 31, 2026		December 31, 2025		March 31, 2025	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - current(Notes 7 and 27)	$ 420	-	$ 1,555	-	$ -	-
Trade payables (Note 27)	323,733	9	337,871	10	243,826	7
Accrued profit sharing bonus to employees' compensation and remuneration of directors and supervisors (Notes 19 and 21)	60,332	2	46,845	1	68,150	2
Dividends payable (Notes 19, 27 and 28)	420,053	12	-	-	530,304	15
Other payables (Notes 17 and 27)	154,043	4	187,929	5	169,145	5
Other payables to related parties (Notes 27 and 28)	32,271	1	53,861	2	32,318	1
Current tax liabilities (Notes 4 and 22)	92,757	3	69,213	2	86,525	2
Lease liabilities - current (Notes 14, 25, 27 and 28)	8,276	-	6,063	-	7,539	-
Other current liabilities (Notes 17, 20 and 27)	15,685	-	42,839	1	24,824	1
Total current liabilities	1,107,570	31	746,176	21	1,162,631	33
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Notes 4 and 22)	2,115	-	2,147	-	-	-
Lease liabilities - non-current (Notes 14, 25, 27 and 28)	15,123	-	12,735	1	17,299	1
Other non-current liabilities (Notes 17, 25 and 27)	2,583	-	2,577	-	35,763	1
Total non-current liabilities	19,821	-	17,459	1	53,062	2
Total liabilities	1,127,391	31	763,635	22	1,215,693	35
EQUITY (Notes 19 and 24)						
Ordinary shares	420,053	12	420,053	12	419,193	12
Capital surplus	1,492,915	41	1,492,915	43	1,482,846	42
Retained earnings						
Legal reserve	344,217	10	344,217	10	285,395	8
Special reserve	-	-	-	-	904	-
Unappropriated earnings	223,465	6	507,285	14	157,746	5
Total retained earnings	567,682	16	851,502	24	444,045	13
Other equity						
Unrealized gain on financial assets at fair value through other comprehensive income	25,038	1	5,175	-	-	-
Unearned stock-based employee compensation	(32,877)	(1)	(39,311)	(1)	(53,481)	(2)
Total other equity	(7,839)	-	(34,136)	(1)	(53,481)	(2)
Total equity	2,472,811	69	2,730,334	78	2,292,603	65
TOTAL	$ 3,600,202	100	$ 3,493,969	100	$ 3,508,296	100

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

FORCELEAD TECHNOLOGY CORPORATION

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 20 and 28)	$ 720,075	100	$ 624,295	100
OPERATING COSTS (Notes 12, 21 and 28)	426,066	59	380,645	61
GROSS PROFIT	294,009	41	243,650	39
OPERATING EXPENSES (Notes 15, 21 and 28)				
Selling and marketing expenses	32,691	5	26,806	4
General and administrative expenses	12,889	2	11,867	2
Research and development expenses	103,636	14	96,806	16
Total operating expenses	149,216	21	135,479	22
OTHER OPERATING INCOME (Note 21)	174	-	175	-
INCOME FROM OPERATIONS	144,967	20	108,346	17
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 28)				
Interest income	8,661	1	9,769	2
Other income	117	-	90	-
Other gains and losses	6,546	1	2,209	-
Finance costs	(172)	-	(358)	-
Total non-operating income and expenses	15,152	2	11,710	2
INCOME BEFORE INCOME TAX	160,119	22	120,056	19
INCOME TAX EXPENSE (Notes 4 and 22)	23,886	3	20,228	3
NET INCOME	136,233	19	99,828	16
OTHER COMPREHENSIVE INCOME (LOSS) (Note 19)				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	19,429	3	-	-
Item that may be reclassified subsequently to profit or loss				
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	434	-	-	-
Total other comprehensive income	19,863	3	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 156,096	22	$ 99,828	16
EARNINGS PER SHARE (Note 23)				
Basic	$ 3.27		$ 2.40	
Diluted	$ 3.24		$ 2.38	

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

FORCELEAD TECHNOLOGY CORPORATION

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

	Share Capital			Retained Earnings			Other Equity		
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Stock-based Employee Compensation	Total Equity
BALANCE AT JANUARY 1, 2025	41,919	$ 419,193	$ 1,480,913	$ 285,395	$ 904	$ 588,222	$ -	($ 62,375)	$ 2,712,252
Appropriation of 2024 earnings									
Cash dividends distributed by the Company	-	-	-	-	-	(530,304)	-	-	(530,304)
Donations received from shareholders	-	-	1,933	-	-	-	-	-	1,933
Net income for the three months ended March 31, 2025	-	-	-	-	-	99,828	-	-	99,828
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	99,828	-	-	99,828
Compensation cost of employee restricted stock	-	-	-	-	-	-	-	8,894	8,894
BALANCE, MARCH 31, 2025	41,919	$ 419,193	$ 1,482,846	$ 285,395	$ 904	$ 157,746	$ -	($ 53,481)	$ 2,292,603
BALANCE, JANUARY 1, 2026	42,005	$ 420,053	$ 1,492,915	$ 344,217	$ -	$ 507,285	$ 5,175	($ 39,311)	$ 2,730,334
Appropriation of 2025 earnings									
Cash dividends distributed by the Company	-	-	-	-	-	(420,053)	-	-	(420,053)
Net income for the three months ended March 31, 2026	-	-	-	-	-	136,233	-	-	136,233
Other comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	-	19,863	-	19,863
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	136,233	19,863	-	156,096
Compensation cost of employee restricted stock	-	-	-	-	-	-	-	6,434	6,434
BALANCE, MARCH 31, 2026	42,005	$ 420,053	$ 1,492,915	$ 344,217	$ -	$ 223,465	$ 25,038	($ 32,877)	$ 2,472,811

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

FORCELEAD TECHNOLOGY CORPORATION

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	$ 160,119	$ 120,056
Adjustments for:		
Depreciation expense	16,174	15,093
Amortization expense	3,109	2,769
Net (gain) loss on fair value changes of financial assets designated as at fair value through profit or loss	(1,683)	200
Finance costs	172	358
Interest income	(8,661)	(9,769)
Compensation costs of share-based payments	6,434	8,894
Write-down of inventories recognized	1,000	19,510
Unrealized net (gain) loss on foreign currency exchange	(1,878)	1,790
Changes in operating assets and liabilities		
Trade receivables	(18,382)	23,874
Receivables from related parties	76,104	(34,518)
Other receivables	(13,727)	(9,425)
Inventories	(2,319)	22,285
Prepayments	5,696	14,102
Other current assets	179	29
Trade payables	(19,221)	(49,282)
Other payables	(9,512)	(17,897)
Other payables to related parties	(21,590)	(12,344)
Other current liabilities	(27,154)	9,944
Accrued profit sharing bonus to employees' compensation and remuneration of directors and supervisors	13,487	9,883
Cash generated from operations	158,347	115,552
Interest received	4,650	3,325
Interest paid	(166)	(351)
Income tax paid	(374)	(314)
Net cash generated from operating activities	162,457	118,212
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(86,166)	-
Acquisition of financial assets measured at amortized cost	(100,000)	(350,000)
Proceeds from the return of principle of financial assets at amortized cost	210,000	245,000
Acquisition of financial assets at fair value through profit or loss	(115,000)	-
Disposal of financial assets at fair value through profit or loss	146	-
Acquisition of property, plant and equipment	(95,510)	(28,286)
Increase in refundable deposits	(33)	-
Decrease in refundable deposits	18,037	18,037
Acquisition of intangible assets	(36)	(908)
Net cash used in investing activities	(168,562)	(116,157)

(Continued)

FORCELEAD TECHNOLOGY CORPORATION

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 FINANCING ACTIVITIES		
Proceeds from short-term borrowings	$ 26,729	$ -
Repayments of short-term borrowings	(26,729)	-
Decrease in guarantee deposits	-	(5,742)
Repayment of the principal portion of lease liabilities	(2,035)	(1,992)
Donations received from shareholders	-	1,933
Net cash used in financing activities	(2,035)	(5,801)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	2,807	1,471
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,333)	(2,275)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	633,521	546,687
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 628,188	$ 544,412

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

(Concluded)

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

1. GENERAL INFORMATION

Forcelead Technology Corporation (the Company) was officially established with the approval of the Ministry of Economic Affairs on December 11, 2009 and commencement of principal business activities on May 1, 2013, and began generating significant revenue. The Company's business activities mainly include research and development, design and sales of diverse integrated automotive display driver ICs.

Sitronix Technology Corporation (the Parent Company) in order to improve the Parent Company's overall operating performance and increase market competitiveness, the Parent 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 Parent Company's board of directors resolved to spin off the automotive business division to the Company, which issued new ordinary shares as consideration for the transfer. The spin-off completion date is June 1, 2021.

The Company's shares have been listed on the OTC market through Taipei Exchange for trading since December 10, 2024.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors and authorized for issue on May 6, 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, "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 material impact on the Corporation and its subsidiaries' accounting policies.

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

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "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 Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

- The Company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Company 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 accompanying financial statements were authorized for issue, the Company has assessed that the application of other standards will not have a material impact on the Company's financial position and financial performance.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The accompanying 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 individual financial statements do not present all the disclosure required for a complete set of annual individual financial statements prepared under the IFRS Accounting Standards.

b. Basis of preparation

The accompanying financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair values.

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. Other significant accounting policies

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

1) 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

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

The Company 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.

For the summary of critical accounting judgments and key sources of estimation uncertainty in these financial statements, refer to the 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	$ 10	$ 10	$ 160
Checking and demand deposits	81,922	52,576	21,278
Cash equivalents			
Bank time deposits	350,000	410,000	433,205
Bonds with repurchase agreements	196,256	170,935	89,769
	$ 628,188	$ 633,521	$ 544,412

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

	March 31, 2026	December 31, 2025	March 31, 2025
Bank time deposits	1.560%~1.680%	1.650%~1.700%	1.505%~4.400%
Bonds with repurchase agreements	1.320%~3.800%	1.320%~3.700%	1.320%~4.400%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at FVTPL - current			
Mandatorily measured at FVTPL			
Derivative financial assets			
Credit linked notes - linked to corporate bonds	$ 50,089	$ 30,095	$ -
Foreign exchange forward contracts and foreign exchange swap contracts	1,197	1,806	-
Non-derivative financial assets			
Domestic mutual fund investments	26,440	25,703	22,642
Convertible bonds	9,370	9,620	-
	$ 87,096	$ 67,224	$ 22,642
Financial assets at FVTPL - non-current			
Mandatorily measured at FVTPL			
Derivative financial assets			
Credit linked notes - linked to corporate bonds	$ 138,192	$ 42,667	$ -
Non-derivative financial assets			
Exchangeable bonds	4,918	4,913	-
	$ 143,110	$ 47,580	$ -
Financial liabilities at FVTPL - current			
Held for trading			
Derivative financial liabilities			
Foreign exchange forward contracts and foreign exchange swap contracts	$ 420	$ 1,555	$ -

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

	Currency	Maturity Date	Notional Amount (In Thousands)
March 31, 2026			
Sell forward exchange contracts	USD/NTD	2026.04.09~2026.06.26	US$3,500/NT$111,663

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2025			
Buy forward exchange contracts	NTD/USD	2026.03.12~2026.03.13	NT$ 29,693/ US$ 1,000
Sell forward exchange contracts	USD/NTD	2026.01.27	US$ 500/ NT$ 15,760

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

b. At the end of the reporting period, outstanding foreign exchange swap contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
March 31, 2026			
Buy forward exchange contracts	NTD/USD	2026.04.13~2026.06.30	NT$110,886/US$3,500

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2025			
Sell forward exchange contracts	USD/NTD	2026.03.16~2026.03.17	US$1,000/NT$29,876
Buy forward exchange contracts	NTD/USD	2026.01.29	NT$15,692/US$500

The Company entered into foreign exchange swaps to manage exposures to exchange rate and interest rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Investments in equity instruments at FVTOCI	$ 139,879	$ 124,012	$ -
Non-current			
Investments in equity instruments at FVTOCI	$ 98,054	$ 83,764	$ -
Investments in debt instruments at FVTOCI	107,084	31,650	-
	$ 205,138	$ 115,414	$ -

a. Investments in equity instruments at FVTOCI

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Domestic investments			
Listed shares (1) and (2)	$ 139,879	$ 124,012	$ -
Non-current			
Domestic investments			
Unlisted equity investments (1)	$ 98,054	$ 83,764	$ -

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 Company's strategy of holding these investments for purposes.

2) For the three months ended March 31, 2026, the Company acquired the ordinary shares of domestic listed companies at $10,728 thousand. The management designated these investments as at FVTOCI due to their strategic investment purposes.

b. Investments in debt instruments at FVTOCI

	March 31, 2026	December 31, 2025	March 31, 2025
Non-current			
Domestic corporate bonds	$ 107,084	$ 31,650	$ -

For the three months ended March 31, 2026, the Company acquired corporate bonds for $75,000 thousand with a coupon rate of 3.75%

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Time deposits with original maturities of more than 3 months (a)	$ 719,700	$ 829,700	$ 1,458,800
Pledged fixed deposits (b)	417,005	417,005	417,005
	$ 1,136,705	$ 1,246,705	$ 1,875,805

a. The interest rates for time deposits with original maturities of more than 3 months ranged from 1.580%~1.730% , 1.580%~1.730%and 1.580%~1.770% per annum as of March 31, 2026, December 31 and March 31, 2025, respectively.

b. Refer to Note 29 for information relating to investments in financial assets at amortized cost pledged as security.

10. CREDIT RISK MANAGEMENT OF DEBT INSTRUMENT INVESTMENTS

The Company's debt instruments are financial assets at fair value through other comprehensive income.

	March 31, 2026	December 31, 2025	March 31, 2025
At Fair Value Through Other Comprehensive Income			
Gross carrying amount	$ 106,788	$ 31,788	$ -
Allowance for impairment loss	-	-	-
Amortized cost	106,788	31,788	-
Adjustment to fair value	296	(138)	-
	$ 107,084	$ 31,650	$ -

The Company 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 Company continuously monitors external rating information to track changes in the credit risk of the invested debt instruments. Additionally, the Company reviews 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 Company considers the historical default probabilities and loss given 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 Company's current credit risk rating framework is as follows:

Credit Rating	Definition	Basis for Expected Credit Loss Recognition
Performing	Less than 30-days past due, the debtor has low 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

		Gross carrying amount
Credit Rating	Expected Credit Loss Rate	At Fair Value Through Other Comprehensive Income
Performing	0%	$ 106,788

December 31, 2025

		Gross carrying amount
Credit Rating	Expected Credit Loss Rate	At Fair Value Through Other Comprehensive Income
Performing	0%	$ 31,788

11. TRADE RECEIVABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Trade receivables			
At amortized cost			
Gross carrying amount	$ 275,388	$ 251,697	$ 178,820
Less: Allowance for impairment loss	(1,261)	(1,261)	(1,261)
	$ 274,127	$ 250,436	$ 177,559

The credit period of sales of goods was 30~115 days. No interest was charged on trade receivables. The Company 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 Company uses other publicly available financial information or its own historical trading records to rate its major customers. The Company'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 Company annually.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix 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 Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a trade receivable when there is 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 Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's provision matrix:

March 31, 2026

	Not Past Due	Up to 30 Days	31 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.5%	0%	0%	0%	
Gross carrying amount	$ 275,388	$ -	$ -	$ -	$ 275,388
Loss allowance (Lifetime ECLs)	(1,261)	-	-	-	(1,261)
Amortized cost	$ 274,127	$ -	$ -	$ -	$ 274,127

December 31, 2025

	Not Past Due	Up to 30 Days	31 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.5%	0%	0%	0%	
Gross carrying amount	$ 251,697	$ -	$ -	$ -	$ 251,697
Loss allowance (Lifetime ECLs)	(1,261)	-	-	-	(1,261)
Amortized cost	$ 250,436	$ -	$ -	$ -	$ 250,436

March 31, 2025

	Not Past Due	Up to 30 Days	31 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.7%	0%	0%	0%	
Gross carrying amount	$ 178,820	$ -	$ -	$ -	$ 178,820
Loss allowance (Lifetime ECLs)	(1,261)	-	-	-	(1,261)
Amortized cost	$ 177,559	$ -	$ -	$ -	$ 177,559

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

	Three Months Ended March 31	
	2026	2025
Balance at January 1 and March 31	$ 1,261	$ 1,261

Compared with January 1, 2026, the total carrying amount of trade receivables as of March 31, 2026 increased by a net amount of $23,691 thousand, and the loss allowance did not change; compared with January 1, 2025, the total carrying amount of trade receivables as of March 31, 2025 decreased by a net amount of $21,445 thousand, and the loss allowance did not change.

12. INVENTORIES

	March 31, 2026	December 31, 2025	March 31 2025
Finished goods	$ 99,485	$ 113,509	$ 161,325
Work in progress	276,606	255,683	279,655
Raw materials	93,490	99,070	54,069
	$ 469,581	$ 468,262	$ 495,049

The above inventories were not provided as guarantee.

Cost of goods sold is defined as follows:

	Three Months Ended March 31	
	2026	2025
Cost of inventories sold	$ 433,751	$ 364,163
Allowance for inventory valuation loss (reversal of write-down inventories)	1,000	19,510
Others	(8,685)	(3,028)
	$ 426,066	$ 380,645

13. PROPERTY, PLANT AND EQUIPMENT

	Lease Improvement	Machinery Equipment	Test Equipment	Office Equipment	Total
Cost					
Balance at January 1, 2025	$ 9,638	$ 10,636	$ 199,896	$ 482	$ 220,652
Additions	-	90	16,012	-	16,102
Disposals	-	-	(104)	(48)	(152)
Balance at March 31, 2025	$ 9,638	$ 10,726	$ 215,804	$ 434	$ 236,602

(Continued)

	Lease Improvement	Machinery Equipment	Test Equipment	Office Equipment	Total
Accumulated depreciation					
Balance at January 1, 2025	$ 4,137	$ 6,031	$ 130,776	$ 315	$ 141,259
Depreciation expense	488	552	11,941	15	12,996
Disposals	-	-	(104)	(48)	(152)
Balance at March 31, 2025	$ 4,625	$ 6,583	$ 142,613	$ 282	$ 154,103
Carrying amount at March 31, 2025	$ 5,013	$ 4,143	$ 73,191	$ 152	$ 82,499

(Concluded)

	Lease Improvement	Machinery Equipment	Test Equipment	Office Equipment	Total
Cost					
Balance at January 1, 2026	$ 9,638	$ 11,814	$ 270,435	$ 464	$ 292,351
Additions	-	278	7,132	-	7,410
Disposals	-	(165)	-	-	(165)
Balance at March 31, 2026	$ 9,638	$ 11,927	$ 277,567	$ 464	$ 299,596
Accumulated depreciation					
Balance at January 1, 2026	$ 6,089	$ 7,975	$ 145,644	$ 327	$ 160,035
Depreciation expense	488	601	12,944	15	14,048
Disposals	-	(165)	-	-	(165)
Balance at March 31, 2026	$ 6,577	$ 8,411	$ 158,588	$ 342	$ 173,918
Carrying amount at January 1, 2026	$ 3,549	$ 3,839	$ 124,791	$ 137	$ 132,316
Carrying amount at March 31, 2026	$ 3,061	$ 3,516	$ 118,979	$ 122	$ 125,678

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

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

Lease improvement	5 years
Machinery equipment	4 years
Test equipment	3~6 years
Office equipment	6 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount			
Buildings	$ 23,553	$ 19,043	$ 25,333

	Three Months Ended March 31	
	2026	2025
Additions to right-of-use assets	$ 6,636	$ -
Depreciation charge for right-of-use assets		
Buildings	$ 2,126	$ 2,097
Income from the subleasing of right-of-use assets (classified under other operating income)	$ 174	$ 175

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

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount			
Current	$ 8,276	$ 6,063	$ 7,539
Non-current	$ 15,123	$ 12,735	$ 17,299

Range of discount rates for lease liabilities was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	2.210%~2.260%	2.220%	1.845%~2.220%

c. Material lease activities and terms

The Company's buildings in Hsinchu were leased from the Parent Company, and the lease terms expire in December 2028. The Company does not have bargain purchase options to acquire the leases when they expire, it is also agreed that without the lessor’s consent, the Company shall not sublease or assign all or part of the leased subject matter, please refer to Note 28 for details.

The Company also leases office space in Tainan, with lease terms expiring in February 2029. The Company does not have bargain purchase options to acquire the leases when they expire, it is also agreed that without the lessor’s consent, the Company shall not sublease or assign all or part of the leased subject matter.

d. Other lease information

	Three Months Ended March 31	
	2026	2025
Expenses relating to short-term leases	$ 413	$ 351
Total cash outflow for leases	($ 2,582)	($ 2,482)

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

15. INTANGIBLE ASSETS

	Royalty	Computer Software	Total
Cost			
Balance at January 1, 2025	$ 26,923	$ 43,764	$ 70,687
Additions	393	-	393
Balance at March 31, 2025	$ 27,316	$ 43,764	$ 71,080
Accumulated amortization			
Balance at January 1, 2025	$ 25,167	$ 27,451	$ 52,618
Amortization expenses	592	2,177	2,769
Balance at March 31, 2025	$ 25,759	$ 29,628	$ 55,387
Carrying amount at March 31, 2025	$ 1,557	$ 14,136	$ 15,693
Cost			
Balance at January 1, 2026	$ 31,053	$ 55,076	$ 86,129
Additions	-	195	195
Balance at March 31, 2026	$ 31,053	$ 55,271	$ 86,324
Accumulated amortization			
Balance at January 1, 2026	$ 27,610	$ 37,234	$ 64,844
Amortization expenses	683	2,426	3,109
Balance at March 31, 2026	$ 28,293	$ 39,660	$ 67,953
Carrying amount at January 1, 2026	$ 3,443	$ 17,842	$ 21,285
Carrying amount at March 31, 2026	$ 2,760	$ 15,611	$ 18,371

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

Royalty	2 years
Computer software	2~6 years

An analysis of amortization by function:

	Three Months Ended March 31	
	2026	2025
General and administrative expenses	$ 318	$ 638
Research and development expenses	2,791	2,131
	$ 3,109	$ 2,769

16. OTHER ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Other current assets			
Others	$ 790	$ 969	$ 360
Prepayments			
Prepaid probe cards	$ 13,590	$ 16,325	$ 11,608
Input tax and offset against business tax	4,321	9,363	2,821
Prepayments	3,034	953	2,418
	$ 20,945	$ 26,641	$ 16,847
Non-current			
Other non-current assets			
Prepayments for buildings	$ 218,398	$ 199,658	$ 140,610
Prepayments for equipment	45,912	828	-
Refundable deposits	21,969	41,936	44,236
	$ 286,279	$ 242,422	$ 184,846

Please refer to Note 30 for details of the contract terms related to the prepayments for buildings and the capacity guarantee agreements.

17. OTHER LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Other payables			
Payables for salaries and bonuses	$ 109,588	$ 111,039	$ 119,852
Payables for research	7,119	5,464	6,829
Payables for equipment	5,400	29,555	16,488
Others	31,936	41,871	25,976
	$ 154,043	$ 187,929	$ 169,145
Other liabilities			
Contract liabilities	$ 13,686	$ 40,913	$ 22,944
Others	1,999	1,926	1,880
	$ 15,685	$ 42,839	$ 24,824
Non-current			
Other non-current liabilities			
Decommissioning liabilities	$ 2,583	$ 2,577	$ 2,558
Guarantee deposits received	-	-	33,205
	$ 2,583	$ 2,577	$ 35,763

18. RETIREMENT BENEFIT PLANS

Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The pension expenses of the Company for the three months ended March 31, 2026 and 2025, were $2,695 thousand and $2,482 thousand, respectively.

19. EQUITY

a. Share capital

	March 31, 2026	December 31, 2025	March 31, 2025
Number of shares authorized (in thousands)	50,000	50,000	50,000
Share capital	$ 500,000	$ 500,000	$ 500,000
Number of shares issued and fully paid (in thousands)	42,005	42,005	41,919
Shares issued	$ 420,053	$ 420,053	$ 419,193

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 6,000 thousand shares reserved for the exercise of employee stock options.

The changes in the Company's share capital were primarily due to the issuance of restricted stock for employees, and the cancellation of unvested restricted stock for employees.

On September 18, 2024, the Company's extraordinary general meeting resolved to issue for free of charge 500 thousand shares of restricted stock for employees, with a par value of $10. The resolution was also filed to the Securities and Futures Bureau, FSC of the ROC and enforced on October 9, 2024. The Board of Directors resolved the issuance of 293 thousand, 46 thousand and 58 thousand shares of restricted stock for employees, with October 30, 2024, July 30, 2025 and December 17, 2025, respectively, as the capital increase record date, and the registration of the capital change was completed on November 18, 2024, August 29, 2025 and January 2, 2026, respectively.

On October 29, 2025, the Company's Board of Directors resolved to reclaim 18 thousand unvested restricted shares for employees and proceed with cancellation. The capital reduction record date was November 10, 2025, and the registration for the capital reduction was completed on November 17, 2025. Refer to Note 24 for information on restricted shares for employees.

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Issuance of ordinary shares	$ 1,427,010	$ 1,426,705	$ 1,410,117
Donations received from shareholders	7,969	7,969	7,355
Not used for any purpose			
Restricted stock for employees	57,936	58,241	65,374
	$ 1,492,915	$ 1,492,915	$ 1,482,846

Note： 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 dividends or transferred to share capital (limited to a certain percentage of the Company’s capital surplus and to once a year).

c. Retained earnings and dividends policy

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

1) Offsetting losses of previous years.

2) 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).

3) Setting aside or reversing a special reserve in accordance with the laws and regulations or competent authority regulations.

4) Any remaining profit together with the beginning of period undistributed retained earnings (including adjustment of the amount of undistributed earnings) would be the basis for making the distribution proposal by the Company’s board of directors, and should be resolved in the shareholders’ meeting for the distribution of dividends and bonuses to shareholders.

The Board of Directors of the Company is authorized to make special resolutions to distribute all or part of the dividends and bonuses in the form of cash, and to report it to the latest shareholders' meeting.

For the policies on the distribution of employees’ compensation and remuneration of directors, refer to employees’ compensation and remuneration of directors in Note 21(h).

The Company allocates no less than 10% of distributable profits each year for the distribution of shareholder dividends, the distribution of dividends to shareholders 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 as well as taking into account the interests of shareholders, balance of dividends and long-term financial planning etc., the board of directors shall make the distribution proposal annually and present it at 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	$ 50,729	$ 58,822
Special reserve	$ -	($ 904)
Cash dividends	$ 420,053	$ 530,304
Cash dividends per share (NT$)	$ 10.00	$ 12.65

The above appropriations for cash dividends were resolved by the Company's board of directors on March 4, 2026 and March 5, 2025, respectively; the other proposed appropriations for 2024 were resolved by the shareholders in their meeting on June 26, 2025. The other proposed appropriations for 2025 have yet to be resolved at the shareholders' meeting to be held on June 24, 2026. In addition, due to the forfeiture and repurchase of restricted employee shares, which resulted in a change in the number of outstanding shares, the cash dividend distribution to shareholders was adjusted, the Board of Directors authorized the Chairman to approve a revision of the cash dividend to $10.002 per share.

d. Special reserve

	Three Months Ended March 31	
	2026	2025
Balance at January 1 and March 31	$ -	$ 904

e. Other equity items

1) Unrealized gain on financial assets at FVTOCI

	Three Months Ended March 31	
	2026	2025
Balance at January 1	$ 5,175	$ -
Recognized for the three months		
Unrealized gain (loss) - equity instruments	19,429	-
Unrealized gain (loss) - debt instruments	434	-
Balance at March 31	$ 25,038	$ -

2) Unearned stock-based employee compensation

At the extraordinary shareholder's meeting held on September 18, 2024, the Company resolved to issue new restricted stock for employees. Refer to Note 24 for related details.

	Three Months Ended March 31	
	2026	2025
Balance at January 1	($ 39,311)	($ 62,375)
Recognized share-based payment	6,434	8,894
Balance at March 31	($ 32,877)	($ 53,481)

20. REVENUE

a. Disaggregation of revenue

Product	Three Months Ended March 31 2026		Three Months Ended March 31 2025	
Integrated circuits	$	720,068	$	624,295
Others		7		-
	$	720,075	$	624,295

Primary geographical markets	Three Months Ended March 31 2026		Three Months Ended March 31 2025	
Hong Kong	$	552,207	$	483,102
Taiwan		106,965		114,584
China		60,839		26,609
Others		64		-
	$	720,075	$	624,295

The basis of calculation of the Company'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	
Trade receivables (Note 11)	$	274,127	$	250,436	$	177,559	$	199,004
Trade receivables from related parties (Note 28)		16,592		91,707		46,679		11,534
Total	$	290,719	$	342,143	$	224,238	$	210,538
Contract liabilities (Note 17)								
Sales of goods	$	13,686	$	40,913	$	22,944	$	12,983

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		Three Months Ended March 31 2025	
<u>From contract liabilities at the start of the year</u>				
Sales of goods	$	40,913	$	12,983

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

21. NET PROFIT

a. Other operating income

	Three Months Ended March 31 2026		Three Months Ended March 31 2025	
Gain on sublease of right-of-use assets	$	174	$	175

b. Interest income

	Three Months Ended March 31	
	2026	2025
Financial assets at amortized cost	$ 6,954	$ 9,751
Investments in debt instruments at FVTOCI	988	-
Financial assets at FVTPL	701	-
Imputed interest on deposits	18	18
	$ 8,661	$ 9,769

c. Other income

	Three Months Ended March 31	
	2026	2025
Rental income	$ 117	$ 89
Others	-	1
	$ 117	$ 90

d. Other gains and (losses)

	Three Months Ended March 31	
	2026	2025
Net foreign exchange gains	$ 4,863	$ 2,409
Gain (losses) on financial assets and liabilities designated as at FVTPL	1,683	(200)
	$ 6,546	$ 2,209

e. Finance costs

	Three Months Ended March 31	
	2026	2025
Interest on lease liabilities	$ 134	$ 139
Interest on loans	32	-
Other interest expenses	6	219
	$ 172	$ 358

f. Depreciation and amortization

	Three Months Ended March 31	
	2026	2025
Property, plant and equipment	$ 14,048	$ 12,996
Right-of-use assets	2,126	2,097
Intangible assets	3,109	2,769
Total	$ 19,283	$ 17,862
An analysis of depreciation by function		
Operating expenses	$ 13,357	$ 14,585
Operating costs	2,817	508
	$ 16,174	$ 15,093
An analysis of amortization by function		
Operating expenses	$ 3,109	$ 2,769

For information regarding the allocation of intangible asset amortization expense to individual line items, please refer to Note 15.

g. Employee benefits expense

	Three Months Ended March 31	
	2026	2025
Short-term benefits	$ 97,618	$ 82,771
Post-employment benefits		
Defined contribution plans (Note 18)	2,695	2,482
Share-based payments	6,434	8,894
Total employee benefits expense	$ 106,747	$ 94,147
An analysis of employee benefits expense by function		
Operating expenses	$ 98,002	$ 87,165
Operating costs	8,745	6,982
	$ 106,747	$ 94,147

h. Employees' compensation and remuneration of directors

According to the articles of incorporation of the Company, the Company accrued employees' compensation at rates of no less than 1% and no higher than 25%, and remuneration of directors at rates of no higher than 1%, 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 June 26, 2025, to specify that no less than 50% of the employee remuneration referred to above 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:

	Three Months Ended March 31	
	2026	2025
Employees' compensation	$ 12,261	$ 8,985
Remuneration of directors	$ 1,226	$ 898

If there is a change in the amounts after the annual 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 4, 2026 and March 5, 2025, respectively, are as follows:

Amount

	Years Ended December 31	
	2025	2024
	Cash	Cash
Employees' compensation	$ 42,586	$ 52,970
Remuneration of directors	4,259	5,297

There is no difference between the actual amounts of employees' compensation as well as remuneration of directors and the amount recognized in the financial statements for the years ended December 31, 2025 and 2024, which were approved by the Company's board of directors.

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	$ 12,450	$ 7,868
Foreign exchange losses	(7,587)	(5,459)
Net gain	$ 4,863	$ 2,409

22. 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	$ 23,918	$ 20,228
Deferred tax		
In respect of the current period	(32)	-
Income tax expense recognized in profit or loss	$ 23,886	$ 20,228

b. Income tax assessments

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

23. EARNINGS PER SHARE

Unit: NT$ Per Share

	Three Months Ended March 31	
	2026	2025
Basic earnings per share	$ 3.27	$ 2.40
Diluted earnings per share	$ 3.24	$ 2.38

The net income 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 attributable to shareholders	$ 136,233	$ 99,828
Earnings used in the computation of basic and diluted earnings per share	$ 136,233	$ 99,828

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	41,703	41,626
Effect of potentially dilutive ordinary shares:		
Employee restricted stock	97	50
Employees' compensation	251	218
Weighted average number of ordinary shares used in the computation of diluted earnings per share	42,051	41,894

Since the Company offered to settle compensation or bonuses paid to employees in cash or shares, the Company assumes that 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.

24. SHARE-BASED PAYMENT ARRANGEMENTS

Employee restricted stock

On September 18, 2024, the extraordinary general meeting of the Company approved to issue for free of charge 500 thousand shares of restricted stock for employees, with a par value of $10, according to the issuance plan, the Company may issue the restricted stock for employees 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 Company issued new shares with restricted stocks for employees 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

a. The vesting conditions for the restricted stock for employees issued by the Company are as follows:

1) Remaining employed on each vesting period.

2) Personnel who satisfied the Company's established individual performance assessment indicators and the Company's overall performance.

3) Has not violated any contracts entered into with the Company or its domestic or foreign subsidiaries or affiliates during any vesting period.

4) Has not violated these regulations or the work rules and company policies of the Company or its domestic or foreign subsidiaries or affiliates during any vesting period.

5) Has not violated any contracts between third parties and the Company 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 the Company for one year	25%
Remain employed by the Company for two years	25%
Remain employed by the Company for three years	25%
Remain employed by the Company for four years	25%

b. After the allocation of new shares, employees will be delivered to a trust or custodian according to the Company’s procedures. In addition, before meeting the vesting conditions, the restricted rights are as follows:

1) 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.

2) 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.

3) 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.

4) During the vesting period, if the Company conducts a cash capital reduction or a capital reduction to offset losses, which is not a statutory capital reduction, the restricted stock awards for employees 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, the Company will reclaim the cash.

c. The information regarding the new shares of restricted stock awards for employees 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	301	293

On October 30, 2024, the Company granted restricted stock awards for employees, 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, the Company will reclaim the shares without compensation and proceed with cancellation.

Compensation costs of the Company's restricted stock options for employees were $6,434 thousand and $8,894 thousand for the three months ended March 31, 2026 and 2025, respectively.

25. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities

Three Months Ended March, 2026

	January 1, 2026	Cash Flows	Non-cash Changes: Foreign Exchange Movement	Non-cash Changes: New Leases	March 31, 2026
Lease liabilities	$ 18,798	($ 2,035)	$ -	$ 6,636	$ 23,399

Three Months Ended March, 2025

	January 1, 2025	Cash Flows	Non-cash Changes: Foreign Exchange Movement	Non-cash Changes: New Leases	March 31, 2025
Lease liabilities	$ 26,830	($ 1,992)	$ -	$ -	$ 24,838
Guarantee deposits received	39,579	(5,742)	(632)	-	33,205
	$ 66,409	($ 7,734)	($ 632)	$ -	$ 58,043

26. CAPITAL RISK MANAGEMENT

The objectives, policies and processes of capital risk management and the capital structure of the Company in these financial statements were applied as the same as in the preparation of the financial statements for the year ended December 31, 2025. Please refer to Note 26 to the financial statements for the year ended December 31, 2025 for details.

27. FINANCIAL INSTRUMENTS

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

The management of the Company 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

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic corporate funds	$ 26,440	$ -	$ -	$ 26,440
Convertible bonds	9,370	-	-	9,370
Exchangeable bonds	4,918	-	-	4,918
Derivative instrument				
Credit linked notes - linked to corporate bonds	-	188,281	-	188,281
Foreign exchange forward contracts and foreign exchange swap contracts	-	1,197	-	1,197
	$ 40,728	$ 189,478	$ -	$ 230,206

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed shares	$ 139,879	$ -	$ -	$ 139,879
Domestic unlisted equity investments	-	-	98,054	98,054
Investments in debt instruments at FVTOCI				
Corporate bonds	-	107,084	-	107,084
	$ 139,879	$ 107,084	$ 98,054	$ 345,017
Financial liabilities at FVTPL				
Derivative instruments				
Foreign exchange forward contracts and foreign exchange swap contracts	$ -	$ 420	$ -	$ 420

(Concluded)

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic corporate funds	$ 25,703	$ -	$ -	$ 25,703
Convertible bonds	9,620	-	-	9,620
Exchangeable bonds	4,913	-	-	4,913
Derivative instrument				
Credit linked notes - linked to corporate bonds	-	72,762	-	72,762
Foreign exchange forward contracts and foreign exchange swap contracts	-	1,806	-	1,806
	$ 40,236	$ 74,568	$ -	$ 114,804
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed shares	$ 124,012	$ -	$ -	$ 124,012
Domestic unlisted equity investments	-	-	83,764	83,764
Investments in debt instruments at FVTOCI				
Corporate bonds	-	31,650	-	31,650
	$ 124,012	$ 31,650	$ 83,764	$ 239,426
Financial liabilities at FVTPL				
Derivative instruments				
Foreign exchange swap contracts	$ -	$ 1,555	$ -	$ 1,555

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic corporate funds	$ 22,642	$ -	$ -	$ 22,642

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

Financial Instruments	Valuation Techniques and Inputs
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.
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 unlisted equity investments are evaluated by the net asset value method. The management of the Company 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.

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

The Company’s financial assets under level 3 fair value measurement are equity instruments measured at fair value through other comprehensive income.

Three Months Ended March 31, 2026

	Equity instruments at FVTOCI
Balance at January 1	$ 83,764
Recognized under other comprehensive income	14,290
Balance at March 31	$ 98,054

c. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	$ 230,206	$ 114,804	$ 22,642
Financial assets at amortized cost (1)	2,091,698	2,271,706	2,700,552
Financial assets at FVTOCI			
Equity instruments	237,933	207,776	-
Debt instruments	107,084	31,650	-
Financial liabilities			
Financial liabilities at FVTPL			
Held for trading	420	1,555	-
Financial liabilities at amortized cost(2)	400,459	468,622	358,642

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, trade receivables (including receivables from related parties), other receivables, refundable deposits and other current assets.

2) The balances include financial liabilities at amortized cost, which comprise trade payables, other payables (including other payables to related parties) and guarantee deposits.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity and debt investments, trade receivables and trade payables. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company 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 Company'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 Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Company 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 Company's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

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

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 31.

<u>Sensitivity analysis</u>

The Company was mainly exposed to the USD.

The following table details the Company'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	
	Three Months Ended March 31	
	2026	2025
Profit or loss	$ 7,469	$ 3,286

b) Interest rate risk

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

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

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
Financial assets	$ 1,409,545	$ 1,478,790	$ 1,968,779
Financial liabilities	$ 23,399	$ 18,798	$ 24,838
Cash flow interest rate risk			
Financial assets	$ 462,422	$ 433,076	$ 451,203

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liabilities outstanding at the end of the reporting period was outstanding for the reporting period.

If interest rates had been 0.1% higher/lower and all other variables were held constant, the Company's pre-tax profit for the three months ended March 31, 2026 and 2025 would increase/decrease by $116 thousand and $113 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on variable-rate net assets. The Company's pre-tax other comprehensive income for the three months ended March 31, 2026 would decrease/increase by $27 thousand, 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 Company 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 Company does not actively trade these investments. The Company's equity price risk is mainly concentrated in equity instruments operating in the semiconductor industry, and finance and insurance industries, convertible bonds, exchangeable bonds, credit linked structured notes, and exchange-traded funds quoted on 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 $11,450 thousand and $1,132 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL. Pre-tax other comprehensive income for the three months ended March 31, 2026 would have increased/decreased by $6,994 thousand, 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 Company. At the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company, 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 Company 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 Company reviews conditions on each collecting receivable to ensure the uncollectible amounts are provided with appropriate impairment losses. Accordingly, the management of the Company believes that the credit risk of the Company 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 Company's total trade receivables, the Company 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 Company's trade receivables balance are creditworthy companies.

3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of March 31, 2026, December 31 and March 31, 2025, the Company 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 Company'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 Company 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	Over 1 Years	Total
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 167,683	$ 231,756	$ 110,608	$ -	$ 510,047
Dividends payable	-	420,053	-	-	420,053
Lease liabilities	725	1,450	6,523	15,408	24,106
	$ 168,408	$ 653,259	$ 117,131	$ 15,408	$ 954,206

December 31, 2025

Non-derivative financial liabilities	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	Over 1 Years	Total
Non-interest bearing liabilities	$ 228,860	$ 272,035	$ 78,766	$ -	$ 579,661
Lease liabilities	531	1,066	4,809	13,012	19,418
	$ 229,391	$ 273,101	$ 83,575	$ 13,012	$ 599,079

March 31, 2025

Non-derivative financial liabilities	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	Over 1 Years	Total
Non-interest bearing liabilities	$ 165,176	$ 163,772	$ 116,341	$ -	$ 445,289
Dividends payable	-	530,304	-	-	530,304
Lease liabilities	711	1,421	5,861	17,820	25,813
	$ 165,887	$ 695,497	$ 122,202	$ 17,820	$ 1,001,406

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities were subject to change if changes in variable interest rates were differ from those estimates of interest rates determined at the end of the reporting period.

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

The following table details the Company'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	$ 63,683	$ 143,965	$ 15,998	$ -
Outflows	(63,457)	(143,560)	(15,852)	-
	$ 226	$ 405	$ 146	$ -

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	$ 31,475	$ 61,306	$ -	$ -
Outflows	(31,407)	(61,123)	-	-
	$ 68	$ 183	$ -	$ -

c) Financing facilities

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	$ -	$ -	$ -
Amount unused	1,865,935	1,858,590	1,581,665
	$ 1,865,935	$ 1,858,590	$ 1,581,665

28. TRANSACTIONS WITH RELATED PARTIES

Sitronix Technology Corp. is the Company's parent company, it owns 55.80%, 55.80% and 55.10% of the Company's common shares as of March 31, 2026, December 31 and March 31, 2025, respectively.

In addition to those disclosed in other notes, detail of transactions between the Company and related parties are disclosed below.

a. Related party name and category

Related Party Name	Related Party Category
Sitronix Technology Corp.	Parent company
Sync-Tech System Corp.	Fellow subsidiary

b. Sales of goods

	Three Months Ended March 31	
Related Party Category	2026	2025
Parent company	$ 21,596	$ 58,036

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

c. Manufacturing expenses

	Three Months Ended March 31	
Related Party Category	2026	2025
Fellow subsidiary	$ 15,067	$ 9,787
Parent company	28	28
	$ 15,095	$ 9,815

The transactions in which the Company made payments of support service expenses, probe cards, and general and administrative expenses to related parties were subject to contractual agreements as there were no similar transactions for comparison.

d. Operating expenses

		Three Months Ended March 31	
Account Item	Related Party Category	2026	2025
Support service expenses	Parent company	$ 15,724	$ 12,811
General and administrative expenses	Fellow subsidiary	8	8
		$ 15,732	$ 12,819

The transactions in which the Company made payments of support service expenses, general and administrative expenses to related parties were subject to contractual agreements as there were no similar transactions for comparison.

e. Trade receivables from related parties

Account Item	Related Party Category	March 31, 2026	December 31, 2025	March 31, 2025
Trade receivables from related parties	Parent Company	$ 16,592	$ 91,707	$ 46,679
Other receivables	Parent Company	174	1	-
		$ 16,766	$ 91,708	$ 46,679

The outstanding trade receivables from related parties were unsecured. No allowance for doubtful accounts were recognized for trade receivables from related parties for the three months ended March 31, 2026 and 2025.

f. Payables to related parties

Account Item	Related Party Category	March 31, 2026	December 31, 2025	March 31, 2025
Dividends payable to related parties	Parent Company	$ 234,375	$ -	$ 292,197
Other payables to related parties	Parent company	22,433	38,661	24,006
	Fellow subsidiary	9,838	15,200	8,312
		$ 266,646	$ 53,861	$ 324,515

The outstanding payables to related parties are unsecured.

g. Refundable deposits

Account Item	Related Party Category	March 31, 2026	December 31, 2025	March 31, 2025
Refundable deposits	Parent company	$ 961	$ 961	$ 961
	Fellow subsidiary	59	59	59
		$ 1,020	$ 1,020	$ 1,020

The aforementioned refundable deposits from the related parties were made for lease guarantees.

h. Lease arrangement-the Company is lessee

Related Party Category	Three Months Ended March 31	
	2026	2025
Acquisition of right-of-use assets		
Parent company	$ 6,636	$ -

Related Party Category	March 31, 2026	December 31, 2025	March 31, 2025
Lease liabilities			
Parent company	$ 20,766	$ 15,956	$ 21,383

Related Party Category	Three Months Ended March 31 2026	2025
Interest expenses		
Parent company	$ 119	$ 120
Lease expenses		
Parent company	$ 216	$ 201
Fellow subsidiary	85	85
	$ 301	$ 286
Deposit interest		
Parent company	$ 17	$ 17
Fellow subsidiary	1	1
	$ 18	$ 18

In January 2024 and January 2026, the Company entered into lease agreements with related parties for building A and office workstations, respectively. The lease terms are 5 years and 3 years, respectively. The rental payments were determined with reference to the rental rates of similar assets and are paid in fixed monthly installments in accordance with the lease agreements.

Lease expenses include short-term lease expenses.

i. Remuneration of key management personnel

	Three Months Ended March 31 2026	2025
Short-term employee benefits	$ 6,534	$ 6,904
Post-employment benefits	72	92
	$ 6,606	$ 6,996

The remuneration of directors and other key executives was determined by the remuneration committee based on the performance of individuals and the Company's profits.

29. ASSETS PLEDGED AS 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)	$ 417,005	$ 417,005	$ 417,005

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

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

a. Long-term purchase agreements

The Company 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 Company in accordance with the agreements. As of March 31, 2026, the Company has paid the suppliers USD648 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 USD648 thousand.

b. Acquisition of Property

The Company'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 amount of NT$937,250 thousand (including tax). As of March 31, 2026, NT$215,570 thousand was paid as consideration.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2026

	Foreign Currency	Exchange Rate
Foreign currency assets		
Monetary items		
USD	$ 14,976	31.995
Non-Monetary items		
USD	6,003	31.995
Foreign currency liabilities		
Monetary items		
USD	10,307	31.995
Non-Monetary items		
USD	2,000	31.995

December 31, 2025

	Foreign Currency	Exchange Rate
Foreign currency assets		
Monetary items		
USD	$ 14,683	31.430
Non-Monetary items		
USD	3,007	31.430

(Continued)

	Foreign Currency	Exchange Rate
Foreign currency liabilities		
Monetary items		
USD	$ 10,935	31.430
Non-Monetary items		
USD	1,000	31.430

(Concluded)

March 31, 2025

	Foreign Currency	Exchange Rate
Foreign currency assets		
Monetary items		
USD	$ 10,680	33.205
Foreign currency liabilities		
Monetary items		
USD	8,701	33.205

For the three months ended March 31, 2026 and 2025, please refer to Note 21(i) for the information of realized and unrealized net foreign exchange gains (losses). It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions of the entities in the Company.

32. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

   1) Financing provided to others: None

   2) Endorsements/guarantees provided: None

   3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 1 (attached)

   4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

   5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

   6) Others: Intercompany relationships and significant intercompany transactions: None

b. Information on investments: None

c. Information on investments in mainland China: None

33. SEGMENT INFORMATION

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

The Company provides 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 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 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 balance sheets as of March 31, 2026, December 31 and March 31, 2025

FORCELEAD TECHNOLOGY CORPORATION

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	Derivatives							
	Acbel Polytech Inc. second Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	$ 30,047	-	$ 30,047	Note 1
	Weikeng Industrial Co., Ltd. seventh Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	20,004	-	20,004	Note 1
	ADATA Technology Co., Ltd. eighth Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	20,110	-	20,110	Note 1
	Huaku Development Co., Ltd. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	30,207	-	30,207	Note 1
	Fund							
	TAISHIN JU LONG Fund	-	Financial assets at fair value through profit or loss - current	1,746,862	26,440	-	26,440	Note 1
	Stock							
	Cathay Financial Holding Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	1,300,000	80,730	-	80,730	Note 1
	Equity Investment							
	Fong Huang VII Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	8,000,000	98,054	4	98,054	Note 2
	Bonds							
	Cathay Life Insurance Co., Ltd. 2023 Issue 2 USD Denominated Unsecured Accumulated Subordinated Ordinary Corporate Bonds	-	Investments in debt instruments at FVTOCI - non-current	-	32,091	-	32,091	Note 1
	KGI Life Insurance Co., Ltd. 1st unsecured cumulative Subordinated Corporate Bonds A issued in 2026	-	Investments in debt instruments at FVTOCI - non-current	-	74,993	-	74,993	Note 1

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 Company in accordance with the principle of materiality.