

# AP Memory Technology Corporation and Subsidiaries

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

## INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders  
AP Memory Technology Corporation

### Introduction

The consolidated balance sheets of AP Memory Technology Corporation and its subsidiaries as of March 31, 2026, and 2025, as well as the consolidated statements of comprehensive income, changes in equity, and cash flows from January 1 to March 31, 2026, and 2025, along with the notes to the consolidated financial statements (including a summary of significant accounting policies) have been reviewed by us, the auditors. The preparation of these interim consolidated financial statements, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 'Interim Financial Reporting' approved and implemented by the Financial Supervisory Commission (FSC), is the responsibility of the Company's management. Our responsibility is to issue a conclusion on these consolidated financial statements based on our review.

### Scope of Review

We conducted our review in accordance with Review Standards 2410 'Review of Financial Statements.' Procedures performed in a review of consolidated financial statements include inquiries (primarily to individuals responsible for financial and accounting matters), analytical procedures, and other review procedures. The scope of a review is substantially less than that of an audit; thus, we might not become aware of all significant matters that could be identified in an audit, and therefore, we do not express an audit opinion.

### Conclusion

Based on our review, we have not found any significant discrepancies in the consolidated financial statements that indicate they are not prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 'Interim Financial Reporting' approved and implemented by the FSC. Thus, these consolidated financial statements fairly represent the financial position of AP Memory Technology Corporation and its subsidiaries as of March 31, 2026, and 2025, and their financial performance and cash flows from January 1 to March 31, 2026, and 2025.

Deloitte & Touche Taipei,  
Taiwan Republic of China  
May 6, 2026

### Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China. For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' review report and consolidated financial statements shall prevail.

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025

(In Thousands of New Taiwan Dollars)

Assets	Mar. 31, 2026		Dec. 31, 2025		Mar. 31, 2025 (Retroactive, Note 16)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 8,765,915	56	\$ 7,263,192	49	\$ 5,126,877	37
Financial assets at amortized cost – current (Notes 9 and 33)	2,843,170	18	3,755,814	25	4,784,838	35
Trade receivables (Notes 10, 23 and 32)	743,717	5	588,490	4	536,354	4
Other receivables (Note 10)	105,701	1	99,341	1	98,535	1
Current income tax assets (Note 4)	488	-	455	-	-	-
Inventories (Note 11)	1,190,175	8	1,144,751	8	1,113,669	8
Other current assets (Note 18)	47,257	-	87,169	1	69,434	1
Total current assets	<u>13,696,423</u>	<u>88</u>	<u>12,939,212</u>	<u>88</u>	<u>11,729,707</u>	<u>86</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss – non-current (Notes 7 and 31)	87,986	1	86,433	1	645,699	5
Financial assets at fair value through other comprehensive income – non-current (Notes 8 and 31)	159,975	1	157,150	1	-	-
Investments accounted for using the equity method (Note 13)	956,032	6	962,914	6	802,696	6
Property, plant and equipment (Notes 14 and 28)	68,866	-	57,193	-	61,702	-
Right-of-use assets (Note 15)	27,467	-	32,797	-	23,800	-
Goodwill (Notes 16 and 28)	95,241	1	95,241	1	95,241	1
Intangible assets (Notes 17 and 28)	75,872	-	86,423	1	102,216	1
Deferred tax assets (Note 4)	118,151	1	126,287	1	86,913	-
Refundable deposits (Note 34)	9,394	-	6,112	-	4,435	-
Other non-current assets (Note 18)	271,959	2	190,510	1	138,836	1
Total non-current assets	<u>1,870,943</u>	<u>12</u>	<u>1,801,060</u>	<u>12</u>	<u>1,961,538</u>	<u>14</u>
<b>TOTAL</b>	<u>\$ 15,567,366</u>	<u>100</u>	<u>\$ 14,740,272</u>	<u>100</u>	<u>\$ 13,691,245</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term loans (Note 19)	\$ 50,000	-	\$ 200,000	1	\$ 50,000	-
Contract liabilities (Note 23)	948,690	6	939,560	6	274,276	2
Accounts payable	528,496	4	505,258	3	230,184	2
Other payables (Note 20)	1,398,688	9	229,476	2	1,336,080	10
Current tax liabilities (Note 4)	494,261	3	371,747	3	355,374	3
Lease liabilities - current (Note 15)	18,049	-	21,268	-	12,647	-
Other current liabilities (Note 20)	14,985	-	20,274	-	9,044	-
Total current liabilities	<u>3,453,169</u>	<u>22</u>	<u>2,287,583</u>	<u>15</u>	<u>2,267,605</u>	<u>17</u>
<b>NON-CURRENT LIABILITIES</b>						
Financial liabilities at fair value through profit or loss - non-current (Notes 7 and 31)	8,415	-	8,266	-	8,733	-
Deferred income tax liabilities (Note 4)	88,334	1	67,177	1	129,845	1
Lease liabilities – non-current (Note 15)	8,009	-	11,200	-	11,239	-
Deposits received	-	-	2,000	-	2,000	-
Other payables – non-current (Note 20)	-	-	-	-	4,279	-
Total non-current liabilities	<u>104,758</u>	<u>1</u>	<u>88,643</u>	<u>1</u>	<u>156,096</u>	<u>1</u>
Total liabilities	<u>3,557,927</u>	<u>23</u>	<u>2,376,226</u>	<u>16</u>	<u>2,423,701</u>	<u>18</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 12, 22, 27, 28 and 29)</b>						
Share capital						
Ordinary shares	814,233	5	813,538	6	812,461	6
Advance receipts for ordinary shares	-	-	224	-	-	-
Total share capital	<u>814,233</u>	<u>5</u>	<u>813,762</u>	<u>6</u>	<u>812,461</u>	<u>6</u>
Capital surplus	6,518,568	42	6,531,614	44	6,388,322	47
Retained earnings						
Legal reserve	1,063,199	7	1,063,199	7	905,376	6
Special reserve	-	-	-	-	343	-
Unappropriated earnings	3,312,864	21	3,776,349	26	3,007,356	22
Total retained earnings	<u>4,376,063</u>	<u>28</u>	<u>4,839,548</u>	<u>33</u>	<u>3,913,075</u>	<u>28</u>
Other equity	104,934	1	57,673	-	13,937	-
Equity attributable to owners of the Company	<u>11,813,798</u>	<u>76</u>	<u>12,242,597</u>	<u>83</u>	<u>11,127,795</u>	<u>81</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>195,641</u>	<u>1</u>	<u>121,449</u>	<u>1</u>	<u>139,749</u>	<u>1</u>
Total equity	<u>12,009,439</u>	<u>77</u>	<u>12,364,046</u>	<u>84</u>	<u>11,267,544</u>	<u>82</u>
<b>TOTAL</b>	<u>\$ 15,567,366</u>	<u>100</u>	<u>\$ 14,740,272</u>	<u>100</u>	<u>\$ 13,691,245</u>	<u>100</u>

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

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

(Reviewed, Not Audited)

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

	For the Three Months Ended Mar. 31, 2026		For the Three Months Ended Mar. 31, 2025 (Retroactive, Note 16)	
	Amount	%	Amount	%
REVENUE (Notes 23 and 32)	\$ 2,099,951	100	\$ 974,960	100
COSTS OF REVENUE (Notes 11 and 24)	<u>1,130,086</u>	<u>54</u>	<u>521,822</u>	<u>54</u>
GROSS PROFIT	<u>969,865</u>	<u>46</u>	<u>453,138</u>	<u>46</u>
OPERATING EXPENSES (Notes 10 and 24)				
Selling and marketing expenses	41,631	2	30,326	3
General and administrative expenses	69,234	3	53,287	5
Research and development expenses	270,751	13	195,189	20
Expected credit loss (reversal)	<u>-</u>	<u>-</u>	<u>( 741 )</u>	<u>-</u>
Total operating expenses	<u>381,616</u>	<u>18</u>	<u>278,061</u>	<u>28</u>
OPERATING INCOME	<u>588,249</u>	<u>28</u>	<u>175,077</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES				
Other income	2,568	-	360	-
Share of profit of associates (Note 13)	4,918	-	3,452	-
Interest income	90,828	5	92,331	9
Foreign exchange gain, net (Notes 24 and 34)	140,145	6	107,122	11
Gains on financial assets at fair value through profit or loss (Notes 7 and 31)	-	-	60,448	6
Interest expense	<u>( 354 )</u>	<u>-</u>	<u>( 448 )</u>	<u>-</u>
Loss on disposal of property, plant and equipment	<u>( 663 )</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss on disposal of investment (Note 13)	<u>-</u>	<u>-</u>	<u>( 4,257 )</u>	<u>-</u>
Total non-operating income and expenses	<u>237,442</u>	<u>11</u>	<u>259,008</u>	<u>26</u>

(Continued)

	For the Three Months Ended Mar. 31, 2026		For the Three Months Ended Mar. 31, 2025 (Retroactive, Note 16)	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 825,691	39	\$ 434,085	44
INCOME TAX EXPENSE (Notes 4 and 25)	( 165,725 )	( 8 )	( 88,760 )	( 9 )
NET INCOME	<u>659,966</u>	<u>31</u>	<u>345,325</u>	<u>35</u>
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>48,131</u>	<u>2</u>	<u>6,161</u>	<u>1</u>
Other comprehensive income for the period, net of income tax	<u>48,131</u>	<u>2</u>	<u>6,161</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 708,097</u>	<u>33</u>	<u>\$ 351,486</u>	<u>36</u>
NET INCOME ATTRIBUTE TO:				
Owners of the Company	\$ 676,217	32	\$ 331,182	34
Non-controlling interests	( 16,251 )	( 1 )	14,143	1
	<u>\$ 659,966</u>	<u>31</u>	<u>\$ 345,325</u>	<u>35</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTE TO:				
Owners of the Company	\$ 723,478	34	\$ 336,935	35
Non-controlling interests	( 15,381 )	( 1 )	14,551	1
	<u>\$ 708,097</u>	<u>33</u>	<u>\$ 351,486</u>	<u>36</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 4.15</u>		<u>\$ 2.04</u>	
Diluted	<u>\$ 4.13</u>		<u>\$ 2.03</u>	

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

(Concluded)

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025  
(Reviewed, Not Audited)

(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent company								Other Equity		Non-controlling interests (Notes 28 and 29)	Total Equity
	Ordinary Shares (Notes 22 and 27)			Capital Surplus (Notes 22 and 27)	Retained Earnings (Note 22)			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total			
	Amount	Advance Receipts	Total		Legal Reserve	Special Reserve	Unappropriated Earnings			Total		
BALANCE AT JANUARY 1, 2025	\$ 811,739	\$ 369	\$ 812,108	\$ 6,367,692	\$ 905,376	\$ 343	\$ 3,813,354	\$ 4,719,073	\$ 8,184	\$ 11,907,057	\$ -	\$ 11,907,057
Appropriation of the 2024 earnings												
Cash dividends distributed by the Company	-	-	-	-	-	-	( 1,137,180 )	( 1,137,180 )	-	( 1,137,180 )	-	( 1,137,180 )
Equity-method associates – value change	-	-	-	870	-	-	-	-	-	870	-	870
Recognition of employee share options	-	-	-	13,475	-	-	-	-	-	13,475	238	13,713
Three-month net income, March 31, 2025 (Retroactive, Note 16)	-	-	-	-	-	-	331,182	331,182	-	331,182	14,143	345,325
Three-month other comprehensive income, March 31, 2025	-	-	-	-	-	-	-	-	5,753	5,753	408	6,161
Three-month total comprehensive income, March 31, 2025 (Retroactive, Note 16)	-	-	-	-	-	-	331,182	331,182	5,753	336,935	14,551	351,486
Employee option ordinary share issuance	722	( 369 )	353	6,285	-	-	-	-	-	6,638	-	6,638
Non-controlling interests (Retroactive, Note 16)	-	-	-	-	-	-	-	-	-	-	124,960	124,960
BALANCE AT MARCH 31, 2025 (Retroactive, Note 16)	<u>\$ 812,461</u>	<u>\$ -</u>	<u>\$ 812,461</u>	<u>\$ 6,388,322</u>	<u>\$ 905,376</u>	<u>\$ 343</u>	<u>\$ 3,007,356</u>	<u>\$ 3,913,075</u>	<u>\$ 13,937</u>	<u>\$ 11,127,795</u>	<u>\$ 139,749</u>	<u>\$ 11,267,544</u>
BALANCE AT JANUARY 1, 2026	\$ 813,538	\$ 224	\$ 813,762	\$ 6,531,614	\$ 1,063,199	\$ -	\$ 3,776,349	\$ 4,839,548	\$ 57,673	\$ 12,242,597	\$ 121,449	\$ 12,364,046
Appropriation of the 2025 earnings												
Cash dividends distributed by the Company	-	-	-	-	-	-	( 1,139,702 )	( 1,139,702 )	-	( 1,139,702 )	-	( 1,139,702 )
Changes in ownership interests in subsidiaries	-	-	-	( 42,575 )	-	-	-	-	-	( 42,575 )	88,959	46,384
Equity-method associates – value change	-	-	-	682	-	-	-	-	-	682	-	682
Recognition of employee share options	-	-	-	12,751	-	-	-	-	-	12,751	409	13,160
Three-month net income, March 31, 2026	-	-	-	-	-	-	676,217	676,217	-	676,217	( 16,251 )	659,966
Three-month other comprehensive income, March 31, 2026	-	-	-	-	-	-	-	-	47,261	47,261	870	48,131
Three-month total comprehensive income, March 31, 2026	-	-	-	-	-	-	676,217	676,217	47,261	723,478	( 15,381 )	708,097
Employee option ordinary share issuance	695	( 224 )	471	16,096	-	-	-	-	-	16,567	-	16,567
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	205	205
BALANCE AT MARCH 31, 2026	<u>\$ 814,233</u>	<u>\$ -</u>	<u>\$ 814,233</u>	<u>\$ 6,518,568</u>	<u>\$ 1,063,199</u>	<u>\$ -</u>	<u>\$ 3,312,864</u>	<u>\$ 4,376,063</u>	<u>\$ 104,934</u>	<u>\$ 11,813,798</u>	<u>\$ 195,641</u>	<u>\$ 12,009,439</u>

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

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025  
(Reviewed, Not Audited)

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended Mar. 31, 2026	For the Three Months Ended Mar. 31, 2025 (Retroactive, Note 16)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 825,691	\$ 434,085
Adjustments for:		
Depreciation expenses	13,654	13,460
Amortization expenses	10,856	8,993
Expected credit reversal gain	-	( 741 )
Net gain on financial assets at fair value through profit or loss	-	( 60,448 )
Interest expense	354	448
Interest income	( 90,828 )	( 92,331 )
Compensation cost of employee share options	13,160	13,713
Share of gain from associates recognized for using the equity method	( 4,918 )	( 3,452 )
Loss on disposal of investment	-	4,257
Loss on disposal of property, plant and equipment	663	-
Inventory devaluation and obsolescence losses	( 6,211 )	10,877
Unrealized (gain) loss on foreign currency exchange	( 100,659 )	1,580
Changes in operating assets and liabilities		
Trade receivables	( 152,956 )	( 19,293 )
Other receivables	( 1,992 )	( 8,080 )
Inventories	( 39,213 )	78,631
Other assets	733	( 27,448 )
Refundable deposits	( 3,282 )	443,435
Contract liabilities	9,118	91,149
Accounts payable	19,578	( 847 )
Other payables	44,944	15,119
Other current liabilities	( 5,289 )	2,334
Cash generated from operations	533,403	905,441
Interest received	98,928	70,018
Interest paid	( 423 )	( 488 )
Income tax paid	( 13,951 )	( 5,708 )
Net cash generated from operating activities	617,957	969,263

(Continued)

	<u>For the Three Months Ended Mar. 31, 2026</u>	<u>For the Three Months Ended Mar. 31, 2025</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through profit or loss	\$ -	(\$ 42,136)
Acquisition of financial assets at amortized cost	( 1,390,392 )	( 1,757,799 )
Proceeds from disposal of financial assets at amortized cost	2,303,036	1,725,286
Proceeds from acquisition of subsidiary	-	86,038
Acquisition of property, plant and equipment	( 38,459 )	( 1,008 )
Proceeds from disposal of property, plant and equipment	2,000	-
Increase in prepayments for equipment	( 42,270 )	-
Net cash generated from investing activities	<u>833,915</u>	<u>10,381</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term loans	50,000	-
Decrease in short-term loans	( 200,000 )	( 50,000 )
Decrease in deposits received	( 2,000 )	-
Repayment of the principal portion of lease liabilities	( 6,480 )	( 3,699 )
Proceeds from exercise of employee share options	16,567	6,638
Change in non-controlling interests	<u>46,384</u>	<u>-</u>
Net cash used in financing activities	<u>( 95,529 )</u>	<u>( 47,061 )</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<u>146,380</u>	<u>5,750</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,502,723	938,333
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>7,263,192</u>	<u>4,188,544</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 8,765,915</u>	<u>\$ 5,126,877</u>

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

(Concluded)

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025  
(Reviewed, Not Audited)  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

AP Memory Technology Corporation (hereinafter referred to as the “Company”) was incorporated on August 4, 2011, upon approval of the Ministry of Economic Affairs. The Company mainly engages in the research, development, production and sale of various integrated circuit (IC) products, and provides technical services related to the product design, research and development. Upon approval of Taipei Exchange (TPEX) in June 2015, the Company started trading on Emerging Stock Board of TPEX and then trading on Taiwan Stock Exchange (TWSE) on May 31, 2016. In January 2022, the Company made an initial public offering of global depositary receipts (GDRs) by way of a capital raising issue of new shares and was listed on the Bourse de Luxembourg. The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors 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 amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the accounting policies of the Consolidated Company.

- b. The IFRS Accounting Standards issued by International Accounting Standards Board (IASB) but not yet endorsed by the FSC.

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

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 Consolidated 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 Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Consolidated Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Consolidated 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 Consolidated Company as a whole, The Consolidated 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 Consolidated 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 Consolidated Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, The Consolidated 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 of approval and issuance of this consolidated financial report, the Consolidated Company has assessed that the amendments to the aforementioned standards and interpretations will not have a material impact on its financial position or financial performance.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. Statement of Compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

##### b. Basis of Preparation

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

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 the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level 3 inputs are unobservable inputs for the asset or liability.

##### c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). The consolidated statement of comprehensive income includes the operating results of acquired or disposed subsidiaries from the acquisition date or until the disposal date within the reporting period. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. The total comprehensive income of the subsidiary is attributed to both the company’s owners and non-controlling interests, even if the non-controlling interests result in a deficit balance.

When changes in the Consolidated Company’s ownership interest in a subsidiary do not result in a loss of control, they are accounted for as equity transactions. The carrying amounts of the Consolidated Company and non-controlling interests have been adjusted to reflect the changes in relative equity interests in the subsidiary. The difference between the amount of adjustment to non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity and attributed to the company’s owners

See Note 12, Tables 5 and 6 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

d. Other Significant Accounting Policies

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2025.

1. Income tax expenses

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

Please refer to the explanation of the major sources of uncertainty in significant accounting judgments, estimates, and assumptions in the consolidated financial statements for the year ended December 31, 2025.

6. CASH AND CASH EQUIVALENTS

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Cash on hand	\$ 73	\$ 72	\$ 57
Checking accounts and demand deposits	1,092,226	916,028	698,972
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	<u>7,673,616</u>	<u>6,347,092</u>	<u>4,427,848</u>
	<u>\$ 8,765,915</u>	<u>\$ 7,263,192</u>	<u>\$ 5,126,877</u>

Interest rate ranges for bank deposits on the balance sheet date were as follows:

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Deposits	0.000%~3.600%	0.000%~3.900%	0.000%~4.100%
Time deposits	0.600%~3.921%	0.600%~4.080%	1.100%~4.500%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
<u>Financial assets - non-current</u>			
Non-derivative financial assets			
Unlisted			
PowerLattice Technologies Incorporated (a)	\$ 87,986	\$ 86,433	\$ -
Haining Changmeng Technology Partnership Enterprise (Limited Partnership) (b)	-	-	554,385
GeneASIC Technologies Corporation (c)	-	-	-
Simple agreement for future equity			
PowerLattice Technologies Incorporated (a)	<u>-</u>	<u>-</u>	<u>91,314</u>
	<u>\$ 87,986</u>	<u>\$ 86,433</u>	<u>\$ 645,699</u>
<u>Financial liabilities - non-current</u>			
liabilities designated at fair value through profit or loss(d)	<u>\$ 8,415</u>	<u>\$ 8,266</u>	<u>\$ 8,733</u>

- a. In July 2024 and March 2025, the Consolidated Company signed simple agreements for future equity with PowerLattice Technologies Incorporated (referred to as "PowerLattice") for US\$1,500 thousand and US\$1,250 thousand. After the capital increase of PowerLattice in May 2025, the investment was converted into equivalent shares. As of March 31, 2026, the Consolidated Company held 4.82% of PowerLattice's issued shares.
- b. In August 2019, the Consolidated Company signed an investment agreement with Hai Ning Chang Meng Technology Partnership (limited partnership) (referred to as "Hai Ning Chang Meng"), subscribing and paying RMB 6,900 thousand, which accounted for 24.64% of the total contribution. The Consolidated Company does not have the ability to influence relevant activities, hence it does not have significant influence. On September 6, 2025, the Board of Directors resolved that the Company would withdraw from the Hai Ning Chang Meng partnership investment with an amount of RMB 144,900 thousand. As of December 31, 2025, Hai Ning Chang Meng had completed the tax payments on behalf of the Consolidated Company in the amount of RMB 13,800 thousand. After completing the withdrawal registration, the remaining amount of RMB 131,100 thousand was returned.

- c. In August 2020, the Consolidated Company acquired 500 thousand ordinary shares of GeneASIC Technologies Corporation (hereinafter referred to as GeneASIC) at the price of NT\$500 thousand. The Consolidated Company did not participate in GeneASIC Technologies' capital increase, resulting in a decrease in its shareholding ratio to 10.08% as of March 31, 2026.
- d. On March 1, 2024, the Consolidated Company reached a written agreement with other shareholders of ONECENT TECHNOLOGY LTD., acquiring more than half of the voting rights and thereby gaining control over the company. Previously, ONECENT TECHNOLOGY LTD. had entered into an equity subscription agreement with a third party. Due to the uncertainty regarding the number of shares that can be subscribed under the agreement, the company has recognized it as a financial liability measured at fair value through profit or loss. As of March 31, 2026, no equity conversion has occurred.

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
<u>Non-current</u>			
Equity instrument— Unlisted			
HamminX Ltd.	\$ 159,975	\$ 157,150	\$ -

In September 2025, the Consolidated Company acquired 2,500,000 preferred shares of HamminX Ltd. (hereinafter referred to as 'HamminX') for USD 5 million. As the investment is for medium- to long-term strategic purposes, it has been designated as financial asset at fair value through other comprehensive income.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 2,843,170	\$ 3,755,814	\$ 4,784,838

Please refer to Note 33 for information relating to pledged assets.

10. TRADE RECEIVABLE AND OTHER RECEIVABLES

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 743,717	\$ 588,490	\$ 536,354
<u>Other receivables</u>			
Interests receivables	\$ 51,355	\$ 59,471	\$ 62,179
Tax refunds receivables	41,351	39,070	14,704
Dividends receivables	12,468	-	8,000
Wafer procurement receivables	-	-	13,074
Others	527	800	578
	<u>\$ 105,701</u>	<u>\$ 99,341</u>	<u>\$ 98,535</u>

Trade receivables

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that an adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk is significantly reduced.

The Group measures the impairment loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECLs). The ECLs on note and trade receivables are estimated by reference to the past default experience 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 and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. The Group distinguishes its customers based on the history of credit losses and sets the expected credit loss rate based on the number of days past due on trade receivables for each customer group.

The Group writes off a trade receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery. For note and trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are 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 Group's allowance matrix:

Mar. 31, 2026

	Not Past Due	Due in 1-30 Days	Due in 31-60 Days	Due in 61-90 Days	Due in 91-180 Days	Due in 181-360 Days	Due in More than 360 Days	Total
Gross carrying amount	\$ 698,209	\$ 45,431	\$ 77	\$ -	\$ -	\$ -	\$ -	\$ 743,717
Allowance for impairment loss (lifetime ECLs)	-	-	-	-	-	-	-	-
Amortized cost	<u>\$ 698,209</u>	<u>\$ 45,431</u>	<u>\$ 77</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 743,717</u>

Dec. 31, 2025

	Not Past Due	Due in 1-30 Days	Due in 31-60 Days	Due in 61-90 Days	Due in 91-180 Days	Due in 181-360 Days	Due in More than 360 Days	Total
Gross carrying amount	\$ 577,418	\$ 11,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 588,490
Allowance for impairment loss (lifetime ECLs)	-	-	-	-	-	-	-	-
Amortized cost	<u>\$ 577,418</u>	<u>\$ 11,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 588,490</u>

Mar. 31, 2025

	Not Past Due	Due in 1-30 Days	Due in 31-60 Days	Due in 61-90 Days	Due in 91-180 Days	Due in 181-360 Days	Due in More than 360 Days	Total
Gross carrying amount	\$ 421,990	\$ 111,980	\$ 2,384	\$ -	\$ -	\$ -	\$ -	\$ 536,354
Allowance for impairment loss (lifetime ECLs)	-	-	-	-	-	-	-	-
Amortized cost	<u>\$ 421,990</u>	<u>\$ 111,980</u>	<u>\$ 2,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 536,354</u>

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

(For the Three Months Ended March 31, 2026: None)

	For the Three Months Ended March 31, 2025
Balance at January 1	\$ 29,929
Impairment losses reversal in this period	( 741 )
Write-off in this period	( 29,614 )
Net exchange differences	426
Balance at March 31	<u>\$ -</u>

11. INVENTORIES

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Finished goods	\$ 282,023	\$ 282,277	\$ 307,344
Work-in-process progress	603,190	502,046	376,839
Raw materials	304,962	360,428	429,486
	<u>\$ 1,190,175</u>	<u>\$ 1,144,751</u>	<u>\$ 1,113,669</u>

The nature of operating costs is as follows:

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Cost of inventories sold	\$ 1,136,297	\$ 510,945
Inventory (reversal gain) obsolescence losses	( 6,211 )	10,877
	<u>\$ 1,130,086</u>	<u>\$ 521,822</u>

## 12.

SUBSIDIARIES

## a. Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025	
The Company	AP Memory Corp, USA (hereinafter referred to as "AP-USA")	IC design and development	100%	100%	100%	(1)
The Company	AP Memory Technology (Hangzhou) Limited Co. (hereinafter referred to as "AP Hangzhou")	IC design, development, and sales	100%	100%	100%	(2)
The Company	APware Technology Corp. (hereinafter referred to as "APware")	Investment activities	100%	100%	100%	(3)
The Company	VIVR Corporation (hereinafter referred to as "VIVR")	IC design, development, and sales	100%	100%	100%	(4)
The Company	CascadeTeq Inc. (hereinafter referred to as "CascadeTeq")	IC sales	100%	100%	100%	(5)
AP Hangzhou	AP Memory Technology (Hong Kong) Co. Limited (hereinafter referred to as "AP Hong Kong")	IC sales	100%	100%	100%	(6)
The Company	Onecent Technology Ltd. (hereinafter referred to as "OCKY")	RFID design, development, and sales	34.65%	27.78%	27.88%	(7)
OCKY	Onecent Technology (Singapore)Pte. Ltd. (hereinafter referred to as "OCSG")	RFID sales	100%	100%	100%	(8)
OCKY	Onecent Technology Inc. (hereinafter referred to as "OCUS")	RFID design and development	100%	100%	100%	(9)
OCKY	Onecent Technology Co., Ltd. (hereinafter referred to as "Onecent")	RFID design, development, and sales	100%	100%	100%	(10)
OCKY	Shanghai Smardust Technology Co., Ltd. (hereinafter referred to as "Smardust")	RFID design, development, and sales	71.43%	71.43%	100%	(11)

- (1) Established in the state of Oregon in the United States in February 2012, AP-USA mainly engages in the research and development of integrated circuits (ICs). The Consolidated Company injected US\$30,000 thousand in May 2025. As of May 6, 2026, the Consolidated Company already contributed US\$32,000 thousand of capital thereto.
- (2) AP Hangzhou was established in Hangzhou in June 2018, mainly engaged in the design, development, and sale of integrated circuits. As of May 6, 2026, the company's paid-in capital amount is US\$2,000 thousand.
- (3) To accommodate the growth scale of reinvested enterprises and future operational layout planning, the Company decided through a board resolution on October 15, 2021, to invest and establish a subsidiary, APware, in the Cayman Islands. APware was established in October 2021, mainly engaged in the general investing. The Company made capital contributions of US\$1,250 thousand in March 2025, US\$5,000 thousand in September 2025 and US\$22,200 thousand in December 2025. As of May 6, 2026, the company's paid-in capital amount is US\$30,000 thousand.
- (4) In response to future product development and operational layout planning, the Company decided through a board resolution on August 30, 2022, to establish a subsidiary, VIVR, in the United States. VIVR was established in August 2022, mainly engaged in the design, development, and sale of integrated circuits and established its Taiwan branch on February 8, 2023. As of May 6, 2026, the company's paid-in capital amount is US\$1,000 thousand.
- (5) To accommodate future operational layout planning, the Company decided through a board resolution on October 28, 2022, to establish a subsidiary, CascadeTeq. CascadeTeq was established in December 2022, primarily engaged in the sale of integrated circuits. As of May 6, 2026, the company's paid-in capital amount is NT\$10,000 thousand.
- (6) AP Hangzhou established AP Hong Kong, a company primarily engages in the sale of ICs in October 2019 in Hong Kong. As of May 6, 2026, AP Hong Kong's paid-in capital amounted to US\$10 thousand.
- (7) OCKY was originally an affiliate of the Consolidated Company; please refer to Note 13(2) for relevant information. To accommodate future operational planning, the Consolidated Company entered into a concerted action agreement with

another shareholder of OCKY on March 1, 2025, with the Consolidated Company taking the lead. As a result, the Consolidated Company holds more than 50% of the voting rights, gaining control over OCKY and including it in the consolidated financial statements from that date. In December 2025, due to the execution of employee stock options, OCKY's shareholding ratio in the Consolidated Company decreased from 27.88% to 27.78%. In February 2026, OCKY conducted a cash capital increase by issuing 5,000 thousand new shares, raising US\$5,000 thousand. The Consolidated Company did not subscribe in holding proportion but injected US\$3,550 thousand. As a result, our ownership increased to 34.65%. For disclosure of transactions between the Consolidated Company and non-controlling interests, please refer to Note 29. As of May 6, 2026, the company's paid-in capital amounted to US\$31 thousand.

- (8) To align with future operational planning, OCKY established OCSG in Singapore in January 2021, primarily engaged in the sales of radio frequency identification (RFID) systems. As of May 6, 2026, the company's paid-in capital amounted to US\$38 thousand.
- (9) To meet future product development needs, OCKY established OCUS in California, USA, in April 2023, primarily engaged in the design and development of RFID systems. As of May 6, 2026, the company's paid-in capital amounted to US\$1,720 thousand.
- (10) To align with future product development and operational planning, OCKY established Onecent in April 2024, primarily engaged in the design, development, and sales of RFID systems. OCKY injected US\$305 thousand in March 2025, US\$1,000 thousand in July 2025 and US\$2,229 thousand in March 2026 into the company. As of May 6, 2026, its paid-in capital amounted to US\$3,688 thousand.
- (11) Smardust was established in Shanghai in August 2024, primarily engaged in the design, development, and sales of RFID systems. In the second quarter of 2025, Smardust carried out a cash capital increase. As OCKY did not participate in the capital injection, its shareholding ratio declined to 71.43%. As of May 6, 2026, the company's paid-in capital amounted to US\$14 thousand.

b. Information on subsidiaries with significant non-controlling interests

Subsidiary Name	Shareholding and voting rights percentage of non-controlling interests		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
OCKY	65.35%	72.22%	72.12%

Main business locations and country of company registration; please refer to table 5.

Subsidiary Name	Profit or loss allocated to non-controlling interests.		Non-controlling interests		
	For the Three Months Ended	For the Three Months Ended	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
	March 31, 2026	March 31, 2025			
OCKY	(\$ 16,251)	\$ 14,143	\$ 195,641	\$ 121,449	\$ 139,749

The aggregated financial information of the following subsidiaries is prepared based on amounts before the elimination of intercompany transactions.

OCKY and its subsidiaries.

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
			(Retroactive, Note 16)
Current assets	\$ 194,819	\$ 53,197	\$ 83,163
Non-current assets	142,532	143,888	148,610
Current liabilities	( 10,519 )	( 7,494 )	( 12,077 )
Non-current liabilities	( 8,415 )	( 8,549 )	( 10,336 )
Equity	<u>\$ 318,417</u>	<u>\$ 181,042</u>	<u>\$ 209,360</u>
Equity attributable to:			
Owner of the company	\$ 122,776	\$ 59,593	\$ 69,611
Non-controlling interests of OCKY	<u>195,641</u>	<u>121,449</u>	<u>139,749</u>
	<u>\$ 318,417</u>	<u>\$ 181,042</u>	<u>\$ 209,360</u>

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025 (Retroactive, Note 16)
Operating revenue	<u>\$ 908</u>	<u>\$ 24,312</u>
Net income(loss)	( \$ 26,683 )	\$ 19,611
Other comprehensive income	<u>1,331</u>	<u>567</u>
Total comprehensive income(loss)	<u>( \$ 25,352 )</u>	<u>\$ 20,178</u>
Net income(loss) attributable to:		
Owner of the company	( \$ 10,432 )	\$ 5,468
Non-controlling interests of OCKY	<u>( 16,251 )</u>	<u>14,143</u>
	<u>( \$ 26,683 )</u>	<u>\$ 19,611</u>
Total comprehensive income attributable to:		
Owner of the company	( \$ 9,971 )	\$ 5,627
Non-controlling interests of OCKY	<u>( 15,381 )</u>	<u>14,551</u>
	<u>( \$ 25,352 )</u>	<u>\$ 20,178</u>
Cash flows		
Operating activities	( \$ 20,524 )	( \$ 12,598 )
Investing activities	( 411 )	( 19,923 )
financing activities	159,700	8,626
Exchange rate fluctuations	<u>( 159 )</u>	<u>580</u>
Net cash inflows (outflows)	<u>\$ 138,606</u>	<u>( \$ 23,315 )</u>
Dividends paid to non-controlling interests. OCKY	<u>\$ -</u>	<u>\$ -</u>

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
<u>Investments in associates</u>			
Material associate			
M3 Technology	\$ 858,475	\$ 868,534	\$ 704,355
Associates that are not individually material			
Lyontek Inc. ("Lyontek")	<u>97,557</u>	<u>94,380</u>	<u>98,341</u>
	<u>\$ 956,032</u>	<u>\$ 962,914</u>	<u>\$ 802,696</u>

a. Material associate

<u>Company Name</u>	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
M3 Technology	<u>\$ 858,475</u>	<u>\$ 868,534</u>	<u>\$ 704,355</u>

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

<u>Company Name</u>	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
M3 Technology	<u>\$ 367,043</u>	<u>\$ 403,947</u>	<u>\$ 444,000</u>

To further enhance its significant influence over M3 Technology, The Consolidated Company acquired 987 thousand common shares of M3 Technology through the centralized trading market in April 2025 for a cash consideration of NT\$95,861 thousand.

As of March 31, 2026, The Consolidated Company held 11.42% of M3 Technology's outstanding shares.

b. Aggregate information of associates that are not individually material

Aggregate information regarding the Consolidated Company's associates is as follows:

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
The Group's share of:		
Net income for the period	\$ 3,177	\$ 1,961
Other comprehensive income	<u>-</u>	<u>195</u>
Total comprehensive income	<u>\$ 3,177</u>	<u>\$ 2,156</u>

1. Lyontek Inc.

In October 2016, the Consolidated Company invested NT\$75,060 thousand to acquire 3,600 thousand shares of Lyontek's common stock, representing a 30% ownership. The goodwill generated from the acquisition, amounting to NT\$2,610 thousand, was included in the cost of investment in associates.

2. OCKY

The Consolidated Company invested NT\$238 thousand in May 2022, NT\$33,533 thousand in August 2022, and NT\$30,256 thousand in June 2024, accumulating a total of 7,348 thousand shares of OCKY's common stock, representing a 27.88% ownership. As of March 1, 2025, the Consolidated Company gained control over OCKY and included it in the consolidated financial statements. Please refer to Notes 12, 16 and 28 for further details.

Refer to table 5 for the nature of activities, principal place of business and country of registration of the associates.

The share of profit or loss and other comprehensive income from Lyontek Inc. an associate accounted for using the equity method, were calculated based on financial statements that had not been reviewed by an independent auditor. However, the management of the Consolidated Company believes that the absence of an auditor's review of the financial statements of these investee companies does not have a material impact.

14. PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment	Computer and Communications Equipment	Office Equipment	Leasehold Improvement	Total
<u>Cost</u>					
Balance at January 1, 2026	\$ 234,882	\$ 24,465	\$ 5,282	\$ 23,819	\$ 288,448
Additions	21,608	129	-	-	21,737
Disposal	( 18,800 )	-	-	-	( 18,800 )
Effect of foreign currency exchange differences	1,039	66	70	67	1,242
Balance at March 31, 2026	<u>238,729</u>	<u>24,660</u>	<u>5,352</u>	<u>23,886</u>	<u>292,627</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2026	187,390	19,580	4,997	19,288	231,255
Depreciation expenses	6,729	884	31	574	8,218
Disposal	( 16,137 )	-	-	-	( 16,137 )
Effect of foreign currency exchange differences	264	46	63	52	425
Balance at March 31, 2026	<u>178,246</u>	<u>20,510</u>	<u>5,091</u>	<u>19,914</u>	<u>223,761</u>
Carrying amount at December 31, 2025	<u>\$ 47,492</u>	<u>\$ 4,885</u>	<u>\$ 285</u>	<u>\$ 4,531</u>	<u>\$ 57,193</u>
Carrying amount at March 31, 2026	<u>\$ 60,483</u>	<u>\$ 4,150</u>	<u>\$ 261</u>	<u>\$ 3,972</u>	<u>\$ 68,866</u>
<u>Cost</u>					
Balance at January 1, 2025	\$ 214,379	\$ 22,203	\$ 5,079	\$ 20,471	\$ 262,132
Acquisitions through business combinations (Note 28)	3,482	85	22	-	3,589
Additions	446	-	-	-	446
Disposal	-	-	( 123 )	-	( 123 )
Effect of foreign currency exchange differences	525	61	46	35	667
Balance at March 31, 2025	<u>218,832</u>	<u>22,349</u>	<u>5,024</u>	<u>20,506</u>	<u>266,711</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2025	158,015	15,175	4,961	17,826	195,977
Depreciation expenses	7,605	977	30	336	8,948
Disposal	-	-	( 123 )	-	( 123 )
Effect of foreign currency exchange differences	90	38	45	34	207
Balance at March 31, 2025	<u>165,710</u>	<u>16,190</u>	<u>4,913</u>	<u>18,196</u>	<u>205,009</u>
Carrying amount at March 31, 2025	<u>\$ 53,122</u>	<u>\$ 6,159</u>	<u>\$ 111</u>	<u>\$ 2,310</u>	<u>\$ 61,702</u>

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

Machinery and equipment	2 to 5 years
Computer and communications equipment	3 years
Office equipment	3 years
Leasehold improvement	3 years

15. LEASE ARRANGEMENTS

a.	Right-of-use assets			
		<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
	Carrying amounts			
	Building	<u>\$ 27,467</u>	<u>\$ 32,797</u>	<u>\$ 23,800</u>
		<u>For the Three Months Ended</u>	<u>For the Three Months Ended</u>	
		<u>Mar. 31, 2026</u>	<u>Mar. 31, 2025</u>	
	Depreciation charge for right-of-use assets			
	Buildings	<u>\$ 5,436</u>	<u>\$ 4,512</u>	
b.	Lease liabilities			
		<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
	Carrying amounts			
	Current	<u>\$ 18,049</u>	<u>\$ 21,268</u>	<u>\$ 12,647</u>
	Non-current	<u>\$ 8,009</u>	<u>\$ 11,200</u>	<u>\$ 11,239</u>
	Range of discount rate for lease liabilities was as follows:			
		<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
	Buildings	2.15%~6.5%	2.15%~6.5%	2.15%~6.5%
c.	Other lease information			
		<u>For the Three Months Ended</u>	<u>For the Three Months Ended</u>	
		<u>Mar. 31, 2026</u>	<u>Mar. 31, 2025</u>	
	Expense relating to short-term leases	<u>\$ 1,529</u>	<u>\$ 1,184</u>	
	Total cash outflow for leases	<u>( \$ 8,222 )</u>	<u>( \$ 5,055 )</u>	

The consolidated company chooses to apply exemptions for the recognition of short-term leases for offices, dormitories, and several parking spaces, and does not recognize related right-of-use assets and lease liabilities for these leases.

16. Goodwill

	For the Three Months Ended Mar. 31, 2026	For the Three Months Ended Mar. 31, 2025
<u>Cost</u>		
Beginning balance	\$ 95,241	\$ -
Business combinations acquired during the period (Note 28)	<u>-</u>	<u>95,241</u>
Ending balance	<u>\$ 95,241</u>	<u>\$ 95,241</u>

Starting from March 1, 2025, the Consolidated Company gained control over OCKY and included it in the consolidated financial statements. The Consolidated Company recognized OCKY at fair value as of the date of consolidation. In the third quarter of 2025, the Consolidated Company obtained the valuation report, which indicated that the fair value of OCKY's intangible assets at the acquisition date was NT\$ 46,572 thousand. The Consolidated Company has adjusted the initial recognition and provisional amounts from the acquisition date and restated comparative information accordingly. During 2025, a disposal loss of NT\$ 2,328 thousand was recognized. After remeasurement, the fair value of the equity held was NT\$ 63,985 thousand.

Retroactive adjustments to balance sheet items are as follows.

	<u>Acquisition Date</u>
Goodwill adjustment	( \$ 89,730 )
Intangible assets	<u>\$ 46,572</u>
Non-controlling interests	( \$ 42,426 )

Retroactive adjustments to income statements items are as follows:

	<u>For the Three Months Ended March 31, 2025</u>
Loss on disposal of investments	<u>\$ 732</u>

17. Intangible assets

	<u>Computer Software</u>	<u>Technical Authorization</u>	<u>Technical Expertise</u>	<u>Total</u>
<u>Cost</u>				
Balance at January 1, 2026	\$ 89,064	\$ 60,800	\$ 46,572	\$ 196,436
Net exchange differences	<u>687</u>	<u>-</u>	<u>-</u>	<u>687</u>
Balance at March 31, 2026	<u>\$ 89,751</u>	<u>\$ 60,800</u>	<u>\$ 46,572</u>	<u>\$ 197,123</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2026	\$ 64,208	\$ 42,223	\$ 3,582	\$ 110,013
Amortization expense	4,715	5,066	1,075	10,856
Net exchange differences	<u>382</u>	<u>-</u>	<u>-</u>	<u>382</u>
Balance at March 31, 2026	<u>\$ 69,305</u>	<u>\$ 47,289</u>	<u>\$ 4,657</u>	<u>\$ 121,251</u>
Carrying amount at December 31, 2025	<u>\$ 24,856</u>	<u>\$ 18,577</u>	<u>\$ 42,990</u>	<u>\$ 86,423</u>
Carrying amount at March 31, 2026	<u>\$ 20,446</u>	<u>\$ 13,511</u>	<u>\$ 41,915</u>	<u>\$ 75,872</u>
<u>Cost</u>				
Balance at January 1, 2025	\$ 83,081	\$ 60,800	\$ -	\$ 143,881
Acquisition through business combinations (Note 28)	-	-	46,572	46,572
Net exchange difference	<u>356</u>	<u>-</u>	<u>-</u>	<u>356</u>
Balance at March 31, 2025	<u>\$ 83,437</u>	<u>\$ 60,800</u>	<u>\$ 46,572</u>	<u>\$ 190,809</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2025	\$ 57,503	\$ 21,956	\$ -	\$ 79,459
Amortization expense	3,927	5,066	-	8,993
Net exchange differences	<u>141</u>	<u>-</u>	<u>-</u>	<u>141</u>
Balance at March 31, 2025	<u>\$ 61,571</u>	<u>\$ 27,022</u>	<u>\$ -</u>	<u>\$ 88,593</u>
Carrying amount at March 31, 2025	<u>\$ 21,866</u>	<u>\$ 33,778</u>	<u>\$ 46,572</u>	<u>\$ 102,216</u>

Amortization expense is calculated on a straight-line bases over the estimated useful lives as follows:

Computer software	1 to 3 years
Technical Authorization	3 years
Technical Expertise	10.8 years

18. OTHER ASSETS

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
<u>Current</u>			
Prepayments	\$ 33,266	\$ 45,576	\$ 51,561
Overpaid tax retained for offsetting the future tax payable	2,507	711	1,421
Prepayments for purchases	1,177	1,177	-
Payment on behalf	8,936	39,705	-
Masks and probe cards	67	-	14,592
Others	1,304	-	1,860
	<u>\$ 47,257</u>	<u>\$ 87,169</u>	<u>\$ 69,434</u>
<u>Non-current</u>			
Masks and probe cards	\$ 196,212	\$ 156,974	\$ 135,464
Prepayment of equipment	75,345	33,075	-
Prepayment of bonuses	402	461	3,372
	<u>\$ 271,959</u>	<u>\$ 190,510</u>	<u>\$ 138,836</u>

19. LOANS

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
<u>Short-term unsecured loans</u>			
Loans using credit facilities	<u>\$ 50,000</u>	<u>\$ 200,000</u>	<u>\$ 50,000</u>

The interest rate for loans using credit facilities as of March 31, 2026, December 31, 2025 and March 31, 2025 were 1.92%, 1.92% and 1.85% respectively.

20. OTHER LIABILITIES

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
<u>Current</u>			
<u>Other payables</u>			
Dividends payable	\$ 1,139,702	\$ -	\$ 1,137,180
Payable for compensation of employees	81,787	58,907	48,662
Payable for salaries or bonuses	78,219	71,701	49,110
Others	98,980	98,868	101,128
	<u>\$ 1,398,688</u>	<u>\$ 229,476</u>	<u>\$ 1,336,080</u>
<u>Other liabilities</u>			
Receipts under custody	\$ 7,317	\$ 12,624	\$ 9,003
Temporary receipts	7,668	7,650	41
	<u>\$ 14,985</u>	<u>\$ 20,274</u>	<u>\$ 9,044</u>
<u>Non-current</u>			
<u>Other payables</u>			
Computer software payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,279</u>

21. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

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

The employees of Group's subsidiaries in China, Singapore and the United States are members of retirement benefit plans operated by their respective governments. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the subsidiaries with respect to the retirement benefit plan is to make the specified contributions.

22. EQUITY

a. Share capital

(1) Ordinary shares

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Number of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Shares capital authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>162,847</u>	<u>162,708</u>	<u>162,492</u>
Shares capital issued	<u>\$ 814,233</u>	<u>\$ 813,538</u>	<u>\$ 812,461</u>
Advance receipts for ordinary shares	<u>\$ -</u>	<u>\$ 224</u>	<u>\$ -</u>

The changes in the Company's share capital were due to the exercise of stock options by employees.

As of December 31, 2025 the Company had 1,137 units of exercised employee stock options not yet issued as new ordinary shares with the exercise prices received amounting to NT\$224 thousand accounted for as Advance receipts for ordinary shares.

The number of shares issued for employee stock options that had not been approved by the company registration authority as of March 31, 2026, was 139 thousand shares.

(2) Issuance of global depositary receipts

On December 6, 2021, the Company resolved at the extraordinary shareholders' meeting to issue additional common shares by seasoned equity offering for global depositary receipts (GDRs), and on January 25, 2022, the Company issued 6,400 thousand units of GDRs on the Bourse de Luxembourg for US\$29.65 per unit, with each unit carrying two shares of the Company's common stock, for a total of 12,800 thousand shares, raising total funds of US\$189,760 thousand. The aforementioned GDRs were fully redeemed in February 2022. The relevant authorized but unissued shares is still retained to be issued at such times.

b. Capital surplus

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Shares issued at premium	\$ 5,824,461	\$ 5,808,365	\$ 5,785,510
Exercised and invalid employee share options	229,142	221,631	210,994
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	153,042	153,042	153,042
Vested restricted shares for employees	47,595	47,595	47,595
Cash capital increase reserved for employees	467	467	467
	<u>6,254,707</u>	<u>6,231,100</u>	<u>6,197,608</u>
<u>May be used to offset a deficit only (2)</u>			
Changes in ownership interests in subsidiaries and associates accounted for using the equity method	81,163	123,056	50,705
<u>Not be used for any purpose</u>			
Employee share options	182,529	177,315	140,009
Options	169	143	-
	<u>182,698</u>	<u>177,458</u>	<u>140,009</u>
	<u>\$ 6,518,568</u>	<u>\$ 6,531,614</u>	<u>\$ 6,388,322</u>

1. Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to increase share capital. However, when increasing share capital, it is limited to a certain ratio of the paid-in share capital each year.

2. Changes in subsidiaries' ownership interests recognized using the equity method shall only be used to offset a deficit. No other use is allowed.

c. Retained earnings and dividend policy

Under the Company's dividend policy in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. If such surplus earning is distributed in the form of cash, it shall be authorized after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration of directors, refer to Note 24(c) on employees' compensation and remuneration of directors.

Considering the Company's environment and growth stage, dividends may be distributed in cash or in shares in response to the future demand for funds and long-term financial plan. Among them, the proportion of cash dividends shall not be less than 20% of the dividends distributed to shareholders.

The aforesaid proportion of dividend distribution may be adjusted according to the Company's earnings and available funds for the year upon resolution of 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 deficit. 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:

	<u>2025</u>	<u>2024</u>
Legal reserve	\$ 125,765	\$ 157,823
Special reserve (reversal)	\$ -	( \$ 343 )
Cash dividends	\$ 1,139,702	\$ 1,137,180
Dividends per share (NT\$)	\$ 7.0	\$ 7.0

The aforesaid cash dividends were resolved by the board of directors on February 26, 2026, and February 27, 2025, respectively. The remaining surplus distribution for the year 2024 was decided at the annual shareholder meeting on April 30, 2025. The distribution of the remaining surplus for the year 2025 is pending resolution at the annual shareholder meeting to be held on May 8, 2026.

The per share dividend for the fiscal year 2024 was adjusted to \$6.99364526 due to the exercise of employee stock options.

### 23. REVENUE

	<u>For the Three Months Ended March 31, 2026</u>	<u>For the Three Months Ended March 31, 2025</u>
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 2,022,867	\$ 892,656
Revenue from the rendering of services	71,833	75,677
Other income	5,251	6,627
	<u>\$ 2,099,951</u>	<u>\$ 974,960</u>

#### a. Contract information

##### 1. Revenue from the sale of goods

Sales revenue from goods comes from the sale of integrated circuit products. As the integrated circuit products have a fixed price and usage rights by the customers at the time of trade conditions fulfillment, and the customers bear the main responsibility for resale and the risk of the goods becoming obsolete, the consolidated company recognizes revenue and accounts receivable at that point. Prepayments from goods sales are recognized as contract liabilities before the products arrive.

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

##### 2. Revenue from the rendering of services

Service revenue is derived from the provision of design and research and development technical services in accordance with contracts and is recognized based on the percentage of completion method. The design and research and development services provided by the consolidated company are recognized based on the percentage of completion method.

##### 3. Revenue from licensing

Since the technology licensing transactions do not commit to engage in activities that change the functionality of SIP core technology and the technology can be maintained without updating or technical support, the license fee received is recognized as license revenue when the right to use SIP core is transferred.

#### b. Contract balances

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>	<u>January 1, 2025</u>
Trade receivables (Note 10)	\$ 743,717	\$ 588,490	\$ 536,354	\$ 517,992
Contract liabilities				
Sale of goods	\$ 941,150	\$ 928,374	\$ 262,203	\$ 156,552
Service revenue	6,889	10,547	-	2,409
Customer loyalty programs	651	639	12,073	-
	<u>\$ 948,690</u>	<u>\$ 939,560</u>	<u>\$ 274,276</u>	<u>\$ 158,961</u>

The change in contract liabilities mainly comes from the difference between the timing of fulfilling performance obligations and the timing of customer payments. The customer loyalty program represents the estimated balance set aside in anticipation of future expected sales allowances

24. NET INCOME

a. Depreciation and amortization

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Property, plant and equipment	\$ 8,218	\$ 8,948
Right of usage	5,436	4,512
Other intangible assets	<u>10,856</u>	<u>8,993</u>
	<u>\$ 24,510</u>	<u>\$ 22,453</u>
An analysis of depreciation by function		
Cost of sales	\$ 6,565	\$ 7,568
Operating expenses	<u>7,089</u>	<u>5,892</u>
	<u>\$ 13,654</u>	<u>\$ 13,460</u>
An analysis of amortization by function		
Cost of sales	\$ -	\$ 45
Operating expenses	<u>10,856</u>	<u>8,948</u>
	<u>\$ 10,856</u>	<u>\$ 8,993</u>

b. Employee benefits expense

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Retirement benefits (Note 21)		
Defined contribution plans	\$ 6,955	\$ 6,003
Share-based payments		
Equity-settled	<u>13,160</u>	<u>13,713</u>
Other employee benefits		
Salary	217,863	150,226
Labor and health insurance	11,493	9,517
Others	<u>10,322</u>	<u>7,938</u>
	<u>239,678</u>	<u>167,681</u>
Total employee benefits expense	<u>\$ 259,793</u>	<u>\$ 187,397</u>
An analysis of employee benefits expense by function		
Cost of sales	\$ 28,044	\$ 16,310
Operating expenses	<u>231,749</u>	<u>171,087</u>
	<u>\$ 259,793</u>	<u>\$ 187,397</u>

c. Compensation of employees and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrues employees' compensation and board directors' remuneration at the rates of no less than 1% and no higher than 3%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. According to the amendment to the Securities and Exchange Act in August 2024, the Company plans to approve an Article amendment at the 2025 shareholders' meeting, specifying that no less than 5% of the total employee compensation amount shall be reserved for compensation to rank-and-file employees.

The compensation of employees and the remuneration of directors for the three months and three months ended March 31, 2026 and 2025 were as follows:

<u>Accrual rate</u>	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025 (Retroactive, Note 16)
Compensation of employees	2.22%	0.58%
Remuneration of directors	0.14%	0.27%

  

<u>Amount</u>	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Compensation of employees	\$ 18,812	\$ 2,532
Remuneration of directors	1,200	1,200

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

The appropriation of compensation of employees and remuneration of directors for 2025 and 2024 that were resolved by the board of directors on February 26, 2026 and February 27, 2025, separately, are as shown below:

	Cash	
	2025	2024
Compensation of employees	\$ 36,235	\$ 24,008
Remuneration of directors	4,800	6,200

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2025 and 2024.

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

d. Gains or losses on foreign currency exchange

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Foreign exchange gains	\$ 206,753	\$ 149,678
Foreign exchange losses	( 66,608 )	( 42,556 )
Net gains	<u>\$ 140,145</u>	<u>\$ 107,122</u>

25. INCOME TAX

a. Income tax recognized in profit or loss:

Major components of income tax expense are as follows:

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Current tax		
In respect of the current period	\$ 146,712	\$ 71,177
Income tax on unappropriated earnings	-	14,179
Investment tax credits	( 10,654 )	( 8,583 )
Deferred tax		
In respect of the current period	<u>29,667</u>	<u>11,987</u>
Income tax expense recognized in profit or loss	<u>\$ 165,725</u>	<u>\$ 88,760</u>

b. Income tax assessments

The Company's and subsidiary CascadeTeq's up to 2024 income tax filing cases have been settled by the tax collection authorities. The Company disagrees with the approved content for the year 2022 and is currently applying for a review. However, based on the principle of prudence, the Company has already estimated and recognized the relevant income tax.

26. EARNINGS PER SHARE

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
		Unit: NT\$ Per Share
Basic earnings per share	<u>\$ 4.15</u>	<u>\$ 2.04</u>
Diluted earnings per share	<u>\$ 4.13</u>	<u>\$ 2.03</u>

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

Net Profit for the Period

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025 (Retroactive, Note 16)
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 676,217</u>	<u>\$ 331,182</u>

Ordinary Shares Outstanding

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
		(In Thousands of Shares)
Weighted-average number of ordinary shares used in the computation of basic earnings per share	162,798	162,443
Effects of potentially dilutive ordinary shares:		
Employee share options	918	831
Compensation of employees	<u>95</u>	<u>58</u>
Weighted-average number of ordinary shares used in the computation of diluted earnings per share	<u>163,811</u>	<u>163,332</u>

If the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation 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.

## SHARE-BASED PAYMENT ARRANGEMENTS

### Employee share option plan of the Group

Grant date	2026.03.24	2025.08.01	2025.01.01	2024.06.03	2024.01.01	2023.12.22	2023.04.28	2022.12.23	2022.04.29	2021.03.12	2020.09.26	2019.12.20	2019.04.26	2018.11.09	
Approval date by board of directors	2024.10.31	2024.10.30	2023.10.27	2023.10.27	2023.10.27	2022.08.30	2022.08.30	2022.08.30	2021.07.30	2020.08.07	2020.08.07	2019.04.26	2018.08.08	2018.08.08	
Grant unit	262,000	350,000	68,000	40,000	150,000	398,400	173,670	426,330	267,000	69,430	319,000	750,000	8,000	692,000	
Exercise price (NT\$) (Notes 1 and 2)	501	353	310	356.5	459.5	457.5	279.5	170	251	781	333.5	83.7	43.85	44.8	
Share per unit (Note 2)	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	
Granted to	The Company and subsidiaries' employees who meet specific requirements														
Vesting conditions (Note 3)	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%	2 years 25% 3 years 25% 4 years 25% 5 years 25%
Duration (years)	10	10	10	10	10	10	10	10	10	10	10	10	10	10	

Note 1: After the issuance of employee stock options, if there is a change in the Company's common shares or the Company distributes cash dividends, the exercise price of the stock options will be adjusted according to a specified formula. If the adjustment formula necessitates a re-measurement of the exercise price and if the adjusted exercise price exceeds the pre-adjustment exercise price, the exercise price will not be adjusted.

Note 2: After the issuance of employee stock options, if the Company undergoes a change in stock par value, the exercise price of the stock options will first be adjusted according to a specified formula, followed by an adjustment to the subscription ratio. However, stock options that have already been exercised will not be retroactively adjusted. In August 2021, the Company amended its articles of incorporation as resolved in the regular meeting of shareholders, changing the par value per share from NT\$10 to NT\$5, and completed the related conversion in October 2021. This resulted in the exercise price per share of stock options granted before October 2021 being adjusted to 50% of the original exercise price, with the number of shares each option could purchase adjusted from 1 share to 2 shares.

Note 3: Calculated from the date the employee stock options were granted.

Information about employee share options was as follows:

Employee share options	For the Three Months Ended Mar. 31, 2026		For the Three Months Ended Mar. 31, 2025	
	Number of Options (Units)	Weighted-average Exercise Price (NT\$)	Number of Options (Units)	Weighted-average Exercise Price (NT\$)
Balance at January 1	2,024,065	\$ 300	1,846,674	\$ 280
Options granted	262,000	501	68,000	310
Options exercised	( 86,647 )	194	( 75,355 )	93
Options expired	( 12,000 )	367	( 12,265 )	297
Balance at March 31	<u>2,187,418</u>	328	<u>1,827,054</u>	288
Options exercisable, end of period	<u>698,716</u>	262	<u>541,365</u>	197

For the three months ended Mar. 31, 2026, and 2025, the weighted average stock prices on the exercise dates of the employee stock options were \$447.99 and \$304.09, respectively.

Information about outstanding options was as follows:

Mar. 31, 2026			Dec. 31, 2025			Mar. 31, 2025		
Issue Date	Exercise Price (NT\$/unit)	Weighted Average Remaining Contractual Life (Years)	Issue Date	Exercise Price (NT\$/unit)	Weighted Average Remaining Contractual Life (Years)	Issue Date	Exercise Price (NT\$/unit)	Weighted Average Remaining Contractual Life (Years)
2018.11.09	\$ 40.6	2.61	2018.11.09	\$ 40.6	2.86	2018.11.09	\$ 41.6	3.61
2019.04.26	39.6	3.07	2019.04.26	39.6	3.32	2019.04.26	40.6	4.07
2019.12.20	75.6	3.73	2019.12.20	75.6	3.97	2019.12.20	77.6	4.73
2020.09.26	301.8	4.49	2020.09.26	301.8	4.74	2020.09.26	309.8	5.49
2021.03.12	706.4	4.95	2021.03.12	706.4	5.20	2021.03.12	725.0	5.95
2022.04.29	230.2	6.08	2022.04.29	230.2	6.33	2022.04.29	236.2	7.08
2022.12.23	159.0	6.74	2022.12.23	159.0	6.98	2022.12.23	163.2	7.74
2023.04.28	261.4	7.08	2023.04.28	261.4	7.33	2023.04.08	268.3	8.08
2023.12.22	437.0	7.73	2023.12.22	437.0	7.98	2023.12.22	448.5	8.73
2024.01.01	439.0	7.76	2024.01.01	439.0	8.01	2024.01.01	450.5	8.76
2024.06.03	340.6	8.18	2024.06.03	340.6	8.43	2024.06.03	349.5	9.18
2025.01.01	302.1	8.76	2025.01.01	302.1	9.01	2025.01.01	310.0	9.76
2025.08.01	353.0	9.34	2025.08.01	353.0	9.59			
2026.03.24	501.0	9.99						

Options granted in March 2026, August 2025 and January 2025 were priced by using the binomial pricing model, and the inputs to the model were as follows:

Year of Offering	March 2026	August 2025	January 2025
Fair value per option - grant date	NT\$190.10~274.00	NT\$136.51~192.00	NT\$118.18~166.94
Exercise price	NT\$501	NT\$353	NT\$310
Expected volatility	63.43%~66.46%	63.12%~67.20%	61.89%~65.84%
Expected life	6~7.5 years	6~7.5years	6~7.5years
Expected dividend yield	-	-	-
Risk-free interest rate	1.41%~1.44%	1.34%~1.37%	1.58%~1.62%

The expected volatility is calculated based on the historical stock price volatility of similar companies. The Company assumes that employees will exercise their stock options at the midpoint between the vesting period end and the expiration date of the options.

For the three months ended Mar. 31, 2026, and 2025, the recognized compensation costs were \$12,838 thousand and \$13,475 thousand respectively.

#### Subsidiary Stock Option Plan

OCKY provides a stock option program for its employees and external consultants. As of the acquisition date by the Consolidated Company, the outstanding stock options remained effective and were not replaced by any other stock option plans.

The stock option plan of OCKY as of March 31, 2026, is presented as follows:

Grant date	2025.01	2023.10	2022.10	2021.10	2021.10	2021.08	2021.03
Grant unit	675,800	760,000	100,000	400,000	200,000	400,000	100,000
Exercise price (US\$)	US\$0.25	US\$0.4	US\$0.001	US\$0.001	US\$0.001	US\$0.001	US\$0.001
Share per unit	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share	1 ordinary share
Valuation model	binomial pricing model	binomial pricing model	binomial pricing model	binomial pricing model	binomial pricing model	binomial pricing model	binomial pricing model
Granted to	Employees and external consultants	Employees and external consultants	External consultants	Employees and external consultants	External consultants	Employees and external consultants	External consultants
Vesting conditions (Note 3)	1 years 25% 2 years 25% 3 years 25% 4 years 25%	1 years 25% 2 years 25% 3 years 25% 4 years 25%	1 years 40% 2 years 30% 3 years 30%	1 years 20% 2 years 20% 3 years 25% 4 years 35%	1 years 15% 2 years 20% 3 years 30% 4 years 35%	1 years 15% 2 years 20% 3 years 30% 4 years 35%	1 years 25% 2 years 25% 3 years 25% 4 years 25%
Duration (years)	10	6	7	7	7	7	7
Fair value on grant date	US\$0.1207~0.1371	US\$0.1702~0.1890	US\$0.39904~0.39910	US\$0.09900~0.09904	US\$0.09901~0.09905	US\$0.09901~0.09904	US\$0.09901~0.9905

Information about outstanding employee share options was as follows

	March 31, 2026	December 31, 2025	March 31, 2025
Range of exercise prices (NTD)	\$0.001-\$0.4	\$0.001-\$0.4	\$0.001- \$0.4
Weighted average remaining contractual term (years)	1.93 ~ 8.76 years	2.18 ~ 9.01 years	2.93 ~ 9.76 years

The compensation cost recognized by OCKY from January 1, 2026 to March 31, 2026 and from March 1, 2025 (the consolidation date) to March 31, 2025, amounted to \$322 thousand and \$238 thousand respectively.

## 28. BUSINESS CONSOLIDATION

### a. Acquisition of a subsidiary

	Main operating activities	Acquisition date	Voting ownership interest / Acquisition percentage (%)	Transfer price
OCKY	RFID design, develop and sales	March 1, 2025	27.88%	<u>\$ 63,985</u>

For a detailed explanation of the Consolidated Company's acquisition of control over OCKY, please refer to Note 12.

### b. Assets acquired and liabilities assumed as of the acquisition date

	OCKY and its subsidiaries
Current assets	
Cash and cash equivalent	\$ 86,038
Prepayment	84
Non-current assets	
Plant, property and equipment	3,589
Intangible assets	46,572
Right of usage	3,264
Refundable deposit	104
Current liabilities	
Contract liabilities	( 32,820 )
Account payables and other payables	( 9,719 )
Lease liabilities -current	( 1,674 )
Other current liabilities	( 116 )
Non-current liabilities	
Lease liabilities -non current	( 1,618 )
	<u>\$ 93,704</u>

c. Non-controlling interests

The non-controlling interest in OCKY (72.12% ownership interest) was measured at its fair value of NT\$124,960 thousand as of the acquisition date. This fair value was estimated using the income approach, with the following key assumptions:

1. A discount rate of 15.1%;
2. A long-term sustainable growth rate of 2%; and
3. Adjustments based on factors considered by market participants, including the lack of market liquidity of the stock.

d. Goodwill due to acquisition

	<u>OCKY and its subsidiaries</u>
Acquisition price	\$ 63,985
Add: Non-controlling interests (72.12% ownerships of OCKY)	124,960
Less: Fair value of acquired identifiable net assets.	( 93,704 )
Goodwill arising from the acquisition.	<u>\$ 95,241</u>

e. Net cash inflow from the acquisition of a subsidiary

	<u>OCKY and its subsidiaries</u>
Consideration paid in cash.	\$ -
Cash and cash equivalents acquired.	86,038
	<u>\$ 86,038</u>

f. Impact of business consolidation on operating results

Operating results from the acquired company since the acquisition date are as follows.

	<u>OCKY and its subsidiaries</u>
Operating revenue	\$ 24,312
Net income	<u>\$ 19,611</u>

Had the acquisition of OCKY taken place on January 1, 2025, the pro forma consolidated revenue from January 1 to March 31, 2025, would have been \$974,892 thousand, and the pro forma net income would have been \$341,193 thousand. These amounts do not reflect the actual revenue and operating results that the consolidated company could have generated had the business combination been completed at the beginning of the acquisition year and should not be used as a forecast of future operating results.

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In March 2026, the Consolidated Company did not subscribe to OCKY subsidiary's cash capital increase in proportion, resulting in the ownership percentage rising from 27.78% to 34.65%.

Since the above transaction did not change the Consolidated Company's control over the subsidiaries, it was accounted for as an equity transaction.

	<u>OCKY</u>
Cash consideration received	\$ 46,384
The book value of the subsidiary's net assets, based on the relative change in equity, is used to calculate the amount to be reclassified to non-controlling interests.	( 88,959 )
Equity transaction difference	<u>( \$ 42,575 )</u>
<u>Equity transaction difference adjustment account</u>	
Capital surplus – recognition of changes in subsidiary's ownership interests	<u>( \$ 42,575 )</u>

30. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of equity of the Group (comprising share capital, capital surplus, retained earnings and other equity).

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

Management regularly reviews the Group's capital structure and considers the costs and risks of different capital structures. In general, the Group has a prudent risk management strategy.

31. FINANCIAL INSTRUMENTS

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

Management believed the carrying amounts of financial assets and financial liabilities not measured at fair value in the consolidated financial statements approximate their fair values.

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

1) Fair value hierarchy

March 31, 2026

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at FVTPL</u>				
Equity instruments	\$ -	\$ -	\$ 87,986	\$ 87,986
<u>Financial assets measured at FVTOCI</u>				
Equity instruments	\$ -	\$ -	\$ 159,975	\$ 159,975
<u>Financial liabilities measured at FVTPL</u>				
Liabilities designated at FVTPL	\$ -	\$ -	\$ 8,415	\$ 8,415

December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at FVTPL</u>				
Equity instruments	\$ -	\$ -	\$ 86,433	\$ 86,433
<u>Financial assets measured at FVTOCI</u>				
Equity instruments	\$ -	\$ -	\$ 157,150	\$ 157,150
<u>Financial liabilities measured at FVTPL</u>				
Liabilities designated at FVTPL	\$ -	\$ -	\$ 8,266	\$ 8,266

March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at FVTPL</u>				
Equity instruments	\$ -	\$ -	\$ 645,699	\$ 645,699
<u>Financial liabilities measured at FVTPL</u>				
Liabilities designated at FVTPL	\$ -	\$ -	\$ 8,733	\$ 8,733

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

For the Three Months Ended March 31, 2026

<u>Financial Assets</u>	<u>Financial Assets at FVTPL</u> <u>Equity Instruments</u>	<u>Financial Assets at FVOCI</u> <u>Equity Instruments</u>
Balance at January 1, 2026	\$ 86,433	\$ 157,150
Exchange profit or loss	1,553	2,825
Balance at March 31, 2026	<u>\$ 87,986</u>	<u>\$ 159,975</u>
Unrealized gain for the current period included in profit or loss relating to assets held at the end of the period	<u>\$ -</u>	<u>\$ -</u>

<u>Financial Liabilities</u>	<u>Financial Liabilities at FVTPL</u>
Balance at January 1, 2026	\$ 8,266
Exchange profit or loss	149
Balance at March 30, 2026	<u>\$ 8,415</u>

For the Three Months Ended Mar. 31, 2025

<u>Financial Assets</u>	<u>Financial Assets at FVTPL</u> <u>Equity Instruments</u>
Balance at January 1, 2026	\$ 543,115
Newly add in this period	42,136
Recognized in profit or loss	60,448
Balance at March 31, 2026	<u>\$ 645,699</u>
Unrealized gain for the current period included in profit or loss relating to assets held at the end of the period	<u>\$ 60,448</u>

<u>Financial Liabilities</u>	<u>Financial Liabilities at FVTPL</u>
Balance at January 1, 2026	\$ -
Newly add in this period	8,733
Balance at March 30, 2026	<u>\$ 8,733</u>

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

Financial Instrument	Valuation Technique and Inputs
Unlisted company stock - domestic and foreign	a) Fair values are estimated using the market approach, with reference to the company's valuation of similar companies and recent financing activities.
Simple agreement for future equity	b) Fair values are estimated using asset-based approach, with reference to the total market value of the individual assets and liabilities of the investee company.
Derivative instrument – stock warrants.	Measure its fair value based on the transaction price and potential future scenarios. Using the income approach to evaluate the enterprise value and assessing the fair value of the warrants based on this valuation.

c. Categories of financial instruments

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
<u>Financial assets</u>			
Financial assets at FVTPL			
Investments in equity instruments	\$ 87,986	\$ 86,433	\$ 645,699
Assets measured at amortized cost (Note 1)	12,426,546	11,673,879	10,536,335
Financial assets at FVTPL			
Investments in equity instruments	159,975	157,150	-
<u>Financial liabilities</u>			
Financial assets at FVTPL			
Investments in financial instruments	8,415	8,266	8,733
Assets measured at amortized cost (Note 2)	1,977,184	936,734	1,622,543

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, trade receivables, other receivables (excluding tax receivable), and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term loans, accounts payable, other payables and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debt investments, trade receivables, other receivables, refundable deposits, loans, accounts payables, other payables, lease liabilities, and guarantee deposits. The Group's financial management department provides services to the business unit and coordinates, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risk (see (c) below).

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

a) Foreign currency risk

Several subsidiaries of the Group have foreign currency denominated sales and purchases, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the period are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the USD. 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 number below indicates a decrease in pre-tax profit associated with the functional currency strengthening 5% against the USD. For a 5% weakening of the functional currency against the USD, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	USD Impact	
	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Loss (i)	\$ 361,450	\$ 426,149

(i) Mainly derived from the consolidated company's US dollar-denominated bank deposits, accounts receivable, other receivables, accounts payable, and other payables that are still circulating in the market and have not undergone cash flow hedging as of the balance sheet date.

b) Interest rate risk

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

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Fair value interest rate risk			
Financial assets	\$ 10,516,786	\$ 10,102,906	\$ 9,212,686
Financial liabilities	76,058	232,468	73,886
Cash flow interest rate risk			
Financial assets	1,092,008	915,578	698,485

Sensitivity analysis

The sensitivity analysis of interest rate risk was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the period was outstanding for the whole period. Had interest rates been 50 basis points higher and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2026 and 2025 would have increased by \$1,365 thousand and \$873 thousand, respectively, which was mainly attributable to the Group's exposure to interest rate changes on its floating rate bank deposits.

c) Other price risk

The Group's price risk of financial assets at FVTPL for the three months ended March 31, 2026 and 2025 were primarily from investments in equity instruments.

Sensitivity analysis

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

If equity prices increase/decrease by 5%, the consolidated company's income before income tax for the three months ended Mar. 31, 2026, and 2025 will increase/decrease by \$4,399 thousand and \$32,285 thousand, respectively, due to the increase/decrease in the fair value of financial assets measured at fair value through profit or loss; the consolidated company's pre-tax other comprehensive income for the three months ended March 31, 2026 will increase/decrease by \$7,999 thousand, due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive income. (for the three months ended March 31, 2025: none)

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to the failure of the counterparty to discharge an obligation approximates the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk of the Consolidated Company is primarily concentrated on a few customers. As of March 31, 2026, December 31, 2025, and March 31, 2025, the accounts receivable balances exceeding 10% of the total are summarized as follows:

	<u>Mar. 31, 2026</u>
Customer A	\$ 112,270
Customer G	81,256
	<u>\$ 193,526</u>
	<u>Dec. 31, 2025</u>
Customer A	\$ 75,101
Customer B	72,289
Customer C	68,426
	<u>\$ 215,816</u>

	<u>Mar. 31, 2025</u>
Customer A	\$ 199,058
Customer G	<u>66,038</u>
	<u>\$ 265,096</u>

To mitigate credit risk, the management of the Consolidated Company has assigned a dedicated team responsible for deciding on credit limits, approving credit, and other monitoring procedures to ensure that appropriate actions are taken for the recovery of overdue receivables. Moreover, at the balance sheet date, the Consolidated Company reviews the recoverability of receivables to ensure that appropriate impairment losses are recognized for irrecoverable amounts. Based on this, the management of the Consolidated Company believes that the credit risk has been significantly reduced.

3) Liquidity risk

The Group's objectives of managing liquidity risk are to ensure that it has sufficient liquidity to continue operating in the following 12 months. The Group has maintained a level of cash and cash equivalents deemed adequate to finance its operations. The Group also adopted a series of control measures with respect to change in cash flow, net cash balance and major capital expenditure in order to know its available line of credit and to ensure its compliance with loan contract terms.

For the Group, bank loan is a significant source of liquidity. With respect to the Group's available line of credit, please refer to the (b) below for the unused borrowing facilities of the Consolidated Company.

a) Liquidity and interest rate risk tables

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

Mar. 31, 2026

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Non-interest bearing	-	\$ 785,420	\$ 1,141,764	\$ -	\$ -
Lease liabilities	2.97	4,362	14,146	8,103	-
Fixed rate instruments	1.92	<u>50,082</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 839,864</u>	<u>\$ 1,155,910</u>	<u>\$ 8,103</u>	<u>\$ -</u>

Dec. 31, 2025

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Non-interest bearing	-	\$ 730,684	\$ 4,050	\$ -	\$ -
Lease liabilities	2.97	6,712	15,155	11,779	-
Fixed rate instruments	1.92	<u>200,642</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 938,038</u>	<u>\$ 19,205</u>	<u>\$ 11,779</u>	<u>\$ -</u>

Mar. 31, 2025

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Non-interest bearing	-	\$ 1,550,812	\$ 15,452	\$ 4,279	\$ -
Lease liabilities	3.32	3,327	9,892	14,013	-
Fixed rate instruments	1.85	<u>50,154</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 1,604,293</u>	<u>\$ 25,344</u>	<u>\$ 18,292</u>	<u>\$ -</u>

b) Financing facilities

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Bank loan facilities			
Amount used	\$ 50,000	\$ 200,000	\$ 50,000
Amount unused	<u>909,975</u>	<u>757,150</u>	<u>750,322</u>
	<u>\$ 959,975</u>	<u>\$ 957,150</u>	<u>\$ 800,322</u>

The operating capital and financing amount of the Consolidated Company are sufficient to support operational needs, thus there is no liquidity risk arising from the inability to raise funds to fulfill contractual obligations.

32. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties and their relationships

<u>Related Party</u>	<u>Relationship</u>
Lyontek	Associate

b. Operating revenue

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>For the Three Months Ended March 31, 2026</u>	<u>For the Three Months Ended March 31, 2025</u>
Sales revenue	Associate	<u>\$ 3,555</u>	<u>\$ 1,838</u>

Transactions with related parties for sales are processed at prices agreed upon by both parties, with payment periods comparable to those of general customers.

c. Receivables

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Associate	<u>\$ 1,854</u>	<u>\$ -</u>	<u>\$ 1,955</u>

d. Compensation of key management personnel

	<u>For the Three Months Ended March 31, 2026</u>	<u>For the Three Months Ended March 31, 2025</u>
Short-term employee benefits	\$ 23,540	\$ 17,922
Post-employment benefits	108	135
Share-based payments	<u>5,242</u>	<u>6,490</u>
	<u>\$ 28,890</u>	<u>\$ 24,547</u>

The remuneration of board directors and salaries of other key management personnel are decided by remuneration and compensation committee based on individual performance and market trends.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as tariff guarantee for imported raw material:

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Pledged deposits (classified as financial assets at amortized cost)	<u>\$ 2,902</u>	<u>\$ 2,902</u>	<u>\$ 2,859</u>

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

Unit: Except for the exchange rate, which is in dollars (\$1), all foreign currency/book value are in thousands (\$1,000).

Mar. 31, 2026

	Foreign Currencies	Exchange Rates	Book Value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 251,562	31.995(USD:NTD)	\$ 8,048,705
USD	7,919	6.9119(USD:RMB)	253,366
			<u>\$ 8,302,071</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	18,095	31.995 (USD:NTD)	\$ 578,946
USD	15,445	6.9119 (USD:RMB)	494,165
JPY	71,800	0.2005 (JPY:NTD)	14,396
			<u>\$ 1,087,507</u>

Dec. 31, 2025

	Foreign Currencies	Exchange Rates	Book Value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 239,569	31.430(USD:NTD)	\$ 7,529,622
USD	5,104	6.9907(USD:RMB)	160,404
			<u>\$ 7,690,026</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	17,205	31.430 (USD:NTD)	\$ 540,776
USD	10,806	6.9907(USD:RMB)	339,643
			<u>\$ 880,419</u>

Mar. 31, 2025

	Foreign Currencies	Exchange Rates	Book Value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 266,176	33.205(USD:NTD)	\$ 8,838,369
USD	4,137	7.261(USD:RMB)	137,393
			<u>\$ 8,975,762</u>
<u>Non-monetary items</u>			
Investments in equity instruments at FVTPL			
RMB	121,230	4.573(RMB:NTD)	\$ 554,385
USD	2,750	33.205(USD:NTD)	91,314
			<u>\$ 645,699</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	9,022	33.205 (USD:NTD)	\$ 299,576
USD	4,615	7.261(USD:RMB)	153,214
			<u>\$ 452,790</u>

The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency	For the Three Months Ended Mar. 31, 2026		For the Three Months Ended Mar. 31, 2025	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	31.631 (USD:NTD)	\$ 133,358	32.875 (USD:NTD)	\$ 108,842
USD	6.9245 (USD:RMB)	6,906	7.2906 (USD:RMB)	( 1,535 )
Others		( 119 )		( 185 )
		<u>\$ 140,145</u>		<u>\$ 107,122</u>

34. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions:
1. Financing provided to others. (None)
  2. Endorsements/guarantees provided. (None)
  3. Marketable securities held (excluding investments in subsidiaries). (Table 1)
  4. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 2)
  5. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capitals. (Table 3)
  6. Other: Intercompany relationships and significant intercompany transactions. (Table 4)
- b. Information related to investments in subsidiaries: Table 5.
- c. Information on investments in mainland China:
1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)
  2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 4)
    - c) The amount of property transactions and the amount of the resultant gains or losses. (None)
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (None)
    - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds. (None)
    - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services. (Table 4)

36. SEGMENT INFORMATION

Operational executives use the consolidated company's financial information to allocate resources and assess performance. According to IFRS 8 "Operating Segments," the consolidated company is managed, and resources are allocated as a single operating segment. Additionally, the revenue from this operational activity accounts for over 90% of the total consolidated revenue. Therefore the Consolidated Company is not required to disclose operating segment financial information.

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES  
MARKETABLE SECURITIES HELD  
MARCH 31, 2026

TABLE 1

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

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	At the End of Period				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
AP Memory Technology Corporation	Unlisted shares GeneASIC Technologies Corporation	—	Financial assets measured at FVTPL - non-current	500,000	-	10.08%	-	
APware Technology Corp.	Unlisted shares PowerLattice Technologies Incorporated	—	Financial assets measured at FVTPL - non-current	7,665,288	87,986	4.82%	87,986	
	HamminX Ltd.	—	Financial assets measured at FVOCI - non-current	2,500,000	159,975	13.51%	159,975	

Note 1: Refer to Tables 5 and 6 for information about subsidiaries and associates.

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES  
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2026

TABLE 2

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

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchase (Sale)	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AP Memory Technology Corporation	AP Memory Technology (Hong Kong) Co. Limited	Sub-subsidiary	Sale	( \$ 596,456 )	( 28.40% )	Net 90 days after monthly closing	\$ -	—	\$ 605,051	81.36%	Note 2
AP Memory Technology Corporation	AP Memory Technology (Hangzhou) Limited Co.	Subsidiary	Sale	( 703,965 )	( 33.52% )	Net 60 days after monthly closing	-	—	494,165	66.45%	Note 2

Note 1: The Company's transactions with AP Memory Technology (Hangzhou) Limited Co. and AP Memory Technology (Hong Kong) Co. Limited are carried out in accordance with the price and conditions agreed upon by both parties.

Note 2: All amounts have been eliminated while preparing the consolidated financial statements.

Note 3: Paid-in capital refers to the parent company's paid-in capital. If the issuer's stock has no par value or the par value per share is not NT\$10, the transaction amount of 20% of the paid-in capital is calculated based on 10% of the equity attributable to the owners of the parent company on the balance sheet.

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES  
 Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital.  
 As of MARCH 31, 2026

TABLE 3

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

Company Name	Related Party	Relationship	Ending Balance of Receivables	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
AP Memory Technology Corporation	AP Memory Technology (Hong Kong) Co. Limited	Sub-subsidiary	\$ 605,051	3.91	\$ -	-	\$ -	\$ -
	AP Memory Technology (Hangzhou) Co. Limited	Subsidiary	494,165	6.76	-	-	-	-

Note 1: All the transactions had been eliminated when preparing consolidated financial statements.

Note 2: Paid-in capital refers to the parent company's paid-in capital. If the issuer's stock has no par value or the par value per share is not NT\$10, the transaction amount of 20% of the paid-in capital is calculated based on 10% of the equity attributable to the owners of the parent company on the balance sheet.

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE THREE MONTHS ENDED MAR. 31, 2026

TABLE 4

(In Thousands of New Taiwan Dollars)

Number (Note 1)	Company Name	Counterparty	Flow of Transaction (Note 2)	Transaction Details			Percentage of Transaction Amount to Consolidated Operating Revenue or Total Assets (Note 3)
				Account	Amount (Note 4)	Transaction Terms	
0	AP Memory Technology Corporation	AP Memory Corp, USA	(a)	Research and development expenses	\$ 13,142	Note 5	0.63%
0	AP Memory Technology Corporation	AP Memory Corp, USA	(a)	Other payables	13,194	Note 5	0.08%
0	AP Memory Technology Corporation	AP Memory Technology (Hangzhou) Co. Limited	(a)	Operating revenue	703,965	Note 5	33.52%
0	AP Memory Technology Corporation	AP Memory Technology (Hangzhou) Co. Limited	(a)	Trade receivables	494,165	Note 5	3.17%
0	AP Memory Technology Corporation	AP Memory Technology (Hangzhou) Co. Limited	(a)	Other receivables	1,954	Note 5	0.01%
0	AP Memory Technology Corporation	AP Memory Technology (Hong Kong) Co. Limited	(a)	Operating revenue	596,456	Note 5	28.40%
0	AP Memory Technology Corporation	AP Memory Technology (Hong Kong) Co. Limited	(a)	Trade receivables	605,051	Note 5	3.89%
0	AP Memory Technology Corporation	CascadeTeq Inc.	(a)	Operating revenue	17,026	Note 5	0.81%
0	AP Memory Technology Corporation	CascadeTeq Inc.	(a)	Trade receivables	4,581	Note 5	0.03%
0	AP Memory Technology Corporation	Shanghai Smardust Technology Co., Ltd.	(a)	Operating revenue	4,336	Note 5	0.21%
0	AP Memory Technology Corporation	Shanghai Smardust Technology Co., Ltd.	(a)	Trade receivables	2,401	Note 5	0.02%
1	AP Memory Technology (Hangzhou) Co. Limited	AP Memory Technology (Hong Kong) Co. Limited	(c)	Service revenue	63,970	Note 5	3.05%
1	AP Memory Technology (Hangzhou) Co. Limited	AP Memory Technology (Hong Kong) Co. Limited.	(c)	Trade receivables	68,163	Note 5	0.44%

Note 1: The transactions between the parent company and subsidiaries should be identified in the numbering column. The parent company and subsidiaries are numbered as follows:

- a. Parent company: 0.
- b. Subsidiaries are numbered in an order starting from 1.

Note 2: The directional flow of the transactions are represented by the following numerals:

- a. From parent company to subsidiary.
- b. From subsidiary to parent company.
- c. Between subsidiaries.

Note 3: The accounts in the consolidated balance sheets and those in the consolidated statements of comprehensive income were based on the Company's consolidated total assets and total gross sales, respectively.

Note 4: Intercompany balances and transactions were eliminated upon consolidation.

Note 5: For the intercompany transactions, prices and terms were based on mutual agreements.

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES  
INFORMATION ON INVESTEEES  
FOR THE THREE MONTHS ENDED MAR. 31, 2026

Table 5

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2026			Net (Loss) Income of the Investee (Note 2)	Share of (Loss) Profit (Notes 2 and 3)	Note
				March 31, 2026	December 31, 2025	Number of Shares	Percentage of Ownership (%)	Carrying Amount (Notes 1 and 3)			
AP Memory Technology Corporation	AP Memory Corp, USA	Suite 251, BG Plaza, 3800 S.W. Cedar Hills Blvd, Beaverton OR. 97005, USA	IC design and development services	\$ 959,321 (USD 32,000,000)	\$ 959,321 (USD 32,000,000)	5,000,000	100%	\$ 929,742	(\$ 6,096) (USD -192,708)	(\$ 6,096)	Subsidiary
	Lyontek Inc.	No. 17, Industry East 2nd Road, East District, Hsinchu City	IC design and sales	75,060	75,060	3,600,000	30%	97,557	10,591	3,177	Associate
	APware Technology Corp.	Suite 102, Cannon Place, North Sound Rd., George Town, Grand Cayman, Cayman Islands	General investing	939,959 (USD 29,999,846)	939,959 (USD 29,999,846)	12,845	100%	967,166	6,513 (USD 205,902)	6,513	Subsidiary
	ONECENT TECHNOLOGY LTD.	4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands	RFID design, development, and sales	175,860 (USD 5,615,260)	64,026 (USD 2,064,994)	10,898,240	34.65%	122,776	( 20,319 ) (USD -642,391)	( 6,850 )	Subsidiary
	VIVR Corporation	Suite W 100 North Howard Street, Spokane Washington, 99201, US	IC design, development, and sales	32,140 (USD 1,000,000)	32,140 (USD 1,000,000)	1,000,000	100%	18,009	( 833 ) (USD -26,326)	( 833 )	Subsidiary
	CascadeTeq Inc.	8F.-5, No. 1, Taiyuan 1st St., Zhubei City, Hsinchu County	IC sales	10,000	10,000	1,000,000	100%	5,655	3,056	3,056	Subsidiary
	M3 Technology Inc.	9F., No. 36, Aly. 38, Ln. 358, Ruiguang Rd., Neihu Dist., Taipei City	IC design, development, and sales	595,861	595,861	4,987,000	11.42%	858,475	49,116	1,741	Associate
AP Memory Technology (Hangzhou) Co. Limited	AP Memory Technology (Hong Kong) Co. Limited	FLAT A, 20/F, ZJ 300, 300 LOCKHART ROAD, WAN CHAI, Hong Kong	IC sales	275 (USD 10,000)	275 (USD 10,000)	10,000	100%	37,479	10,271 (USD 324,706)	10,271	Subsidiary
ONECENT TECHNOLOGY LTD.	Onecent Technology Inc.	4030 MOORPARK AVE, STE 240, SAN JOSE, CA95117, USA	RFID design and development	55,918 (USD 1,720,000)	55,918 (USD 1,720,000)	17,200	100%	7,477	( 6,116 ) (USD -193,345)	( 6,116 )	Subsidiary
	ONECENT TECHNOLOGY (SINGAPORE) PTE. LTD.	3 FRASER STREET #04-23A DUO TOWER SINGAPORE(189352)	RFID sales	1,122 (USD 37,705)	1,122 (USD 37,705)	50,000	100%	( 76,068 )	( 255 ) (USD -8,065)	( 255 )	Subsidiary
	Onecent Technology Co., Ltd.	7F, No. 147, Xianzheng 9th Rd., Zhubei City, Hsinchu County	RFID design, development, and sales	115,000	44,320	2,500,000	100%	72,711	( 9,637 )	( 9,637 )	Subsidiary

Note 1: Translation was based on the exchange rate at March 31, 2026.

Note 2: Translation was based on the average exchange rate for the three months ended March 31, 2026.

Note 3: Apart from Lyontek Inc., the amounts were recognized based on the reviewed financial statements for the same period.

AP MEMORY TECHNOLOGY CORPORATION AND SUBSIDIARIES  
INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MAR. 31, 2026

TABLE 6

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2026 (Note 1)	Net Income (Loss) of the Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3 and 5)	Carrying Amount as of March 31, 2026 (Note 4 and 5)	Accumulated Inward Remittance of Earnings as of March 31, 2026
					Outward	Inward						
AP Memory Technology (Hangzhou) Co. Limited	IC design, development, and sales	\$ 58,009 (USD 2,000,000)	Note 2	\$ 58,009 (USD 2,000,000)	\$ -	\$ -	\$ 58,009 (USD 2,000,000)	\$ 100,230 (RMB 21,941,691)	100%	\$ 99,283	\$ 475,008	\$ -
Shanghai Smardust Technology Co., Ltd.	RFID design, development, and sales	\$ 320 (USD 10,000)	Note 8	-	-	-	-	( 5,973 ) (RMB-1,307,673)	24.75%	( 1,478 )	8,556	-

Accumulated Investments in Mainland China as of March 31, 2026	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 58,009 (USD 2,000,000 )	\$ 58,009 (USD 2,002,788 )	\$ 7,088,279 (Note 6)

Note 1: The calculation is based on the original investment costs.

Note 2: A direct investment to AP Memory Technology (Hangzhou) Limited Co. by AP Memory Technology Corporation.

Note 3: Translation was based on the average exchange rate for the three months ended March 31, 2026.

Note 4: Translation was based on the exchange rate at March 31, 2026.

Note 5: Calculated based on the financial statements reviewed by the certified public accountant of the Taiwan parent company during the same period.

Note 6: The calculation is made based on 60% of the Company's net value at March 31, 2026, in accordance with Letter No. 09704604680 issued by the Ministry of Economic Affairs.

Note 7: Intercompany balances and transactions were eliminated upon consolidation.

Note 8: Reinvesting in Shanghai Smardust Technology Co., Ltd. through the third-region company OCKY.