FOXSEMICON INTERGRATED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

JUNE 30, 2026 AND 2025

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

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors and Shareholders of Foxsemicon Integrated Technology Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Foxsemicon Integrated Technology Inc. and subsidiaries (the "Group") as of June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2026 and 2025, as well as the consolidated statements of changes in equity and of cash flows for the six-month periods ended June 30, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three-month periods and six-month periods then ended in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Hsu, Sheng-Chung Wu, Jen-Chieh

For and on Behalf of PricewaterhouseCoopers, Taiwan

August 7, 2026

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

FOXSEMICON INTERGRATED TECHNOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			June 30, 2026		December 31, 2025		June 30, 2025	
	Assets	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 6,514,513	22	$ 6,625,513	23	$ 5,678,311	22
1110	Current financial assets at fair value through profit or loss	6(2)	-	-	-	-	22	-
1136	Current financial assets at amortized cost	6(4)	703,500	2	1,405,776	5	1,865,089	7
1140	Current contract assets	6(21)	6,312	-	-	-	-	-
1170	Accounts receivable	6(5)	2,758,378	9	1,502,608	5	1,815,349	7
1200	Other receivables	7	331,226	1	267,141	1	111,918	1
1220	Current income tax assets		-	-	241	-	-	-
130X	Inventory	6(6)	5,671,257	19	4,429,869	16	3,903,664	15
1410	Prepayments		606,470	2	448,378	2	335,451	1
11XX	**Total current assets**		16,591,656	55	14,679,526	52	13,709,804	53
	Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	6(2)	62,543	-	55,462	-	48,505	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	229,568	1	151,061	-	286,856	1
1535	Non-current financial assets at amortised cost	6(4) and 8	529,358	2	482,320	2	384,323	2
1550	Investments accounted for using equity method	7	136,925	-	106,088	-	102,576	-
1600	Property, plant and equipment	6(7) and 9	10,465,951	34	10,333,644	37	8,016,239	31
1755	Right-of-use assets	6(8) and 7	207,823	1	217,621	1	511,466	2
1760	Investment property	6(9)	-	-	447	-	5,477	-
1780	Intangible assets	6(10)	1,534,497	5	1,572,161	6	2,425,111	9
1840	Deferred income tax assets		32,900	-	15,280	-	32,281	-
1900	Other non-current assets		530,565	2	615,600	2	539,595	2
15XX	**Total non-current assets**		13,730,130	45	13,549,684	48	12,352,429	47
1XXX	**Total assets**		$ 30,321,786	100	$ 28,229,210	100	$ 26,062,233	100

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FOXSEMICON INTERGRATED TECHNOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			June 30, 2026		December 31, 2025		June 30, 2025	
	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term loans	6(11)	$ 4,004,870	13	$ 2,194,500	8	$ 1,097,000	4
2120	Current financial liabilities at fair value through profit or loss	6(2)	-	-	-	-	1	-
2130	Current contract liabilities	6(21)	181,282	1	114,838	-	200,628	1
2170	Accounts payable		2,265,382	7	1,434,190	5	1,358,631	5
2200	Other payables	6(12)	2,687,005	9	3,431,659	12	3,514,090	14
2230	Current tax liabilities		459,529	2	370,221	1	333,680	1
2280	Current lease liabilities	7	58,657	-	53,538	-	70,943	-
2320	Long-term liabilities, current portion	6(15)(16)	199,705	1	281,463	1	539,100	2
2399	Other current liabilities, others	6(13)	135,897	-	145,761	1	197,233	1
21XX	**Total current liabilities**		9,992,327	33	8,026,170	28	7,311,306	28
	Non-current liabilities							
2540	Long-term loans	6(16)	1,321,065	4	1,207,521	4	1,414,836	6
2570	Deferred income tax liabilities		254,677	1	270,466	1	272,320	1
2580	Non-current lease liabilities	7	169,457	1	184,603	1	480,640	2
2600	Other non-current liabilities	6(28)	553,749	2	580,678	2	598,175	2
25XX	**Total non-current liabilities**		2,298,948	8	2,243,268	8	2,765,971	11
2XXX	**Total Liabilities**		12,291,275	41	10,269,438	36	10,077,277	39
	Equity							
	Equity attributable to owners of parent							
	Share capital							
3110	Common stock	6(17)	1,107,623	3	1,098,196	4	1,080,229	4
3130	Certificate of entitlement to new shares from convertible bond		-	-	6,059	-	4,896	-
3140	Advance receipts for share capital		1,621	-	1,455	-	-	-
	Capital surplus	6(19)						
3200	Capital surplus		6,240,930	21	6,166,283	22	5,857,398	23
	Retained earnings	6(20)						
3310	Legal reserve		1,647,539	5	1,413,498	5	1,413,498	5
3320	Special reserve		6,336	-	6,336	-	6,336	-
3350	Unappropriated retained earnings		6,965,476	23	7,432,325	26	6,184,456	24
	Other equity interest							
3400	Other equity interest		580,571	2	415,307	2	(525,750)	(2)
31XX	**Equity attributable to owners of the parent**		16,550,096	54	16,539,459	59	14,021,063	54
36XX	**Non-controlling interests**	4(3)	1,480,415	5	1,420,313	5	1,963,893	7
3XXX	**Total equity**		18,030,511	59	17,959,772	64	15,984,956	61
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9						
3X2X	**Total liabilities and equity**		$ 30,321,786	100	$ 28,229,210	100	$ 26,062,233	100

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

FOXSEMICON INTERGRATED TECHNOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Three months ended June 30				Six months ended June 30			
			2026		2025		2026		2025	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(21) and 7	$ 6,299,574	100	$ 5,202,825	100	$ 11,861,137	100	$ 10,072,196	100
5000	Operating costs	6(6) and 7	(4,895,730)	(78)	(3,845,116)	(74)	(9,131,392)	(77)	(7,384,638)	(73)
5900	Gross profit from operations		1,403,844	22	1,357,709	26	2,729,745	23	2,687,558	27
	Operating expenses	6(24)								
6100	Selling expenses		(137,439)	(2)	(126,641)	(2)	(273,133)	(2)	(237,003)	(2)
6200	Administrative expenses		(268,926)	(4)	(192,184)	(4)	(518,375)	(5)	(379,730)	(4)
6300	Research and development expenses		(227,181)	(4)	(161,752)	(3)	(439,984)	(4)	(316,294)	(3)
6450	Impairment (loss) gain	12(2)	(812)	-	(530)	-	(1,772)	-	(598)	-
6000	Total operating expenses		(634,358)	(10)	(481,107)	(9)	(1,233,264)	(11)	(933,625)	(9)
6900	Net operating income		769,486	12	876,602	17	1,496,481	12	1,753,933	18
	Non-operating income and expenses									
7100	Interest income		65,353	1	60,887	1	88,662	1	91,614	1
7010	Other income	6(22)	19,576	-	30,665	-	53,754	-	74,956	1
7020	Other gains and losses	6(23)	(135,889)	(2)	(528,020)	(10)	(135,805)	(1)	(504,295)	(5)
7050	Finance costs	7	(30,144)	-	(15,432)	-	(50,733)	-	(29,717)	(1)
7060	Share of loss of associates and joint ventures accounted for using equity method		4,748	-	(3,844)	-	2,008	-	(5,051)	-
7000	Total non-operating revenue and expenses		(76,356)	(1)	(455,744)	(9)	(42,114)	-	(372,493)	(4)
7900	**Profit (loss) before income tax**		693,130	11	420,858	8	1,454,367	12	1,381,440	14
7950	Income tax expense	6(26)	(138,602)	(2)	(30,276)	-	(381,073)	(3)	(266,880)	(3)
8200	**Profit for the period**		$ 554,528	9	$ 390,582	8	$ 1,073,294	9	$ 1,114,560	11

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FOXSEMICON INTERGRATED TECHNOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Items	Notes	Three months ended June 30 2026 AMOUNT	%	Three months ended June 30 2025 AMOUNT	%	Six months ended June 30 2026 AMOUNT	%	Six months ended June 30 2025 AMOUNT	%
	Components of other comprehensive income that will not be reclassified to profit or loss									
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans		($ 102)	-	$ -	-	($ 102)	-	$ -	-
8316	Unrealized gain on valuation of financial assets at fair value through the comprehensive	6(3)	77,913	1	(61,559)	(1)	76,546	-	(29,113)	(1)
8310	Components of other comprehensive income that will not be reclassified to profit or loss		77,811	1	(61,559)	(1)	76,444	-	(29,113)	(1)
	Components of other comprehensive income that will not be reclassified to profit or loss									
8361	Financial statements translation difference of foreign operations		12,878	-	(1,057,084)	(21)	85,262	1	(832,498)	(8)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		4,254	-	(1,470)	-	6,158	-	(2,455)	-
8360	Other comprehensive loss that will be reclassified to profit or loss		17,132	-	(1,058,554)	(21)	91,420	1	(834,953)	(8)
8300	**Other comprehensive income for the year**		$ 94,943	1	($ 1,120,113)	(22)	$ 167,864	1	($ 864,066)	(9)
8500	**Total comprehensive income for the year**		$ 649,471	10	($ 729,531)	(14)	$ 1,241,158	10	$ 250,494	2
	Profit attributable to:									
8610	Owners of the parent		$ 510,792	8	$ 368,562	8	$ 983,884	8	$ 1,092,540	11
8620	Non-controlling interests		43,736	1	22,020	-	89,410	1	22,020	-
			$ 554,528	9	$ 390,582	8	$ 1,073,294	9	$ 1,114,560	11
	Total comprehensive income attributable to:									
8710	Owners of the parent		$ 602,876	9	($ 751,551)	(14)	$ 1,149,046	9	$ 228,474	2
8720	Non-controlling interests		46,595	1	22,020	-	92,112	1	22,020	-
			$ 649,471	10	($ 729,531)	(14)	$ 1,241,158	10	$ 250,494	2
	Earnings per share (in dollars)	6(27)								
9750	Basic earnings per share		$ 4.61		$ 3.41		$ 8.89		$ 10.11	
9850	Diluted earnings per share		$ 4.54		$ 3.13		$ 8.74		$ 9.19	

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

FOXSEMICON INTERGRATED TECHNOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Equity attributable to owners of the parent											
		Capital				Retained Earnings			Other equity interest				
	Notes	Common stock	Certificate of entitlement to new shares from convertible bond	Advance receipts for share capital	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
For the six-month period ended June 30, 2025													
Balance at January 1, 2025		$ 1,060,004	$ 16,245	$ 1,692	$ 5,715,305	$ 1,142,209	$ 6,336	$ 6,927,340	$ 185,450	$ 152,866	$ 15,207,447	$ -	$ 15,207,447
Profit for the six-month period		-	-	-	-	-	-	1,092,540	-	-	1,092,540	22,020	1,114,560
Other comprehensive income (loss) for the six-month period		-	-	-	-	-	-	-	(834,953)	(29,113)	(864,066)	-	(864,066)
Total comprehensive income		-	-	-	-	-	-	1,092,540	(834,953)	(29,113)	228,474	22,020	250,494
Appropriations of 2024 earnings	6(20)												
Legal reserve		-	-	-	-	271,289	-	(271,289)	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(1,564,135)	-	-	(1,564,135)	-	(1,564,135)
Conversion of convertible bonds	6(19)	17,654	(11,349)	-	96,252	-	-	-	-	-	102,557	-	102,557
Executive employee stock options	6(19)	2,571	-	(1,692)	13,654	-	-	-	-	-	14,533	-	14,533
Share-based payment	6(18)(19)	-	-	-	31,663	-	-	-	-	-	31,663	-	31,663
Change in equity of associates and joint ventures accounted for using equity method		-	-	-	524	-	-	-	-	-	524	-	524
Business combination transaction		-	-	-	-	-	-	-	-	-	-	1,941,873	1,941,873
Balance at June 30, 2025		$ 1,080,229	$ 4,896	$ -	$ 5,857,398	$ 1,413,498	$ 6,336	$ 6,184,456	($ 649,503)	$ 123,753	$ 14,021,063	$ 1,963,893	$ 15,984,956
For the six-month period ended June 30, 2026													
Balance at January 1, 2026		$ 1,098,196	$ 6,059	$ 1,455	$ 6,166,283	$ 1,413,498	$ 6,336	$ 7,432,325	$ 444,901	($ 29,594)	$ 16,539,459	$ 1,420,313	$ 17,959,772
Profit for the six-month period		-	-	-	-	-	-	983,884	-	-	983,884	89,410	1,073,294
Other comprehensive income (loss) for the six-month period		-	-	-	-	-	-	(102)	88,718	76,546	165,162	2,702	167,864
Total comprehensive income		-	-	-	-	-	-	983,782	88,718	76,546	1,149,046	92,112	1,241,158
Appropriations of 2025 earnings	6(20)												
Legal reserve		-	-	-	-	234,041	-	(234,041)	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(1,216,590)	-	-	(1,216,590)	-	(1,216,590)
Conversion of convertible bonds	6(19)	6,059	(6,059)	-	-	-	-	-	-	-	-	-	-
Executive employee stock options	6(19)	3,368	-	166	56,842	-	-	-	-	-	60,376	-	60,376
Share-based payment	6(18)(19)	-	-	-	21,517	-	-	-	-	-	21,517	-	21,517
Adjustments arising from changes in percentage of ownership in subsidiaries		-	-	-	(3,712)	-	-	-	-	-	(3,712)	-	(3,712)
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	-	-	(32,010)	(32,010)
Balance at June 30, 2026		$ 1,107,623	$ -	$ 1,621	$ 6,240,930	$ 1,647,539	$ 6,336	$ 6,965,476	$ 533,619	$ 46,952	$ 16,550,096	$ 1,480,415	$ 18,030,511

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

FOXSEMICON INTERGRATED TECHNOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

SIX MONTHS ENDED JUNE 30, 2026 AND 2025

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

		Six months ended June 30	
	Notes	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,454,367	$ 1,381,440
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment property and right-of-use assets)	6(9)(24)	415,106	318,921
Amortization expense	6(24)	39,875	13,533
Gain on write-off of past due payable	6(22)	(2,521)	(2,032)
Gain on lease modification	6(8)	(229)	-
Share-based payments	6(18)	21,517	31,663
Additional provision recognized	6(13)	24,356	20,970
Share of loss of associates and joint ventures accounted for using equity method		(2,008)	5,051
Gain on financial assets at fair value through profit or less		245	(505)
Expected credit losses recognized	12(2)	1,772	598
(Gain) loss on disposal of property, plant and equipment	6(23)	(357)	(678)
Interest income		(88,662)	(91,614)
Interest expense		50,733	29,717
Realized profit of deferred income of government		(31,743)	(33,382)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss, mandatorily		-	(312)
contract assets		(6,312)	-
Accounts receivable net		(1,137,937)	(108,308)
Accounts receivable related parties		-	(405,460)
Other receivable		(76,676)	(106,677)
Other receivable related parties		(1,149)	(17,125)
Inventories		(1,043,858)	16,505
Prepayment		(158,881)	12,874
Changes in operating liabilities			
Accounts payable		764,268	(9,990)
Other payable		(60,900)	(112,353)
Contract liabilities		66,444	(132,279)
Other current liabilities		(9,864)	-
Cash inflow generated from operations		217,586	810,557
Income taxes paid		(316,306)	(397,027)
Net cash flows (used in) from operating activities		(98,720)	413,530
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		(7,082)	-
Acquisition of financial assets at amortized cost		(712,160)	(1,726,158)
Disposal of financial assets at amortized cost		1,419,043	2,001,728
Acquisition of Investments accounted for using equity method		(22,500)	-
Net cash payments for bussiness combination	6(28)	-	(1,262,965)
Acquisition of property, plant and equipment	6(29)	(1,440,970)	(2,119,365)
Acquisition of intangible assets		(2,037)	(18,294)
Proceeds from disposal of property, plant and equipment		377	1,144
Interest received		88,662	91,614
Decrease (increase) in refundable deposits		83,249	(3,309)
Increase in other non-current assets		(9,060)	-
Net cash flows used in investing activities		(602,478)	(3,035,605)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(50,733)	(28,101)
Increase in short-term loans	6(30)	10,616,840	1,897,000
Decrease in short-term loans	6(30)	(8,787,920)	(830,000)
Payments of lease liabilities	6(30)	(26,115)	(35,125)
Proceeds from long-term debt	6(30)	564,790	-
Repayments of long-term debt		(533,004)	(158,598)
Payment of cash dividends	6(20)	(1,216,590)	-
Increase in other non-current liabilities		1,893	-
Executive employee stock options		60,376	14,533
Net cash flows from financing activities		629,537	859,709
Effect of changes in foreign currency exchange rates on cash		(39,339)	(85,916)

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FOXSEMICON INTERGRATED TECHNOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Six months ended June 30	
	Notes	2026	2025
Net decrease in cash and cash equivalents		($ 111,000)	($ 1,848,282)
Cash and cash equivalents at beginning of period		6,625,513	7,526,593
Cash and cash equivalents at end of period		$ 6,514,513	$ 5,678,311

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

FOXSEMICON INTERGRATED TECHNOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2026 AND 2025

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

1. History and Organization

(1) Foxsemicon Integrated Technology Inc. (the "Company") was incorporated as company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on April 26, 2001, and in accordance with the "Act for Establishment and Administration of Science Parks", the investment in the science park was approved in April 2003. The company was listed on the Taiwan Stock Exchange Corporation (the "TSEC") in July 28, 2015.

(2) The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in research, development, design, manufacturing and sales of subsystems and system integration of semiconductor equipment, subsystems and system integration of TFT-LCD, nano equipment, LED lighting, LED display product and other application product, photoelectric, communication wafer materials and medical devices.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on August 7, 2026.

3. Application of New Standards, Amendments and Interpretation

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

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

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

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

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

New standards, interpretations and amendments endorsed by the FSC effective from 2027 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027(Note1)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a hyperinflationary presentation currency'	January 1, 2027
Amendments to IAS 28, 'Amendments to the fair value option in IAS28 investments in associates and joint ventures'	January 1, 2027(Note2)

Note 1：The entities shall apply IFRS 18 starting from January 1, 2028. Additionally, entities can choose to adopt IFRS 18 earlier

Note 2：The entities shall apply the amendment simultaneously with IFRS 18.

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

A. IFRS 18, 'Presentation and disclosure in financial statements'

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 20, 'Regulatory assets and regulatory liabilities'	January 1, 2029

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

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and financial asset at fair value through profit or loss.

(b) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations as endorsed by the FSC (collectively referred herein as the"IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and Unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership(%)			
Name of investor	Name of subsidiary	Main business activities	June 30, 2026	December 31, 2025	June 30, 2025	Remark
Foxsemicon Integrated Technology Inc.	FOXSEMICON INTEGRATED TECHNOLOGY INC. (SAMOA)	Holding company of overseas reinvestment business	100	100	100	
Foxsemicon Integrated Technology Inc.	FOXSEMICON LLC.	A company engaged in import and export freight forwarding business	100	100	100	
Foxsemicon Integrated Technology Inc.	FOX AUTOMATION TECHNOLOGY INC.	Manufacture of machinery, equipment and electronic components	100	100	100	
Foxsemicon Integrated Technology Inc.	Frontier Integrated Global Solutions, Inc.	Manufacture of machinery, equipment and electronic components	100	100	100	
Foxsemicon Integrated Technology Inc.	Kainova Technology Inc.	Manufacture of machinery, equipment and electronic components	100	100	100	
Foxsemicon Integrated Technology Inc.	FOXSEMICON INNOVATIONS HOLDING INC.	Holding company of overseas reinvestment business	100	100	100	
Foxsemicon Integrated Technology Inc.	UNIEQ TECHNOLOGY PTE. LTD.	Holding company of overseas reinvestment business	100	100	100	
Foxsemicon Integrated Technology Inc.	UniEQ Integrated Technology CO. , Ltd.	Manufacture of machinery, equipment and electronic components	100	100	100	
Foxsemicon Integrated Technology Inc.	FairTech Corporation	Manufacture of machinery, equipment and electronic components	50.75	50.75	51	(2)

Name of investor	Name of subsidiary	Main business activities	Ownership(%) June 30, 2026	Ownership(%) December 31, 2025	Ownership(%) June 30, 2025	Remark
FOXSEMICON INNOVATIONS HOLDING INC.	FOXSEMICON TECHNOLOGY, LLC	Research and development and manufacture of machinery, equipment and electronic components	100	100	100	
Kainova Technology Inc.	Kaivaco Technology Nanjing Inc.	Manufacture of machinery, equipment and electronic components	100	100	100	(3)
Kainova Technology Inc.	Kainova Technology USA, LLC	Manufacture of automation equipment installation and Warranty business	100	100	100	
FOXSEMICON INTEGRATED TECHNOLOGY INC.(SAMOA)	MINDTECH CORPORATION	Holding company of overseas reinvestment business	100	100	100	
FOXSEMICON INTEGRATED TECHNOLOGY INC.(SAMOA)	SUCCESS PRAISE CORPORATION	A location for overseas trading for some companies in Mainland China	100	100	100	
FOXSEMICON INTEGRATED TECHNOLOGY INC.(SAMOA)	SMART ADVANCE CORPORATION	A location for overseas trading for some companies in Mainland China	100	100	100	(1)
FOXSEMICON INTEGRATED TECHNOLOGY INC.(SAMOA)	EVER DYNAMIC CORP	A location for overseas trading for some companies in Mainland China	100	100	100	(1)
FOXSEMICON INTEGRATED TECHNOLOGY INC.(SAMOA)	LOYAL NEWS INTERNATIONAL LIMITED	A location for overseas trading for some companies in Mainland China	100	100	100	(1)
MINDTECH CORPORATION	Foxsemicon Integrated Technology (Shanghai) Inc.	Production and sales of electronic special equipment, test instruments, and industrial molds	100	100	100	(3)
Foxsemicon Integrated Technology (Shanghai) Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	Develop and produce new alloy materials and electronic special equipment for production and sales	100	100	100	
Foxsemicon Integrated Technology (Shanghai) Inc.	Shanghai EnvoFox Integrated Technology Limit Inc.	Operation of environmental protection automatic control system and environmental engineering production and sales business	100	100	100	
UNIEQ TECHNOLOGY PTE. LTD.	UNIEQ EQUIPMENT MANUFACTURING PRIVATE LIMITED	Manufacture of machinery, equipment and electronic components	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%) June 30, 2026	December 31, 2025	June 30, 2025	Remark
FairTech Corporation	FairTech International Corporation	Holding company of overseas reinvestment business	100	100	100	(2)
FairTech Corporation	Ann-Sun Resource Technology Co., Ltd.	Processing of aerospace equipment	100	100	100	(2)
FairTech Corporation	FairTech Corporation LLC	Repair of semiconductor equipment	100	100	100	(2)
FairTech Corporation	Hakka UAV Corporation	Manufacture and research and development of unmanned aerial vehicle	75.5	51	51	(2)
FairTech International Corporation	FairTech Asia Pacific Corporation	Holding company of overseas reinvestment business	100	100	100	(2)
FairTech International	Quiz Technology Enterprise Inc.	Holding company of overseas reinvestment business	-	-	100	(2)、(4)
FairTech Asia Pacific Corporation	FairTech Suzhou Corporation	Repair of semiconductor equipment	100	100	100	(2)、(3)
Quiz Technology Enterprise Inc.	Ranking Trading Incorporated	Holding company of overseas reinvestment business	-	-	100	(2)、(4)

(1) The Company's shareholding ratio in EVER DYNAMIC CORP, LOYAL NEWS INTERNATIONAL LIMITED and SMART ADVANCE CORPORATION was 100%. However, all the companies mentioned above ceased operation in 2014.

(2) On May 29, 2025, the company acquired 51% of the outstanding common shares of FairTech Corporation in cash, and it and its subsidiaries were included in the consolidated financial statement preparation entity from the investment date. Please refer to Note 6 (28).

(3) The disclosure of the subsidiary mentioned above reinvesting in Mainland China, please refer to Note 13.

(4) Quiz Technology Enterprise Inc. and Ranking Trading Incorporated have completed their dissolution and liquidation on November 10, 2025.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group.

For subsidiaries with significant non-controlling interests within the Group

As of June 30, 2026, December 31, 2025 and June 30, 2025 the non-controlling interest amounted to $1,480,415, $1,420,313 and $1,963,893, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interests June 30, 2026 Amount	Ownership	Description
FairTech Corporation	Taiwan	$ 1,480,415	49.25%	None

Name of subsidiary	Principal place of business	Non-controlling interests December 31, 2025 Amount	Ownership	Description
FairTech Corporation	Taiwan	$ 1,420,313	49.25%	None

Name of subsidiary	Principal place of business	Non-controlling interests June 30, 2025 Amount	Ownership	Description
FairTech Corporation	Taiwan	$ 1,963,893	49.00%	None

Summarised financial information of the subsidiaries:

Balance sheets

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 1,743,226	$ 1,584,753	$ 899,656
Non-current assets	2,734,070	2,728,997	3,589,154
Current liabilities	(255,193)	(222,881)	(173,809)
Non-current liabilities	(331,526)	(317,441)	(342,568)
Total net assets	$ 3,890,577	$ 3,773,428	$ 3,972,433

Statements of comprehensive income

	Three month periods ended June 30, 2026	2025
Revenue	$ 554,260	$ 103,419
Profit for the period from continuing operations	88,068	35,458
Total comprehensive income for the period	$ 88,068	$ 35,458
Comprehensive income attributable to non-controlling interest	$ 729	$ 9,108

	Six month periods ended June 30, 2026	2025
Revenue	$ 929,866	$ 103,419
Profit for the period from continuing operations	183,359	35,458
Total comprehensive income for the period	$ 183,359	$ 35,458
Comprehensive income attributable to non-controlling interest	($ 1,747)	$ 9,108

Statements of cash flows

	Six month periods ended June 30, 2026	Six month periods ended June 30, 2025
Net cash used in operating activities	($ 173,657)	($ 37,996)
Net cash used in investing activities	12,928	(2,176)
Net cash used in financing activities	(43,912)	(5,485)
Effect of exchange rates on cash and cash equivalents	(1,401)	433
Decrease in cash and cash equivalents	(206,042)	(45,224)
Cash and cash equivalents, beginning of period	909,080	441,078
Cash and cash equivalents, end of period	$ 703,038	$ 395,854

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities presented in each balance sheet are converted at the exchange rates prevailing at the date of that balance sheet;

ii. Income and expense presented in each comprehensive income statement are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate or jointly controlled entities after losing significant influence over the former foreign associate, or losing joint control of the former jointly controlled entities, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interests in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets that are expected to be realized, or are intended to be sold or consumed in the normal operating cycle;

(b) Assets that are held primarily for the purpose of trading;

(c) Assets that are expected to be realized within twelve months after the reporting period;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled in the normal operating cycle;

(b) Liabilities that are held primarily for the purpose of trading;

(c) Liabilities that are due to be settled within twelve months after the reporting period;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortized cost

A. Financial assets at amortized cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The Group initially measures accounts and notes receivable at fair value and subsequently recognizes the amortized interest income over the period of circulation using the effective interest method and the impairment loss. A gain or loss is recognized in profit or loss.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing arrangements (lessor)－operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes loan costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost, including goodwill recognized at the time of acquisition, and less any accumulated impairment loss arising from subsequent evaluations.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(16) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Loan costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant and equipment are measured at cost model subsequently. Land is not depreciated. Other property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures: 25~50 year(s)

Machinery and equipment: 5~10 year(s)

Other equipment: 2~15 year(s)

(17) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental loan interest rate. Lease payments are comprised of the Fixed payments. The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 35 years.

(19) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 10 years.

B. Internally generated intangible assets—research and development expenditures

(a) Research expenditures are recognized as an expense as incurred.

(b) Development expenditures that do not meet the following criteria are recognized as expenses as incurred, but are recognized as intangible assets when the following criteria are met:

i. It is technically feasible to complete the intangible asset so that it will be available for use or sale;

ii. An entity intends to complete the intangible asset and use or sell it;

iii. An entity has the ability to use or sell the intangible asset;

iv. It can be demonstrated how the intangible asset will generate probable future economic benefits;

v. Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and

vi. The expenditure attributable to the intangible asset during its development can be reliably measured.

(c) Upon being available for use, internally generated intangible assets are amortised on a straight-line basis over their estimated useful life.

C. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

D. Patent rights and technical skills are amortised on a straight-line basis over its estimated useful life of 10 to 19 years.

E. Customer relationship and supplier relationship are obtained as a result of a business combination and are amortised on a straight-line basis over its estimated life of 15 years.

(20) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(21) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(22) Notes and accounts payable

Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities. The Group initially measures notes and accounts payable at fair value and subsequently measured at amortized cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

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

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(24) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group' s common shares by exchanging a fixed amount of cash for a fixed number of common shares). The Group classifies the bonds payable upon issuance as a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

A. The embedded call options and put options are recognized initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognized as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

B. The host contracts of bonds is initially recognized at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortized in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

C. The embedded conversion options which meet the definition of an equity instrument are initially recognized in 'capital surplus—share options' at the residual amount of total issue price less bonds payable as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

E. When bondholders exercise conversion options, the liability component of the bonds shall be remeasured on the conversion date. The carrying amount of common shares issued due to the conversion shall be based on the adjusted carrying amount of the abovementioned liability component plus the carrying amount of capital surplus - share options.

(25) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged, cancelled or expires.

(26) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realized the asset and settle the liability simultaneously.

(27) Provisions

Provisions (including warranties) are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(28) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and are recognized as expenses in the period in which the employees render service.

B. Pension

(a)Defined contribution plan

For defined contribution plans, the Company has no legal or constructive obligation to make additional contributions after a fixed amount is contributed to a public or privately managed and independent pension fund. The contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b)Defined benefit plan

i Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

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

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(29) Share-based payment - employees' bonus and compensation

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(30) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realized the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realized the asset and settle the liability simultaneously.

F. Tax incentives arising from research and development expenditures were accounted for using income tax credits.

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

(31) Dividends

Dividends are recorded in the Company’ s financial statements in the period in which they are resolved by the Company’ s shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(32) Revenue recognition

A. The Group manufactures and sells related products of semi-conductor equipment. Sales are recognized when control of the products has transferred, being when the products are delivered to the buyer, the buyer has full discretion over the price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or when the product is delivered to the shipping warehouse and the product is pulled in by the customer, or the Group has objective evidence that all criteria for acceptance have been satisfied. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

B. The Group is engaged in the repair of semi-conductor equipment, environmental automation, environmental engineering and other related services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labor hours spent relative to the total expected labor hours. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

C. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

(33) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Company will comply with conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognized as non-current liabilities and are amortized to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(34) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interests in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

(35) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Revenue recognition

The Group determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for the other party to provide those goods or services (i.e. the Group is an agent) based on the transaction model and its economic substance. The Group is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Group recognizes revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Group recognizes revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Group controls the good or service before it is provided to a customer include the following:

A. The Group is primarily responsible for the provision of goods or services;

B. The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.

C. The Group has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

The Group makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

A. Impairment assessment of goodwill

The Group assesses impairment of goodwill based on subjective judgment which includes identifying and allocating assets, liabilities and goodwill to related cash-generating unit to determine recoverable amount of this unit.

As of June 30, 2026, information on the carrying amount of goodwill is provided in Note 6(10).

B.Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of June 30, 2026, information on the carrying amount of inventories is provided in Note 6(6).

6. Details of Significant Accounts

(1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Petty cash and cash on hand	$ 2,012	$ 1,885	$ 1,748
Checking accounts and demand deposits	4,312,528	4,510,102	5,046,551
Cash equivalents			
Time deposits	2,199,973	2,113,526	630,012
	$ 6,514,513	$ 6,625,513	$ 5,678,311

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Time deposits with maturity in excess of three months and restricted time deposits on June 30, 2026, December 31, 2025, and June 30, 2025 have been listed under "financial assets at amortized cost - current" and "financial assets at amortized cost - non-current", please refer to Note 6(4).

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

Items	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Derivative instruments	$ -	$ -	$ 22
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	$ 62,543	$ 55,462	$ 48,505

Items	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Financial liabilities mandatorily measured at fair value through profit or loss			
Derivative instruments	$ -	$ -	$ 1

A. Financial assets at fair value through profit or loss is as follows:

(a) Beneficiary certificate: Private fund investment.

(b) Derivative instruments: Forward foreign exchange contracts, unsecured convertible bonds under repurchase and resale agreement.

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

	Three month periods ended June 30,	
	2026	2025
Derivative instruments	($ 245)	$ 965

	Six month periods ended June 30,	
	2026	2025
Derivative instruments	($ 245)	$ 817

C. The non-hedging derivative instruments transaction and contract information are as follows:

June 30, 2025			
Derivative Financial Assets	Contract amount		Contract period
Current items:			
Interest rate swaps			
Foreign exchange forward contracts	USD(sell)	2,000	March 2025~April 2025
	CNH(buy)	14,336	

As of June 30, 2026, the Group has no derivative financial instruments for which hedge accounting was not applied.

The Group enters into foreign exchange forward transactions to reduce the following risk of exchange rate:

i. Operating activities: Import of raw materials and export sales.

ii. Investing activities: Import of machinery and equipment.

iii. Financing activities: Long-term and short-term foreign currency assets and liabilities.

D. The Group did not have financial assets measured at fair value through other comprehensive income pledged to others.

(3) Financial assets at fair value through other comprehensive income

	June 30, 2026	December 31, 2025	June 30, 2025
Non-current items:			
Equity instruments			
Unlisted stocks	$ 60,131	$ 67,824	$ 193,825
Listed stocks	169,437	83,237	93,031
	$ 229,568	$ 151,061	$ 286,856

A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

B. The Group doesn’t have financial assets measure at fair value through other comprehensive income pledged to other.

C. The details of financial assets measured at fair value through other comprehensive profit and loss recognized in profit and loss and comprehensive profit and loss are as follows:

	Three month periods ended June 30,	
	2026	2025
Equity instruments at fair value through other comprehensive income		
comprehensive income		
Held at end of period	$ 77,913	($ 61,559)

	Six month periods ended June 30,	
	2026	2025
Equity instruments at fair value through other comprehensive income		
comprehensive income		
Held at end of period	$ 76,546	($ 29,113)

(4) Financial assets at amortised cost

Items	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Time deposits with maturity in excess of three months	$ 703,500	$ 1,405,776	$ 1,865,089
Non-current items:			
Restricted deposits	$ 343,605	$ 343,605	$ 343,605
Time deposits with maturity in excess of one year	131,320	125,888	32,728
Pledged time deposits	54,433	12,827	7,990
	$ 529,358	$ 482,320	$ 384,323

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

	Three month periods ended June 30,	
	2026	2025
Interest income	$ 4,799	$ 10,802

	Six month periods ended June 30,	
	2026	2025
Interest income	$ 10,039	$ 22,279

B. The details of the Group provides financial assets at amortised cost as collateral, please refer to Note 8.

C. The details of the Group's restricted deposits, please refer to Note 6(28).

(5) Accounts receivable

	June 30, 2026	December 31, 2025	June 30, 2025
Notes recevable	$ 1,837	$ 31	$ 50
Accounts receivable	2,760,183	1,504,445	1,818,141
Less: Allowance for uncollectible accounts	(3,642)	(1,868)	(2,842)
	$ 2,758,378	$ 1,502,608	$ 1,815,349

A. The Group did not hold any collateral on its accounts.

B. As of June 30, 2026, December 31, 2025, and June 30, 2025, accounts receivable were all from contracts with customers. And as of January 1, 2025, the balance of receivables from contracts with customers amounted to $1,695,554.

C. Information relating to credit risk is provided in Note 12(2).

(6) Inventories

	June 30, 2026		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,730,648	($ 85,596)	$ 1,645,052
Work in progress	2,473,443	(6,721)	2,466,722
Finished goods	1,674,751	(115,268)	1,559,483
	$ 5,878,842	($ 207,585)	$ 5,671,257

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,080,634	($ 38,006)	$ 1,042,628
Work in progress	1,625,248	(13,939)	1,611,309
Finished goods	1,880,298	(104,366)	1,775,932
	$ 4,586,180	($ 156,311)	$ 4,429,869

	June 30, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,074,231	($ 25,310)	$ 1,048,921
Work in progress	1,469,774	(11,914)	1,457,860
Finished goods	1,488,305	(91,422)	1,396,883
	$ 4,032,310	($ 128,646)	$ 3,903,664

The cost of inventories recognized as expense for the year:

	Three month periods ended June 30, 2026	Three month periods ended June 30, 2025
Cost of goods sold	$ 4,878,321	$ 3,844,219
Loss on decline in market value	50,468	30,668
Sales of scraps	(39,589)	(34,319)
Others	6,530	4,548
	$ 4,895,730	$ 3,845,116

	Six month periods ended June 30, 2026	Six month periods ended June 30, 2025
Cost of goods sold	$ 9,120,797	$ 7,405,997
Loss on decline in market value	75,422	42,082
Sales of scraps	(80,470)	(64,496)
Others	15,643	1,055
	$ 9,131,392	$ 7,384,638

(7) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
January 1, 2026						
Cost	$ 508,264	$3,389,159	$ 4,662,749	$1,904,272	$ 3,519,163	$ 13,983,607
Accumulated depreciation	-	(668,210)	(2,142,977)	(838,776)	-	(3,649,963)
	$ 508,264	$2,720,949	$ 2,519,772	$1,065,496	$ 3,519,163	$ 10,333,644
2026						
Opening net book amount as at January 1	$ 508,264	$2,720,949	$ 2,519,772	$1,065,496	$ 3,519,163	$ 10,333,644
Additions	-	10,624	44,744	74,320	632,948	762,636
Disposals	-	-	-	(20)	-	(20)
Reclassifications	-	(720)	-	720	(65,989)	(65,989)
Transfer	10,165	165,497	419,252	34,295	(628,770)	439
Depreciation charge	-	(63,001)	(225,453)	(100,512)	-	(388,966)
Net exchange differences	(8,210)	(33,900)	(7,369)	704	(127,018)	(175,793)
Closing net book amount as at June 30	$ 510,219	$2,799,449	$ 2,750,946	$1,075,003	$ 3,330,334	$ 10,465,951
At June 30						
Cost	$ 510,219	$3,542,625	$ 5,101,514	$2,025,774	$ 3,330,334	$ 14,510,466
Accumulated depreciation	-	(743,176)	(2,350,568)	(950,771)	-	(4,044,515)
	$ 510,219	$2,799,449	$ 2,750,946	$1,075,003	$ 3,330,334	$ 10,465,951

	Land	Buildings and structures	Machinery and equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
January 1, 2025						
Cost	$ -	$1,557,665	$ 3,341,283	$1,658,486	$ 1,336,843	$ 7,894,277
Accumulated depreciation	-	(407,140)	(1,662,694)	(638,341)	-	(2,708,175)
	$ -	$1,150,525	$ 1,678,589	$1,020,145	$ 1,336,843	$ 5,186,102
2025						
Opening net book amount as at January 1	$ -	$1,150,525	$ 1,678,589	$1,020,145	$ 1,336,843	$ 5,186,102
Additions	-	99,149	157,053	107,928	1,863,149	2,227,279
Disposals	-	-	(447)	(19)	-	(466)
Acquired from bussiness combinations	297,865	667,147	183,186	17,582	30,881	1,196,661
Transfers	-	341,326	238,187	1,171	(559,969)	20,715
Depreciation charge	-	(28,181)	(162,112)	(84,972)	-	(275,265)
Net exchange differences	-	(34,810)	(138,840)	(21,962)	(143,175)	(338,787)
Closing net book amount as at June 30	$ 297,865	$2,195,156	$ 1,955,616	$1,039,873	$ 2,527,729	$ 8,016,239
At June 30						
Cost	$ 297,865	$2,778,314	$ 3,808,241	$1,758,152	$ 2,527,729	$11,170,301
Accumulated depreciation	-	(583,158)	(1,852,625)	(718,279)	-	(3,154,062)
	$ 297,865	$2,195,156	$ 1,955,616	$1,039,873	$ 2,527,729	$ 8,016,239

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

B. Information about the property, plant and equipment acquired from the Group's business combination for the three month and six month ended June 30, 2025 is provided in Note 6(28).

(8) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings and structures. Rental contracts are typically made for periods of 5 to 35 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for loan purposes.

B. Short-term leases with a lease term of 12 months, include dormitories and transportation equipment.

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

	June 30, 2026	December 31, 2025	June 30, 2025
	Carrying amount	Carrying amount	Carrying amount
Land	$ 74,062	$ 75,994	$ 77,851
Buildings and structures	133,761	141,627	433,615
	$ 207,823	$ 217,621	$ 511,466

	Three month periods ended June 30,	
	2026	2025
	Depreciation charge	Depreciation charge
Land	$ 1,087	$ 1,282
Buildings and structures	12,348	19,709
	$ 13,435	$ 20,991

	Six month periods ended June 30,	
	2026	2025
	Depreciation charge	Depreciation charge
Land	$ 2,243	$ 2,584
Buildings and structures	23,889	40,311
	$ 26,132	$ 42,895

D. For the three months and six months ended June 30, 2026 and 2025, the additions to right-of-use assets (including the amounts acquired through business combinations) were $15,678, $4,318, $15,678 and $4,318, respectively.

E. Information on profit or loss in relation to lease contracts is as follows:

	Three month periods ended June 30,	
	2026	2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 1,591	$ 8,277
Expense on short-term lease contracts	16,345	13,747
Gain on lease modification	-	-
	$ 17,936	$ 22,024

	Six month periods ended June 30,	
	2026	2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 3,166	$ 17,019
Expense on short-term lease contracts	31,927	27,855
Gain on lease modification	229	-
	$ 35,322	$ 44,874

F. For the three-month and six-month periods ended June 30, 2026 and 2025, the Group's total cash outflow for leases were $31,358, $39,272, $61,208 and $79,999, respectively.

(9) Investment property

	Buildings and structures	
	2026	2025
At January 1		
Cost	$ 1,124	$ 63,231
Accumulated depreciation	(677)	(36,278)
	$ 447	$ 26,953
Opening net book amount as at January 1	$ 447	$ 26,953
Transfer out	(439)	(20,715)
Depreciation charge	(8)	(761)
Closing net book amount as at June 30	$ -	$ 5,477
At June 30		
Cost	$ -	$ 13,298
Accumulated depreciation	-	(7,821)
	$ -	$ 5,477

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Three month periods ended June 30,	
	2026	2025
Rental income from investment property	$ -	$ 2,284
Direct operating expenses arising from the investment property that generated rental income during the period	$ -	$ 306

	Six months periods ended June 30,	
	2026	2025
Rental income from investment property	$ 91	$ 6,032
Direct operating expenses arising from the investment property that generated rental income during the period	$ 8	$ 761

B. The fair value of the investment property held by the Group as at June 30, 2026, December 31, 2025 and June 30, 2025 were $0, $1,922 and $22,738, respectively, which were based on the valuation of market prices estimated using comparison approach which is categorized within Level 3 in the fair value hierarchy.

(10) Intangible asset

	Patent rights and technical skills	Computer software	Goodwill	Customer relationship	Total
At January 1, 2026					
Cost	$ 274,938	$ 160,769	$ 918,635	$ 347,449	$ 1,701,791
Accumulated amortization and impairment	(18,929)	(97,189)	-	(13,512)	(129,630)
	$ 256,009	$ 63,580	$ 918,635	$ 333,937	$ 1,572,161
2026					
Opening net book amount as at January 1	$ 256,009	$ 63,580	$ 918,635	$ 333,937	$ 1,572,161
Additions	-	2,037	-	-	2,037
Amortisation charge	(14,261)	(14,032)	-	(11,582)	(39,875)
Net exchange	-	174	-	-	174
Closing net book amount as at June 30	$ 241,748	$ 51,759	$ 918,635	$ 322,355	$ 1,534,497
At June 30					
Cost	$ 274,938	$ 164,395	$ 918,635	$ 347,449	$ 1,705,417
Accumulated amortization and imparment	(33,190)	(112,636)	-	(25,094)	(170,920)
	$ 241,748	$ 51,759	$ 918,635	$ 322,355	$ 1,534,497

	Patent rights and technical skills	Computer software	Goodwill	Customer relationship	Total
At January 1, 2025					
Cost	$ -	$ 96,411	$ -	$ -	$ 96,411
Accumulated	-	(59,907)	-	-	(59,907)
	$ -	$ 36,504	$ -	$ -	$ 36,504
2026					
Opening net book amount as at January 1	$ -	$ 36,504	$ -	$ -	$ 36,504
Additions	-	18,294	-	-	18,294
Acquired from bussiness combinations	242,135	813	1,776,790	366,481	2,386,219
Amortisation charge	(2,505)	(8,992)	-	(2,036)	(13,533)
Net exchange differences	-	(2,373)	-	-	(2,373)
Closing net book amount as at June 30	$ 239,630	$ 44,246	$ 1,776,790	$ 364,445	$ 2,425,111
At June 30					
Cost	$ 244,430	$ 126,044	$ 1,776,790	$ 366,481	$ 2,513,745
Accumulated	(4,800)	(81,798)	-	(2,036)	(88,634)
	$ 239,630	$ 44,246	$ 1,776,790	$ 364,445	$ 2,425,111

A. Details of amortization on intangible asset are as follows:

	Three months ended June 30,	
	2026	2025
Operating costs	$ 12,581	$ 2,799
Selling expenses	3,780	1,662
Administrative expenses	1,889	2,326
Research and development expenses	1,553	2,413
	$ 19,803	$ 9,200

	Six month periods ended June 30,	
	2026	2025
Operating costs	$ 16,621	$ 4,132
Selling expenses	16,097	2,036
Administrative expenses	3,819	3,306
Research and development expenses	3,338	4,059
	$ 39,875	$ 13,533

B. Goodwill is allocated as follows to the Group's cash-generating units identified according to operating segments:

	June 30, 2026	December 31, 2025	June 30, 2025
Taiwan	$ 918,635	$ 918,635	$ 1,776,790

C. Regarding the intangible asset arising from the Group's business combination for the year ended December 31, 2025, refer to Note 6(28) for details.

D. The Group periodically performed impairment assessment on the recoverable amount of goodwill , and used the value in use as the basis for calculation of the recoverable amount. The value in use was calculated based on the estimated present value of future cash flows for five years.

(11) Short-term loans

Type of borrowings	June 30, 2026	Interest rate range	Collateral
Bank borrowings			
Bank unsecured borrowings	$ 4,004,870	1.84%~2.11%	None.

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Bank unsecured borrowings	$ 2,194,500	1.84%~1.95%	None.

Type of borrowings	June 30, 2025	Interest rate range	Collateral
Bank borrowings			
Bank unsecured borrowings	$ 1,097,000	1.85%~1.92%	None.

(12) Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Salary and bonus payable	$ 904,566	$ 1,082,050	$ 712,153
Processing fees payable	659,150	435,257	491,707
Payables for equipment	362,477	1,042,292	89,415
Employees' compensation payable	269,411	348,885	301,389
Dividends payable	32,010	-	1,564,135
Others	459,391	523,175	355,291
	$ 2,687,005	$ 3,431,659	$ 3,514,090

(13) Other current liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Provisions	$ 104,134	$ 96,174	$ 81,463
Refund liabilities	258	258	19,703
Supplemental loan	-	-	52,118
Others	31,505	49,329	43,949
	$ 135,897	$ 145,761	$ 197,233

A. The Group entered into supplemental capacity addendum contracts with its customers. The Group received the supplemental loans in advanced and reserves certain capacity to the customers. The deposits would be returned in accordance with the contracts. Besides, the amount of estimated volume discounts in the contracts has been recognized as refund liabilities.

B. The information of provisions is as follows:

	Provisions for warranty	
	2026	2025
Balance at January 1	$ 96,174	$ 70,862
Provisions assumed in business combination	-	4,165
Additional provisions recognized	57,908	65,949
Reversed during the period	(33,552)	(44,979)
Used during the period	(16,396)	(14,534)
Balance at June 30	$ 104,134	$ 81,463

The provisions of the Group are related to the sales of the semi-conductor and automatic equipment. Provisions are estimated based on the information of the historical warranty data of the products.

(14) Pension

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The pension costs under the defined contribution pension plans of the Group for the three-month and six-month periods ended June 30, 2026 and 2025, were $0, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2027 amount to $0.

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Group's subsidiary in Mainland China contributes monthly pension insurance premiums at 16% of local employees' total salaries in accordance with the pension regulations in the People's Republic of China (PRC). Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under the defined contribution pension plans of the Group for the three-month and six-month periods ended June 30, 2026 and 2025, were $65,748, $39,896, $117,148 and $80,577, respectively.

(15) Bonds payable

	June 30, 2026	December 31, 2025	June 30, 2025
Bonds payable	$ -	$ -	$ 222,800
Less: Discount on bonds payable	-	-	(918)
	-	-	221,882
Less: Long-term liabilities, current portion	-	-	(221,882)
	$ -	$ -	$ -

A. The issuance of domestic convertible bonds by the Company

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

i. The Company issued $2,000,000, which the amount of fundraising is $2,010,000 and the par rate is 0%, second domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature five years from the issue date November 16, 2020 to November 16, 2025 and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on November 16, 2020.

ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue to the maturity date, except the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price was NTD 196.9 per share upon issuance. The Company adjusted the conversion price to NTD 156.95 per share as the terms of the bonds on June 28, 2025.

iv. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

v. The bondholders may request the Company to repurchase the convertible bonds at face value when the bonds are issued for three years.

vi. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to $158,325 were separated from the liability component and were recognized in 'capital surplus—share options' in accordance with IAS 32. The call options and put options embedded in bonds payable were separated from their host contracts and were recognized in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation ranged between 1.1122% and 1.5518%.

C. The conversion of domestic convertible bonds by the Company:

For the six-months periods ended June 30, 2025, the holders of the company's second unsecured domestic convertible bonds, face value $103,200, exercised the conversion right and obtained 6,304,380 units of certificate of entitlement to new share from convertible bond (each unit can be exchanged for one outstanding share of the company). The registration were still 4,895,680 units has not completed till June 30, 2025. The Company has repaid the bonds in full in cash at face value on November 16, 2025.

(16) Long-term liabilities

Type of borrowings	June 30, 2026	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 744,518	0.885%~1.950%	Property, plant and equipment
Bank unsecured borrowings	776,252	0.885%~2.220%	None
	1,520,770		
Less: Long-term liabilities, current portion	(199,705)		
	$ 1,321,065		

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 1,168,000	0.885%~1.520%	Property, plant and equipment
Bank unsecured borrowings	320,984	0.885%~2.010%	None
	1,488,984		
Less: Long-term liabilities, current portion	(281,463)		
	$ 1,207,521		

Type of borrowings	June 30, 2025	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 1,419,250	0.885%~2.220%	Property, plant and equipment
Bank unsecured borrowings	312,804	0.885%~1.025%	None
	1,732,054		
Less: Long-term liabilities, current portion	(317,218)		
	$ 1,414,836		

Please refer to Note 8 for further information on property, plant and equipment pledged to others as collateral.

(17) Share capital

As of June 30, 2026, the Company's authorized capital was $1,500,000, consisting of 150,000 thousand shares of ordinary share (including 8,500 thousand shares reserved for employee share options), and the paid-in capital was $1,107,623 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

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

	2026	2025
At January 1	109,820	106,000
Executive employee stock options	337	257
Conversion of convertible bonds	606	1,765
At June 30	110,763	108,022

(18) Share-based payment

A. For the six-month periods ended June 30, 2026 and 2025, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (thousand shares)	Contract period	Vesting conditions
Employee share options	2020.10.30	1,000	5 years	Note
Employee share options	2021.08.09	1,500	5 years	Note
Employee share options	2022.07.08	1,500	5 years	Note
Employee share options	2024.07.22	1,500	5 years	Note

Note: Employees receive 20% after 2 years of service, 60% after 3 years of service, and 100% after 4 years of service.

B. Details of the share-based payment arrangements are as follows:

	2026		2025	
	No. of options (thousand shares)	Weighted-average exercise price (in dollars)	No. of options (thousand shares)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	3,677	$ 256.1	4,404	$ 240.5
Options exercised	(353)	170.8	(88)	165.2
Options outstanding at June 30	3,324	265.1	4,316	242.0
Options exercisable at June 30	1,223	251.0	1,015	223.0

Note: Some of the exercised stock options have not been registered, so those are shown as "Advance receipts for share capital".

C. The Company issued common stock for the six-month periods ended June 30, 2026 and 2025 because employees exercised their stock options under the stock option plan. The registration for the shares mentioned 162 thousand shares and 0 shares has not been completed as of June 30, 2026 and 2025.

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date shares)	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (%)	Expected option life (year)	Expected dividends (%)	Risk-free interest rate (%)	Fair value per unit
Employee share options	2020.10.30	173	173	46.48~ 49.21%	3.5~4.5 year(s)	-	0.22~ 0.23%	61.8~ 65.95
Employee share options	2021.08.09	229	229	45.82~ 47.45%	3.5~4.5 year(s)	-	0.23~ 0.29%	79.12~ 90.95
Employee share options	2022.07.08	178	178	44.45~ 45.87%	3.5~4.5 year(s)	-	0.96~ 1.02%	59.43~ 69.03
Employee share options	2024.07.22	317	317	35.65~ 39.15%	3.5~4.5 year(s)	-	1.46~ 1.51%	89.02~ 109.46

E. The Group’s compensation cost and capital surplus arising from share-based payment transaction amounted to $21,517 and $31,663, for the six month periods ended June 30, 2026 and 2025, respectively.

(19) Capital surplus

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

	2026				
	Share premium	Options	Employee stock options	Others	Total
At January 1	$5,974,261	$ -	$ 186,986	$ 5,036	$ 6,166,283
Share-based payment transactions	-	-	21,517	-	21,517
Employee stock options exercised	79,253	-	(22,411)	-	56,842
Recognition of changes in ownership interests in subsidiaries	-	-	-	(3,712)	(3,712)
At June 30	$6,053,514	$ -	$ 186,092	$ 1,324	$ 6,240,930

	2025				
	Share premium	Options	Employee stock options	Others	Total
At January 1	$5,499,830	$ 17,683	$ 174,691	$23,101	$ 5,715,305
Share-based payment transactions	-	-	31,663	-	31,663
Employee stock options exercised	18,722	-	(5,068)	-	13,654
Conversion of convertible bonds	102,114	(5,862)	-	-	96,252
Changes in equity of associates and joint ventures accounted	-	-	-	524	524
At June 30	$5,620,666	$ 11,821	$ 201,286	$23,625	$ 5,857,398

(20) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses (including adjusted undistributed earnings), and then the 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. At least, special reserve shall be appropriated or reversed according to the relevant regulations. The remainder, along with the accumulated unappropriated earnings in the prior year, shall be appropriated to shareholders as dividends, proposed the distribution plan by the Board of Directors and resolved by the shareholders at their meeting.

B. In accordance with the Company Act, the resolution, for all or part of distributable dividends and bonus, capital surplus or legal reserve distributed in cash, will be adopted if more than 2/3 of the directors attend the Board of Directors' meeting and more than 1/2 of the directors present agree to the resolution. This will then be reported to the shareholders' meeting. The regulation which requires approval by the shareholders is not applicable for the above.

C. The Company's dividend policy shall takes into account current and future investment environment, capital needs, domestic and foreign competition, and capital budget, etc. along with shareholders' interests and the long-term financial plans. The accumulated distributable earnings are appropriated as dividends or bonuses to shareholders, of which the distributable earnings during the current year shall account for at least 15% The dividends and bonuses can be distributed in the form of cash or shares and cash dividend shall account for at least 10% of the total dividends and bonuses distributed.

D. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

E. The appropriations of earnings for 2025 and 2024 have been resolved by the shareholders' meeting on May 27, 2026 and May 28, 2025, respectively, as follows:

	2025		2024	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 234,041		$ 271,289	
Cash dividends	1,216,590	$ 11.0	1,564,135	$ 14.5
	$ 1,450,631		$ 1,835,424	

(1) The appropriations of 2025 and 2024 earnings mentioned above is not for difference to the propose from the Board of Directors in February 2026 and 2025.

(2) The cash dividends $1,216,590 proposed by the Board of Directors on February 26, 2026 have been fully paid as of the reporting date.

Information about the appropriations of earnings as proposed by the Board of Directors and resolved by the shareholders can be demanded in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(21) Operating revenue

	Three month periods ended June 30,	
	2026	2025
Revenue from contracts with customers	$ 6,299,574	$ 5,202,825

	Six month periods ended June 30,	
	2026	2025
Revenue from contracts with customers	$ 11,861,137	$ 10,072,196

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods over time and at a point in time. Disaggregation of revenue for the three-month and six-month periods ended June 30, 2026 and 2025 is as follows:

Three month periods ended June 30, 2026	America	China	Taiwan	Others	Total
Revenue from external customer contracts recognized at a point in time	$ 5,024,834	$ 71,714	$ 597,171	$ 297,572	$ 5,991,291
revenue recognized overtime	20,175	28,213	249,466	10,429	308,283
	$ 5,045,009	$ 99,927	$ 846,637	$ 308,001	$ 6,299,574

Three month periods ended June 30, 2025	America	China	Taiwan	Others	Total
Revenue from external customer contracts recognized at a point in time	$ 4,461,321	$ 67,565	$ 392,725	$ 191,575	$ 5,113,186
revenue recognized overtime	6,316	4,993	75,690	2,640	89,639
	$ 4,467,637	$ 72,558	$ 468,415	$ 194,215	$ 5,202,825

Six month periods ended June 30, 2026	America	China	Taiwan	Others	Total
Revenue from external customer contracts recognized at a point in time	$ 9,602,070	$ 124,116	$ 1,023,246	$ 516,136	$ 11,265,568
revenue recognized overtime	37,525	48,017	490,532	19,495	595,569
	$ 9,639,595	$ 172,133	$ 1,513,778	$ 535,631	$ 11,861,137

Six month periods ended June 30, 2025	America	China	Taiwan	Others	Total
Revenue from external customer contracts recognized at a point in time	$ 8,805,180	$ 140,631	$ 692,944	$ 343,802	$ 9,982,557
revenue recognized overtime	6,316	4,993	75,690	2,640	89,639
	$ 8,811,496	$ 145,624	$ 768,634	$ 346,442	$ 10,072,196

B. Contract liabilities

The Group has recognized the following revenue-related contract liabilities:

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Contract assets:	$ 6,312	$ -	$ -	$ -
Contract liabilities:				
Advance sales receipts	$ 181,282	$ 114,838	$ 200,628	$ 333,823

(a) Contract liabilities were advance sales receipts. As of June 30, 2026, June 30 2025 and January 1, 2025, contract liabilities were all from contracts with customers.

(b) Revenue recognized that was included in the contract liability balance at the beginning of for the six-months periods ended June 30, 2026 and 2025 were $63,375 and $229,438 respectively.

(22) Other income

	Three month periods ended June 30,	
	2026	2025
Grants income	$ 16,660	$ 22,160
Gains on write-off of past due payable	2,521	975
Rent income	-	2,284
Other income, others	395	5,246
	$ 19,576	$ 30,665

	Six month periods ended June 30,	
	2026	2025
Grants income	$ 40,413	$ 57,409
Gains on write-off of past due payable	2,521	2,032
Rent income	132	6,032
Other income, others	10,688	9,483
	$ 53,754	$ 74,956

The grants mentioned above were related to property, plant, and equipment, and were recognized on a systematic basis over the depreciation periods.

(23) Other gains and losses

	Three month periods ended June 30, 2026	Three month periods ended June 30, 2025
Net foreign exchange losses	($ 137,948)	($ 529,396)
(Losses) gains on financial assets at fair value through profit or loss	(245)	965
(Losses) gains on disposals of property, plant and equipment	(2)	872
Other gains and losses	2,306	(461)
	($ 135,889)	($ 528,020)

	Six month periods ended June 30, 2026	Six month periods ended June 30, 2025
Net foreign exchange losses	($ 135,786)	($ 504,834)
(Losses) gains on financial assets at fair value through profit or loss	(245)	817
Gains on disposals of property, plant and equipment	357	678
Other gains and losses	(131)	(956)
	($ 135,805)	($ 504,295)

(24) Expenses by nature

Additional disclosures related to operating costs and operating expenses are as follows:

	Three month periods ended June 30, 2026	Three month periods ended June 30, 2025
Employee benefit expense	$ 1,235,773	$ 980,406
Depreciation expense (Note)	214,107	161,594
Amortisation expense	19,803	9,200
	$ 1,469,683	$ 1,151,200

	Six month periods ended June 30, 2026	Six month periods ended June 30, 2025
Employee benefit expense	$ 2,415,217	$ 1,939,684
Depreciation expense (Note)	415,098	318,160
Amortisation expense	39,875	13,533
	$ 2,870,190	$ 2,271,377

Note: Depreciation expense includes provision for property, plant and equipment and right-of-use assets.

(25) Employee benefit expense

Nature	Three month periods ended June 30, 2026		Three month periods ended June 30, 2025	
Wages and salaries	$	1,045,986	$	838,732
Employee stock options		10,759		15,832
Labour and health insurance fees		73,203		46,817
Pension costs		65,748		42,242
Other personnel expenses		40,077		36,783
	$	1,235,773	$	980,406

Nature	Six month periods ended June 30, 2026		Six month periods ended June 30, 2025	
Wages and salaries	$	2,047,056	$	1,653,899
Employee stock options		21,517		31,663
Labour and health insurance fees		139,769		98,315
Pension costs		117,148		82,923
Other personnel expenses		89,727		72,884
	$	2,415,217	$	1,939,684

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, if any, shall be distributed as employees' compensation and directors' remuneration after it is resolved by the Board of Directors and reported to the shareholders. The ratio shall be 3%~8% for employees' compensation and shall not be higher than 0.5% for directors' and supervisors' remuneration.

B. For the three-month and six-month periods ended June 30, 2026 and 2025, employees compensation was accrued at $28,127, $24,054, $66,837 and $77,825 respectively; while directors' remuneration was accrued at $2,788, $1,804, $5,808 and $5,773, respectively.

C. Employees' compensation and directors' and supervisors' remuneration of 2025 and 2024 as resolved by the Board of Directors on February 26, 2026 and February 26, 2025 were agreed with those amounts recognized in the 2025 and 2024 financial statements and will be distributed in cash. As of June 30, 2026, the employees' compensation of 2025 has not paid fully.

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

(26) Income tax expense

A. Components of income tax expense:

	Three month periods ended June 30, 2026	Three month periods ended June 30, 2025
Current tax:		
Current tax on profits for the period	$ 194,712	$ 111,571
Tax on undistributed surplus earnings	8,122	13,295
Effect from research and development tax credits	(45,712)	(54,955)
Prior year income tax underestimation (over)	(9,948)	(29,334)
Total current tax	147,174	40,577
Deferred tax:		
Origination and reversal of temporary differences	(8,572)	(10,301)
Income tax expense	$ 138,602	$ 30,276

	Six month periods ended June 30, 2026	Six month periods ended June 30, 2025
Current tax:		
Current tax on profits for the period	$ 403,840	$ 310,279
Tax on undistributed surplus earnings	52,611	52,388
Effect from research and development tax credits	(45,712)	(54,955)
Prior year income tax underestimation (over)	(9,948)	(28,033)
Total current tax	400,791	279,679
Deferred tax:		
Origination and reversal of temporary differences	(19,718)	(12,799)
Income tax expense	$ 381,073	$ 266,880

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

(27) Earnings per share

	Three month periods ended June 30, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 510,792	110,785	$ 4.61
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 510,792	110,785	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	1,436	
Employees' compensation	-	214	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 510,792	112,435	$ 4.54

	Three month periods ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 368,562	108,171	$ 3.41
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 368,562	108,171	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	4,152	9,441	
Employee stock options	-	1,275	
Employees' compensation	-	268	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 372,714	119,155	$ 3.13

	Six month periods ended June 30, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 983,884	110,711	$ 8.89
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 983,884	110,711	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	1,543	
Employees' compensation	-	377	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 983,884	112,631	$ 8.74

	Six month periods ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,092,540	108,041	$ 10.11
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,092,540	108,041	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	8,291	9,441	
Employee stock options	-	1,803	
Employees' compensation	-	442	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,100,831	119,727	$ 9.19

(28) Business combinations

A. On May 29, 2025, the Group acquired 51% of the share capital of FairTech Corporation for cash of $1,704,043 and contingent consideration of $291,347 and obtained the control over FairTech Corporation.

B. The following table summarises the consideration paid for FairTech Corporation and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the information regarding non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets at the acquisition date:

	May 29, 2025
Purchase consideration	
Cash paid	$ 1,704,043
Contingent consideration	291,347
	1,995,390
Non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets	1,010,499
	3,005,889
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	441,078
Accounts receivable	135,910
Inventories	187,807
Other current assets	18,051
Property, plant and equipment	1,171,555
Right-of-use assets	4,318
Patent rights	101,398
Computer software	813
Other non-current assets	9,146
Accounts payable	(16,356)
Other payables	(54,982)
Current income tax liabilities	(53,380)
Provisions	(4,165)
Other current liabilities	(26,964)
Other non-current liabilities	(157,863)
Deferred income tax liabilities	(187,321)
Total identifiable net assets	1,569,045
Fair value of the identifiable intangible assets	
Customer relationship	347,449
Technical skills	170,760
Total identifiable intangible assets	518,209
Goodwill	$ 918,635

C. From the date of consolidation of Fairtech corporation by the Group on May 29, 2025, Fairtech corporation generated operating revenue of $902,316 and profit before income tax of $214,008. Had FairTech Corporation been consolidated from January 1, 2025, the consolidated statement of comprehensive income would show operating revenue of $21,291,436 and profit before income tax of $3,174,413.

D. On May 29, 2025, the Group deposited cash amounting to $343,605 with a third-party trust institution according to the equity acquisition agreement, shown as " financial assets at amortized cost ".

(29) Supplemental cash flow information

Investing activities with partial cash payments:

	Six month periods ended June 30, 2026	Six month periods ended June 30, 2025
Purchase of property, plant and equipment	$ 762,636	$ 2,227,279
Add: Opening balance of payable on equipment	1,042,292	85,467
Add: Ending balance of prepaid on equipment	203,293	204,481
Add: Ending balance of prepaid on land	277,661	261,187
Less: Ending balance of payable on equipment	(362,477)	(89,415)
Less: Opening balance of prepaid on equipment	(193,888)	(356,485)
Less: Opening balance of prepaid on land	(288,547)	(213,149)
Cash paid during the period	$ 1,440,970	$ 2,119,365

(30) Changes in liabilities from financing activities

	Lease liabilities	Short-term borrowings	Long-term borrowings (Including current portion)	Bonds payable (Including current portion)	Liabilities from financing activities-gross
At January 1, 2026	$ 238,141	$2,194,500	$ 1,488,984	$ -	$ 3,921,625
Changes in cash flow from financing activities	(26,115)	1,828,920	31,786	-	1,834,591
Impact of changes in foreign exchange rate	3,014	(18,550)	-	-	(15,536)
Changes in other non-cash items	13,074	-	-	-	13,074
At June 30, 2026	$ 228,114	$4,004,870	$ 1,520,770	$ -	$ 5,753,754

	Lease liabilities	Short-term borrowings	Long-term borrowings (Including current portion)	Bonds payable (Including current portion)	Liabilities from financing activities-gross
At January 1, 2025	$ 620,068	$ 30,000	$ 1,729,652	$ 322,888	$ 2,702,608
Changes in cash flow from financing activities	(35,125)	1,067,000	(158,598)	-	873,277
Impact of changes in foreign exchange rate	(37,687)	-	-	-	(37,687)
Changes in other non-cash items	4,327	-	161,000	(101,006)	64,321
At June 30, 2025	$ 551,583	$1,097,000	$ 1,732,054	$ 221,882	$ 3,602,519

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Hon Hai Precision Industry Co., Ltd. and its subsidiaries (Hon Hai and subsidiaries)	Group with significant influence over the Group
General Interface Solution (GIS) Holding Limited and its subsidiaries (GIS and subsidiaries)	Other related parties
Fredtek Co., Ltd.	Other related parties
Corporate Venture Capital Alliance Innovation Fund	Affiliated company
Lydus Medical Ltd.	Affiliated company

(2) Significant related party transactions

A. Sales

	Three month periods ended June 30, 2026	Three month periods ended June 30, 2025
Sales of goods:		
Group with significant influence over the Group		
- Hon Hai and subsidiaries	$ -	$ 2,964

	Six month periods ended June 30, 2026	Six month periods ended June 30, 2025
Sales of goods:		
Group with significant influence over the Group		
- Hon Hai and subsidiaries	$ -	$ 2,982

There are no similar transactions for reference for the price of the Group’s sales of goods to related parties. The collection term to related parties is 45~60 days after the invoice date

B. Purchases

	Three month periods ended June 30, 2026	Three month periods ended June 30, 2025
Purchases of goods:		
Fredtek Co., Ltd.	$ 11,764	$ -

	Six month periods ended June 30,	
	2026	2025
Purchases of goods:		
Fredtek Co., Ltd.	$ 47,603	$ -

There are no similar transactions for reference for the price of the Group's purchases of goods to related parties. The payment term to related parties is 30 days.

C. Other receivables from related parties

	June 30, 2026	December 31, 2025	June 30, 2025
Other receivables from related parties:			
Group with significant influence over the Group - Hon Hai and subsidiaries	$ 1,736	$ 2,949	$ 3,443
Other related parties			
- GIS and subsidiaries	-	-	1,609
- Others	687	623	616
	$ 2,423	$ 3,572	$ 5,668

Other receivables from related parties mainly refer to payments on behalf of others.

D. Lease transactions – lessee

(a) The Group leases buildings from Hon Hai and its subsidiaries. Rental contracts are typically made for periods from years 2023 to 2027. Rents are paid quarterly.

(b) Lease liabilities

i. Outstanding balance:

	June 30, 2026	December 31, 2025	June 30, 2025
Group with significant influence over the Group - Hon Hai and subsidiaries	$ 28,364	$ 38,481	$ 43,400

ii. Interest expense:

	Three month periods ended June 30,	
	2026	2025
Group with significant influence over the Group- Hon Hai and subsidiaries	$ 501	$ 729

	Six month periods ended June 30,	
	2026	2025
Group with significant influence over the Group - Hon Hai and subsidiaries	$ 994	$ 1,518

E. Acquisition of financial assets:

	Accounts	No. of shares	Six month periods ended June 30, 2026 Consideration
Corporate Venture Capital Alliance Innovation Fund	Investments accounted for using equity method	2,250	$ 22,500

The Group had no acquisitions of financial assets from related parties in 2025.

F. Key management compensation

	Three month periods ended June 30, 2026	Three month periods ended June 30, 2025
Short-term employee benefits	$ 19,353	$ 22,712
Post-employment benefits	216	162
	$ 19,569	$ 22,874

	Six month periods ended June 30, 2026	Six month periods ended June 30, 2025
Short-term employee benefits	$ 52,557	$ 52,375
Post-employment benefits	324	324
	$ 52,881	$ 52,699

8. Pledged Assets

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

		Book value		
Pledged asset	Purpose	June 30, 2026	December 31, 2025	June 30, 2025
Building and structure (shown as property, plant and equipment)	Long-term borrowings	$ 1,348,879	$ 869,271	$ 882,343
Other equipment (shown as property, plant and equipment)	Long-term borrowings	577,267	613,726	650,185
Time deposits (shown as other non-current assets)	Guarantee of Science Park Bureau	6,942	10,869	5,044
Time deposits (shown as other non-current assets)	Customs guarantee	47,491	1,958	2,946
		$ 1,980,579	$ 1,495,824	$ 1,540,518

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

Except for the recognized provision, the Group was not expected any material liabilities that could arise from the contingent liabilities.

(2) Commitments

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

	June 30, 2026	December 31, 2025	June 30, 2025
Property, plant and equipment	$ 926,756	$ 1,536,915	$ 1,354,692
Intangible asset	$ -	$ 490	$ -

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide the maximum returns for shareholders and to positively reduce the gearing ratio and the cost of capital.

(2) Financial instruments

A. Financial instruments by category

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
Financial assets at fair value through profit or loss	$ 62,543	$ 55,462	$ 48,527
Financial assets at fair value through other comprehensive income	229,568	151,061	286,856
Financial assets at amortized cost (Note)	10,836,975	10,283,358	9,854,990
	$ 11,129,086	$ 10,489,881	$ 10,190,373
Financial liabilities			
Financial liabilities at fair value through profit or loss	$ -	$ -	$ 1
Financial liabilities at amortised cost (Note)	10,478,027	8,549,333	7,923,657
Lease liability	228,114	238,141	551,583
Investment payable of contingent consideration	293,999	293,999	291,347
	$ 11,000,140	$ 9,081,473	$ 8,766,588

Note: Financial assets at amortized cost included cash and cash equivalents, financial assets at amortized cost (included non-current), accounts receivable and other receivables; and financial liabilities at amortized cost included long-term and short-term loans, accounts payable, other payables, long-term liabilities-current portion and bonds payable.

B. Financial risk management policies

(a) Categories of risk

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.

(b) Objectives of management

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. Nature

The Group operates internationally and is exposed to foreign exchange risk arising from various currencies, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from recognized assets and liabilities.

ii. Management

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.

iii. Degree

The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2026				
				Sensitivity analysis	
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$ 273,776	31.85	$ 8,719,766	1%	$ 87,198
USD:RMB	54,964	6.79	1,750,603	1%	17,506
Financial liabilities					
Monetary items					
USD:NTD	125,628	31.85	4,001,252	1%	40,013
USD:RMB	29,146	6.79	928,300	1%	9,283

	December 31, 2025				
				Sensitivity analysis	
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$ 219,184	31.43	$ 6,888,953	1%	$ 68,890
USD:RMB	81,584	6.99	2,564,185	1%	25,642
Financial liabilities					
Monetary items					
USD:NTD	94,384	31.43	2,966,489	1%	29,665
USD:RMB	32,677	6.99	1,027,038	1%	10,270

	June 30, 2025				
				Sensitivity analysis	
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$ 253,000	29.30	$ 7,412,900	1%	$ 74,129
USD:RMB	72,929	7.16	2,136,820	1%	21,368
Financial liabilities					
Monetary items					
USD:NTD	119,696	29.30	3,507,093	1%	35,071
USD:RMB	38,607	7.16	1,131,185	1%	11,312

iv. The total exchange gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2026 and 2025, amounted to ($137,948), ($529,396), ($135,786) and ($504,834), respectively.

Price risk

i. The Group’s equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group’s investments in equity securities comprise shares issued by the domestic and foreign companies which are classified as investments in financial assets at fair value through other comprehensive income. The prices of equity securities would change due to the change of the future value of investee companies. However, the fluctuation in prices are not expected to have significant influence over the value of investee companies.

Cash flow and fair value interest rate risk

i. The Group’s main interest rate risk arises from long-term and short-term loans. Loans issued at fixed rates expose the Group to fair value interest rate risk. Group policy is to maintain at least 0.5%~2% of its loans at fixed rate. The Group has no significant interest rate based on the assessment.

ii. The Group's interest rate risk arises from long-term borrowings. Long-term borrowings at floating rates expose the Group to cash flow interest rate risk, but most of this risk is offset by cash and cash equivalents held at floating rates. If the long-term borrowing rate increases or decreases by 1%, and all other factors remain unchanged, the net profit after tax from for the six-month periods June 30 31, 2026 and 2025 will decrease or increase by $6,158 and $8,080 respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost and at fair value through profit or loss. According to the Group’s credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

ii. The Group adopts industrial characteristics and past experience, the default occurs when the contract payments are past due over 90 days.

iii. Under IFRS 9 which the Group adopts, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

v. The ageing analysis of receivables (including related parties) is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Not past due	$ 2,177,662	$ 1,329,467	$ 1,615,460
Up to 90 days	493,616	160,138	190,738
91 to 180 days	89,930	10,348	11,732
181 to 270 days	488	1,157	-
271 to 360 days	-	3,086	-
Over due 360 days	324	280	261
	$ 2,762,020	$ 1,504,476	$ 1,818,191

vi. Other receivables (including related parties)

The Company's other receivables mainly arise from accrued receivables for raw materials purchased on behalf of subsidiaries, loans and overdue receivables, and there is no doubtful of perform or repayment. Therefore, the allowance for loss is measured based on the 12- month expected credit losses amount. As of December 31, 2025 and 2024, there is no relevant allowance loss for other receivables.

vii. The Group classifies customers' accounts receivable in accordance with credit rating. The Group applies the modified approach using the loss rate methodology or provision matrix to estimate the expected credit loss. The Group used the market forecast ability of SEMI and The Basel Committee on Banking Supervision to adjust historical and timely information to assess the default possibility of notes receivable and accounts receivable. On June 30, 2026, December 31, 2025, and June 30, 2025, loss allowance estimated by the provision matrix or loss rate methodology is as follows:

June 30, 2026	Group 1	Group 2	Total
Expected loss rate	0.05%~1%	0.05%~100%	
Total book value	$ 2,380,902	$ 381,118	$ 2,762,020
Loss allowance	($ 1,612)	($ 2,030)	($ 3,642)

December 31, 2025	Group 1	Group 2	Total
Expected loss rate	0.05%~1%	0.05%~1%	
Total book value	$ 1,432,640	$ 71,836	$ 1,504,476
Loss allowance	($ 1,336)	($ 532)	($ 1,868)

June 30, 2025	Group 1	Group 2	Total
Expected loss rate	0.05%~1%	0.05%~1%	
Total book value	$ 1,705,930	$ 112,261	$ 1,818,191
Loss allowance	($ 1,467)	($ 1,375)	($ 2,842)

Group 1: Standard Poor's, Fitch's, or Moody's rating of A-level, or rated as A-level in accordance with the Group's credit rating for those that do not have external credit ratings.

Group 2: Rated as other than A in accordance with the Group's credit rating for those that have no external credit ratings.

viii. Movements in relation to the Group applying the modified approach to provide loss allowance for receivables (including related parties) are as follows:

	2026	2025
At January 1	$ 1,868	$ 862
Assumed in business combination	-	1,382
Reversal of impairment loss	1,772	598
Effect of exchange rate changes	2	-
At June 30	$ 3,642	$ 2,842

ix. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed loan facilities at all times so that the Group does not breach loan limits or covenants (where applicable) on any of its loan facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements, for example, currency restrictions.

ii. The Group’s non-derivative financial liabilities are analysed into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Except for those whose maturity date were less than 360 days as of June 30, 2026, December 31, 2025, and June 30, 2025, the remaining non-derivative financial liabilities (including long-term and short-term loans, accounts payable, other payables, current portion of long-term liabilities and guarantee deposits received) are listed below:

June 30, 2026	Less than 1 year	Between 1 and 3 years	Over 3 years
Non-derivative financial liabilities:			
Long-term borrowings	$ 199,705	$ 393,912	$ 927,153
Lease liability	63,266	93,753	81,178

December 31, 2025	Less than 1 year	Between 1 and 3 years	Over 3 years
Non-derivative financial liabilities:			
Long-term borrowings	$ 311,407	$ 606,498	$ 673,633
Lease liability	59,856	98,531	110,117

June 30, 2025	Less than 1 year	Between 1 and 3 years	Over 3 years
Non-derivative financial liabilities:			
Bonds payable	$ 222,800	$ -	$ -
Long-term borrowings	346,493	690,522	803,756
Lease liability	100,969	190,631	414,261
Deposits received	52,118	-	-

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group’s investment in equity investment without active market and investment property is included in Level 3.

B. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortized cost, accounts receivable (including due from related parties), other receivables (including due from related parties), long-term and short-term loans, accounts payable, other payables and bonds payable (including current portion) are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at June 30, 2026, December 31, 2025, and June 30, 2025 are as follows:

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

June 30, 2026	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ -	$ -	$ 62,543	$ 62,543
Financial assets at fair value through other comprehensive income				
Equity securities	169,437	-	60,131	229,568
	$ 169,437	$ -	$ 122,674	$ 292,111
Liabilities				
Recurring fair value measurements				
Investment payable of contingent consideration	-	-	293,999	293,999
	$ -	$ -	$ 293,999	$ 293,999

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ -	$ -	$ 55,462	$ 55,462
Financial assets at fair value through other comprehensive income				
Equity securities	83,237	-	67,824	151,061
	$ 83,237	$ -	$ 123,286	$ 206,523
Liabilities				
Recurring fair value measurements				
Investment payable of contingent consideration	-	-	293,999	293,999
	$ -	$ -	$ 293,999	$ 293,999

June 30, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ -	$ -	$ 48,505	$ 48,505
Derivative instruments	-	22	-	22
Financial assets at fair value through other comprehensive income				
Equity securities	93,031	-	193,825	286,856
	$ 93,031	$ 22	$ 242,330	$ 335,383
Liabilities				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Derivative instruments	$ -	$ 1	$ -	$ 1
Investment payable of contingent consideration	-	-	291,347	291,347
	$ -	$ 1	$ 291,347	$ 291,348

(b) The Group's financial assets at fair value through other comprehensive income on June 30, 2026, December 31, 2025, and June 30, 2025 are financial assets included in Level1, in order to obtain listed stocks, the Group uses closing price as their fair values.

(c) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

D. For the six-month periods ended June 30, 2026 and 2025, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the six-month periods ended June 30, 2026 and 2025:

	2026	2025
Assets		
At January 1	$ 123,286	$ 289,575
Gains and losses recognized in other comprehensive income	(8,506)	(29,392)
Additions	7,082	(291,347)
Effect of exchange rate changes	812	(17,853)
At June 30	$ 122,674	($ 49,017)
Liabilities		
At January 1	($ 293,999)	$ -
Additions	-	(291,347)
At June 30	($ 293,999)	($ 291,347)

F. For the six-month periods ended June 30, 2026 and 2025, there was no transfer into or out from Level 3.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Private equity fund investment	$ 62,543	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted shares	60,131	Market comparable companies	Liquidity discount	28%-37%	The higher the discount rate, the lower the fair value.

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Private equity fund investment	$ 55,462	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted shares	67,824	Market comparable companies	Liquidity discount	26%-35%	The higher the discount rate, the lower the fair value.

	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Private equity fund investment	$ 48,505	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted shares	193,825	Market comparable companies	Liquidity discount	24%~40%	The higher the discount rate, the lower the fair value.

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

			June 30, 2026	
			recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Equity instruments	Liquidity discount	±5%	$ 5,197	($ 5,197)

			December 31, 2025	
			recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Equity instruments	Liquidity discount	±5%	$ 4,974	($ 4,974)

			June 30, 2025	
			recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Equity instruments	Liquidity discount	±5%	$ 14,241	($ 14,241)

13. Supplementary Disclosures

The disclosures on investee companies were based on financial statements reviewed by Certified Public Accountants and the following transactions with subsidiaries were eliminated when preparing consolidated financial statements. The following disclosure information is for reference only.

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

E. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

F. Significant inter-company transactions during the reporting period: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: The Company provided purchases and sales to an investee company in the Mainland Area, Foxsemicon Integrated Technology (Shanghai) Inc., through SUCCESS PRAISE CORPORATION. The transactions have been fully written-off in the consolidated financial statements. Please refer to Note 13(1) for the significant transactions of purchases, sales, receivables and payables between the Company and investee companies in the Mainland Area.

14. Operating Segment Information

(1) General information

The Group is primarily engaged in the production and sales of semiconductor equipment subsystems and system integration. The chief operating decision-maker allocates resources and assesses performance based on the overall financial statements. It is identified that the Group is a single operating segment and there is only one reportable operating segment.

The Group’s operating segment information is prepared in accordance with the Group’s accounting policies. The chief operating decision-maker allocates resources and assesses performance of the operating segments primarily based on the operating revenue and profit (loss) before tax of individual operating segment.

Foxsemicon Integrated Technology Inc. and subsidiaries

Loans to others

Six month period ended June 30, 2026

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

													Collateral				
No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six month period ended June 30, 2026	Balance at June 30, 2026	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Item	Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
0	Foxsemicon Integrated Technology Inc.	UniEQ Integrated Technology Co., Ltd	Other receivables due from related parties	Y	$ 796,250	$ 796,250	$ 796,250	2.00%	Working Capital	-	Working Capital	$ -	None.	$ -	$ 6,620,038	$ 6,620,038	Notes 1 and 2
1	FOX Automation Technology Inc.	UniEQ Integrated Technology Co., Ltd	Other receivables due from related parties	Y	284,410	284,410	284,410	2.00%	Working Capital	-	Working Capital	-	None.	-	348,158	348,158	Notes 3
2	Foxsemicon Integrated Technology (Shanghai) Inc.	UniEQ Integrated Technology Co., Ltd	Other receivables due from related parties	Y	1,969,800	1,969,800	-	1.30%	Working Capital	-	Working Capital	-	None.	-	2,613,321	2,613,321	Notes 3

Note 1: For the companies who have short-term financing, ceiling on total loans granted shall not exceed 40% of the net assets value of the Company.
Note 2: For the companies who have short-term financing, limit on loans granted to a single party shall not exceed 40% of the net assets value of the Company.
Note 3: For the companies who have short-term financing with the subsidiary, ceiling on total loans granted shall not exceed 40% of the net assets value of the subsidiary, and limit on loans granted to a single party shall not exceed 40% of the net assets value of the subsidiary.
Note 4: The net assets referred to above are based on the latest audited or reviewed financial statements.

Foxsemicon Integrated Technology Inc. and subsidiaries

Provision of endorsements and guarantees to others

Six month period ended June 30, 2026

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Endorser/guarantor	Party being endorsed/ guaranteed: Company name	Party being endorsed/ guaranteed: Relationship with the endorser/guarantor	Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of June 30, 2026	Outstanding endorsement/ guarantee amount at June 30, 2026	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the Endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China	Footnote
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Technology, LLC.	Note 1	$ 8,275,048	200,018	200,018	108,163	-	1.21	16,550,096	Y	N	N	Note 2

Note 1: A subsidiary that the Company and subsidiaries directly or indirectly held more than 50% equity interets of common shares.

Note 2: The ceiling on total amount of endorsements/guarantees provided to others by the Company is the Company's net assets in the latest financial statement which was reviewed or audited by independent accountant.
Limit on total endorsements/guarantees provided for a single party is 50% of the Company's net assets in the latest financial statement which was reviewed or audited by independent accountant.

Note 3: Limit on endorsements and guarantees to a company of which the Company directly or indirectly holds 100%, should not exceed 10% of the company's net assets in the latest financial statement which was reviewed or audited by independent accountant.
Limit on endorsements and guarantees to a single party shall not exceed 80% of the company's net assets.

Foxsemicon Integrated Technology Inc. and subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Six month periods ended June 30, 2026

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of June 30, 2026 Number of shares	Book value	Ownership (%)	Fair value	Footnote
Foxsemicon Integrated Technology Inc.	Common stock of Advanced Optoelectronic Technology, Inc.	None.	Financial asset measured at fair value through other comprehensive income-non-current	167,000	$ 3,674	0.12	$ 3,674	
Foxsemicon Integrated Technology Inc.	Common stock of ChenFull Precision Co. Ltd	None.	Financial asset measured at fair value through other comprehensive income-non-current	745,000	165,763	1.26	165,763	
Foxsemicon Integrated Technology Inc.	Partnership of AVITIC FUND	None.	Financial assets at fair value through profit or loss - non-current	-	62,543	8.00	62,543	
MINDTECH CORPORATION	Common stock of SuperbVue Solutions Inc.	None.	Financial asset measured at fair value through other comprehensive income-non-current	12,250,000	-	10.03	-	
MINDTECH CORPORATION	Common stock of Pollux Technologies, Inc.	None.	Financial asset measured at fair value through other comprehensive income-non-current	7,350,000	21,028	11.60	21,028	
MINDTECH CORPORATION	Common stock of Linyange Semiconductor, Inc.	None.	Financial asset measured at fair value through other comprehensive income-non-current	4,900,000	7,814	10.03	7,813	
Foxsemicon Integrated Technology (Shanghai) Inc.	MEMS CORE Co., Ltd	None.	Financial asset measured at fair value through other comprehensive income-non-current	137,754	31,290	18.00	31,290	

Foxsemicon Integrated Technology Inc. and subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Six month period ended June 30, 2026

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Foxsemicon Integrated Technology Inc.	SUCCESS PRAISE CORPORATION	Subsidiaries	Purchases	$ 2,952,745	40	45 days from the invoice date	Note 1	No significant difference	($ 1,039,268)	(28)	
Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	Subsidiaries	Purchases	1,438,721	20	45 days from the invoice date	Note 1	No significant difference	(835,253)	(23)	
Foxsemicon Integrated Technology Inc.	UniEQ Integrated Technology Co., Ltd.	Subsidiaries	Purchases	1,051,311	14	45 days from the invoice date	Note 1	No significant difference	(717,120)	(19)	
Foxsemicon Integrated Technology (Shanghai) Inc.	SUCCESS PRAISE CORPORATION	Affiliated company	Sale	3,024,923	87	45 days from the invoice date	Note 1	No significant difference	1,003,959	63	
Foxsemicon Integrated Technology (Shanghai) Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	Subsidiaries	Sale	131,572	4	45 days from the invoice date	Note 1	No significant difference	87,078	5	
Foxsemicon Integrated Technology (Shanghai) Inc.	UniEQ Integrated Technology Co., Ltd.	Affiliated company	Sale	185,614	5	45 days from the invoice date	Note 1	No significant difference	405,088	6	
Foxsemicon Integrated Technology (Kunshan) Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	Parent company	Sale	454,958	23	45 days from the invoice date	Note 1	No significant difference	273,860	19	

Note 1: Unless there are similar transactions, the prices and terms were determined in accordance with mutual agreements. Otherwise, the transaction terms were similar to general transaction terms.
Note 2: Opposite related party transaction is not disclosed.

Foxsemicon Integrated Technology Inc. and subsidiaries

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

Six month period ended June 30, 2026

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2026		Turnover rate	Overdue receivables Amount	Overdue receivables Action taken	Amount collected subsequent to the balance sheet date	Creditor Counterparty doubtful
Foxsemicon Integrated Technology Inc.	FOX AUTOMATION TECHNOLOGY INC.	Subsidiaries	$ 270,095	Note 1	Not applicable	$ -	Subsequent collection	$ -	$ -
Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	Subsidiaries	798,061	Note 1	Not applicable	354,928	Subsequent collection	247,762	-
Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	Subsidiaries	175,957	Note 1	Not applicable	79,398	Subsequent collection	79,398	-
Foxsemicon Integrated Technology Inc.	UniEQ Integrated Technology Co., Ltd.	Subsidiaries	1,568,832		Not applicable	616,363	Subsequent collection	-	-
Foxsemicon Integrated Technology (Shanghai) Inc.	SUCCESS PRAISE CORPORATION	Affiliated company	1,003,959		5.54	211,650	Subsequent collection	211,650	-
Foxsemicon Integrated Technology (Shanghai) Inc.	UniEQ Integrated Technology Co., Ltd.	Affiliated company	405,088	Note 2	1.15	341,194	Subsequent collection	72,821	-
Foxsemicon Integrated Technology (Kunshan) Inc.	Foxsemicon Integrated Technology Inc.	Ultimate parent	835,253		3.97	429,862	Subsequent collection	133,802	-
Foxsemicon Integrated Technology (Kunshan) Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	Parent company	273,860	Note 2	3.63	108,022	Subsequent collection	96,221	-
Foxsemicon Integrated Technology (Shanghai) Inc.	UniEQ Integrated Technology Co., Ltd.	Affiliated company	337,018	Note 2	0.46	312,811	Subsequent collection	99,756	-
UniEQ Integrated Technology Co., Ltd.	Foxsemicon Integrated Technology Inc.	Parent company	717,120		4.63	301,039	Subsequent collection	294,653	-
SUCCESS PRAISE CORPORATION	Foxsemicon Integrated Technology Inc.	Ultimate parent	1,039,268		5.38	110,007	Subsequent collection	110,007	-

Note 1: Receivables arising from the procurement of raw materials on behalf of others.
Note 2: Including other receivables.

Foxsemicon Integrated Technology Inc. and subsidiaries

Significant inter-company transactions during the reporting periods

Six month period ended June 30, 2026

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction (Note 4)			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Foxsemicon Integrated Technology Inc.	SUCCESS PRAISE CORPORATION	(1)	Purchases	$ 2,952,745	45 days from the invoice date	25
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	(1)	Purchases	143,721	45 days from the invoice date	12
0	Foxsemicon Integrated Technology Inc.	UniEQ Integrated Technology Co., Ltd.	(1)	Purchases	1,051,311	45 days from the invoice date	9
0	Foxsemicon Integrated Technology Inc.	SUCCESS PRAISE CORPORATION	(1)	Accounts payable	1,039,268	45 days from the invoice date	3
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	(1)	Accounts payable	835,253	45 days from the invoice date	3
0	Foxsemicon Integrated Technology Inc.	UniEQ Integrated Technology Co., Ltd.	(1)	Accounts payable	717,120	45 days from the invoice date	2
0	Foxsemicon Integrated Technology Inc.	FOX AUTOMATION TECHNOLOGY INC.	(1)	Other receivable	270,095	45 days from the invoice date	1
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	(1)	Other receivable	798,061	45 days from the invoice date	3
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	(1)	Other receivable	175,957	45 days from the invoice date	1
0	Foxsemicon Integrated Technology Inc.	UniEQ Integrated Technology Co., Ltd.	(1)	Other receivable	1,568,832	45 days from the invoice date	5
1	Foxsemicon Integrated Technology (Shanghai) Inc.	SUCCESS PRAISE CORPORATION	(3)	Sales	3,024,923	45 days from the invoice date	26
1	Foxsemicon Integrated Technology (Shanghai) Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	(1)	Sales	131,572	45 days from the invoice date	1

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 4) General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Foxsemicon Integrated Technology (Shanghai) Inc.	UniEQ Integrated Technology Co., Ltd.	(3)	Sales	185,614	45 days from the invoice date	2
1	Foxsemicon Integrated Technology (Shanghai) Inc.	SUCCESS PRAISE CORPORATION	(3)	Accounts receivable	1,003,959	45 days from the invoice date	3
1	Foxsemicon Integrated Technology (Shanghai) Inc.	UniEQ Integrated Technology Co., Ltd.	(3)	Accounts receivable	403,796	45 days from the invoice date	1
2	Foxsemicon Integrated Technology (Kunshan) Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	(2)	Sales	454,958	45 days from the invoice date	4
2	Foxsemicon Integrated Technology (Kunshan) Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	(2)	Accounts receivable	273,134	45 days from the invoice date	1
2	Foxsemicon Integrated Technology (Kunshan) Inc.	UniEQ Integrated Technology Co., Ltd.	(3)	Accounts receivable	113,689	45 days from the invoice date	-
2	Foxsemicon Integrated Technology (Kunshan) Inc.	UniEQ Integrated Technology Co., Ltd.	(3)	Other receivable	223,329	45 days from the invoice date	1

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1)Parent company is ‘0’.
(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to:
(1)Parent company to subsidiary.
(2)Subsidiary to parent company.
(3)Subsidiary to subsidiary.

Note 3: The disclosures are related parties reaching $100 million or 20% of paid-in capital or more only, otherwise are not disclosed.

Note 4: Percentage of total consolidated revenues or total assets is calculated using the total consolidated assets at the end of the year when the subject of transaction is an asset/liability, and is calculated by total consolidated revenues during the year when the subject of transaction is a revenue/expense. However, the transactions were eliminated when preparing the consolidated financial statements.

Foxsemicon Integrated Technology Inc. and subsidiaries

Information on investees

Six month period ended June 30, 2026

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at June 30, 2026					
Investor	Investee	Location	Main business activities	Balance as at June 30, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value	Net income of investee as of June 30, 2026	Investment income (loss) recognised by the Company for the six month period ended June 30, 2026	Footnote
Foxsemicon Integrated Technology Inc.	FOXSEMICON INTEGRATED TECHNOLOGY INC.(SAMOA)	Samoa	Reinvestment and holding company	$ 1,253,890	$ 1,253,890	40,474,913	100	$ 6,695,086	($ 221,134)	($ 221,134)	
Foxsemicon Integrated Technology Inc.	Foxsemicon Innovations Holding Inc.	US	Reinvestment and holding company	766,741	766,741	25,000,000	100	104,542	(99,713)	(99,713)	
Foxsemicon Integrated Technology Inc.	FOXSEMICON LLC.	US	Exports/Imports Logistics	1,751	1,751	50,000	100	33,839	77	77	
Foxsemicon Integrated Technology Inc.	UNIEQ TECHOLOGY PTE. LTD.	Singapore	Reinvestment and holding company	6,039	6,039	200,000	100	4,508	(463)	(463)	
Foxsemicon Integrated Technology Inc.	FOX AUTOMATION TECHNOLOGY INC.	Taiwan	Manufacturing of machinery and equipment and electronic parts	312,573	312,573	20,000,000	100	870,395	229,531	229,531	
Foxsemicon Integrated Technology Inc.	Frontier Integrated Global Solutions, Inc.	Taiwan	Manufacturing of machinery and equipment and electronic parts	5,000	5,000	500,000	100	42,149	11,655	11,655	
Foxsemicon Integrated Technology Inc.	Kainova Technology Inc.	Taiwan	Manufacturing of machinery and equipment and electronic parts	55,000	55,000	5,500,000	100	61,424	(29,804)	(29,804)	
Foxsemicon Integrated Technology Inc.	FairTech Corporation	Taiwan	Manufacturing of machinery and equipment and electronic parts	2,318,799	2,318,799	16,495,055	50.75	2,410,161	185,106	93,949	Note 1
Foxsemicon Integrated Technology Inc.	Lydus Medical Ltd.	Israel	Research, design and sale of medical machinery	89,790	89,790	416,310	16.21	78,455	(27,263)	(4,419)	
Foxsemicon Integrated Technology Inc.	SMART BREAST CORPORATION	US	Manufacturing of medical machinery	17,643	17,643	7,890,640	17.62	-	(8,921)	-	
Foxsemicon Integrated Technology Inc.	Corporate Venture Capital Alliance Innovation Fund	Taiwan	Reinvestment and holding company	67,500	45,000	6,750,000	21.43	58,470	29,993	6,427	
Foxsemicon Integrated Technology Inc.	UniEQ Integrated Technology Co., Ltd.	Thailand	Manufacturing of machinery and equipment and electronic parts	5,390,568	5,390,568	56,659,999	100	5,020,639	(139,764)	(137,723)	
FOXSEMICON INTEGRATED TECHNOLOGY INC.(SAMOA)	MINDTECH CORPORATION	Samoa	Reinvestment and holding company	2,484,300	2,451,540	34,977,541	100	6,553,443	(232,627)	(232,627)	
FOXSEMICON INTEGRATED TECHNOLOGY INC.(SAMOA)	SUCCESS PRISE CORPORATION	Samoa	Reinvestment and holding company	121,030	119,434	3,800,000	100	141,631	11,493	11,493	
Foxsemicon Innovations Holding Inc.	Foxsemicon Technology, LLC	US	Research and Development and manufacturing of machinery and equipment and electronic parts	794,658	784,179	Note 2	100	104,460	(99,710)	(99,710)	

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at June 30, 2026	Initial investment amount: Balance as at December 31, 2025	Shares held as at June 30, 2026: Number of shares	Shares held as at June 30, 2026: Ownership (%)	Shares held as at June 30, 2026: Book value	Net income of investee as of June 30, 2026	Investment income (loss) recognised by the Company for the six month period ended June 30, 2026	Footnote
Kainova Technology Inc	Kainova Technology USA, LLC.	US	Research and Development and manufacturing of machinery and equipment and electronic parts	12,529	12,572	Note 2	100	5,519	(2,291)	(2,291)	
UNIEQ TECHNOLOGY PTE. LTD.	UNIEQ EQUIPMENT MANUFACTURING PRIVATE LIMITED	Inida	Research and Development and manufacturing of machinery and equipment and electronic parts	1,042	942	270,000	100	485	(134)	(134)	
FairTech Corporation	FairTech International Corporation	Samoa	Reinvestment and holding company	42,162	42,162	2,000,000	100	38,452	8,023	8,023	Note 1
FairTech Corporation	Ann-Sun Resource Technology Co., Ltd.	Taiwan	Processing of aerospace equipment	14,410	14,410	1,441,000	100	25,113	3,391	3,391	Note 1
FairTech Corporation	FairTech Corporation LLC	South Korea	Repair of semiconductor equipment	5,685	5,685	Note 2	100	28,749	2,063	2,063	Note 1
FairTech Corporation	Hakka UAV Corporation	Taiwan	Manufacture and research and development of unmanned aerial vehicle	120,800	40,800	4,080,000	75.50	135,541	(2,078)	(1,060)	Note 1
FairTech International Corporation	FairTech Asia Pacific Corporation	Samoa	Reinvestment and holding company	37,831	37,332	2,000,000	100	38,202	8,071	8,071	Note 1
FairTech International Corporation	Quiz Technology Enterprise Inc.	Samoa	Reinvestment and holding company	6,373	6,289	5,000,000	100	-	-	-	Note 3
Quiz Technology Enterprise Inc.	Ranking Trading Incorporated	Samoa	Reinvestment and holding company	6,214	6,132	10,000,000	100	-	-	-	Note 3

Note 1:The Company started to recognize gain or loss of associates and joint ventures accounted for using equity method in the month of acquisition

Note 2: The company is a limited company and has no shares issued.

Note 3: Quiz Technology Enterprise Inc. and Ranking Trading Incorporated have completed their dissolution and liquidation on November 10, 2025.

Foxsemicon Integrated Technology Inc. and subsidiaries

Information on investments in Mainland China

Six month period ended June 30, 2026

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 1)	Investment method (Note 2)	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2026	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six month period ended June 30, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2026	Net income of investee as of June 30, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six month period ended June 30, 2026 (Note 3)	Book value of investments in Mainland China as of June 30, 2026	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2026	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Foxsemicon Integrated Technology (Shanghai) Inc.	Production and sales of electronic special equipment, test instruments, and industrial molds	$ 2,484,300	2	$ 2,484,300	$ -	$ -	$ 2,484,300	($ 228,224)	100	($ 228,224)	$ 6,533,302	$ -	
Kaivaco Technology Nanjing Inc.	Production and sales of electronic special equipment, test instruments, and industrial molds	6,630	1	6,630	-	-	6,630	(244)	100	(244)	6,735	-	
FairTech Suzhou Corporation	Repair of semiconductor equipment	35,672	2	-	-	-	54,464	8,120	100	8,120	38,008		

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2026	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Foxsemicon Integrated Technology Inc.	2,484,300	3,215,941	10,680,704
Kainova Technology Inc.	6,630	6,848	80,000
FairTech Corporation	54,464	-	787,671

Note 1: The amounts in the table are shown in New Taiwan Dollars. Transactions denominated in foreign currencies are translated into New Taiwan Dollars at the spot exchange rates at the balance sheet date.

Note 2: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1)Directly invest in a company in Mainland China.

(2)Invested in Mainland China thorugh the thrid party, FOXSEMICON INTERGRATED TECHNOLOGY INC.

(3)Others

Note 3:Investment income (loss) recognition is based on financial statements that are audited or reviewed by R.O.C. parent company's CPA.

Note 4:The Company reinvested in Mainland China investees, Foxsemicon Integrated Technology (Kunshan) Inc. and Shanghai EnvoFox integrated technology limit inc. through the investing business in Mainland China investee, which were not required to file an application to the Investment Commission of Ministry of Economic Affairs (MOEA).However, the investing business in Mainland China is a controlling company and shall apply the reinvestment to the Investment Commission of Ministry of Economic Affairs (MOEA).