

**ORIENT SEMICONDUCTOR
ELECTRONICS, LIMITED 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 TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Orient Semiconductor Electronics, Limited.

Introduction

We have reviewed the accompanying consolidated balance sheets of Orient Semiconductor Electronics, Limited and subsidiaries (the "Group") as at June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" 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

Except as explained in the following paragraph, 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.

Basis for qualified conclusion

As explained in Note 4(3) B, the financial statements of certain insignificant consolidated subsidiaries, and information disclosed in Note 13 were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT\$514,882 thousand and NT\$350,614 thousand, constituting 2% and 2% of the consolidated total assets as at June 30, 2026 and 2025, respectively, total liabilities amounted to NT\$156,780 thousand and NT\$67,604 thousand, constituting 2% and 1% of the consolidated total liabilities as at June 30, 2026 and

2025, respectively, and the total comprehensive income (loss) amounted to NT\$26,951 thousand, NT\$6,084 thousand, NT\$36,081 thousand and NT\$16,252 thousand, constituting 1%, 14%, 1% and 6% of the consolidated total comprehensive (loss) income for the three months and six months then ended, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and information disclosed in Note 13 been reviewed by independent auditors as described in the *Basis for qualified conclusion* section above, 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 for the three months and six months then ended, and its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Wang, Kuo-Hua

Chiang, Tsai-Yen

For and on behalf of PricewaterhouseCoopers, Taiwan

July 29, 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.

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

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	June 30, 2026		December 31, 2025		June 30, 2025				
			AMOUNT	%	AMOUNT	%	AMOUNT	%			
Current assets											
1100	Cash and cash equivalents	6(1)	\$	3,029,326	11	\$	2,718,816	13	\$	3,437,751	17
1140	Current contract assets	6(23)		461,329	2		459,006	2		446,153	2
1170	Accounts receivable, net	6(4)		4,172,313	16		4,650,711	23		5,119,761	25
1180	Accounts receivable due from related parties, net	6(4) and 7		2,395	-		-	-		408	-
1200	Other receivables			136,142	1		100,172	1		82,546	1
1210	Other receivables due from related parties	7		84,896	-		46,243	-		101,250	1
1220	Current tax assets			145	-		145	-		2,156	-
130X	Inventories	6(5)		2,427,632	9		2,588,913	13		1,884,855	9
1410	Prepayments	6(6)		304,259	1		92,113	-		83,788	-
1479	Other current assets, others			32,879	-		25,662	-		24,673	-
11XX	Current Assets			10,651,316	40		10,681,781	52		11,183,341	55
Non-current assets											
1510	Financial assets at fair value through profit or loss-non-current	6(2)		8,750	-		-	-		-	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)		6,621,994	25		1,833,683	9		1,441,800	7
1600	Property, plant and equipment	6(8) and 8		8,961,961	34		7,807,304	38		6,982,388	34
1755	Right-of-use assets	6(9)		108,650	-		115,887	-		85,504	1
1780	Intangible assets	6(11)		37,917	-		39,284	-		58,537	-
1840	Deferred tax assets			192,638	1		201,001	1		364,810	2
1915	Prepayments for business facilities			45,968	-		7,619	-		170,905	1
1920	Guarantee deposits paid	8		6,077	-		5,067	-		4,809	-
1990	Other non-current assets, others			19,487	-		22,604	-		25,182	-
15XX	Non-current assets			16,003,442	60		10,032,449	48		9,133,935	45
1XXX	Total assets		\$	26,654,758	100	\$	20,714,230	100	\$	20,317,276	100

(Continued)

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	June 30, 2026		December 31, 2025		June 30, 2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(12) and 8	\$ 281,052	1	\$ 320,704	2	\$ -	-
2130	Current contract liabilities	6(23)	104,888	-	60,115	-	64,315	-
2170	Accounts payable		3,897,718	15	5,277,313	25	5,222,085	26
2180	Accounts payable to related parties	7	2,513	-	2,853	-	1,111	-
2200	Other payables	6(13)	2,530,533	10	1,578,581	8	2,215,135	11
2230	Current tax liabilities		73,824	-	24,243	-	-	-
2250	Current provisions	6(19)	50,642	-	50,670	-	63,096	-
2280	Current lease liabilities		22,573	-	20,541	-	11,421	-
2320	Long-term liabilities, current portion	6(16) and 8	147,336	1	456,432	2	465,872	2
2365	Current refund liabilities		27,438	-	26,260	-	8,544	-
2399	Other current liabilities, others	6(14) and 7	396,355	1	121,313	1	92,628	1
21XX	Current Liabilities		<u>7,534,872</u>	<u>28</u>	<u>7,939,025</u>	<u>38</u>	<u>8,144,207</u>	<u>40</u>
	Non-current liabilities							
2530	Bonds payable	6(15)	2,363,704	9	-	-	-	-
2540	Non-current portion of non-current borrowings	6(16) and 8	241,427	1	1,498,454	7	897,925	5
2580	Non-current lease liabilities		93,144	-	101,570	1	78,856	-
2640	Net defined benefit liability, non-current		9,842	-	5,146	-	25,006	-
2645	Guarantee deposits received		2,179	-	15,837	-	17,852	-
25XX	Non-current liabilities		<u>2,710,296</u>	<u>10</u>	<u>1,621,007</u>	<u>8</u>	<u>1,019,639</u>	<u>5</u>
2XXX	Total Liabilities		<u>10,245,168</u>	<u>38</u>	<u>9,560,032</u>	<u>46</u>	<u>9,163,846</u>	<u>45</u>
	Equity attributable to owners of parent							
	Share capital	6(18)(20)						
3110	Share capital - common stock		6,589,483	25	6,590,043	32	5,602,283	28
3120	Preference share		-	-	-	-	1,801,800	9
	Capital surplus	6(21)						
3200	Capital surplus		578,362	2	375,146	2	477,003	2
	Retained earnings	6(22)						
3310	Legal reserve		797,981	3	655,247	3	655,247	3
3320	Special reserve		366,250	1	61,344	-	61,344	-
3350	Unappropriated retained earnings		3,590,520	14	3,904,661	19	3,051,792	15
	Other equity interest							
3400	Other equity interest		4,486,994	17	(432,243)	(2)	(496,039)	(2)
31XX	Equity attributable to owners of the parent		<u>16,409,590</u>	<u>62</u>	<u>11,154,198</u>	<u>54</u>	<u>11,153,430</u>	<u>55</u>
3XXX	Total equity		<u>16,409,590</u>	<u>62</u>	<u>11,154,198</u>	<u>54</u>	<u>11,153,430</u>	<u>55</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		<u>\$ 26,654,758</u>	<u>100</u>	<u>\$ 20,714,230</u>	<u>100</u>	<u>\$ 20,317,276</u>	<u>100</u>

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

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2026		2025		2026		2025	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(23) and 7	\$ 5,476,218	100	\$ 5,263,888	100	\$ 10,336,694	100	\$ 9,341,364	100
5000 Operating costs	6(5)(11)(28)(29) and 7	(4,750,659)	(87)	(4,476,061)	(85)	(8,989,432)	(87)	(8,014,980)	(86)
5900 Net operating margin		<u>725,559</u>	<u>13</u>	<u>787,827</u>	<u>15</u>	<u>1,347,262</u>	<u>13</u>	<u>1,326,384</u>	<u>14</u>
Operating expenses	6(11)(28)(29)								
6100 Selling and administrative expenses		(263,704)	(5)	(259,517)	(5)	(502,528)	(5)	(496,026)	(5)
6300 Research and development expenses		(116,373)	(2)	(108,078)	(2)	(227,091)	(2)	(213,269)	(2)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(117)	-	(349)	-	324	-	(444)	-
6000 Total operating expenses		(380,194)	(7)	(367,944)	(7)	(729,295)	(7)	(709,739)	(7)
6900 Operating profit		<u>345,365</u>	<u>6</u>	<u>419,883</u>	<u>8</u>	<u>617,967</u>	<u>6</u>	<u>616,645</u>	<u>7</u>
Non-operating income and expenses									
7100 Interest income	6(24)	10,637	-	14,143	-	16,687	-	21,662	-
7010 Other income	6(25) and 7	114,219	2	108,412	2	133,274	1	118,300	1
7020 Other gains and losses	6(26)	(2,089)	-	(129,614)	(2)	2,946	-	(108,305)	(1)
7050 Finance costs	6(27)	(14,871)	-	(3,802)	-	(25,967)	-	(7,923)	-
7000 Total non-operating revenue and expenses		<u>107,896</u>	<u>2</u>	<u>(10,861)</u>	<u>-</u>	<u>126,940</u>	<u>1</u>	<u>23,734</u>	<u>-</u>
7900 Profit before income tax		453,261	8	409,022	8	744,907	7	640,379	7
7950 Income tax expense	6(30)	(45,067)	(1)	(21,829)	(1)	(102,083)	(1)	(65,907)	(1)
8200 Profit for the period		<u>\$ 408,194</u>	<u>7</u>	<u>\$ 387,193</u>	<u>7</u>	<u>\$ 642,824</u>	<u>6</u>	<u>\$ 574,472</u>	<u>6</u>

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items		Notes	Three months ended June 30				Six months ended June 30			
			2026		2025		2026		2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income										
Components of other comprehensive income that will not be reclassified to profit or loss										
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	\$ 4,542,551	83	(\$ 313,200)	(6)	\$ 5,046,284	49	(\$ 297,000)	(3)
8310	Components of other comprehensive income that will not be reclassified to profit or loss		4,542,551	83	(313,200)	(6)	5,046,284	49	(297,000)	(3)
Components of other comprehensive income that will be reclassified to profit or loss										
8361	Financial statements translation differences of foreign operations		(649)	-	(36,922)	-	6,061	-	(33,136)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(30)	130	-	7,384	-	(1,212)	-	6,627	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(519)	-	(29,538)	-	4,849	-	(26,509)	-
8300	Total other comprehensive income (loss) for the period		<u>\$ 4,542,032</u>	<u>83</u>	<u>(\$ 342,738)</u>	<u>(6)</u>	<u>\$ 5,051,133</u>	<u>49</u>	<u>(\$ 323,509)</u>	<u>(3)</u>
8500	Total comprehensive income for the period		<u>\$ 4,950,226</u>	<u>90</u>	<u>\$ 44,455</u>	<u>1</u>	<u>\$ 5,693,957</u>	<u>55</u>	<u>\$ 250,963</u>	<u>3</u>
Profit attributable to:										
8610	Owners of parent		<u>\$ 408,194</u>	<u>7</u>	<u>\$ 387,193</u>	<u>7</u>	<u>\$ 642,824</u>	<u>6</u>	<u>\$ 574,472</u>	<u>6</u>
Comprehensive income attributable to:										
8710	Owners of parent		<u>\$ 4,950,226</u>	<u>90</u>	<u>\$ 44,455</u>	<u>1</u>	<u>\$ 5,693,957</u>	<u>55</u>	<u>\$ 250,963</u>	<u>3</u>
Basic earnings per share										
9750	Basic	6(31)	<u>\$ 0.62</u>		<u>\$ 0.54</u>		<u>\$ 0.96</u>		<u>\$ 0.81</u>	
9850	Diluted		<u>\$ 0.59</u>		<u>\$ 0.52</u>		<u>\$ 0.93</u>		<u>\$ 0.78</u>	

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

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent									Total equity
		Share capital			Retained earnings			Other equity interest			
		Ordinary share	Preference share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned compensation	
<u>Six months ended June 30, 2025</u>											
Balance at January 1, 2025		\$ 5,603,083	\$ 1,801,800	\$ 476,203	\$ 528,205	\$ 192,793	\$ 3,213,321	\$ 10,989	(\$ 72,333)	(\$ 184,008)	\$ 11,570,053
Profit for the period		-	-	-	-	-	574,472	-	-	-	574,472
Other comprehensive loss		-	-	-	-	-	-	(26,509)	(297,000)	-	(323,509)
Total comprehensive income (loss)		-	-	-	-	-	574,472	(26,509)	(297,000)	-	250,963
Appropriation and distribution of 2024 retained earnings:											
Legal reserve		-	-	-	127,042	-	(127,042)	-	-	-	-
Special reserve		-	-	-	-	(131,449)	131,449	-	-	-	-
Cash dividend	6(22)	-	-	-	-	-	(740,408)	-	-	-	(740,408)
Share-based payment transactions	6(18)(20)	(800)	-	800	-	-	-	-	-	72,822	72,822
Balance at June 30, 2025		\$ 5,602,283	\$ 1,801,800	\$ 477,003	\$ 655,247	\$ 61,344	\$ 3,051,792	(\$ 15,520)	(\$ 369,333)	(\$ 111,186)	\$ 11,153,430
<u>Six months ended June 30, 2026</u>											
Balance at January 1, 2026		\$ 6,590,043	\$ -	\$ 375,146	\$ 655,247	\$ 61,344	\$ 3,904,661	\$ 1,590	(\$ 367,840)	(\$ 65,993)	\$ 11,154,198
Profit for the period		-	-	-	-	-	642,824	-	-	-	642,824
Other comprehensive income		-	-	-	-	-	-	4,849	5,046,284	-	5,051,133
Total comprehensive income		-	-	-	-	-	642,824	4,849	5,046,284	-	5,693,957
Appropriation and distribution of 2025 retained earnings:											
Legal reserve		-	-	-	142,734	-	(142,734)	-	-	-	-
Special reserve		-	-	-	-	304,906	(304,906)	-	-	-	-
Cash dividend	6(22)	-	-	-	-	-	(674,579)	-	-	-	(674,579)
Due to recognition of equity component of convertible bonds issued	6(15)(21)	-	-	204,301	-	-	-	-	-	-	204,301
Share-based payment transactions	6(18)(20)	(560)	-	(1,085)	-	-	-	-	-	33,358	31,713
Transfers of disposal of financial assets at fair value through other comprehensive income - equity instruments by the investees	6(3)	-	-	-	-	-	165,254	-	(165,254)	-	-
Balance at June 30, 2026		\$ 6,589,483	\$ -	\$ 578,362	\$ 797,981	\$ 366,250	\$ 3,590,520	\$ 6,439	\$ 4,513,190	(\$ 32,635)	\$ 16,409,590

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

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 744,907	\$ 640,379
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(8)(9)(28)	554,885	466,036
Amortization expense	6(11)(28)	23,612	29,052
(Gain) loss on expected credit impairment	12(2)	(324)	444
Net loss on financial assets at fair value through profit or loss	6(2)(26)	1,000	-
Interest expense	6(27)	25,967	7,923
Interest income	6(24)	(16,687)	(21,662)
Dividend income	6(25)	(84,896)	(101,250)
Share-based payments	6(18)(29)	31,713	72,822
Gain on disposal of property, plant and equipment	6(26)	(1,016)	(260)
Scrapping inventory and loss on decline in market value	6(5)	890	-
Loss on (gain from reversal of) decline in market value	6(5)	69,936	(6,473)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		(2,323)	(155,529)
Accounts receivable		479,866	(931,297)
Accounts receivable due from related parties		(2,395)	(167)
Other receivables		(36,109)	(16,128)
Other receivables due from related parties		46,243	-
Inventories		92,193	(317,268)
Prepayments		(211,844)	6,080
Other current assets, others		(7,165)	3,117
Other non-current assets, others		3,185	3,280
Changes in operating liabilities			
Contract liabilities		44,773	(10,194)
Accounts payable		(1,380,610)	572,239
Accounts payable to related parties		(340)	(173)
Other payables		16,840	33,646
Current provisions		(28)	(1,458)
Other current liabilities		276,052	(14,887)
Net defined benefit liability		4,696	(5,708)
Cash inflow generated from operations		673,021	252,564
Interest received		16,796	22,490
Income tax refunded		-	3,194
Income tax paid		(45,261)	(43,236)
Net cash flows from operating activities		644,556	235,012

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30 2026	2025
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value through	6(3)	\$ 257,973	\$ -
Acquisition of property, plant and equipment (including prepayment for equipment)	6(32)	(1,476,707)	(1,148,833)
Proceeds from disposal of property, plant and equipment		3,798	334
(Increase) decrease in refundable deposits		(894)	2,553
Acquisition of intangible assets	6(11)	(22,260)	(34,692)
Net cash flows used in investing activities		(1,238,090)	(1,180,638)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(33)	281,052	-
Decrease in short-term borrowings	6(33)	(320,704)	-
Proceeds from issuing bonds (net of cost of issuance)	6(33)	2,544,388	-
Proceeds from long-term borrowings	6(33)	432,000	136,700
Repayments of long-term borrowings	6(33)	(1,998,123)	(154,811)
Decrease in guarantee deposits received	6(33)	(13,660)	(10,528)
Payments of lease liabilities	6(33)	(10,824)	(6,497)
Interest paid		(13,645)	(8,026)
Net cash flows from (used in) financing activities		900,484	(43,162)
Effect of exchange rate changes on cash and cash equivalents		3,560	(18,805)
Net increase (decrease) in cash and cash equivalents		310,510	(1,007,593)
Cash and cash equivalents at beginning of period		2,718,816	4,445,344
Cash and cash equivalents at end of period		\$ 3,029,326	\$ 3,437,751

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

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED 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 Organisation

(1) Orient Semiconductor Electronics Limited (the “Company”) was incorporated in Kaohsiung City in June 1971 under the provisions of the Company Act of the Republic of China (R.O.C.). The address of the Company’s registered office is at No. 9, Central 3rd Street, Nanzih District, Kaohsiung City. The Company and its subsidiaries (collectively referred herein as the “Group”), were primarily engaged in various types of integrated circuits, semiconductor components, computer motherboards, various types of electronic inventory, manufacturing, combination, processing and export of computer and communication circuit boards.

(2) The Company was listed on the Taiwan Stock Exchange starting from April 1994.

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

These financial statements were authorised for issuance by the Board of Directors on July 29, 2026.

3. Application of New Standards, Amendments and Interpretations

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

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

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

Except for the related impacts of the following standards and interpretations are yet to be assessed, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment:

Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’

Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

(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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027 (Note 1)
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 IAS 28 investments in associates and joint ventures’	January 1, 2027 (Note 2)

Note 1: The entities shall apply IFRS 18 starting on or after 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 related impacts of the following standards and interpretations are yet to be assessed, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment:

IFRS 18, ‘Presentation and disclosure in financial statements’

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

(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

4. Summary of Material Accounting Policies

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

(1) Compliance statement

- A. The 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.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of preparation

- A. Except for the following items, the 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.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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:

The basis for preparation of consolidated financial statements are consistent with those of the year ended December 31, 2025.

B. Subsidiaries included in the consolidated financial statements:

Investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			June 30, 2026	December 31, 2025	June 30, 2025	
Orient Semiconductor Electronics Limited	Coreplus (HK) Limited (“COREPLUS”)	Accepted orders, purchased materials and outsourcing processing of components combination business.	100%	100%	100%	Note
Orient Semiconductor Electronics Limited	Hua-Cheng Investment Co. (“Hua-Cheng”)	Reinvestments in various business.	100%	100%	100%	-
Corplus (HK) Limited	Value-Plus Technology (Suzhou) Co. (Value-Plus (Suzhou))	Adhesive processing, plug-in welding processing and related test, combination processing, technique maintenance and after-sale service of the surface of base plate of electronic components	100%	100%	100%	Note

Note: The financial statements of the entity as of and for the six months ended June 30, 2026 and 2025 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

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: None.

(4) Convertible bonds payable

Convertible corporate bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Company’s common shares by exchanging a fixed amount of cash for a fixed number of common shares) and call options. The Group classifies the bonds payable and derivative features embedded in convertible corporate bonds on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

A. The embedded call options are recognised initially at net fair value as ‘financial assets 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 recognised as ‘gain or loss on valuation of financial assets at fair value through profit or loss’.

B. The host contracts of bonds are initially recognised 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 amortised 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 recognised in ‘capital surplus—share options’ at the residual amount of total issue price less the amount of financial assets at fair value through profit or loss and 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 (including ‘bonds payable’ and ‘financial assets at fair value through profit or loss’) shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the abovementioned liability component plus the book value of capital surplus - share options.

(5) Employee benefits

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

(6) Income taxes

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

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

There have been no significant changes as of June 30, 2026. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2025.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash:			
Cash on hand and petty cash	\$ 117	\$ 129	\$ 147
Checking accounts and demand deposits	1,754,720	1,707,076	2,094,183
Cash equivalents:			
Time deposits	715,147	712,000	1,043,789
Commercial paper (II)	559,342	299,611	299,632
	<u>\$ 3,029,326</u>	<u>\$ 2,718,816</u>	<u>\$ 3,437,751</u>

- 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. Aforementioned time deposits and commercial paper (II) had maturities not exceeding three months and were not pledged as collateral, and were classified as cash equivalents according to its nature.

(2) Financial assets at fair value through profit or loss – non - current

Items	June 30, 2026
Current items:	
Financial assets mandatorily measured at fair value through profit or loss	
Embedded call options of convertible bonds	\$ 8,750

There were no such transactions on December 31, 2025 and June 30, 2025.

- A. Information on amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss is provided in Note 6(26).
- B. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

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

Items	June 30, 2026	December 31, 2025	June 30, 2025
Non-current items:			
Unlisted stocks	\$ 209,314	\$ 118,503	\$ -
Listed stocks	6,412,680	1,715,180	1,441,800
	<u>\$ 6,621,994</u>	<u>\$ 1,833,683</u>	<u>\$ 1,441,800</u>

- A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.
- B. The Group sold \$257,973 of financial assets at fair value through other comprehensive income - equity instruments at fair value for the six months ended June 30, 2026. Consequently, the Group reclassified the cumulative gains on disposal amounting to \$165,254 from other equity to retained earnings during the six months ended June 30, 2026. The Group adjusted other equity to retained earnings proportionate to its ownership amounting to \$165,254. There was no such transaction for the six months ended June 30, 2025.
- C. For the three months and six months ended June 30, 2026 and 2025, the Group has financial assets at fair value through other comprehensive income recognized in comprehensive income (loss) due to changes of fair value in the amounts of \$4,542,551, (\$313,200), \$5,046,284 and (\$297,000), respectively. Dividend income recognised in profit or loss held at end of period amounted to \$84,896, \$101,250, \$84,896 and \$101,250, respectively.
- D. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Accounts receivable (including related parties)

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	\$ 4,175,593	\$ 4,654,316	\$ 5,124,084
Less: Loss allowance	(3,280)	(3,605)	(4,323)
	<u>\$ 4,172,313</u>	<u>\$ 4,650,711</u>	<u>\$ 5,119,761</u>
Accounts receivable due from related parties	\$ 2,396	\$ -	\$ 408
Less: Loss allowance	(1)	-	-
	<u>\$ 2,395</u>	<u>\$ -</u>	<u>\$ 408</u>

A. For details of the aging analysis of notes and accounts receivable which were based on the dates past due and information relating to credit risk, please refer to Note 12(2).

B. As of June 30, 2026, December 31, 2025 and June 30, 2025, accounts and notes receivable were all from contracts with customers. As of January 1, 2025, the balance of receivables from contracts with customers amounted to \$4,198,999.

C. The Group has no notes and accounts receivable pledged to others as collateral.

D. As at June 30, 2026, December 31, 2025 and June 30, 2025, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$4,174,708, \$4,650,711 and \$5,120,169, respectively.

(5) Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	\$ 2,222,647	\$ 2,078,461	\$ 1,334,290
Supplies	143,120	142,233	123,343
Work in progress	383,598	593,605	626,099
Finished goods	<u>101,630</u>	<u>127,584</u>	<u>187,462</u>
	2,850,995	2,941,883	2,271,194
Less: Allowance for valuation loss	(423,363)	(352,970)	(386,339)
	<u>\$ 2,427,632</u>	<u>\$ 2,588,913</u>	<u>\$ 1,884,855</u>

The cost of inventories recognised as expense for the period:

	Three months ended June 30	
	2026	2025
Cost of goods sold	\$ 4,730,033	\$ 4,482,542
Loss on decline in market value	37,632	1,726
Loss on scrapping inventory	-	-
Others	(17,006)	(8,207)
	<u>\$ 4,750,659</u>	<u>\$ 4,476,061</u>

	Six months ended June 30	
	2026	2025
Cost of goods sold	\$ 8,949,597	\$ 8,036,365
Loss on (gain from reversal of) decline in market value	69,936 (	6,473)
Loss on scrapping inventory	890	-
Others	(30,991) (	14,912)
	<u>\$ 8,989,432</u>	<u>\$ 8,014,980</u>

For the six months ended June 30, 2025, the Group reversed a previous inventory write-down and accounted for as reduction of cost of goods sold because the inventories which were previously provided with allowance for inventory valuation losses were subsequently scrapped or sold and certain inventories were disposed.

(6) Prepayments

	June 30, 2026	December 31, 2025	June 30, 2025
Prepayments for goods	\$ 221,103	\$ 10,557	\$ 7,464
Others	83,156	81,556	76,324
	<u>\$ 304,259</u>	<u>\$ 92,113</u>	<u>\$ 83,788</u>

(7) Investments accounted for using equity method

	June 30, 2026		December 31, 2025		June 30, 2025	
	Shareholding		Shareholding		Shareholding	
	Amount	ratio	Amount	ratio	Amount	ratio
Associates:						
SCS HIGHTECH INC.	<u>\$ -</u>	18.17%	<u>\$ -</u>	18.17%	<u>\$ -</u>	18.17%

A. The carrying amount of the Group's investment in SCS HIGHTECH, INC. has been recognised as nil, and there is no further legal or constructive obligation to accrue additional losses. The company has been approved to nullify the registration in 2004 and is still pending liquidation.

B. As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group had no significant associate.

(8) Property, plant and equipment

	June 30, 2026	December 31, 2025	June 30, 2025
Property, plant and equipment			
- Owner-occupied	\$ 8,961,961	\$ 7,807,304	\$ 6,981,891
- Operating leases	-	-	497
	<u>\$ 8,961,961</u>	<u>\$ 7,807,304</u>	<u>\$ 6,982,388</u>

A. Property, plant and equipment for self-use

	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment under installation	Total
Cost and revaluation increment:							
January 1, 2026	\$ 7,656,321	\$ 17,409,177	\$ 1,725	\$ 58,006	\$ 396,008	\$ 1,941,545	\$ 27,462,782
Additions	-	-	-	155	338	1,699,408	1,699,901
Disposals	(18,094)	(29,396)	-	-	(1,573)	-	(49,063)
Transfers	37,708	478,150	-	850	9,865	(526,573)	-
Impact of changes in foreign exchange rate	-	3,684	78	125	778	24	4,689
June 30, 2026	<u>\$ 7,675,935</u>	<u>\$ 17,861,615</u>	<u>\$ 1,803</u>	<u>\$ 59,136</u>	<u>\$ 405,416</u>	<u>\$ 3,114,404</u>	<u>\$ 29,118,309</u>
Depreciation and impairment:							
January 1, 2026	\$ 5,310,259	\$ 13,976,668	\$ 1,026	\$ 56,884	\$ 310,641	\$ -	\$ 19,655,478
Depreciation expense	89,447	438,069	125	168	15,496	-	543,305
Disposals	(17,716)	(26,992)	-	-	(1,573)	-	(46,281)
Impact of changes in foreign exchange rate	-	2,978	49	113	706	-	3,846
June 30, 2026	<u>\$ 5,381,990</u>	<u>\$ 14,390,723</u>	<u>\$ 1,200</u>	<u>\$ 57,165</u>	<u>\$ 325,270</u>	<u>\$ -</u>	<u>\$ 20,156,348</u>

	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment under installation	Total
Cost and revaluation increment:							
January 1, 2025	\$ 7,379,527	\$ 15,739,674	\$ 1,760	\$ 57,527	\$ 399,726	\$ 2,030,226	\$ 25,608,440
Additions	-	165	-	49	62	987,862	988,138
Disposals	(7,859)	(253,093)	-	-	(395)	-	(261,347)
Transfers	251,800	955,886	-	-	20,844	(1,228,530)	-
Impact of changes in foreign exchange rate	-	(8,100)	(177)	(258)	(1,757)	(48)	(10,340)
June 30, 2025	<u>\$ 7,623,468</u>	<u>\$ 16,434,532</u>	<u>\$ 1,583</u>	<u>\$ 57,318</u>	<u>\$ 418,480</u>	<u>\$ 1,789,510</u>	<u>\$ 26,324,891</u>
Depreciation and impairment:							
January 1, 2025	\$ 5,174,775	\$ 13,586,627	\$ 798	\$ 56,591	\$ 334,251	\$ -	\$ 19,153,042
Depreciation expense	84,051	362,939	121	113	12,135	-	459,359
Disposals	(7,859)	(253,019)	-	-	(395)	-	(261,273)
Impact of changes in foreign exchange rate	(127)	(6,463)	(88)	(134)	(1,316)	-	(8,128)
June 30, 2025	<u>\$ 5,250,840</u>	<u>\$ 13,690,084</u>	<u>\$ 831</u>	<u>\$ 56,570</u>	<u>\$ 344,675</u>	<u>\$ -</u>	<u>\$ 19,343,000</u>
Carrying amount, net:							
June 30, 2026	<u>\$ 2,293,945</u>	<u>\$ 3,470,892</u>	<u>\$ 603</u>	<u>\$ 1,971</u>	<u>\$ 80,146</u>	<u>\$ 3,114,404</u>	<u>\$ 8,961,961</u>
December 31, 2025	<u>\$ 2,346,062</u>	<u>\$ 3,432,509</u>	<u>\$ 699</u>	<u>\$ 1,122</u>	<u>\$ 85,367</u>	<u>\$ 1,941,545</u>	<u>\$ 7,807,304</u>
June 30, 2025	<u>\$ 2,372,628</u>	<u>\$ 2,744,448</u>	<u>\$ 752</u>	<u>\$ 748</u>	<u>\$ 73,805</u>	<u>\$ 1,789,510</u>	<u>\$ 6,981,891</u>

B. Property, plant and equipment for operating lease

	Buildings and structures	
	2026	2025
Cost:		
January 1 and June 30	\$ -	\$ 10,721
Depreciation:		
At January 1	\$ -	\$ 10,157
Additions	-	67
At June 30	\$ -	\$ 10,224
Carrying amount, net:		
At June 30	\$ -	\$ 497

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

	Six months ended June 30	
	2026	2025
Amount capitalised	\$ 4,050	\$ 3,530
Range of the interest rates for capitalisation	1.895%	1.9%

D. The significant components of buildings and equipment include main plants and each improvement construction, which are depreciated over 3~51 and 3~21 years, respectively.

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

(9) Leasing arrangements — lessee

A. The Group leased various assets, including property (land, building and structures), machinery and equipment and transportation equipment. The lease period of each contract was between 3 to 51 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 subleased, sublet, subtenant to others, transfer the lease right to others and pledged as collaterals.

B. 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	\$ 71,197	\$ 72,463	\$ 77,086
Buildings and structures	26,954	30,909	-
Machinery and equipment	1,586	1,740	1,893
Transportation equipment	8,913	10,775	6,525
	<u>\$ 108,650</u>	<u>\$ 115,887</u>	<u>\$ 85,504</u>

	Three months ended June 30	
	2026	2025
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Land	\$ 2,150	\$ 2,311
Buildings and structures	2,657	-
Machinery and equipment	77	77
Transportation equipment	<u>898</u>	<u>907</u>
	<u>\$ 5,782</u>	<u>\$ 3,295</u>
	Six months ended June 30	
	2026	2025
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Land	\$ 4,301	\$ 4,622
Buildings and structures	5,263	-
Machinery and equipment	154	154
Transportation equipment	<u>1,862</u>	<u>1,834</u>
	<u>\$ 11,580</u>	<u>\$ 6,610</u>

C. For the six months ended June 30, 2026 and 2025, the additions to right-of-use assets were \$3,035 and \$1,827, respectively.

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

<u>Items affecting profit or loss</u>	Three months ended June 30	
	2026	2025
Interest expense on lease liabilities	\$ 752	\$ 397
Expense on short-term lease contracts	4,232	2,974
Expense on leases of low-value assets	1,031	902
(excluding expense on leases of low-value assets of short-term lease)		
<u>Items affecting profit or loss</u>	Six months ended June 30	
	2026	2025
Interest expense on lease liabilities	\$ 1,536	\$ 804
Expense on short-term lease contracts	7,163	5,247
Expense on leases of low-value assets	2,000	2,161
(excluding expense on leases of low-value assets of short-term lease)		

E. For the six months ended June 30, 2026 and 2025, the total amounts of the Group's cash outflow from leasing were \$21,523 and \$14,709, respectively.

(10) Leasing arrangements - lessor

- A. The Group leases various assets including plant and office. Rental contracts are typically made for periods of 2 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To secure the use of the leased assets, the leased assets may not be subleased, transferred or provided to others in other ways.
- B. Gain arising from operating lease agreements are as follows:

	Three months ended June 30	
	2026	2025
Related revenue from fixed lease payments	\$ 1,172	\$ 2,272
	Six months ended June 30	
	2026	2025
Related revenue from fixed lease payments	\$ 2,449	\$ 4,679

- C. The maturity analysis of the lease payments under the operating leases is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Within 1 year	\$ 519	\$ 804	\$ 2,738
Later than one year but not later than two years	729	729	703
Later than two years but not later than three years	716	729	703
Later than three years but not later than four years	703	703	703
Later than four years but not later than five years	703	703	703
Later than five years	468	820	1,171
	<u>\$ 3,838</u>	<u>\$ 4,488</u>	<u>\$ 6,721</u>

- D. For disclosures of property, plant and equipment leased under operating lease and within the scope of IAS 16, please refer to Note 6(8).

(11) Intangible assets

	Computer software	
	2026	2025
<u>Cost</u>		
At January 1	\$ 640,233	\$ 593,891
Additions — acquired separately	22,260	34,692
Reclassifications	(15)	1,352
Net exchange differences	-	(11)
At June 30	<u>\$ 662,478</u>	<u>\$ 629,924</u>
<u>Accumulated amortisation</u>		
At January 1	\$ 600,949	\$ 542,335
Amortisation charge	23,612	29,052
Net exchange differences	-	-
At June 30	<u>\$ 624,561</u>	<u>\$ 571,387</u>
Book value	<u>\$ 37,917</u>	<u>\$ 58,537</u>

A. Details of amortisation on intangible assets are as follows:

	Three months ended June 30	
	2026	2025
Operating costs	<u>\$ 4,250</u>	<u>\$ 5,246</u>
Selling and administrative expenses	<u>\$ 5,750</u>	<u>\$ 7,077</u>
Research and development expenses	<u>\$ 2,255</u>	<u>\$ 2,549</u>
	Six months ended June 30	
	2026	2025
Operating costs	<u>\$ 8,083</u>	<u>\$ 10,406</u>
Selling and administrative expenses	<u>\$ 10,730</u>	<u>\$ 13,503</u>
Research and development expenses	<u>\$ 4,799</u>	<u>\$ 5,143</u>

B. There was no intangible asset held by the Group that was pledged to others.

(12) Short-term borrowings

Type of borrowings	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured borrowings	\$ -	\$ 219,800	\$ -
Secured borrowings	281,052	100,904	-
	<u>\$ 281,052</u>	<u>\$ 320,704</u>	<u>\$ -</u>
Interest rate range	<u>4.35%</u>	<u>4.53%~4.55%</u>	<u>-</u>

A. For the three months and six months ended June 30, 2026 and 2025, the amounts of interest expense recognised in profit or loss were \$1,181, \$0, \$5,024 and \$0, respectively.

B. Information about the assets that were pledged for short-term borrowings as collateral is provided in Note 8.

(13) Other payables

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Salary and bonus payable	460,772	\$ 546,680	\$ 433,074
Pension payable	35,881	37,584	35,110
Employees' compensation and directors' remuneration payable	296,100	214,072	261,560
Payables on equipment and construction	781,124	519,581	495,096
Insurance premiums payable	77,948	84,852	75,218
Utilities expense payable	79,640	75,610	78,982
Employment Stability Fund payable	23,270	22,635	17,989
Dividends payable	674,579	-	740,408
Other payables	101,219	77,567	77,698
	<u>\$ 2,530,533</u>	<u>\$ 1,578,581</u>	<u>\$ 2,215,135</u>

(14) Other current liabilities—others

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Performance guarantee	\$ 282,832	\$ -	\$ -
Others	113,523	121,313	92,628
	<u>\$ 396,355</u>	<u>\$ 121,313</u>	<u>\$ 92,628</u>

(15) Bonds payable

	<u>June 30, 2026</u>
Unsecured convertible bonds	\$ 2,500,000
Less: Discount on bonds payable	(136,296)
	2,363,704
Less: Current portion	-
	<u>\$ 2,363,704</u>

There were no such transactions on December 31, 2025 and June 30, 2025.

The terms of the first domestic unsecured convertible bonds issued by the Company are as follows:

- A. The Company issued the first domestic unsecured convertible bonds with the approval of the competent authority. The total issuance amount is NT\$2,500,000, with a coupon rate of 0%. The bonds were issued at 102% of the face value for a three-year term, covering the circulation period from March 18, 2026, to March 18, 2029. Upon maturity, the Company will redeem the convertible bonds in cash at the par value in a single payment. The payment will be made within 10 business days (inclusive) after the maturity date. The convertible bonds were listed and commenced trading on the Taipei Exchange on March 18, 2026.

- B. 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 3 months (June 19, 2026) of the bonds issue to the maturity date (March 18, 2029), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- C. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds. The conversion price is \$51.3 (in dollars) per share at issuance, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be recalculated based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the recalculated conversion price is lower than the conversion price before the recalculation, the conversion price will be adjusted; however, it will not be adjusted if it is higher. As of June 30, 2026, The conversion price of the bonds has been adjusted to NT\$50.3 (in dollars) per share.
- D. The Company may repurchase bondholders' bonds in cash at the bonds' face value in accordance with the terms of bonds issuance and conversion after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price of the bonds by 30% (or equal) for 30 consecutive business days during the period from the date after three months of the bonds issue (June 19, 2026) to 40 days before the maturity date (February 6, 2029), or (ii) the outstanding balance of the convertible bonds falls below 10% of the original total principal amount issued, the Company may, within the following thirty business days or at any time respectively, redeem the convertible bonds from the bondholders in cash at the par value.
- E. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Traded Over the Counter), matured and converted will be retired and cannot be resold or reissued. The conversion rights attached to the bonds are also extinguished.
- F. Regarding the issuance of the first domestic unsecured convertible bonds, the equity conversion options amounting to \$204,301 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets at fair value through profit or loss' in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 2.0666%.

(16) Long-term borrowings

Type of Borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 2026
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from August 2021 to September 2030; interest is payable monthly; principal is repayable as scheduled or at maturity	1.475%~1.895% (Note 2)	None	\$ 388,763
Less: Current portion				(147,336)
				<u>\$ 241,427</u>
Type of Borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2025
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from August 2021 to September 2030; interest is payable monthly; principal is repayable as scheduled or at maturity (Note 1)	1.475%~1.97% (Note 2)	None	\$ 1,954,886
Less: Current portion				(456,432)
				<u>\$ 1,498,454</u>

Type of Borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 2025
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from August 2021 to September 2030; interest is payable monthly; principal is repayable at maturity (Note 1)	1.475%~1.9% (Note 2)	None	\$ 1,363,797
Less: Current portion				(465,872)
				<u>\$ 897,925</u>

Note 1: Certain unsecured long-term bank borrowings of the Group were repaid in advance in March 2026.

Note 2: Some of the Group's loans were granted in accordance with the 'Guidelines of Project Loans for Returning Overseas Taiwanese Businesses' of National Development Fund, Executive Yuan. The interest rate of the loans for the first 5 years is the floating interest rate on a 2-year time deposit offered by the Directorate General of the Postal Remittances and Savings Bank less 0.245% of annual interest. In the event of failure to meet the requirements of the aforementioned Guidelines of Project Loans during the loan period, the interest rate will be changed to the floating interest rate on a 2-year time deposit offered by the Directorate General of the Postal Remittances and Savings Bank plus 0.255% of annual interest.

- A. For the three months and six months ended June 30, 2026 and 2025, the amounts of interest expense recognised in profit or loss were \$1,718, \$5,356, \$9,590 and \$10,619, respectively.
- B. Under the credit contract with certain banks, the Group is required to review financial ratios or values such as current ratio, net tangible assets, interest coverage ratio, and debt ratio in the latest consolidated financial statements at certain times during the credit period. As of the reporting date, the Group did not violate any of the related financial conditions.
- C. Information about the assets that were pledged for long-term borrowings as collateral is provided in Note 8.

(17) Pensions

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. For the Company's domestic employees who are covered by the Labor Pension Act, the Company and its domestic subsidiaries contribute monthly an amount equal to 10% before May 2025 and 6.58% thereafter 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) For the three months and six months ended June 30, 2026 and 2025, the Company recognised pension costs in the amounts of \$3,104, \$2,215, \$6,208 and \$4,431, respectively.

(c) The Company expects to pay contributions for the pension plan in the amount of \$13,135 in the succeeding one year.

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 Company’s mainland China subsidiary, Value-Plus Technology (Suzhou) Co. (Value-Plus (Suzhou)), has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Company has no further obligations. Other foreign subsidiaries contributed to related pension management plans according to local regulations.

(c) The pension costs under the defined contribution pension plan of the Company for the three months and six months ended June 30, 2026 and 2025 were \$37,294, \$36,217, \$74,602 and \$70,520, respectively.

(18) Share-based payment

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

Type of arrangement	Grant date	Quantity Granted	Contract period	Vesting conditions
Restricted stocks to employees	2024.5.15	5,000 thousand shares	3 years	Note

Note: The service time limit and performance conditions were as follows:

(a) After employees obtain employee restricted shares, starting from the effective date of capital increase, if employees are on-the-job when the vested period has expired, and did not violate service contract of the Company, working rules and be penalized, the employees can receive employee restricted shares proportionally based on the following length of services and performance conditions.

- Service for one year after distribution and score over “A” rating in the last performance evaluation before the maturity of period, 30% of the distributed shares;
- Service for two years after distribution and score over “A” rating in the last performance evaluation before the maturity of period, 30% of the distributed shares;
- Service for three years after distribution and score over “A” rating in the last performance evaluation before the maturity of period, 40% of the distributed shares.

Restrictions on the rights and vesting conditions of restricted shares for employees were as follows:

(a) The restricted shares which the employees will obtain shall be directly kept in the designated trust institution when the restricted shares were granted to the employees, which the employee cannot request to return the restricted shares for any reasons or ways before reaching the vesting conditions.

- (b) Before accomplishing the vesting conditions when the restricted shares were granted to the employees, except for inheritance, the employee cannot sell, pledge, transfer, gift, set or dispose the restricted shares in other ways.
- (c) Before the employee accomplishes the vesting conditions when the restricted shares were granted to the employees, the attendance, proposal, speaking, right of voting, election, and other matters associated with shareholders' meeting are similar with the ordinary shares that has been issued and are executed based on the trust custody contracts.
- (d) Before the employee accomplishes the vesting conditions, other rights including but not limited to dividends, bonus, the distribution rights of legal reserve and capital surplus, and share options of cash capital, etc., are the same as the Company's issued ordinary shares. The related procedures are executed based on the trust custody contracts.
- (e) From the book closure date of issuance of bonus shares, cash dividends, issuance of common stock for cash and shareholders' meeting are regulated by Article 165-3 of the Company Law, or other facts that has occurred to the date of rights allocation. The unrestricted shares of the employees that have achieved the vesting conditions during the aforementioned period still have no rights to obtain dividends or allotment. The time and procedures of rescinding restrictions on the vested shares are executed based on the trust custody contracts or related regulations.
- B. Details of the share-based payment arrangements are as follows: (unit: thousand share)

	2026	2025
At January 1	3,192	4,920
Options vested	(1,314)	(1,260)
Called back in the period (Note)	(28)	-
At June 30	1,850	3,660

Note: The Group retrieved and canceled 28 thousand shares of issued restricted employee shares for the six months ended June 30, 2026, and the change registration has been completed.

- C. On May 15, 2024, the fair value of share-based payments transaction which was given by the Group was \$59.1 per share.
- D. For the three months and six months ended June 30, 2026 and 2025, the Group recognised expenses due to share-based payment transactions in the amounts of \$14,330, \$31,096, \$31,713 and \$72,822, respectively.

(19) Current provisions

	2026		
	Warranty	Carbon fees	Total
At January 1	\$ 46,142	\$ 4,528	\$ 50,670
Provisions during the period	32,887	2,908	35,795
Used during the period	(16,377)	(4,317)	(20,694)
Unused amounts reversed	(14,918)	(211)	(15,129)
At June 30	\$ 47,734	\$ 2,908	\$ 50,642

	2025		
	Warranty	Carbon fees	Total
At January 1	\$ 64,554	\$ -	\$ 64,554
Provisions during the period	25,809	535	26,344
Used during the period	(21,555)	-	(21,555)
Unused amounts reversed	(6,247)	-	(6,247)
At June 30	<u>\$ 62,561</u>	<u>\$ 535</u>	<u>\$ 63,096</u>

A. The Group gives warranties on the products sold. Provision for warranty is estimated based on historical warranty data of the products.

B. As of June 30, 2026 and December 31, 2025, the Company has applied for self-determined reduction plan which had been approved by the regulatory authorities. The Company assesses that certain plants are highly probable to reach the designated target for the year ended December 31, 2026 and 2025. Therefore, provision for carbon fees is recognised based on the preferential rate, and other plants are recognised based on the standard rate of the charging rates of carbon fees.

As of June 30, 2025, the Company has applied for self-determined reduction plan which has not yet been approved by the regulatory authorities. The Company assesses that it is highly probable to obtain approval from the regulatory authorities and reach the designated target for the year ended December 31, 2025. Therefore, provision for carbon fees is recognised based on the preferential rate.

(20) Share capital

A. On June 30, 2026, the Company's authorised capital was \$20,000,000, consisting of 2,000,000 thousand shares (including the number of option certificates which can be purchased), and will be issued in several times. The shares which were not issued can be issued in common shares and preference shares in several times based on the Company's business requirement, 90,000 thousand shares will be retained for option certificates. As of June 30, 2026, the Company's paid-in capital was \$6,589,483, consisting of 658,948 thousand common shares with a par value of NT\$10 (in dollars) per share. All proceeds from shares issued have been collected.

(a) Movements in the number of the Company's ordinary shares outstanding are as follows:
(thousand shares)

	2026	2025
Shares outstanding at January 1	655,784	555,308
Restricted shares not yet vested at the beginning of the period	3,192	4,920
Restricted shares called back but not yet cancelled at the beginning of the period	28	80
Shares issued at January 1	659,004	560,308
Cancellation of employee restricted shares (Note 1)	(56)	(80)
Shares issued at June 30	658,948	560,228
Restricted shares not vested issued to employees	(1,850)	(3,660)
Shares outstanding at June 30	<u>657,098</u>	<u>556,568</u>

(b) Movements in the number of the Company's preference shares outstanding are as follows:
(thousand shares)

	2026	2025
Shares outstanding at January 1 and June 30 (Note 3)	\$ -	\$ 180,180

Note 1: For the year ended December 31, 2025, the Company redeemed the issued restricted shares of 28 thousand shares with a par value of \$10 (in dollars). On February 25, 2026, the Board of Directors approved the effective date for the retirement of shares due to the capital reduction, and the registration procedures has been completed.

For the year ended December 31, 2024, the Company redeemed the issued restricted shares of 80 thousand shares with a par value of \$10 (in dollars). On February 26, 2025, the Board of Directors approved the effective date for the retirement of shares due to the capital reduction, and the registration procedures has been completed.

Note 2 : For the six months ended June 30, 2026, the Company redeemed the issued restricted shares of 28 thousand shares with a par value of \$10 (in dollars) per share. The Board of Directors approved the effective date for the retirement of shares due to the capital reduction on April 28, 2026. The relevant registration procedures are in progress, and the registration was completed.

Note 3 : On October 29, 2025, the Board of Directors resolved that the Company repurchase 81,180 thousand class C preferred shares at a repurchase price of \$11.10 (in dollars) per share, amounting to NT\$901,098 thousand, and decreased capital by cancelling 81,180 thousand shares amounting to NT\$901,098 thousand in accordance with the laws. The record date for the capital reduction was set on November 13, 2025, and the registration was completed.

Note 4 : During December 2025, the Company's shareholders of Class C preferred shares applied to transfer 99,000 thousand privately placed Class C preferred shares into 99,000 thousand privately placed ordinary shares. The Company delivered the shares on December 29, 2025. On February 25, 2026, the Board of Directors resolved to set the effective date of capital reduction for Class C preferred shares on February 25, 2026, and the effective date of issuance for new ordinary shares was February 25, 2026. The registration was completed. Refer to Note 6(20) B. (e) for details of rights and obligations after Class C preferred shares were transferred into ordinary shares. Additionally, on February 25, 2026, the Board of Directors also resolved that 99,000 thousand privately placed ordinary shares were offered publicly and were applied for listing on the stock exchange, which became effective upon filing with the Taiwan Stock Exchange on May 8, 2026.

B. On December 3, 2020, the Company's shareholders in the extraordinary meeting approved to issue 180,180 thousand class C preferred shares in private placement with a par value of \$10 and issued at \$11.1 per share. The paid-in capital was \$1,801,800 thousand. The effective date of capital increase was set on December 21, 2020 in accordance with the Securities and Exchange Act Article 43-6.

According to the Company's Articles of Incorporation, the rights and obligations of preferred share were as follows:

- (a) The distribution of earnings was based on the Company's Articles of Incorporation, current year or current quarter and accumulated undistributable dividend shall be appropriated to class B preferred shares in the first priority, then, appropriated to class C preferred shares in the second priority.
- (b) The annual dividend rate of class C preferred shares was 2% which was calculated at the issuance price per share and paid in cash, the ex-dividend date of preferred dividend was authorised to be determined by the Board of Directors. The issuance number in issuance year or quarter and recovered year or quarter were calculated at the actual issuance number of days.
- (c) If the expected dividend distribution amount of common share exceeds the dividend amount of class C preferred shares in the current year or quarter, the shareholders of class C preferred shares can participate in the distribution until the dividend amount of class C preferred shares are the same as common share per share.
- (d) The Company has discretion in dividend distribution of Class C preferred shares. If the Company has no or has insufficient current year's earnings for distribution or has other necessary considerations, the Company can resolve not to distribute dividend to class C preferred shares and it will not default, and the shareholders of class C preferred shares cannot object. Class C preferred shares are non-cumulative, and the amount of dividends which were not distributed or insufficient will not be made up in the profitable year or quarter thereafter.
- (e) Starting from the next day of five years after issuance, the shareholders of class C preferred shares can transfer the preferred share to common share at a transfer ratio of 1:1. After the transfer of preferred share to common share, the rights and obligations (excluding the transfer restriction by regulation and not listed) were the same as other outstanding common share of the Company. For class C preferred shares which have been transferred into common shares before the ex-right (ex-dividend) date in the current year or quarter can participate in the common share distribution of earnings or reserves in the current year or quarter and cannot participate in the dividend distribution of preferred shares in the current year or quarter. For class C preferred shares which have been transferred into common shares after the ex-right (ex-dividend) date in the current year or quarter can participate in the dividend distribution of preferred share in the current year or quarter and cannot participate in the dividend distribution of earnings or capital reserves in the current year or quarter. Preferred dividends will not be repeatedly appropriated if it is distributed in the same year or quarter with common stock dividends.
- (f) The shareholders of class C preferred shares have no voting right in the common shareholders' meeting and cannot be elected as directors (including independent directors). However, the shareholders of class C preferred shares have voting right in preferred shareholders' meeting and matters of preferred shareholders' right.
- (g) When it comes to appropriating residual assets of Company, class C preferred shares have priority over common shares and next to class B preferred shares. However, the amount was limited to the issuance price plus total amount of unpaid dividend.

- (h) Class C preferred shares have no expiry date, and the shareholders of class C preferred shares have no right to require the Company to call back class C preferred shares or transfer the class C preferred share into common share in advance. However, the Company can call back in cash at actual issuance price, mandatorily transfer by issuing new shares or call back all or some class C preferred shares in other ways permitted by regulations on the next day after three years. The rights and obligations of class C preferred shares which have not been called will continue until the Company calls back. In the current year of calling back the class C preferred shares, if the Company's shareholders resolve to appropriate dividends, the amount of dividends which have to be distributed as of the date of call back will be calculated according to the actual days of issuance in the current year.
- (i) The preemptive rights for stockholders of class C preferred shares are the same as of common shares when the Company increases its capital by issuing shares.
- (j) Class C preferred shares were not listed and traded in the issuance period, however, if all or some were transferred into common shares, the Board of Directors was authorised to apply for public offering and listing to the authorisation according to the current situation and related regulations.
- (k) Refer to Note 6(20) A. (b) for details of Class C preferred shares which were called back and transferred, and public offering of ordinary shares which were transferred from Class C preferred shares.

(21) Capital surplus

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

	June 30, 2026	December 31, 2025	June 30, 2025
Premium on issuance of common shares	\$ 290,167	\$ 212,999	\$ 91,414
Stock options of convertible bonds	204,301	-	-
Employee restricted shares	62,246	140,499	165,743
Premium on issuance of preferred shares	-	-	198,198
Difference between consideration and carrying amount of subsidiaries acquired or disposed	16,940	16,940	16,940
Changes in ownership interests in subsidiaries	4,708	4,708	4,708
	<u>\$ 578,362</u>	<u>\$ 375,146</u>	<u>\$ 477,003</u>

(22) 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 and then 10% of the remaining amount shall be set aside as legal reserve. For setting aside or reversal for special reserve in accordance with related laws or Competent Authority's regulations, if any, the Board of Directors should propose the distribution of the remaining earnings along with prior accumulated undistributed earnings for the approval of the shareholders. The shareholders resolved for earnings to be appropriated in the form of cash, and was resolved by the Board of Directors and reported to shareholders in accordance with Article 228-1 and paragraph 5 of Article 240 of the Company Act.
- B. The industry environment of the Company is constantly changing and the enterprise is in the growth stage of its life cycle. Considering the Company's future capital requirement and long-term financial plan and satisfying shareholders' demand for cash inflow, the expected appropriation amount in the current year shall not be lower than 10% of accumulated distributable amount. However, if the accumulated distributable earnings is lower than 1% of paid-in capital, the earnings cannot be appropriated, and the cash dividend shall not be lower than 10% of total dividend.
- C. According to the Company Act, the distribution to legal reserve shall continue until the total amount equals to total capital. Legal reserve is used to offset accumulated deficit. If the Company has no deficits, 25% of the part of legal reserve exceeding the paid-in capital can be used to issue new stocks or cash to shareholders in proportion to their share ownership.
- D. Following the adoption of TIFRS, the FSC on April 6, 2012 issued Order No. Financial-Supervisory- Securities-Corporate-1010012865, which sets out the following provisions for compliance: On a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that a company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserve. Following a company's adoption of the TIFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements in the preceding point, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.
- E. On February 26, 2025, the Board of Directors resolved the earnings appropriation for the year ended December 31, 2024 with a common share dividend of 1 per share and the total amount was \$560,228; and with Class C preferred stock dividend of 1 per share. The total dividends amounted to \$180,180. On May 29, 2025, the earnings appropriation for the year ended December 31, 2024 were reported to shareholders.
- F. On February 25, 2026, the Board of Directors resolved the earnings appropriation for the year ended December 31, 2025 with a common share dividend of 1 per share and the total amount was \$658,976; and the year of calling back of Class C preferred shares was calculated at the actual issuance number of days, and the Class C preferred stock dividend amounted to \$15,603. On May 29, 2026, the earnings appropriation for the year ended December 31, 2025 were reported to shareholders.

(23) Operating revenue

	Three months ended June 30	
	2026	2025
Revenue from contracts with customers		
IC packaging and testing service revenue	\$ 3,133,787	\$ 3,015,169
Electronics manufacturing service revenue	2,269,803	2,212,012
Other operating revenue	72,628	36,707
	<u>\$ 5,476,218</u>	<u>\$ 5,263,888</u>
	Six months ended June 30	
	2026	2025
Revenue from contracts with customers		
IC packaging and testing service revenue	\$ 5,852,318	\$ 5,337,108
Electronics manufacturing service revenue	4,363,177	3,930,773
Other operating revenue	121,199	73,483
	<u>\$ 10,336,694</u>	<u>\$ 9,341,364</u>

A. Disaggregation of revenue from contracts with customers

<u>Three months ended June 30, 2026</u>	Semiconductor		
	Group	EMS Group	Total
IC packaging and testing service revenue	\$ 3,133,787	\$ -	\$ 3,133,787
Manufacture of electronic products	-	2,269,803	2,269,803
Others	33,151	39,477	72,628
	<u>\$ 3,166,938</u>	<u>\$ 2,309,280</u>	<u>\$ 5,476,218</u>
Timing of revenue recognition:			
Over time	\$ 3,133,787	\$ -	\$ 3,133,787
At a point in time	33,151	2,309,280	2,342,431
	<u>\$ 3,166,938</u>	<u>\$ 2,309,280</u>	<u>\$ 5,476,218</u>
<u>Three months ended June 30, 2025</u>	Semiconductor		
	Group	EMS Group	Total
IC packaging and testing service revenue	\$ 3,015,169	\$ -	\$ 3,015,169
Manufacture of electronic products	-	2,212,012	2,212,012
Others	4,853	31,854	36,707
	<u>\$ 3,020,022</u>	<u>\$ 2,243,866</u>	<u>\$ 5,263,888</u>
Timing of revenue recognition:			
Over time	\$ 3,015,169	\$ -	\$ 3,015,169
At a point in time	4,853	2,243,866	2,248,719
	<u>\$ 3,020,022</u>	<u>\$ 2,243,866</u>	<u>\$ 5,263,888</u>

	Semiconductor		
Six months ended June 30, 2026	Group	EMS Group	Total
IC packaging and testing service revenue	\$ 5,852,318	\$ -	\$ 5,852,318
Manufacture of electronic products	-	4,363,177	4,363,177
Others	39,389	81,810	121,199
	<u>\$ 5,891,707</u>	<u>\$ 4,444,987</u>	<u>\$ 10,336,694</u>
Timing of revenue recognition:			
Over time	\$ 5,852,318	\$ -	\$ 5,852,318
At a point in time	39,389	4,444,987	4,484,376
	<u>\$ 5,891,707</u>	<u>\$ 4,444,987</u>	<u>\$ 10,336,694</u>

	Semiconductor		
Six months ended June 30, 2025	Group	EMS Group	Total
IC packaging and testing service revenue	\$ 5,337,108	\$ -	\$ 5,337,108
Manufacture of electronic products	-	3,930,773	3,930,773
Others	15,539	57,944	73,483
	<u>\$ 5,352,647</u>	<u>\$ 3,988,717</u>	<u>\$ 9,341,364</u>
Timing of revenue recognition:			
Over time	\$ 5,337,108	\$ -	\$ 5,337,108
At a point in time	15,539	3,988,717	4,004,256
	<u>\$ 5,352,647</u>	<u>\$ 3,988,717</u>	<u>\$ 9,341,364</u>

B. Contract assets and liabilities

(a) The Group has recognised the following revenue-related contract assets and liabilities:

	June 30, 2026	December 31, 2025	June 30, 2025
Current contract assets			
IC packaging and testing service	<u>\$ 461,329</u>	<u>\$ 459,006</u>	<u>\$ 446,153</u>
Current contract liabilities			
IC packaging and testing service	\$ 95,805	\$ 50,809	\$ 54,780
Manufacture of electronic products	9,083	9,306	9,535
	<u>\$ 104,888</u>	<u>\$ 60,115</u>	<u>\$ 64,315</u>

Note: As of January 1, 2025, the Group recognised current contract liabilities in the amount of \$74,509.

(b) Information relating to credit risk of contract assets is provided in Note 12(2).

(c) For the three months and six months ended June 30, 2026 and 2025, revenue recognised that was included in the contract liability balance at the beginning of the period amounted to \$1,514, \$2,164, \$2,901 and \$3,957, respectively.

(24) Interest income

	Three months ended June 30	
	2026	2025
Interest income from bank deposits	\$ 10,637	\$ 14,143
	Six months ended June 30	
	2026	2025
Interest income from bank deposits	\$ 16,687	\$ 21,662

(25) Other income

	Three months ended June 30	
	2026	2025
Service revenue	\$ 3,737	\$ 2,631
Rental revenue	1,172	2,274
Dividend income	84,896	101,250
Other income	24,414	2,257
	<u>\$ 114,219</u>	<u>\$ 108,412</u>
	Six months ended June 30	
	2026	2025
Service revenue	\$ 8,781	\$ 6,438
Rental revenue	2,449	4,683
Dividend income	84,896	101,250
Other income	37,148	5,929
	<u>\$ 133,274</u>	<u>\$ 118,300</u>

(26) Other gains and losses

	Three months ended June 30	
	2026	2025
Gains on disposals of property, plant and equipment	\$ 608	\$ 217
Net currency exchange gains (losses)	5,150	(128,936)
Net losses on financial assets at fair value through profit or loss	-	-
Others	(7,847)	(895)
	<u>(\$ 2,089)</u>	<u>(\$ 129,614)</u>
	Six months ended June 30	
	2026	2025
Gains on disposals of property, plant and equipment	\$ 1,016	\$ 260
Net currency exchange gains (losses)	10,921	(107,670)
Net losses on financial assets at fair value through profit or loss	(1,000)	-
Others	(7,991)	(895)
	<u>\$ 2,946</u>	<u>(\$ 108,305)</u>

(27) Finance costs

	Three months ended June 30	
	2026	2025
Interest expense on borrowings from financial institutions	\$ 2,899	\$ 5,356
Interest expense on lease liability	752	397
Interest expenses on corporate bonds	12,170	-
Others	-	2
	15,821	5,755
Less: Capitalisation of qualifying assets	(950)	(1,953)
	<u>\$ 14,871</u>	<u>\$ 3,802</u>
	Six months ended June 30	
	2026	2025
Interest expense on borrowings from financial institutions	\$ 14,614	\$ 10,645
Interest expense on lease liability	1,536	804
Interest expenses on corporate bonds	13,867	-
Others	-	4
	30,017	11,453
Less: Capitalisation of qualifying assets	(4,050)	(3,530)
	<u>\$ 25,967</u>	<u>\$ 7,923</u>

(28) Expenses by nature

	Three months ended June 30	
	2026	2025
Employee benefit expense	\$ 1,325,829	\$ 1,281,375
Depreciation charges on property, plant and equipment	270,760	238,714
Depreciation expense on right-of-use assets	5,782	3,295
Amortisation charges on intangible assets	12,255	14,872
	Six months ended June 30	
	2026	2025
Employee benefit expense	\$ 2,595,404	\$ 2,442,892
Depreciation charges on property, plant and equipment	543,305	459,426
Depreciation expense on right-of-use assets	11,580	6,610
Amortisation charges on intangible assets	23,612	29,052

(29) Employee benefit expense

	Three months ended June 30	
	2026	2025
Salary expenses	\$ 1,048,892	\$ 1,007,526
Labour and health insurance fees	110,676	103,304
Pension costs	40,398	38,432
Directors' remuneration	6,010	5,610
Compensation cost of employee restricted shares	14,330	31,096
Other personnel expenses	105,523	95,407
	<u>\$ 1,325,829</u>	<u>\$ 1,281,375</u>
	Six months ended June 30	
	2026	2025
Salary expenses	\$ 2,042,663	\$ 1,908,533
Labour and health insurance fees	221,314	199,275
Pension costs	80,810	74,951
Directors' remuneration	10,300	9,230
Compensation cost of employee restricted shares	31,713	72,822
Other personnel expenses	208,604	178,081
	<u>\$ 2,595,404</u>	<u>\$ 2,442,892</u>

Under the Company's Articles of Incorporation, the current year's pre-tax profit, net of employees' compensation and directors' remuneration, shall be first used to offset accumulated deficits, then appropriate 10%~15% for employees' compensation with no less than 35% thereof distributed to junior-level employees and no more than 1% for remuneration to directors.

A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by at least two-thirds of the total number of directors, has the determination of distribution ratios of employees' compensation and directors' remuneration and the abovementioned employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting. The profit distributable as employees' compensation distributed can be in the form of shares or in cash. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation.

For the three months and six months ended June 30, 2026 and 2025, the employees' compensation and directors' remuneration were estimated and accrued based on certain proportion of distributable profit of current year amounting to \$49,900, \$45,900, \$82,700 and \$72,000; as well as \$4,990, \$4,590, \$8,260 and \$7,190, respectively.

Employees' compensation of \$186,500 and directors' remuneration of \$18,640 of 2025 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2025 financial statements. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

A. Income tax expense

(a) Components of income tax expense:

Three months ended June 30		
	2026	2025
Current tax:		
Current tax on profits for the period	\$ 75,323	\$ -
Prior year income tax underestimation	19,518	3,836
Total current tax	94,841	3,836
Deferred tax:		
Origination and reversal of temporary differences	(49,774)	17,993
Total deferred tax	(49,774)	17,993
Income tax expense	\$ 45,067	\$ 21,829
Six months ended June 30		
	2026	2025
Current tax:		
Current tax on profits for the period	\$ 75,323	\$ -
Prior year income tax underestimation	19,518	3,836
Total current tax	94,841	3,836
Deferred tax:		
Origination and reversal of temporary differences	7,242	62,071
Total deferred tax	7,242	62,071
Income tax expense	\$ 102,083	\$ 65,907

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

Three months ended June 30		
	2026	2025
Currency translation differences	(\$ 130)	(\$ 7,384)
Six months ended June 30		
	2026	2025
Currency translation differences	\$ 1,212	(\$ 6,627)

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

(31) Earnings per share

Three months ended June 30, 2026			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 408,194		
Less: Dividends on class C preferred shares	-		
Profit attributable to ordinary shareholders of the parent (Note)	<u>\$ 408,194</u>	<u>656,463</u>	<u>\$ 0.62</u>
<u>Diluted earnings per share</u>			
Profit attributable to the parent	\$ 408,194	656,463	
Less: Dividends on class C preferred shares	-		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,540	
Employee restricted stock	-	1,935	
Convertible bond	<u>12,170</u>	<u>49,702</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 420,364</u>	<u>709,640</u>	<u>\$ 0.59</u>
Three months ended June 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 387,193		
Less: Dividends on class C preferred shares	(85,223)		
Profit attributable to ordinary shareholders of the parent (Note)	<u>\$ 301,970</u>	<u>555,945</u>	<u>\$ 0.54</u>
<u>Diluted earnings per share</u>			
Profit attributable to the parent	\$ 387,193	555,945	
Less: Dividends on class C preferred shares	(85,223)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,875	
Employee restricted stock	-	1,182	
Convertible preferred stock	<u>85,223</u>	<u>180,180</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 387,193</u>	<u>739,182</u>	<u>\$ 0.52</u>

Six months ended June 30, 2026			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 642,824		
Less: Dividends on class C preferred shares	(15,603)		
Profit attributable to ordinary shareholders of the parent (Note)	<u>\$ 627,221</u>	<u>656,126</u>	<u>\$ 0.96</u>
<u>Diluted earnings per share</u>			
Profit attributable to the parent	\$ 642,824	656,126	
Less: Dividends on class C preferred shares	(15,603)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,574	
Employee restricted stock	-	2,282	
Convertible bond	<u>14,867</u>	<u>28,833</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 642,088</u>	<u>689,815</u>	<u>\$ 0.93</u>
Six months ended June 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 574,472		
Less: Dividends on class C preferred shares	(126,444)		
Profit attributable to ordinary shareholders of the parent (Note)	<u>\$ 448,028</u>	<u>555,629</u>	<u>\$ 0.81</u>
<u>Diluted earnings per share</u>			
Profit attributable to the parent	\$ 574,472	555,629	
Less: Dividends on class C preferred shares	(126,444)	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,271	
Employee restricted stock	-	1,490	
Convertible preferred stock	<u>126,444</u>	<u>180,180</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 574,472</u>	<u>740,570</u>	<u>\$ 0.78</u>

Note : The Company issued two classes of equity instruments, including ordinary shares, class C preferred shares. Since class C preferred shares are non-cumulative and participating equity instruments before conversion (refer to Note 6(20)B. (c) for the related terms of issuance), the Company assumed that ordinary shares and participating equity instruments would share in earnings until all of the profit or loss for the period had been distributed when calculating the profit or loss attributable to ordinary shareholders of the parent.

(32) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Six months ended June 30	
	2026	2025
Purchase of property, plant and equipment	\$ 1,699,901	\$ 988,138
Increase in prepayments for business facilities	38,349	121,538
Add: Opening balance of payable on equipment and construction	519,581	534,253
Less: Ending balance of payable on equipment and construction	(781,124)	(495,096)
Cash paid during the period	<u>\$ 1,476,707</u>	<u>\$ 1,148,833</u>

Note : Payable on equipment and construction was shown as 'other payables'.

B. Investing and financing activities with no cash flow effects:

	Six months ended June 30	
	2026	2025
Increase in right-of-use assets	\$ 3,035	\$ -
Less: Increase in lease liabilities	(3,035)	-
	<u>\$ -</u>	<u>\$ -</u>
Prepayments for business facilities transferred to property, plant and equipment	<u>\$ 686,915</u>	<u>\$ 709,182</u>
Prepayments for business facilities transferred to intangible assets	<u>\$ -</u>	<u>\$ 1,362</u>
Intangible assets transferred to other current assets	<u>\$ 15</u>	<u>\$ 10</u>
Long-term borrowings, current portion	<u>\$ 174,336</u>	<u>\$ 465,872</u>
Cash dividends declared but yet to be paid	<u>\$ 674,579</u>	<u>\$ 740,408</u>
Cash dividends declared but yet to be received	<u>\$ 84,896</u>	<u>\$ 101,250</u>
Write-off of capital surplus due to retirement of share capital	<u>\$ 560</u>	<u>\$ 800</u>

(33) Changes in liabilities from financing activities

	January 1, 2026	Cash flows	Changes in foreign		June 30, 2026
			exchange rate	Others	
Short-term borrowings	\$ 320,704	(\$ 39,652)	\$ -	\$ -	\$ 281,052
Long-term borrowings	1,954,886	(1,566,123)	-	-	388,763
Lease liabilities	122,111	(10,824)	1,395	3,035	115,717
Bonds payable	-	2,544,388	-	(180,684)	2,363,704
Guarantee deposits received	15,837	(13,660)	2	-	2,179
Dividends payable	-	-	-	674,579	674,579

	January 1, 2025	Cash flows	Changes in foreign exchange rate	Others	June 30, 2025
Long-term borrowings	\$ 1,381,908	(\$ 18,111)	\$ -	\$ -	\$ 1,363,797
Lease liabilities	94,947	(6,497)	-	1,827	90,277
Guarantee deposits received	28,387	(10,528)	(7)	-	17,852
Dividends payable	-	-	-	740,408	740,408

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Chipbond Technology Corporation (Chipbond)	Entities with significant influence to the Group
Heng Yuan Investment Co., Ltd.	Other related party
CHIPBOND TECHNOLOGY MALAYSIA SDN. BHD. (CBMY)	Other related party

(2) Significant related party transactions

A. Sales

	Three months ended June 30	
	2026	2025
Entities with significant influence to the Group	\$ 1,904	\$ 223
Other related party	210	-
	<u>\$ 2,114</u>	<u>\$ 223</u>
	Six months ended June 30	
	2026	2025
Entities with significant influence to the Group	\$ 2,519	\$ 393
Other related party	423	-
	<u>\$ 2,942</u>	<u>\$ 393</u>

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection term is available to third parties.

B. Purchases

	Three months ended June 30	
	2026	2025
Entities with significant influence to the Group	\$ 1,542	\$ 937
	Six months ended June 30	
	2026	2025
Entities with significant influence to the Group	\$ 2,247	\$ 3,153

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment term is available to third parties.

C. Receivables from related parties

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Accounts receivable:			
Entities with significant influence to the Group	\$ 2,184	\$ -	\$ 408
Other related party	212	-	-
	<u>2,396</u>	<u>-</u>	<u>408</u>
Less: Loss allowance	(1)	-	-
	<u>\$ 2,395</u>	<u>\$ -</u>	<u>\$ 408</u>
Other receivables:			
Other related party	\$ -	\$ 41,710	\$ -
Entities with significant influence to the Group	84,896	4,533	101,250
	<u>\$ 84,896</u>	<u>\$ 46,243</u>	<u>\$ 101,250</u>

Receivables from related parties mainly arose from sales, cash dividends and property transactions. The terms for receivables from sales are 30~60 days after monthly billings. The receivables are unsecured in nature and bear no interest.

D. Payables to related parties

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Accounts payable:			
Entities with significant influence to the Group	\$ 2,513	\$ 2,853	\$ 1,111

Payables to related parties pertain to purchase of materials. The payment terms are 60 days after monthly billings. The payables bear no interest.

E. Others

	<u>Three months ended June 30</u>	
	<u>2026</u>	<u>2025</u>
Manufacturing expenses:		
Entities with significant influence to the Group	\$ 602	\$ -
	<u>Six months ended June 30</u>	
	<u>2026</u>	<u>2025</u>
Manufacturing expenses:		
Entities with significant influence to the Group	\$ 792	\$ -

F. Property transactions

Disposal of property, plant and equipment:

	<u>Three months ended June 30, 2026</u>		<u>Three months ended June 30, 2025</u>	
	Gain (loss) on		Gain (loss) on	
	<u>Disposal proceeds</u>	<u>disposal</u>	<u>Disposal proceeds</u>	<u>disposal</u>
Other related party	\$ -	\$ -	\$ -	\$ -
	<u>Six months ended June 30, 2026</u>		<u>Six months ended June 30, 2025</u>	
	Gain (loss) on		Gain (loss) on	
	<u>Disposal proceeds</u>	<u>disposal</u>	<u>Disposal proceeds</u>	<u>disposal</u>
Other related party	\$ 2,577	\$ 378	\$ -	\$ -

G. Lease transactions — lessor

	<u>Three months ended June 30</u>	
	<u>2026</u>	<u>2025</u>
Rental income:		
Entities with significant influence to the Group	\$ 1,080	\$ 1,116
	<u>Six months ended June 30</u>	
	<u>2026</u>	<u>2025</u>
Rental income:		
Entities with significant influence to the Group	\$ 2,159	\$ 2,232

Leasing transactions are made under mutual agreement, and the collection term is available to third parties. As of June 30, 2026, December 31, 2025 and June 30, 2025, advance rent receipts amounted to \$2,158, \$4,317 and \$2,232, respectively, and were shown as ‘other current liabilities, others’.

H. Leasing arrangements — lessee

	<u>Three months ended June 30</u>	
	<u>2026</u>	<u>2025</u>
Rental expense:		
Entities with significant influence to the Group	\$ 845	\$ 540
	<u>Six months ended June 30</u>	
	<u>2026</u>	<u>2025</u>
Rental expense:		
Entities with significant influence to the Group	\$ 1,751	\$ 1,080

Leasing transactions are made under mutual agreement, and the collection term is available to third parties.

I. Others

The dividends from the entities with significant influence to the Group that the Group recognised for the three months and six months ended June 30, 2026 and 2025 were \$84,896, \$101,250 and \$84,896, \$101,250, respectively. In addition, details of the Company's Class C preferred shares held by the entities with significant influence to the Group are provided in Note 6(20).

(3) Key management compensation

	Three months ended June 30	
	2026	2025
Short-term employee benefits	\$ 12,428	\$ 12,011
Post-employment benefits	135	135
Share-based payment	5,230	10,879
	<u>\$ 17,793</u>	<u>\$ 23,025</u>
	Six months ended June 30	
	2026	2025
Short-term employee benefits	\$ 22,405	\$ 21,109
Post-employment benefits	270	270
Share-based payment	12,343	24,839
	<u>\$ 35,018</u>	<u>\$ 46,218</u>

8. Pledged Assets

Pledged asset	Book value			Purpose
	June 30, 2026	December 31, 2025	June 30, 2025	
Property, plant and equipment				
- Buildings and structures	\$ 634,898	\$ 647,977	\$ 661,057	Credit line for short-term and long-term borrowings
Guarantee deposits paid	500	780	780	Customs guarantee or others
	<u>\$ 635,398</u>	<u>\$ 648,757</u>	<u>\$ 661,837</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

A. As of June 30, 2026, December 31, 2025 and June 30, 2025, the Company issued promissory notes of \$8,270,922, \$8,755,086 and \$8,678,787, respectively, as guarantees for bank loans.

B. As of June 30, 2026, December 31, 2025 and June 30, 2025, the Company issued promissory notes of \$1,215, \$1,215 and \$1,201, respectively, as guarantees for payments of raw materials and machineries purchased.

C. 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	<u>\$ 1,668,919</u>	<u>\$ 1,628,447</u>	<u>\$ 1,760,505</u>

D. Details of the commitments on financial terms under credit contracts with certain banks are provided in Note 6(16) B.

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 returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During the six months ended June 30, 2026, the Group's strategy, which was unchanged from 2025, was to balance overall capital structure. As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group's gearing ratio is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Total liabilities	\$ 10,245,168	\$ 9,560,032	\$ 9,163,846
Total assets	\$ 26,654,758	\$ 20,714,230	\$ 20,317,276
Gearing ratio	38%	46%	45%

(2) Financial instruments

A. Financial instruments by category

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 8,750	\$ -	\$ -
Financial assets measured at fair value through other comprehensive income			
Designation of equity instrument	\$ 6,621,994	\$ 1,833,683	\$ 1,441,800
Financial assets at amortised cost			
Cash and cash equivalents (excluding cash on hand)	\$ 3,029,209	\$ 2,718,687	\$ 3,437,604
Accounts receivable (including related parties)	4,174,708	4,650,711	5,120,169
Other receivables (including related parties)	221,038	146,415	183,796
Guarantee deposits paid	6,077	5,067	4,809
	\$ 7,431,032	\$ 7,520,880	\$ 8,746,378

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 281,052	\$ 320,704	\$ -
Accounts payable (including related parties)	3,900,231	5,280,166	5,223,196
Other payables	2,530,533	1,578,581	2,215,135
Bond payables	2,363,704	-	-
Long-term borrowings (including current portion)	388,763	1,954,886	1,363,797
Guarantee deposits received	2,179	15,837	17,852
	<u>\$ 9,466,462</u>	<u>\$ 9,150,174</u>	<u>\$ 8,819,980</u>
Lease liability (including current and non-current)	<u>\$ 115,717</u>	<u>\$ 122,111</u>	<u>\$ 90,277</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) The Group has established appropriate policies, procedures and internal controls in accordance with the relevant regulations to manage the aforementioned financial risks. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on the relevant regulations and internal control procedures. The Group complies with its financial risk management policies at all times.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations.
- ii. The Group's management hedges foreign exchange risk through natural hedges or derivative financial instruments (including forward foreign exchange contracts) to prevent decreases in value of assets denominated in foreign currencies and fluctuations in future cash flows. The use of these derivative financial instruments assists in decreasing the effect of foreign currency fluctuations but cannot eliminate the impact entirely. The Group's purpose to hold certain investments in foreign operations is for strategic investments; thus, the Group does not hedge those investments.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and 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										
(Foreign currency: functional currency)	Foreign currency amount		Book value	Sensitivity analysis						
	(In thousands)	Exchange rate		Degree of variation	Effect on profit or loss	Effect on other comprehensive income				
<u>Financial assets</u>										
<u>Monetary items</u>										
USD:NTD	\$	155,616	31.84	\$	4,954,813	1%	\$	49,548	\$	-
JPY:NTD		806,503	0.1964		158,397	1%		1,584		-
<u>Non-monetary items</u>										
USD:NTD		11,247	31.84		358,102	1%		-		3,581
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD:NTD		144,936	31.84		4,614,762	1%		46,148		-
JPY:NTD		796,912	0.1964		156,514	1%		1,565		-
December 31, 2025										
(Foreign currency: functional currency)	Foreign currency amount		Book value	Sensitivity analysis						
	(In thousands)	Exchange rate		Degree of variation	Effect on profit or loss	Effect on other comprehensive income				
<u>Financial assets</u>										
<u>Monetary items</u>										
USD:NTD	\$	137,202	31.40	\$	4,308,143	1%	\$	43,081	\$	-
JPY:NTD		513,882	0.2006		103,085	1%		1,031		-
<u>Non-monetary items</u>										
USD:NTD		10,062	31.40		315,960	1%		-		3,160
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD:NTD		138,960	31.40		4,363,344	1%		43,633		-
JPY:NTD		308,538	0.2006		61,893	1%		619		-

	June 30, 2025					
	Foreign currency amount		Book value	Sensitivity analysis		
	(In thousands)	Exchange rate	(NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	\$ 173,655	29.28	\$ 5,084,618	1%	\$ 50,846	\$ -
JPY:NTD	1,891,702	0.20365	385,245	1%	3,852	-
Non-monetary items						
USD:NTD	9,666	29.28	283,010	1%	-	2,830
Financial liabilities						
Monetary items						
USD:NTD	140,348	29.28	4,109,389	1%	41,094	-
JPY:NTD	559,817	0.20365	114,007	1%	1,140	-

- iv. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2026 and 2025 amounted to \$5,150, (\$128,936), \$10,921 and (\$107,670), 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. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.
- ii. The Group's investments in equity securities comprise shares issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the six months ended June 30, 2026 and 2025 would have increased/decreased by \$66,220 and \$14,418, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Group's long-term borrowings are floating-rate debts; therefore, the effective interest rate of its long-term borrowings will vary according to changes in market interest rates. If the market interest rate had increased/decreased by 25 basis points with all other variables held constant, post-tax profit for the six months ended June 30, 2026 and 2025 would have increased/decreased by \$389 and \$1,364, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the counterparties of financial instruments on the contract obligations. The Group is exposed to credit risk from its operating activities (mainly accounts receivable and notes receivable) and from its financing activities (mainly bank deposits and various financial instruments). The maximum exposure to aforementioned credit risk was the carrying amount of financial assets recognised in the consolidated balance sheet.
- ii. Customer credit risk is managed by each business unit in accordance with the Group's policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria, etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.
- iii. As of June 30, 2026, December 31, 2025 and June 30, 2025, the amounts of accounts and notes receivable from top ten customers constitute was 81%, 89% and 90% in each period, respectively, of the Group's total accounts receivable. The credit concentration risk of the remaining accounts and notes receivable is immaterial.

- iv. The Group's treasury manages the credit risks of bank deposits and other financial instruments based on the Group's credit policy. Because the Group's counterparties are determined based on the Group's internal control, only banks and companies with good credit rating and with no significant default risk are accepted. Consequently, there is no significant credit risk.
- v. 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. The default occurs when the contract payments are past due over 90 days.
- vi. The Group classifies customers' contract assets and notes and accounts receivable in accordance with credit rating of customer, geographic area and industry sector. The Group applies the simplified approach using a provision matrix to estimate the expected credit loss.
- vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On June 30, 2026, December 31, 2025 and June 30, 2025, the provision matrix classified by customers is as follows:

<u>June 30, 2026</u>		<u>Overdue</u>					
	<u>Not past due</u>	<u>Up to 30 days</u>	<u>31 to 60 days</u>	<u>61 to 90 days</u>	<u>91 to 180 days</u>	<u>Over 180 days</u>	<u>Total</u>
IC semiconductor group							
Gross carrying amount (Note)	\$ 2,681,139	\$ 226,249	\$ 19,029	\$ -	\$ 1	\$ 145	\$ 2,926,563
Lifetime expected credit losses	(1,382)	(226)	(28)	-	-	(145)	(1,781)
Carrying amount	<u>\$ 2,679,757</u>	<u>\$ 226,023</u>	<u>\$ 19,001</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 2,924,782</u>
Loss ratio	0.05%	0.10%	0.15%	0.20%	0.30%	100%	
		<u>Overdue</u>					
	<u>Not past due</u>	<u>Up to 30 days</u>	<u>31 to 60 days</u>	<u>61 to 90 days</u>	<u>91 to 180 days</u>	<u>Over 180 days</u>	<u>Total</u>
Electronics manufacturing services group							
Gross carrying amount	\$ 1,555,535	\$ 129,050	\$ 20,451	\$ 7,115	\$ 604	\$ -	\$ 1,712,755
Lifetime expected credit losses	(1,372)	(127)	(1)	-	-	-	(1,500)
Carrying amount	<u>\$ 1,554,163</u>	<u>\$ 128,923</u>	<u>\$ 20,450</u>	<u>\$ 7,115</u>	<u>\$ 604</u>	<u>\$ -</u>	<u>\$ 1,711,255</u>
Loss ratio	0%~0.05%	0%~0.10%	0%~0.15%	0%~0.20%	0%~0.30%	100%	
<u>December 31, 2025</u>		<u>Overdue</u>					
	<u>Not past due</u>	<u>Up to 30 days</u>	<u>31 to 60 days</u>	<u>61 to 90 days</u>	<u>91 to 180 days</u>	<u>Over 180 days</u>	<u>Total</u>
IC semiconductor group							
Gross carrying amount (Note)	\$ 2,430,756	\$ 111,525	\$ 28,265	\$ 26,871	\$ 32,019	\$ 145	\$ 2,629,581
Lifetime expected credit losses	(1,424)	(134)	(52)	(64)	(115)	(145)	(1,934)
Carrying amount	<u>\$ 2,429,332</u>	<u>\$ 111,391</u>	<u>\$ 28,213</u>	<u>\$ 26,807</u>	<u>\$ 31,904</u>	<u>\$ -</u>	<u>\$ 2,627,647</u>
Loss ratio	0.06%	0.12%	0.18%	0.24%	0.36%	100%	
		<u>Overdue</u>					
	<u>Not past due</u>	<u>Up to 30 days</u>	<u>31 to 60 days</u>	<u>61 to 90 days</u>	<u>91 to 180 days</u>	<u>Over 180 days</u>	<u>Total</u>
Electronics manufacturing services group							
Gross carrying amount	\$ 2,353,915	\$ 86,837	\$ 34,768	\$ 8,221	\$ -	\$ -	\$ 2,483,741
Lifetime expected credit losses	(1,510)	(93)	(48)	(20)	-	-	(1,671)
Carrying amount	<u>\$ 2,352,405</u>	<u>\$ 86,744</u>	<u>\$ 34,720</u>	<u>\$ 8,201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,482,070</u>
Loss ratio	0%~0.06%	0%~0.12%	0%~0.18%	0%~0.24%	0%~0.36%	100%	

June 30, 2025	Overdue						Total
	Not past due	Up to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	Over 180 days	
IC semiconductor group							
Gross carrying amount (Note)	\$ 2,629,870	\$ 84,334	\$ 9,132	\$ 46,174	\$ -	\$ 145	\$ 2,769,655
Lifetime expected credit losses	(2,127)	(135)	(22)	(148)	-	(145)	(2,577)
Carrying amount	\$ 2,627,743	\$ 84,199	\$ 9,110	\$ 46,026	\$ -	\$ -	\$ 2,767,078
Loss ratio	0.08%	0.16%	0.24%	0.32%	0.48%~25%	100%	
Electronics manufacturing services group							
	Not past due	Up to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	Over 180 days	Total
Gross carrying amount	\$ 2,688,126	\$ 102,786	\$ 5,009	\$ 290	\$ 4,779	\$ -	\$ 2,800,990
Lifetime expected credit losses	(1,575)	(158)	(7)	(1)	(5)	-	(1,746)
Carrying amount	\$ 2,686,551	\$ 102,628	\$ 5,002	\$ 289	\$ 4,774	\$ -	\$ 2,799,244
Loss ratio	0%~0.08%	0%~0.16%	0%~0.24%	0%~0.32%	0%~0.48%	100%	

Note: Including the total amount of current contract assets and accounts receivable.

- viii. Movements in relation to the Group applying the modified approach to provide loss allowance for contract assets, accounts receivable (including related parties) and other receivables are as follows:

	2026	2025
	Accounts receivable	Accounts receivable
At January 1	\$ 3,605	\$ 3,879
Provision for impairment	-	444
Reversal of impairment loss	(324)	-
Net exchange differences	-	-
At June 30	\$ 3,281	\$ 4,323

For provisioned loss for the three months and six months ended June 30, 2026 and 2025, there were no impairment losses arising from the contract assets and other receivables.

(c) Liquidity risk

- The Group's objective on liquidity risk management is to ensure the sufficiency of financial flexibility by maintaining cash and bank deposits for operations and adequate bank financing quota.
- As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group's total unused amounts of short-term borrowings were \$4,083,602, \$4,055,079 and \$4,275,733, respectively. The Group's total unused amounts of long-term borrowings were \$3,792,100, \$3,314,900 and \$4,223,300, respectively.
- The table below analyses the Group's non-derivative financial liabilities 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.

	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Total
<u>June 30, 2026</u>					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 282,057	\$ -	\$ -	\$ -	\$ 282,057
Accounts payable (including related parties)	3,900,231	-	-	-	3,900,231
Other payables	2,530,533	-	-	-	2,530,533
Bond payables	-	2,500,000	-	-	2,500,000
Long-term borrowings (including current portion)	152,845	33,745	221,069	-	407,659
Lease liabilities	25,200	43,582	10,456	51,937	131,175
	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Total
<u>December 31, 2025</u>					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 321,491	\$ -	\$ -	\$ -	\$ 321,491
Accounts payable (including related parties)	5,280,166	-	-	-	5,280,166
Other payables (including related parties)	1,578,581	-	-	-	1,578,581
Long-term borrowings (including current portion)	487,971	1,168,696	263,198	109,262	2,029,127
Lease liabilities	23,375	47,766	14,088	53,658	138,887
	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Total
<u>June 30, 2025</u>					
Non-derivative financial liabilities:					
Accounts payable (including related parties)	\$ 5,223,196	\$ -	\$ -	\$ -	\$ 5,223,196
Other payables (including related parties)	2,215,135	-	-	-	2,215,135
Long-term borrowings (including current portion)	485,031	629,180	283,604	11,753	1,409,568
Lease liabilities	12,911	21,216	15,532	55,379	105,038

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

(a) The carrying amounts of the Group's financial instruments not measured at fair value, including cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), guarantee deposits paid, short-term borrowings, accounts payable (including related parties), other payables, lease liabilities, long-term borrowings (including current portion) and guarantee deposits received, are approximate to their fair values :

June 30, 2026				
Fair value				
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities				
Bond payable	\$ 2,363,704	\$ -	\$ -	\$ 2,350,250

There were no such transactions on December 31, 2025 and June 30, 2025.

(b) The methods and assumptions of fair value estimate are as follows:

Bonds payable: They are measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date.

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

(a) The related information of nature of the asset and liabilities is as follows:

<u>June 30, 2026</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Call options of convertible bonds	\$ -	\$ -	\$ 8,750	\$ 8,750
Financial assets at fair value through other comprehensive income				
Equity securities	\$6,412,680	\$ -	\$ 209,314	\$ 6,621,994
<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$1,715,180	\$ -	\$ 118,503	\$ 1,833,683
<u>June 30, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$1,441,800	\$ -	\$ -	\$ 1,441,800

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

- i. The fair value of equity instruments without active market (such as unlisted shares) was measured by applying a market approach based on the prices and other relevant information (such as the discount for lack of marketability and inputs like price to earnings ratio or price to book ratio) arising from the market transactions of the Company's same or comparable equity instruments. Additionally, for equity instruments that lack sufficient or appropriate observable market information and comparable counterparties, net asset value is used to measure the profitability of underlying investments.
- ii. The fair value of derivative financial instrument options that do not have a quoted market price in an active market was measured by applying a binary tree valuation model.
- iii. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3)VIII.

D. For the six months 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 months ended June 30, 2026 and 2025:

	June 30, 2026		
	Derivative equity	Non-derivative equity	Total
At January 1	\$ -	\$ 118,503	\$ 118,503
Issued in the period	9,750	-	9,750
Gains and losses recognised in profit or loss	(1,000)	-	(1,000)
Losses recognised in other comprehensive income	-	90,811	90,811
	<u>\$ 8,750</u>	<u>\$ 209,314</u>	<u>\$ 218,064</u>
Movement of unrealised gain or loss in profit or loss of assets held as at June 30, 2026	<u>(\$ 1,000)</u>	<u>\$ -</u>	<u>(\$ 1,000)</u>

Note : Recognized under 'other gains and losses'.

For the six months ended June 30, 2025, there were no such transactions.

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

G. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to frequently evaluate and measure fair value of financial instruments.

H. 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)
Derivative instrument:				
Call options of convertible bonds	\$ 8,750	Binary tree convertible valuation model	Stock price Volatility Risk discount rate	53.7 dollars 56.75% 2.3030%
Non-derivative equity instrument:				
Unlisted shares	\$ 209,314	Net assets value	Net assets value	N/A

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (Weighted average)
Non-derivative equity instrument:				
Unlisted shares	\$ 118,503	Net assets value	Net assets value	N/A
	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range (Weighted average)
Non-derivative equity instrument:				
Unlisted shares	\$ -	Net assets value	Net assets value	N/A

I. 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 from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

		June 30, 2026					
		Recognised in profit or loss		Recognised in other comprehensive income			
		Favourable change	Unfavourable change	Favourable change	Unfavourable change		
Input	Change						
Financial assets							
Derivative instruments	Stock price volatility	± 5%	\$ 1,500	(\$ 1,500)	\$ -	\$ -	-
Equity instruments	Net assets value	± 1%	-	-	2,093	(2,093)	
			<u>\$ 1,500</u>	<u>(\$ 1,500)</u>	<u>\$ 2,093</u>	<u>(\$ 2,093)</u>	
		December 31, 2025					
		Recognised in profit or loss		Recognised in other comprehensive income			
		Favourable change	Unfavourable change	Favourable change	Unfavourable change		
Input	Change						
Financial assets							
Equity instruments	Net assets value	± 1%	\$ -	\$ -	\$ 1,185	(\$ 1,185)	
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,185</u>	<u>(\$ 1,185)</u>	
		June 30, 2025					
		Recognised in profit or loss		Recognised in other comprehensive income			
		Favourable change	Unfavourable change	Favourable change	Unfavourable change		
Input	Change						
Financial assets							
Equity instruments	Net assets value	± 1%	\$ -	\$ -	\$ -	\$ -	
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

13. Supplementary Disclosures

(1) Significant transactions information

- Loans to others: Please refer to table 1.
- Provision of endorsements and guarantees to others: None.
- Holding of significant marketable securities at the end of the period: Please refer to table 2.
- Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- Significant inter-company transactions during the reporting periods: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 4.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 6.

14. Segment Information

(1) General information

For management purpose, the Group separated operating units based on business which operates individually from the main business in each region. The Group was divided into the following two reportable segments:

A. IC semiconductor group: This segment mainly provides IC packaging and testing services.

B. Electronics manufacturing services group: This segment provides professional electronics manufacturing services.

(2) Segment information

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, finance costs, finance income and income taxes in the consolidated financial statements are managed on a group basis and are not allocated to operating segments.

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

Three months ended June 30, 2026					
	IC semiconductor group	Electronics manufacturing services group	All other segments	Reconciliation and write-offs (Notes 1 and 2)	Total
Revenue					
Revenue from external customers	\$ 3,166,938	\$ 2,309,280	\$ -	\$ -	\$ 5,476,218
Inter-segment revenue	-	21,401	-	(21,401)	-
Total revenue	\$ 3,166,938	\$ 2,330,681	\$ -	(\$ 21,401)	\$ 5,476,218
Segment income (loss)	\$ 200,213	\$ 168,995	\$ 84,053	\$ -	\$ 453,261
Three months ended June 30, 2025					
	IC semiconductor group	Electronics manufacturing services group	All other segments	Reconciliation and write-offs (Notes 1 and 2)	Total
Revenue					
Revenue from external customers	\$ 3,020,022	\$ 2,243,866	\$ -	\$ -	\$ 5,263,888
Inter-segment revenue	-	15,423	-	(15,423)	-
Total revenue	\$ 3,020,022	\$ 2,259,289	\$ -	(\$ 15,423)	\$ 5,263,888
Segment income	\$ 186,598	\$ 121,589	\$ 100,835	\$ -	\$ 409,022

Six months ended June 30, 2026					
	IC semiconductor group	Electronics manufacturing services group	All other segments	Reconciliation and write-offs (Notes 1 and 2)	Total
Revenue					
Revenue from external customers	\$ 5,891,707	\$ 4,444,987	\$ -	\$ -	\$ 10,336,694
Inter-segment revenue	-	43,546	-	(43,546)	-
Total revenue	<u>\$ 5,891,707</u>	<u>\$ 4,488,533</u>	<u>\$ -</u>	<u>(\$ 43,546)</u>	<u>\$ 10,336,694</u>
Segment income	<u>\$ 285,592</u>	<u>\$ 374,890</u>	<u>\$ 84,425</u>	<u>\$ -</u>	<u>\$ 744,907</u>
Six months ended June 30, 2025					
	IC semiconductor group	Electronics manufacturing services group	All other segments	Reconciliation and write-offs (Notes 1 and 2)	Total
Revenue					
Revenue from external customers	\$ 5,352,647	\$ 3,988,717	\$ -	\$ -	\$ 9,341,364
Inter-segment revenue	-	37,719	-	(37,719)	-
Total revenue	<u>\$ 5,352,647</u>	<u>\$ 4,026,436</u>	<u>\$ -</u>	<u>(\$ 37,719)</u>	<u>\$ 9,341,364</u>
Segment income	<u>\$ 345,472</u>	<u>\$ 193,279</u>	<u>\$ 101,628</u>	<u>\$ -</u>	<u>\$ 640,379</u>

Note 1: Inter-segment revenue has been written-off when preparing the consolidated financial statements.

Note 2: Income or loss for each operating segment does not include income tax expense.

(3) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

Orient Semiconductor Electronics, Limited and Subsidiaries
Loans to others
Six months ended June 30, 2026

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2026	Balance at June 30, 2026	Actual amount drawn down	Interest rate range	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note)	Ceiling on total loans granted (Note)	Footnote
							Item	Value									
2	COREPLUS (HK) LIMITED	Value-Plus Technology (Suzhou) Co.	Other receivables due from related parties	Y	\$ 31,840 (USD 1,000)	\$ 31,840 (USD 1,000)	\$ 31,840 (USD 1,000)	-	Short-term financing	-	Short-term capital requirements for operating and business purposes	-	-	-	\$ 716,204 (USD 22,494)	\$ 716,204 (USD 22,494)	-

Note: In accordance with the Company's "Procedures for Provision of Loans", limit on loans to others is 40% of the Company's net asset based on the latest audited or reviewed consolidated financial statements.

However, limit on loans to direct or indirect wholly-owned foreign subsidiaries of the Company is 200% of the Company's net asset. Limit on endorsements to a single party is 30% of the Company's net asset based on the latest audited or reviewed financial statements.

Orient Semiconductor Electronics, Limited and Subsidiaries
Holding of significant marketable securities at the end of the period
June 30, 2026

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of June 30, 2026				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Orient Semiconductor Electronics,Limited	STRATEDGE's stocks - common shares	None	Financial assets at fair value through other comprehensive income - non-current	5,135	\$ -	-	\$ -	-
Orient Semiconductor Electronics,Limited	SPINERGY's stocks - common shares	None	Financial assets at fair value through other comprehensive income - non-current	999,641	-	-	-	-
Orient Semiconductor Electronics,Limited	Golfware's stocks - common shares	None	Financial assets at fair value through other comprehensive income - non-current	4,687	-	-	-	-
Orient Semiconductor Electronics,Limited	SCREENBEAM's stocks - common shares	None	Financial assets at fair value through other comprehensive income - non-current	2,141,176	-	-	-	-
Orient Semiconductor Electronics,Limited	SCREENBEAM's stocks - preference share	None	Financial assets at fair value through other comprehensive income - non-current	2,352,941	-	-	-	-
Hua-Cheng Investment Co.	Chipbond Technology Corporation	Entity with significant influence	Financial assets at fair value through other comprehensive income - non-current	30,320,000	6,412,680	4.07%	6,412,680	-
Hua-Cheng Investment Co.	Heng Yuan Investment Co., Ltd.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	12,000,000	209,314	14.46%	209,314	-

Orient Semiconductor Electronics, Limited and Subsidiaries
Significant inter-company transactions during the reporting periods
Six months ended June 30, 2026

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Transactions amount between the parent company and subsidiaries or between subsidiaries reaching \$10 million is provided below:

Transaction							
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	Orient Semiconductor Electronics,Limited	COREPLUS (HK) LIMITED	1	Accounts receivable	\$ 37,562	-	0.14%
0	Orient Semiconductor Electronics,Limited	COREPLUS (HK) LIMITED	1	Sales revenue	43,518	Same with general transaction terms	0.42%
1	COREPLUS (HK) LIMITED	Value-Plus Technology (Suzhou) Co.	3	Other receivable	31,840	-	0.12%
2	Value-Plus Technology (Suzhou) Co.	COREPLUS (HK) LIMITED	3	Sales revenue	62,521	Same with general transaction terms	0.60%
2	Value-Plus Technology (Suzhou) Co.	COREPLUS (HK) LIMITED	3	Accounts receivable	50,497	-	0.19%

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 (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Orient Semiconductor Electronics, Limited and Subsidiaries

Information on investees

Six months ended June 30, 2026

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2026			Net profit (loss) of the investee for the six months ended June 30, 2026	Investment income (loss) recognised by the Company for the six months ended June 30, 2026	Footnote
				Balance as at June 30, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value			
Orient Semiconductor Electronics, Limited	SCS HIGHTECH INC.	Taiwan	Manufacture of data storage and processing equipment and providing information software and data processing services	256,000	256,000	25,600,000	18.17%	-	-	-	Note 2
Orient Semiconductor Electronics, Limited	COREPLUS (HK) LIMITED	Hong Kong	Procure to order and components assembly outsourcing	238,800 (USD 7,500,000)	238,800 (USD 7,500,000)	7,500,000	100%	358,102	36,081	36,081	Notes 1 、 3
Orient Semiconductor Electronics, Limited	HUA-CHENG INVESTMENT CO.	Taiwan	Reinvestments in various business	1,999,920	1,999,920	212,758,742	100%	7,254,581	75,247	75,247	Note 3

Note 1: Initial investment amount of the reinvestee which use foreign currencies to prepare financial statements is translated to NTD at the spot rate at the period end.

Note 2: The investee was abolished on March 8, 2007.

Note 3: Inter-company transactions between companies within the Group are eliminated.

Orient Semiconductor Electronics, Limited and Subsidiaries
Information on investments in Mainland China-basic information
Six months ended June 30, 2026

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six months ended June 30, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2026	Net income of investee for the six months ended June 30, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2026	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							
Value-Plus Technology (Suzhou) Co.	Adhesive processing, plug-in welding processing and related test, combination processing of the surface of base plate of electronic and sales of its products, and providing technique maintenance and after-sale service accordingly	\$ 171,571 (USD 5,388,522)	Investment and establishment in COREPLUS, and then reinvestment (2)	\$ 158,328	\$ -	\$ -	\$ 158,328	\$ 15,391	100%	\$ 15,391	\$ 49,301	\$ -	Note 3
Company name	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	Footnote									
Orient Semiconductor Electronics,Limited	\$ 158,328	\$ 175,495	\$ 9,845,754	Note 3									

Note 1: Investment methods are classified into the following three categories;

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: Limit amount prescribed by the Jing-Shen-Zi Letter No. 09704604680 of Ministry of Economic Affairs, dated August 29, 2008, and is calculated based on 60% of the Company's consolidated net assets.

Note 3: Paid-in capital was translated to NTD at the spot rate at the period end.

Orient Semiconductor Electronics, Limited and Subsidiaries

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Six months ended June 30, 2026

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Provision of														
	Sale (purchase)		Service revenue		Accounts receivable (payable)		Other receivables		endorsements/guarantees or collaterals		Financing				Other
	Amount	%	Amount	%	Balance at June 30, 2026	%	Balance at June 30, 2026	%	Balance at June 30, 2026	%	Maximum balance during the six months ended June 30, 2026	Balance at June 30, 2026	Interest rate	Interest during the six months ended June 30, 2026	
Value-Plus Technology (Suzhou) Co.	\$ -	-	\$ 62,521	95%	\$ 50,497	96%	\$ 825	100%	\$ -	-	\$ 31,840	\$ 31,840	-	\$ -	