

**ELITE ADVANCED LASER
CORPORATION AND SUBSIDIARIES**

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Elite Advanced Laser Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Elite Advanced Laser Corporation and its subsidiaries (collectively, the "Group") as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the months then ended, and the related notes to the consolidated financial statements, including material accounting policies information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the 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" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on the review.

Scope of the Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". 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 disclosed in Note 12 to the consolidated financial statements, the Group's investments accounted using the equity method on March 31, 2026 and 2025 were \$115,077 thousand and \$128,751 thousand respectively. For the three months ended March 31, 2025 and 2024, the share of profits and losses of associates and joint ventures accounted using the equity method were \$1,858 thousand and \$5,444 thousand, respectively. The relevant information disclosed in Note 34 to the consolidated financial statements is recognized and disclosed based on the investee company's financial statements for the same period that have not been reviewed.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of the Company as of March 31, 2026 and 2025, its consolidated financial performance for the three month ended March 31, 2026 and 2025 and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Keng-Hsi, Chang and Chiang-Hsun, Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 6, 2026

Notice to Readers

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

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

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
(In Thousands of New Taiwan Dollars)

Code	ASSETS	March 31, 2026		December 31, 2025		March 31, 2025	
		Amount	%	Amount	%	Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents (Note 6)	\$ 2,629,692	19	\$ 2,733,695	21	\$ 3,852,418	31
1136	Financial assets measured at amortized cost - Current (Notes 5, 7 and 8)	1,333,728	10	890,108	7	216,730	2
1140	Current contract assets (Notes 5 and 23)	323,018	2	250,047	2	213,178	2
1150	Notes receivable (Notes 5, 9 and 28)	80,100	1	79,442	-	-	-
1170	Accounts receivable (Notes 5, 9, 23 and 28)	1,589,391	12	1,606,803	12	1,805,703	14
1180	Accounts receivable due from related parties (Notes 5, 23 and 30)	8,765	-	8,066	-	10,278	-
1200	Other receivables (Notes 5, 9 and 28)	465,792	3	678,311	5	391,676	3
1210	Other receivables due from related parties (Notes 5, 28 and 30)	20,530	-	52	-	4,548	-
1220	Current tax asset (Note 4)	1,273	-	1,273	-	167	-
130X	Inventories (Note 10)	1,066,859	8	1,007,880	8	743,246	6
1410	Prepayments (Note 17)	365,105	3	303,216	2	252,453	2
11XX	Total current assets	<u>7,884,253</u>	<u>58</u>	<u>7,558,893</u>	<u>57</u>	<u>7,490,397</u>	<u>60</u>
	NON-CURRENT ASSETS						
1535	Financial assets measured at amortized cost - Non-current (Notes 5, 7, 8 and 31)	1,880	-	776	-	766	-
1550	Investments accounted for using equity method (Note 12)	115,077	1	129,284	1	128,751	1
1600	Property, plant and equipment (Notes 13, 28 and 31)	5,135,227	37	4,766,871	36	4,242,532	34
1755	Right-of-use assets (Note 14)	120,444	1	128,471	1	166,614	1
1760	Investment property (Note 15)	34,203	-	34,995	-	42,157	1
1821	Intangible assets (Note 16)	13,891	-	13,606	-	3,304	-
1840	Deferred tax assets (Note 4)	128,039	1	122,865	1	133,964	1
1930	Long-term notes receivable (Notes 5, 9 and 28)	6,729	-	27,022	-	-	-
1990	Other non-current assets (Note 17)	244,759	2	479,122	4	238,014	2
15XX	Total non-current assets	<u>5,800,249</u>	<u>42</u>	<u>5,703,012</u>	<u>43</u>	<u>4,956,102</u>	<u>40</u>
1XXX	TOTAL	<u>\$ 13,684,502</u>	<u>100</u>	<u>\$ 13,261,905</u>	<u>100</u>	<u>\$ 12,446,499</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term borrowings (Notes 18 and 31)	\$ 117,848	1	\$ 407,848	3	\$ 300,000	2
2130	Current contract liabilities (Note 23)	135,569	1	63,550	-	36,075	-
2150	Notes payable	20	-	-	-	-	-
2170	Accounts payable	1,161,103	9	995,171	7	1,409,076	11
2200	Other payables (Notes 19 and 28)	1,912,063	14	1,674,842	13	1,599,902	13
2230	Current tax liabilities (Note 4)	352,310	3	220,670	2	257,675	2
2250	Current provisions (Note 20)	50,486	-	57,256	-	68,475	1
2280	Current lease liabilities (Note 14)	44,270	-	44,481	-	45,749	-
2300	Other current liabilities (Notes 19, 28 and 30)	202,846	1	206,886	2	182,771	2
2320	Long-term borrowings due within 1 year (Notes 18 and 31)	129,928	1	92,441	1	67,779	1
21XX	Total current liabilities	<u>4,106,443</u>	<u>30</u>	<u>3,763,145</u>	<u>28</u>	<u>3,967,502</u>	<u>32</u>
	NON-CURRENT LIABILITIES						
2540	Long-term borrowings (Notes 18 and 31)	986,625	7	841,679	6	281,694	2
2570	Deferred tax liabilities (Note 4)	365,741	3	379,398	3	339,633	3
2580	Non-current lease liabilities (Note 14)	39,350	-	48,072	1	82,242	1
2640	Non-current net defined benefit liabilities (Notes 4 and 21)	34,803	-	34,628	-	29,242	-
2670	Other non-current liabilities (Notes 19 and 30)	351,338	3	372,118	3	416,520	3
25XX	Total non-current liabilities	<u>1,777,857</u>	<u>13</u>	<u>1,675,895</u>	<u>13</u>	<u>1,149,331</u>	<u>9</u>
2XXX	Total liabilities	<u>5,884,300</u>	<u>43</u>	<u>5,439,040</u>	<u>41</u>	<u>5,116,833</u>	<u>41</u>
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)						
	Capital stock						
3110	Common stock	1,456,814	11	1,456,814	11	1,456,814	12
3200	Capital surplus	456,222	3	456,222	3	456,473	4
	Retained earnings						
3310	Legal reserve	849,127	6	849,127	6	793,144	6
3320	Special reserve	23,078	-	23,078	-	86,025	1
3350	Unappropriated earnings	2,419,710	18	2,319,329	18	1,999,992	16
3300	Total retained earnings	3,291,915	24	3,191,534	24	2,879,161	23
3400	Others	10,751	-	(41,079)	-	1,170	-
31XX	Total equity attributable to owners of the Company	<u>5,215,702</u>	<u>38</u>	<u>5,063,491</u>	<u>38</u>	<u>4,793,618</u>	<u>39</u>
36XX	NON-CONTROLLING INTERESTS (Note 22)	<u>2,584,500</u>	<u>19</u>	<u>2,759,374</u>	<u>21</u>	<u>2,536,048</u>	<u>20</u>
3XXX	Total equity	<u>7,800,202</u>	<u>57</u>	<u>7,822,865</u>	<u>59</u>	<u>7,329,666</u>	<u>59</u>
	TOTAL	<u>\$ 13,684,502</u>	<u>100</u>	<u>\$ 13,261,905</u>	<u>100</u>	<u>\$ 12,446,499</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report of Deloitte & Touche on May 6, 2026)

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

Code		For the three months ended March 31			
		2026		2025	
		Amount	%	Amount	%
	OPERATING REVENUE (Notes 23 and 30)				
4100	Sales revenue	\$ 2,023,269	97	\$ 2,692,608	98
4800	Other operating revenue	<u>63,612</u>	<u>3</u>	<u>65,394</u>	<u>2</u>
4000	Total revenue	<u>2,086,881</u>	<u>100</u>	<u>2,758,002</u>	<u>100</u>
	OPERATING COSTS (Notes 10, 21, 24 and 27)				
5110	Cost of goods sold	(1,550,431)	(74)	(1,719,795)	(62)
5800	Other operating costs	(<u>18,813</u>)	(<u>1</u>)	(<u>40,926</u>)	(<u>2</u>)
5000	Total operating costs	(<u>1,569,244</u>)	(<u>75</u>)	(<u>1,760,721</u>)	(<u>64</u>)
5900	GROSS PROFIT	<u>517,637</u>	<u>25</u>	<u>997,281</u>	<u>36</u>
	OPERATING EXPENSES (Notes 9, 23 and 24)				
6100	Selling and distribution expense	(32,528)	(1)	(77,754)	(3)
6200	General and administrative expense	(138,226)	(7)	(175,227)	(6)
6300	Research and development expense	(79,987)	(4)	(82,585)	(3)
6450	Gain on reversal of expected credit (impairment loss)	(<u>898</u>)	<u>-</u>	<u>2,295</u>	<u>-</u>
6000	Total operating expenses	(<u>251,639</u>)	(<u>12</u>)	(<u>333,271</u>)	(<u>12</u>)
6900	INCOME FROM OPERATIONS	<u>265,998</u>	<u>13</u>	<u>664,010</u>	<u>24</u>
	NON-OPERATING INCOME AND EXPENSES (Notes 12 and 24)				
7100	Interest income	11,843	1	15,565	-
7010	Other income	3,447	-	1,250	-
7020	Other gains and losses	28,924	1	18,311	1
7050	Finance costs	(6,874)	-	(3,142)	-
7060	Share of profit of subsidiaries and joint ventures accounted for using equity method	<u>1,858</u>	<u>-</u>	<u>5,444</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>39,198</u>	<u>2</u>	<u>37,428</u>	<u>1</u>

(Continued)

(Continued from previous page)

Code		For the three months ended March 31			
		2026		2025	
		Amount	%	Amount	%
7900	INCOME BEFORE INCOME TAX	\$ 305,196	15	\$ 701,438	25
7950	INCOME TAX EXPENSES (Notes 4 and 25)	(125,755)	(6)	(125,635)	(4)
8200	Net income	<u>179,441</u>	<u>9</u>	<u>575,803</u>	<u>21</u>
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 22 and 25)				
8360	Items that will not be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	127,044	6	59,436	2
8399	Income tax profit (expense) related to items that will be reclassified subsequently	(12,958)	(1)	(6,062)	-
8300	Other comprehensive income(loss) for the period, net of income tax	<u>114,086</u>	<u>5</u>	<u>53,374</u>	<u>2</u>
8500	TOTAL COMPREEHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 293,527</u>	<u>14</u>	<u>\$ 629,177</u>	<u>23</u>
	NET INCOME ATTRIBUTABLE TO:				
8610	Owners of the Company	\$ 100,381	5	\$ 340,603	12
8620	Non-controlling interests	<u>79,060</u>	<u>4</u>	<u>235,200</u>	<u>9</u>
8600		<u>\$ 179,441</u>	<u>9</u>	<u>\$ 575,803</u>	<u>21</u>
	TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO				
8710	Owners of the Company	\$ 152,211	7	\$ 364,851	13
8720	Non-controlling interests	<u>141,316</u>	<u>7</u>	<u>264,326</u>	<u>10</u>
8700		<u>\$ 293,527</u>	<u>14</u>	<u>\$ 629,177</u>	<u>23</u>
	EARNINGS PER SHARE (Note 26)				
9710	Basic earnings per share	<u>\$ 0.69</u>		<u>\$ 2.34</u>	
9810	Diluted earnings per share	<u>\$ 0.69</u>		<u>\$ 2.33</u>	

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

(Please refer to the review report of Deloitte & Touche on May 6, 2026)

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

Code		Equity attributable to owners of the Company					Other equity Exchange differences on translation of foreign financial statements	Total	Non-controlling interests	Total equity
		Capital stock		Retained earnings						
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings				
A1	BALANCE AT JANUARY 1, 2025	\$ 1,456,814	\$ 456,473	\$ 793,144	\$ 86,025	\$ 1,659,389	(\$ 23,078)	\$ 4,428,767	\$ 2,537,321	\$ 6,966,088
D1	Net income for the three months ended March 31, 2025	-	-	-	-	340,603	-	340,603	235,200	575,803
D3	Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	24,248	24,248	29,126	53,374
D5	Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	340,603	24,248	364,851	264,326	629,177
O1	Cash dividends issued from subsidiaries (Note 22)	-	-	-	-	-	-	-	(265,599)	(265,599)
Z1	BALANCE AT MARCH 31, 2025	<u>\$ 1,456,814</u>	<u>\$ 456,473</u>	<u>\$ 793,144</u>	<u>\$ 86,025</u>	<u>\$ 1,999,992</u>	<u>\$ 1,170</u>	<u>\$ 4,793,618</u>	<u>\$ 2,536,048</u>	<u>\$ 7,329,666</u>
A1	BALANCE AT JANUARY 1, 2026	\$ 1,456,814	\$ 456,222	\$ 849,127	\$ 23,078	\$ 2,319,329	(\$ 41,079)	\$ 5,063,491	\$ 2,759,374	\$ 7,822,865
D1	Net income for the three months ended March 31, 2026	-	-	-	-	100,381	-	100,381	79,060	179,441
D3	Other comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	51,830	51,830	62,256	114,086
D5	Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	100,381	51,830	152,211	141,316	293,527
O1	Cash dividends issued from subsidiaries (Note 22)	-	-	-	-	-	-	-	(316,190)	(316,190)
Z1	BALANCE AT MARCH 31, 2026	<u>\$ 1,456,814</u>	<u>\$ 456,222</u>	<u>\$ 849,127</u>	<u>\$ 23,078</u>	<u>\$ 2,419,710</u>	<u>\$ 10,751</u>	<u>\$ 5,215,702</u>	<u>\$ 2,584,500</u>	<u>\$ 7,800,202</u>

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

(Please refer to the review report of Deloitte & Touche on May 6, 2026)

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

Code		For the three months ended March 31	
		2026	2025
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 305,196	\$ 701,438
A20010	Adjustments for:		
A20100	Depreciation expense	225,821	193,395
A20200	Amortization expense	1,541	692
A20300	Reversal of expected credit losses (gains)	898	(2,295)
A20900	Finance costs	6,874	3,142
A21200	Interest income	(11,843)	(15,565)
A22300	Share of profit of subsidiaries and joint ventures accounted for using equity method	(1,858)	(5,444)
A22500	Losses on disposal of property, plant and equipment	221	20
A23700	Inventory loss (reversal of write-down of inventories)	17,109	10,028
A24100	Gains on foreign exchange, net	(15,819)	(6,745)
A29900	(Reversal of) provision for liabilities	(6,737)	10,690
A30000	Changes in operating assets and liabilities		
A31125	Contract assets	(71,982)	5,636
A31150	Accounts receivable	10,092	(302,647)
A31160	Accounts receivable due from related parties	(417)	(1,236)
A31180	Other receivables	215,730	(13,399)
A31200	INVENTORIES	(70,216)	(79,372)
A31230	Prepayments	(60,678)	(6,545)
A32125	Contract liabilities	71,964	8,494
A32130	Notes payable	20	-
A32150	Accounts payable	142,632	79,259
A32180	Other payables	(164,890)	79,310
A32220	Provisions	(33)	-
A32230	Other current liabilities	563	45
A32240	Non-current net defined benefit liabilities	175	135
A33000	Net cash generated by operating activities	594,363	659,036
A33100	Interest received	6,700	14,709
A33300	Interest paid	(6,782)	(2,696)
A33500	Income taxes paid	(25,715)	(25,145)
AAAA	Net cash flows from operating activities	<u>568,566</u>	<u>645,904</u>

(Continued)

(Continued from previous page)

Code		For the three months ended March 31	
		2026	2025
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00040	Acquisition of financial assets at amortized cost	(\$ 426,189)	(\$ 17,727)
B00060	Principal repayment upon maturity of financial assets measured at amortized cost	17,727	17,463
B02700	Acquisition of property, plant and equipment	(204,185)	(176,680)
B02800	Disposal of property, plant and equipment	24,732	-
B03700	Increase in refundable deposits	(60)	(250)
B03800	Decrease in refundable deposits	260	-
B04300	Increase in other receivables - from related parties	-	(92)
B04400	Decrease in other receivables - from related parties	22	-
B04500	Acquisition of intangible assets	(1,473)	-
B07100	Increase in prepayments for equipment	(22,306)	(110,072)
BBBB	Net cash used in investing activities	(611,472)	(287,358)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	100,000	250,000
C00200	Decrease in short-term borrowings	(390,000)	-
C01600	Long-term borrowings	195,000	135,000
C01700	Repay long-term borrowings	(12,567)	(72,335)
C03100	Decrease in guarantee deposits	(5,213)	-
C04020	Repayment of the principal portion of lease liabilities	(11,130)	(11,218)
CCCC	Net cash generated by (used in) financing activities	(123,910)	301,447
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND EQUIVALENTS	<u>62,813</u>	<u>54,031</u>
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(104,003)	714,024
E00100	CASH AND CASH EQUIVALENTS,BEGINNING OF PERIOD	<u>2,733,695</u>	<u>3,138,394</u>
E00200	CASH AND CASH EQUIVALENTS,END OF PERIOD	<u>\$ 2,629,692</u>	<u>\$ 3,852,418</u>

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

(Please refer to the review report of Deloitte & Touche on May 6, 2026)

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

1. GENERAL

- a. Elite Advanced Laser Corporation (hereinafter referred to as “the Company”) was established in New Taipei City in September 2000 and started operation in September of the same year. The registered capital of establishment was \$5,000 thousand. After years of capital increase and decrease, the current total capital is \$1,456,814 thousand. The Company’s business affairs consists of 1. optical information and optical communication products; 2. power semiconductor packaging and testing; 3. silicon photonics products.
- b. The Company’s stock has been listed on the Taiwan Stock Exchange since April 2006.
- c. The Company has no ultimate parent company due to dispersed shareholding.
- d. The consolidated financial statements are expressed in New Taiwan Dollars, the Company’s functional currency.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on May 6, 2026.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).
The initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a significant effect on the accounting policies of the Company and its subsidiaries (collectively as “the Group”).
- b. New IFRSs Accounting Standards in issue by IASB but not yet endorsed and issued into effect by the FSC

New, revised or amended standards and interpretations	Effective date issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	NA
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)

IFRS 19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures” (Including the 2025 Amendments)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless stated otherwise, the above new/revised/amended standards or interpretations are effective for annual reporting periods beginning on their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will be mandatory for Taiwanese companies starting January 1, 2028, with an option for early adoption once the FSC has approved the standard.

IFRS 18 - Presentation and Disclosure in Financial Statements and related consequential amendments

IFRS 18 will replace IAS 1 “Presentation of Financial Statements”. The main changes in this standard include:

- The Group shall assess whether it possesses specific main business activities, such as investing in specific types of assets and providing financing to customers. Based on this assessment, income and expense items in the statement of profit or loss shall be classified into operating, investing, financing, income tax, and discontinued operations categories.
- An entity has to present totals and subtotals in the statement of profit or loss for operating profit or loss, pre-tax profit or loss before financing, and profit or loss.
- Requirements for provision of guidance to enhance aggregation and disaggregation: The Group should identify assets, liabilities, equity, income, expenses, losses, and cash flows in each transaction or other events, and classify and aggregate them based on shared characteristics so that the main line items presented in the financial statements share at least one similar characteristic. Items should be disaggregated based on non-similar characteristics. The Group should label such items as "other" only if it cannot find a more informative title.
- Increasing the disclosure of management-defined performance measures (MPMs): When the Group engages in public communications outside financial statements and communicate to management’s view of an aspect of the financial performance of the entity as a whole, the Group should disclose information about its MPMs in a single note to the financial statements, including a description of how the MPM is measured, how the MPM is calculated, and a reconciliation between the MPM and the total or subtotal required by IFRS Accounting Standards, including the income tax effect and the effect on non-controlling interests for each item disclosed in the reconciliation.

Furthermore, IAS 7 "Statement of Cash Flows" has undergone the following consequential amendments:

- When the Group prepares cash flows from operating activities using the indirect method, "operating profit or loss" shall be used as the starting point for reconciliation.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Group is assessed to have specific main business activities, it must consider the classification of dividend income, interest income, and interest expense presented in the statement of profit or loss to determine the classification of dividends received, interest received, and interest paid within the statement of cash flows; provided, however, that each such cash flow may only be classified within a single activity in the statement of cash flows.

As of the reporting date of the consolidated financial statement, the Group continues to assess other impacts of amendments to the standards and interpretations on the consolidated financial position and consolidated financial performance, and the relevant impact will be disclosed when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

This consolidated financial statement has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" approved and issued by the FSC. This consolidated financial statement does not contain all the IFRSs disclosures required by the annual report.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the net defined benefit liability recognized at the present value of the defined benefit obligation less the fair value of the plan assets.

Fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value is observable and its significance:

- 1) Level 1 Inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- 2) Level 2 Inputs: inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly (including market-corroborated data).
- 3) Level 3 Inputs: unobservable inputs and are used when relevant observable inputs are not available.

c. Consolidation basis

This consolidated financial statement includes the financial statement of the Company and the entities (subsidiaries) controlled by the Company. The financial statements of subsidiaries have been adjusted to ensure the accounting policies are line with those of the Group. Transactions between entities, account balances, profit and losses have been fully eliminated in preparing the consolidated financial statements.

For details of subsidiaries, shareholding ratio and business activities, please refer to Note 11 and Table 4 and Table 5 of Note 34.

d. Other significant accounting policies

In addition to the following descriptions, please refer to the Summary of Significant Accounting Policies in the 2025 consolidated financial statement.

1) Defined post-retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate from the beginning of the year to the end of the period, adjusted and disclosed for significant market fluctuations, significant curtailments, settlements, or other significant one-off events after the end of the prior financial year.

2) Income tax expenses

Income tax expense is the sum of current income tax and deferred income tax. Income tax for the interim period is assessed on an annual basis and is calculated on the interim pre-tax profit at the tax rate applicable to the expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

When the Group adopts accounting policies, the management must make relevant judgments, estimates and assumptions based on experience and other relevant factors for the information that is not easily obtained from other sources. Actual results may differ from estimates.

The Group will take the possible impacts of inflation and market interest rate fluctuations, foreign exchange market fluctuations, and U.S. reciprocal tariff measures into consideration when making major estimates, such as cash flow estimates, growth rates, discount rates, and profitability. The management will continue to review the estimates and the basic assumptions.

Main sources of uncertainty in estimates and assumptions

Estimated impairment of financial assets and contract assets

The estimated impairment of notes receivable, accounts receivable, other receivables, contract assets and debt instrument investments is based on the Group's assumptions about the loss given default and probability of default. The Group takes experience, current market conditions and forward-looking information into account to develop assumptions and inputs for impairment assessments. Please refer to Note 8, Note 9 and Note 23 for the key assumptions and inputs used. If the actual future cash flow is less than the Group's expectations, there may be significant impairment losses.

6. CASH AND CASH EQUIVALENTS

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Cash on hand and working fund	\$ 244	\$ 389	\$ 293
Bank checks and demand deposits	1,726,565	2,351,435	2,697,768
Cash equivalent (Investments with original maturities of less than 3 months)			
Bank fixed deposit	<u>902,883</u>	<u>381,871</u>	<u>1,154,357</u>
	<u>\$ 2,629,692</u>	<u>\$ 2,733,695</u>	<u>\$ 3,852,418</u>

As of March 31, 2026, and December 31 and March 31, 2025, the interest rate ranges for bank deposits were 0.03% to 3.70%, 0.03% to 3.88%, and 0.01% to 4.52%, respectively.

7. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Current</u>			
Term deposit with an initial maturity of more than three months (a)	<u>\$ 1,333,728</u>	<u>\$ 890,108</u>	<u>\$ 216,730</u>
<u>Non-current</u>			
Restricted assets – time deposit (b)	<u>\$ 1,880</u>	<u>\$ 776</u>	<u>\$ 766</u>

- a. As of March 31, 2026, December 31, 2025, and March 31, 2025, the rates of annual interest for bank time deposits with the initial duration exceeding three months were 1.10%-4.40%, 1.10%-4.40%, and 1.69%-4.30%, respectively.
- b. As of March 31, 2026, December 31, 2025, and March 31, 2025, the restricted time deposit interest rates were 1.69%-1.70%, 1.69%, and 1.69% per annum, respectively.
- c. For credit risk management and impairment assessment related to financial assets measured at amortized cost, please refer to Note 8.
- d. For pledge of financial assets measured at amortized cost, please refer to Note 31.

8. CREDIT RISK MANAGEMENT OF INVESTMENTS IN DEBT INSTRUMENTS

The debt instruments invested by the Group are financial assets measured at amortized cost (including current and non-current):

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
At amortized cost			
Total amount	\$ 1,335,608	\$ 890,884	\$ 217,496
Less: Loss allowances	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 1,335,608</u>	<u>\$ 890,884</u>	<u>\$ 217,496</u>

The Group adopts the policy to invest only in debt instruments issued by creditworthy entities. The Group continues to track changes in the credit risk of the invested debt instruments, and reviews other information such as significant information of the debtor to assess whether the credit risk of the debt instrument investment has increased significantly since the original recognition.

To mitigate credit risk, the management of the Group will collect relevant information to assess the default risk of debt instrument investment. The Group gives appropriate internal ratings with reference to publicly available financial information.

The Group considers the debtor's historical record, current market conditions and business outlook to measure the 12-month expected credit loss or lifetime expected credit loss of the debt investment paid. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group assessed that it was not necessary to report expected credit losses for debt investment paid.

9. NOTES RECEIVABLES, ACCOUNT RECEIVABLES AND OTHER RECEIVABLES

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Notes receivable</u>			
(Note 28)			
At amortized cost			
Total amount	\$ 81,375	\$ 81,375	\$ -
Less: Unrealized interest income	(<u>1,275</u>)	(<u>1,933</u>)	<u>-</u>
	<u>\$ 80,100</u>	<u>\$ 79,442</u>	<u>\$ -</u>
Non-operating	\$ 81,375	\$ 81,375	\$ -
Less: Unrealized interest income	(<u>1,275</u>)	(<u>1,933</u>)	<u>-</u>
	<u>\$ 80,100</u>	<u>\$ 79,442</u>	<u>\$ -</u>
<u>Accounts receivable</u>			
At amortized cost			
Total amount	\$ 1,590,103	\$ 1,608,866	\$ 1,813,471

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Less: Loss allowances	(<u>712</u>)	(<u>2,063</u>)	(<u>7,768</u>)
	<u>\$ 1,589,391</u>	<u>\$ 1,606,803</u>	<u>\$ 1,805,703</u>
<u>Other receivables</u>			
OEM collection and payment	\$ 405,970	\$ 619,914	\$ 329,104
Income tax refund receivable	41,872	40,379	44,287
Interest receivable	10,646	5,503	7,981
Scrap receivable	-	-	6,819
Receivables from disposal of equipment (Note 28)	-	3,236	-
Others	<u>7,304</u>	<u>9,279</u>	<u>3,485</u>
	<u>\$ 465,792</u>	<u>\$ 678,311</u>	<u>\$ 391,676</u>
<u>Long-term notes</u>			
<u>receivable (Note 28)</u>			
At amortized cost			
Total amount	\$ 6,781	\$ 27,125	\$ -
Less: Unrealized interest income	(<u>52</u>)	(<u>103</u>)	-
	<u>\$ 6,729</u>	<u>\$ 27,022</u>	<u>\$ -</u>
Non-operating	\$ 6,781	\$ 27,125	\$ -
Less: Unrealized interest income	(<u>52</u>)	(<u>103</u>)	-
	<u>\$ 6,729</u>	<u>\$ 27,022</u>	<u>\$ -</u>

a. Notes receivables

It refers to notes receivable arising from the sale of property, plant, and equipment. When determining the recoverability of notes receivable, the Group considers any changes in the quality of notes receivable from the original credit date to the balance sheet date. The Group continues to monitor and refer to the counterparty's past default records and analyze its current financial position to assess whether the credit risk of the notes receivables has increased significantly since the original recognition and to measure expected credit losses. As of March 31, 2026 and December 31, 2025, the Group assessed that there was no need to recognize expected credit losses for notes receivables.

The aging analysis of notes receivable (including current and non-current) is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
	Not past due	Not past due	Not past due
Total amount	\$ 88,156	\$ 108,500	\$ -
Less: Unrealized interest income	(<u>1,327</u>)	(<u>2,036</u>)	-
Amortized cost	<u>\$ 86,829</u>	<u>\$ 106,464</u>	<u>\$ -</u>

The above is an aging analysis based on days overdue.

b. Accounts receivable

The Group's average credit period for commodity sales ranges from prepayment to net 90 days end of the month, and the collection policy does not add interest to overdue accounts receivable. When determining the recoverability of accounts receivable, the Group considers any changes in the quality of notes receivable from the original credit date to the balance sheet date. Experience shows that most accounts receivable are recovered well.

To mitigate credit risk, the management of the Group performs credit limit determination, credit approval and other monitoring procedures for each counterparty to ensure appropriate actions have been taken to recover overdue accounts receivable. In addition, the Group will review the recoverable amount of accounts receivable one by one on the balance sheet date to ensure the unrecoverable accounts receivable are recognized as impairment losses. Accordingly, the management of the Group believes that the credit risk of the Group has been significantly reduced.

The Group recognizes loss allowance for accounts receivable based on lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix, which considers experience, current market conditions and business outlook. As the Group's credit loss experience shows that there is no significant difference in the provision matrix of different customer groups, the provision matrix does not further differentiate customer groups, and only sets the expected credit loss rate based on the number of days overdue for accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the Group cannot reasonably expect the recoverable amount, the Group will write off the relevant accounts receivable and loss allowance, but will continue to pursue account recovery, and the amount recovered due to pursuit and recovery will be recognized in profit or loss.

March 31, 2026

	Not past due	Past due within 60 days	Past due 61-90 days	Past due 91-120 days	Past due over 120 days	Total
Expected credit loss rate	0.002%-0.16%	0.04%-16.40%	3.70%-33.33%	25%-50%	100%	
Total amount	\$ 1,526,998	\$ 62,572	\$ 533	\$ -	\$ -	\$ 1,590,103
Loss allowance (lifetime expected credit losses)	(<u>262</u>)	(<u>450</u>)	-	-	-	(<u>712</u>)
Amortized cost	<u>\$ 1,526,736</u>	<u>\$ 62,122</u>	<u>\$ 533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,589,391</u>

December 31, 2025

	<u>Not past due</u>	<u>Past due within 60 days</u>	<u>Past due 61-90 days</u>	<u>Past due 91-120 days</u>	<u>Past due over 120 days</u>	<u>Total</u>
Expected credit loss rate	0.05%-0.45%	0.06%-12.62%	7.93%-33.33%	20%-50%	100%	
Total amount	\$ 1,528,135	\$ 80,720	\$ -	\$ 11	\$ -	\$ 1,608,866
Loss allowance (lifetime expected credit losses)	(2,001)	(60)	-	(2)	-	(2,063)
Amortized cost	<u>\$ 1,526,134</u>	<u>\$ 80,660</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 1,606,803</u>

March 31, 2025

	<u>Not past due</u>	<u>Past due within 60 days</u>	<u>Past due 61-90 days</u>	<u>Past due 91-120 days</u>	<u>Past due over 120 days</u>	<u>Total</u>
Expected credit loss rate	0.01%-0.42%	0.08%-11.11%	8.99%-33.33%	13.56%-50%	50%-100%	
Total amount	\$ 1,731,965	\$ 72,179	\$ 5,580	\$ 3,409	\$ 338	\$ 1,813,471
Loss allowance (lifetime expected credit losses)	(3,716)	(1,240)	(1,648)	(826)	(338)	(7,768)
Amortized cost	<u>\$ 1,728,249</u>	<u>\$ 70,939</u>	<u>\$ 3,932</u>	<u>\$ 2,583</u>	<u>\$ -</u>	<u>\$ 1,805,703</u>

Movements of the loss allowance for accounts receivable

	<u>For the three months ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Balance, beginning of period	\$ 2,063	\$ 5,257
Impairment losses for the current period	-	2,493
Reversal	(1,351)	-
Exchange differences on translation of foreign currency	-	18
Balance, end of period	<u>\$ 712</u>	<u>\$ 7,768</u>

c. Other receivables

The Group accounts for other receivables such as OEM collection and payment, income tax refund receivable, interest receivable, unrecovered amount from the sale of scraps, and receivables from the disposal of equipment. The Group's policy is to only conduct business with customers with good credit. The Group continues to track and refer to the past default records of the counterparty and analyze its current financial position to assess whether the credit risk of other receivables has increased significantly since the original recognition and to measure the expected credit loss. If there is evidence that the counterparty has signs of default or the recoverable amount cannot be reasonably expected due to termination of the contract, the Group will write off the relevant other receivables and loss allowance, but will continue to pursue recovery where the amount recovered will be recognized in profit or loss. As of March 31, 2026, and December 31 and March 31, 2025, the Group assessed other receivables without the need to report expected credit losses.

10. INVENTORIES

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Finished goods	\$ 17,112	\$ 28,246	\$ 47,598
Goods-in-process	271,591	161,398	33,420
Raw materials	778,156	800,790	662,228
Inventory in transit	-	17,446	-
	<u>\$ 1,066,859</u>	<u>\$ 1,007,880</u>	<u>\$ 743,246</u>

The nature of cost of goods sold is as follows:

	<u>For the three months ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Cost of inventories sold	\$ 1,533,322	\$ 1,709,767
Inventory loss (reversal of write-down of inventories)	17,109	10,028
	<u>\$ 1,550,431</u>	<u>\$ 1,719,795</u>

11. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

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

<u>Investment Company</u>	<u>Subsidiary</u>	<u>Main Activities</u>	<u>% of Ownership</u>			<u>Remark</u>
			<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>	
The Company	Centera Photonics Inc.	Manufacture and sales of electronic parts	54.23%	54.23%	54.56%	Notes 1 and 2
The Company	GEM Services, Inc.	Holding company business	51%	51%	51%	
GEM Services, Inc.	GEM Electronics Company Limited	Holding company business	100%	100%	100%	
GEM Services, Inc.	GEM Tech Ltd.	Manufacture and sales of electronic parts	100%	100%	100%	
GEM Electronics Company Limited	GEM Electronics (Shanghai) Co., Ltd.	Manufacture and sales of electronic parts	100%	100%	100%	
GEM Electronics (Shanghai) Co., Ltd.	GEM Electronics (Hefei) Co., Ltd.	Manufacture and sales of electronic parts, factory leasing	100%	100%	100%	

Note 1: Centera Photonics Inc. issued 400 thousand new shares on June 30, 2025 due to the capitalization of employees' compensation, causing the Company's shareholding in the subsidiary to fall from 54.56% to 54.23%. As the aforementioned transaction did not change the Company's control over this subsidiary, the change is treated as an equity transaction.

Note 2: On March 9, 2026, Centera Photonics Inc. passed a board resolution to conduct a cash capital increase by issuing 1,800 thousand new shares with a par value of \$10 per share, priced at \$218 per share, with an expected total proceeds of \$392,400 thousand. On May 6, 2026, the Company's Board of Directors resolved not to participate in the aforementioned cash capital increase, causing the Company's shareholding in that subsidiary to fall from 54.23% to 52.77%. As the aforementioned transaction did not change the

Company's control over this subsidiary, the change is treated as an equity transaction.

b. Information on subsidiaries with material non-controlling interests

Subsidiary	% of Non-controlling interests		
	March 31, 2026	December 31, 2025	March 31, 2025
GEM Services, Inc.	49%	49%	49%
Centera Photonics Inc.	45.77%	45.77%	45.44%

Please refer to Table 4 for the country information of the principal business site and company registration.

Subsidiary	Net income (loss) distribution to non-controlling interests		Non-controlling interests		
	For the three months ended March 31		March 31, 2026	December 31, 2025	March 31, 2025
	2026	2025			
GEM Services, Inc.	<u>\$ 102,279</u>	<u>\$ 90,109</u>	<u>\$ 2,148,878</u>	<u>\$ 2,300,533</u>	<u>\$ 2,069,627</u>
Centera Photonics Inc.	<u>(\$ 23,219)</u>	<u>\$ 145,091</u>	<u>\$ 435,622</u>	<u>\$ 458,841</u>	<u>\$ 466,421</u>

The consolidated financial information for the following subsidiaries has been prepared at balances before intercompany transactions are eliminated:

GEM Services, Inc.

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 4,515,911	\$ 4,129,242	\$ 4,029,215
Non-current assets	2,742,806	2,692,316	2,853,686
Current liabilities	(2,461,742)	(1,691,538)	(2,159,660)
Non-current liabilities	(411,836)	(435,404)	(499,829)
Equity	<u>\$ 4,385,139</u>	<u>\$ 4,694,616</u>	<u>\$ 4,223,412</u>
Equity attributable to:			
Owners of the Company	\$ 2,236,261	\$ 2,394,083	\$ 2,153,785
Non-controlling interests	<u>2,148,878</u>	<u>2,300,533</u>	<u>2,069,627</u>
	<u>\$ 4,385,139</u>	<u>\$ 4,694,616</u>	<u>\$ 4,223,412</u>

	For the three months ended March 31	
	2026	2025
Revenue	<u>\$ 1,357,265</u>	<u>\$ 1,214,351</u>
Net income	\$ 208,716	\$ 183,882

	For the three months ended March 31	
	2026	2025
Other comprehensive income	<u>127,044</u>	<u>59,436</u>
Total comprehensive income (loss)	<u>\$ 335,760</u>	<u>\$ 243,318</u>
Net income attributable to:		
Owners of the Company	\$ 106,437	\$ 93,773
Non-controlling interests	<u>102,279</u>	<u>90,109</u>
	<u>\$ 208,716</u>	<u>\$ 183,882</u>
Total comprehensive income (loss) attributable to		
Owners of the Company	\$ 171,225	\$ 124,083
Non-controlling interests	<u>164,535</u>	<u>119,235</u>
	<u>\$ 335,760</u>	<u>\$ 243,318</u>
Cash flow		
From operating activities	\$ 298,847	\$ 253,763
From investing activities	(492,177)	(66,601)
From financing activities	(13,691)	(8,230)
Effect of exchange rate changes	<u>50,964</u>	<u>39,097</u>
Net cash generated (used in)	<u>(\$ 156,057)</u>	<u>\$ 218,029</u>

Centera Photonics Inc.

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 1,260,372	\$ 1,332,512	\$ 1,816,766
Non-current assets	96,831	94,858	68,041
Current liabilities	(401,364)	(421,467)	(853,649)
Non-current liabilities	<u>(4,142)</u>	<u>(3,482)</u>	<u>(4,655)</u>
Equity	<u>\$ 951,697</u>	<u>\$ 1,002,421</u>	<u>\$ 1,026,503</u>
Equity attributable to:			
Owners of the Company	\$ 516,075	\$ 543,580	\$ 560,082
Non-controlling interests	<u>435,622</u>	<u>458,841</u>	<u>466,421</u>
	<u>\$ 951,697</u>	<u>\$ 1,002,421</u>	<u>\$ 1,026,503</u>

	For the three months ended March 31	
	2026	2025
Revenue	<u>\$ 301,888</u>	<u>\$ 1,254,863</u>
Current period net profit (loss)	(\$ 50,724)	\$ 319,319
Other comprehensive income	-	-
Total comprehensive income (loss)	<u>(\$ 50,724)</u>	<u>\$ 319,319</u>
Net (loss) profit attributable to:		
Owners of the Company	(\$ 27,505)	\$ 174,228
Non-controlling interests	<u>(23,219)</u>	<u>145,091</u>
	<u>(\$ 50,724)</u>	<u>\$ 319,319</u>
Total comprehensive income (loss) attributable to:		
Owners of the Company	(\$ 27,505)	\$ 174,228
Non-controlling interests	<u>(23,219)</u>	<u>145,091</u>
	<u>(\$ 50,724)</u>	<u>\$ 319,319</u>
Cash flow		
From operating activities	\$ 2,857	\$ 256,646
From investing activities	(27,362)	(6,888)
From financing activities	(846)	(1,548)
Effect of exchange rate changes	<u>7,857</u>	<u>9,218</u>
Net cash generated (used in)	<u>(\$ 17,494)</u>	<u>\$ 257,428</u>

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in associates

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Associates that are not individually material			
Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd.	<u>\$ 115,077</u>	<u>\$ 129,284</u>	<u>\$ 128,751</u>

Shareholding and voting rights of the Group in the associates at the balance sheet date are as follows:

<u>Name of Company</u>	<u>Main Activities</u>	<u>Location</u>	<u>% of Ownership</u>		
			<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd.	Production, design, packaging and testing of power management electronic accessories	Hefei City, Anhui Province, China	20%	20%	20%

Aggregate information of associates that are not individually material

	For the three months ended March 31	
	2026	2025
Attributable to the Group		
Net income	\$ 1,858	\$ 5,444
Other comprehensive income	-	-
Total comprehensive income (loss)	<u>\$ 1,858</u>	<u>\$ 5,444</u>

Share of profit of associates and joint ventures accounted for using equity method is recognized based on the financial statements of the associates that have not been reviewed by CPA during the same period.

13. PROPERTY, PLANT AND EQUIPMENT - Assets used by the Group

	Self-owned land	Buildings	Machinery and equipment	Transportatio n equipment	Office equipment	Leasehold improvements	Miscellaneous equipment	Property under construction and equipment to be inspected	Total
Cost									
Balance at January 1, 2026	\$ 743,384	\$ 1,030,431	\$ 8,567,158	\$ 13,509	\$ 91,821	\$ 105,732	\$ 156,725	\$ 112,069	\$ 10,820,829
Additions	-	1,980	35,687	1,019	3,499	7,674	1,355	228,545	279,759
Reclassification (Note)	-	-	146,162	-	-	-	120	113,122	259,404
Disposal	-	(224)	(36,352)	(779)	(1,164)	-	(440)	-	(38,959)
Net exchange difference	-	18,304	118,346	136	2,027	3,472	3,312	3,469	149,066
Balance at March 31, 2026	<u>\$ 743,384</u>	<u>\$ 1,050,491</u>	<u>\$ 8,831,001</u>	<u>\$ 13,885</u>	<u>\$ 96,183</u>	<u>\$ 116,878</u>	<u>\$ 161,072</u>	<u>\$ 457,205</u>	<u>\$ 11,470,099</u>
Accumulated depreciation and impairment									
Balance at January 1, 2026	\$ -	\$ 392,895	\$ 5,399,898	\$ 10,925	\$ 63,419	\$ 88,875	\$ 97,946	\$ -	\$ 6,053,958
Depreciation expense	-	14,904	184,533	121	2,454	5,166	5,220	-	212,398
Disposal	-	(224)	(34,348)	(701)	(1,164)	-	(440)	-	(36,877)
Net exchange difference	-	7,214	90,291	117	1,874	2,993	2,904	-	105,393
Balance at March 31, 2026	<u>\$ -</u>	<u>\$ 414,789</u>	<u>\$ 5,640,374</u>	<u>\$ 10,462</u>	<u>\$ 66,583</u>	<u>\$ 97,034</u>	<u>\$ 105,630</u>	<u>\$ -</u>	<u>\$ 6,334,872</u>
Carrying amount at March 31, 2026	<u>\$ 743,384</u>	<u>\$ 635,702</u>	<u>\$ 3,190,627</u>	<u>\$ 3,423</u>	<u>\$ 29,600</u>	<u>\$ 19,844</u>	<u>\$ 55,442</u>	<u>\$ 457,205</u>	<u>\$ 5,135,227</u>
Carrying amount at December 31, 2025 and January 1, 2026	<u>\$ 743,384</u>	<u>\$ 637,536</u>	<u>\$ 3,167,260</u>	<u>\$ 2,584</u>	<u>\$ 28,402</u>	<u>\$ 16,857</u>	<u>\$ 58,779</u>	<u>\$ 112,069</u>	<u>\$ 4,766,871</u>
Cost									
Balance at January 1, 2025	\$ 743,384	\$ 1,026,370	\$ 7,436,311	\$ 10,673	\$ 78,399	\$ 194,993	\$ 130,158	\$ 213,628	\$ 9,833,916
Additions	-	4,930	170,492	2,913	4,398	3,169	2,088	65,993	253,983
Reclassification (Note)	-	-	84,033	-	160	-	-	(43,238)	40,955
Disposal	-	(2,478)	(87,453)	-	(785)	-	(8,324)	-	(99,040)
Net exchange difference	-	7,810	46,769	56	904	1,361	1,328	1,724	59,952
Balance at March 31, 2025	<u>\$ 743,384</u>	<u>\$ 1,036,632</u>	<u>\$ 7,650,152</u>	<u>\$ 13,642</u>	<u>\$ 83,076</u>	<u>\$ 199,523</u>	<u>\$ 125,250</u>	<u>\$ 238,107</u>	<u>\$ 10,089,766</u>
Accumulated depreciation and impairment									
Balance at January 1, 2025	\$ -	\$ 349,201	\$ 5,031,946	\$ 9,945	\$ 67,920	\$ 170,283	\$ 95,810	\$ -	\$ 5,725,105
Depreciation expense	-	12,547	157,510	217	1,401	4,006	3,854	-	179,535
Disposal	-	(2,478)	(87,453)	-	(765)	-	(8,324)	-	(99,020)
Net exchange difference	-	2,736	35,649	55	834	1,173	1,167	-	41,614
Balance at March 31, 2025	<u>\$ -</u>	<u>\$ 362,006</u>	<u>\$ 5,137,652</u>	<u>\$ 10,217</u>	<u>\$ 69,390</u>	<u>\$ 175,462</u>	<u>\$ 92,507</u>	<u>\$ -</u>	<u>\$ 5,847,234</u>
Carrying amount at March 31, 2025	<u>\$ 743,384</u>	<u>\$ 674,626</u>	<u>\$ 2,512,500</u>	<u>\$ 3,425</u>	<u>\$ 13,686</u>	<u>\$ 24,061</u>	<u>\$ 32,743</u>	<u>\$ 238,107</u>	<u>\$ 4,242,532</u>

Note: It was transferred from other non-current assets - prepaid equipment.

Depreciation expense is accrued on a straight-line basis for the following economic life:

Buildings	
Factory main building	20 to 50 years
Building improvement	5 to 20 years
Machinery and equipment	3 to 15 years
Transportation equipment	5 years
Office equipment	3 to 7 years
Leasehold improvements	2 to 10 years
Miscellaneous equipment	2 to 10 years

Please refer to Note 31 for the amount of property, plant and equipment pledged as collateral.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount			
Land (Note)	\$ 38,520	\$ 37,540	\$ 39,733
Buildings	80,164	88,327	123,540
Office equipment	<u>1,760</u>	<u>2,604</u>	<u>3,341</u>
	<u>\$ 120,444</u>	<u>\$ 128,471</u>	<u>\$ 166,614</u>
	For the three months ended March 31		
	2026	2025	
Addition of right-of-use assets	<u>\$ 156</u>	<u>\$ 2,515</u>	
Depreciation of right-of-use assets			
Land (Note)	\$ 295	\$ 297	
Buildings	10,970	11,352	
Office equipment	<u>205</u>	<u>244</u>	
	<u>\$ 11,470</u>	<u>\$ 11,893</u>	

Note: For the land use right in mainland China, the Group has obtained the Land Use Certificates for State Owned Land, and the lease period is 50 years.

Part of the land leased by the Group in Hefei, Anhui Province, China has been sub-leased to Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd. under operational leasing from January 1, 2022, and the relevant right-of-use assets are presented as investment properties please refer to Note 15. The relevant amount of the above right-of-use assets does not include the right-of-use assets that meet the definition of investment properties.

Except for the above-mentioned the Group recognition of depreciation expenses, there was no impairment of the right-of-use assets for from January 1 to March 31, 2026 and 2025.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts			
Current	<u>\$ 44,270</u>	<u>\$ 44,481</u>	<u>\$ 45,749</u>
Non-current	<u>\$ 39,350</u>	<u>\$ 48,072</u>	<u>\$ 82,242</u>

Ranges of discount rates for lease liabilities are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	1.87% ~ 4.35%	1.87% ~ 4.35%	0.99% ~ 4.35%
Office equipment	1.36% ~ 4.35%	1.36% ~ 4.35%	1.36% ~ 4.35%

c. Other lease information

	For the three months ended March 31	
	2026	2025
Expense relating to short-term leases	<u>\$ 3,276</u>	<u>\$ 2,026</u>
Total cash outflow for leases	<u>(\$ 15,060)</u>	<u>(\$ 14,240)</u>

15. INVESTMENT PROPERTY

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	\$ 29,456	\$ 30,369	\$ 37,261
Right-of-use assets - land	<u>4,747</u>	<u>4,626</u>	<u>4,896</u>
	<u>\$ 34,203</u>	<u>\$ 34,995</u>	<u>\$ 42,157</u>

The right-of-use assets in the investment property is the subleasing of the leased land located in Hefei City, Anhui Province, China to Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd. under operational leasing.

The lease term of the investment property (including buildings and right-of-use assets - land) is 5 years with an option to extend the lease term for 2 years. The lessees do not have purchase options to acquire the assets at the expiration of the lease periods.

The maturity analysis of operating lease payments receivable from the investment property is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Year 1	\$ 37,934	\$ 48,912	\$ 50,599
Year 2	-	-	37,949
Year 3	-	-	-
Year 4	-	-	-
Year 5	-	-	-
	<u>\$ 37,934</u>	<u>\$ 48,912</u>	<u>\$ 88,548</u>

Except for the recognition of depreciation expenses, there was no significant addition, disposal or impairment of the investment properties of the Group from January 1 to March 31, 2026 and 2025. Investment properties are depreciated on a straight-line basis over the following economic life:

Buildings	
Factory main building	20 years
Right-of-use assets - land	50 years

The Group implements a general risk management policy to reduce the residual risk of the leased buildings and right-of-use assets upon expiry of the lease term.

The fair value of the investment properties is measured by the independent appraisal company Anhui Huateng Property Assessment Office as a Level 3 input on the balance sheet date. The evaluation is based on market evidence of similar property transaction prices and the cash flow method, and the important unobservable input used include discount rate. The fair value obtained from the evaluation is as follows:

	March 31,	December 31,	March 31,
	2026	2025	2025
Fair value	<u>\$ 266,332</u>	<u>\$ 254,259</u>	<u>\$ 266,983</u>

16. INTANGIBLE ASSETS

	<u>Computer software</u>
<u>Cost</u>	
Balance at January 1, 2026	\$ 17,241
Additions	1,473
Net exchange difference	483
Balance at March 31, 2026	<u>\$ 19,197</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2026	\$ 3,635
Amortization expense	1,541
Net exchange difference	130
Balance at March 31, 2026	<u>\$ 5,306</u>
Carrying amount at March 31, 2026	<u>\$ 13,891</u>
Carrying amount at December 31, 2025 and January 1, 2026	<u>\$ 13,606</u>
<u>Cost</u>	
Balance at January 1, 2025	\$ 8,516
Net exchange difference	68
Balance at March 31, 2025	<u>\$ 8,584</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2025	\$ 4,563
Amortization expense	692
Net exchange difference	25
Balance at March 31, 2025	<u>\$ 5,280</u>
Carrying amount at March 31, 2025	<u>\$ 3,304</u>

Amortization expenses are accrued on a straight-line basis over the economic life:
 Computer software 2 to 5 years

17. OTHER ASSETS

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Current</u>			
Prepayments			
Tax credit	\$ 274,471	\$ 256,293	\$ 211,773
Prepayments to suppliers	9,874	9,305	7,350
Others	<u>80,760</u>	<u>37,618</u>	<u>33,330</u>
	<u>\$ 365,105</u>	<u>\$ 303,216</u>	<u>\$ 252,453</u>
<u>Non-current</u>			
Prepayments for equipment			
Refundable deposits (Note)	\$ 228,035	\$ 462,651	\$ 225,892
Other prepayments	12,608	12,489	12,122
	<u>4,116</u>	<u>3,982</u>	<u>-</u>
	<u>\$ 244,759</u>	<u>\$ 479,122</u>	<u>\$ 238,014</u>

Note: The Group considers the debtor's historical record, current market conditions and business outlook to measure the 12-month expected credit loss or lifetime expected credit loss of the refundable deposit paid. As of March 31, 2026 and December 31 and March 31, 2025, the Group assessed that it was not necessary to report expected credit losses for refundable deposits paid.

18. BORROWINGS

a. Short-term borrowings

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Secured borrowings</u>			
(Note 31)			
Bank borrowings 1)	\$ -	\$ -	\$ 100,000
<u>Unsecured borrowings</u>			
Credit line borrowings 2)	<u>117,848</u>	<u>407,848</u>	<u>200,000</u>
	<u>\$ 117,848</u>	<u>\$ 407,848</u>	<u>\$ 300,000</u>

- 1) Bank-secured loans are calculated at a fixed interest rate of 1.90% as of March 31, 2025.
- 2) Bank revolving loans are calculated at floating interest rates, which were 1.92% to 1.98% as of March 31, 2026, 1.87% to 1.98% as of December 31, 2025, and 1.92% to 1.98% as of March 31, 2025, respectively.

b. Long-term borrowings

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Secured borrowings</u>			
(Note 31)			
Bank borrowings	\$ 1,116,553	\$ 934,120	\$ 349,473
Less: Current portion	(<u>129,928</u>)	(<u>92,441</u>)	(<u>67,779</u>)
Long-term borrowings	<u>\$ 986,625</u>	<u>\$ 841,679</u>	<u>\$ 281,694</u>

The borrowings of the Group include:

	<u>Due date</u>	<u>Material terms</u>	<u>March 31, 2026</u>		<u>December 31, 2025</u>		<u>March 31, 2025</u>	
			<u>Amount</u>	<u>Effective rate %</u>	<u>Amount</u>	<u>Effective rate %</u>	<u>Amount</u>	<u>Effective rate %</u>
Floating rate borrowings								
Taiwan Cooperative Bank								
Secured borrowings for land and buildings	October 13, 2032	The borrowings amount of \$135,000 thousand is divided into 84 monthly installments starting November 2025 where the interest is paid monthly in the first year, and the principal and interest are amortized monthly starting November 2026.	\$ 135,000	1.87	\$ 135,000	1.87	\$ -	-
Secured borrowings for land and buildings	May 20, 2032	The borrowings amount of \$135,000 thousand is divided into 84 monthly installments starting June 2025 where the interest is paid monthly in the first year, and the principal and interest are amortized monthly starting June 2026.	135,000	1.87	135,000	1.87	-	-
Secured borrowings for land and buildings	March 5, 2032	The borrowings amount of \$135,000 thousand is divided into 84 monthly installments starting April 2025 where the interest is paid monthly in the first year, and the principal and interest are amortized monthly starting April 2026.	135,000	1.87	135,000	1.87	135,000	1.87
Secured borrowings for land and buildings	May 29, 2031	The borrowings amount of \$135,000 thousand is divided into 84 monthly installments starting June 2024 where the interest is paid monthly in the first year, and the principal and interest are amortized monthly starting June 2025. (Early repayment in May 2025).	\$ -	-	\$ -	-	\$ 135,000	1.87
Machinery and equipment secured borrowings	March 5, 2032	The borrowings amount of \$195,000 thousand is divided into 72 monthly installments starting April 2026 where the interest is paid monthly in the first year, and the principal and interest are amortized monthly starting April 2027.	195,000	2.15	-	-	-	-
Machinery and equipment secured borrowings	August 20, 2032	The borrowings amount of \$219,000 thousand is divided into 72 monthly installments starting September 2025 where the interest is paid monthly in the first year, and the principal and interest are amortized monthly starting September 2026.	219,000	2.15	219,000	2.15	-	-
Machinery and equipment secured borrowings	August 20, 2032	The borrowings amount of \$133,000 thousand is divided into 70 monthly installments starting November 2025 where the interest is paid monthly in the first year, and the principal and interest are amortized monthly starting November 2026.	133,000	2.15	133,000	2.15	-	-

	Due date	Material terms	March 31, 2026		December 31, 2025		March 31, 2025	
			Amount	Effective rate %	Amount	Effective rate %	Amount	Effective rate %
Machinery and equipment secured borrowings	October 20, 2026	The borrowings amount of \$80,000 thousand is divided into 36 monthly installments starting November 2023 where the interest is paid monthly in the first year, and the principal and interest are amortized monthly starting November 2024.	23,642	1.87	33,696	1.87	63,579	1.87
Machinery and equipment secured borrowings	October 20, 2026	The borrowings amount of \$20,000 thousand is divided into 36 monthly installments starting November 2023 where the interest is paid monthly in the first year, and the principal and interest are amortized monthly starting November 2024.	5,911	1.87	8,424	1.87	15,894	1.87
E.SUN Bank Secured borrowings for land and buildings	December 10, 2028	The borrowings amount of \$135,000 thousand is divided into 37 monthly installments starting from December 2025 where the interest is paid monthly in the first year, and the principal is repaid quarterly in equal installments starting from January 2027.	135,000	1.97	135,000	1.97	-	-
			1,116,553		934,120		349,473	
Less: Current portion Balance of long-term bank borrowings			(129,928)		(92,441)		(67,779)	
			<u>\$ 986,625</u>		<u>\$ 841,679</u>		<u>\$ 281,694</u>	

19. OTHER LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Other payables			
OEM collection and payment	\$ 595,289	\$ 681,871	\$ 277,689
Salaries payable and bonus	525,866	552,616	540,855
Cash dividends (Note 28)	316,354	164	265,745
Payable for equipment (Note 28)	210,631	135,057	245,225
Engineering service fees	27,650	64,927	6,968
Insurance premium	60,135	56,660	51,552
Commission expense	6,486	3,591	37,605
Compensation payable	-	24,125	25,487
Pension	25,078	22,751	21,588
Professional service fee	17,944	15,182	13,333
Repair and maintenance expense	8,443	12,779	10,120
Research and development expense	12,741	8,746	3,503
Processing fee	9,125	4,130	10,323
Freight	2,432	1,076	8,568
Import and export fee	7,017	5,356	2,496
Business tax	1,296	2,850	1,270

	March 31, 2026	December 31, 2025	March 31, 2025
Interest	1,026	934	585
Others	<u>84,550</u>	<u>82,027</u>	<u>76,990</u>
	<u>\$ 1,912,063</u>	<u>\$ 1,674,842</u>	<u>\$ 1,599,902</u>
Other current liabilities			
Guarantee deposit - payments received to retain capacity (Note)	\$ 195,731	\$ 200,474	\$ 176,010
Advance receipts (Note 30)	4,154	4,017	4,156
Others	<u>2,961</u>	<u>2,395</u>	<u>2,605</u>
	<u>\$ 202,846</u>	<u>\$ 206,886</u>	<u>\$ 182,771</u>
Non-current			
Guarantee deposits			
Payments received to retain capacity (Note)	\$ 330,335	\$ 346,684	\$ 395,508
Others (Note 30)	<u>21,003</u>	<u>25,434</u>	<u>21,012</u>
	<u>\$ 351,338</u>	<u>\$ 372,118</u>	<u>\$ 416,520</u>

Note: To expand the production capacity in response to the increase in customer demand, the Group has signed a production capacity agreement with its customers and collected a production capacity deposit which the customers can offset the payment for shipments in phases during the production capacity guarantee period according to the conditions stipulated in the agreement.

20. PROVISIONS

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Warranties	<u>\$ 50,486</u>	<u>\$ 57,256</u>	<u>\$ 68,475</u>
	For the three months ended March 31		
	<u>2026</u>	<u>2025</u>	
Balance, beginning of period	\$ 57,256	\$ 57,785	
Additions	-	10,690	
Reversal of unused balance for the current period	(6,737)	-	
Usage	(33)	-	
Balance, end of period	<u>\$ 50,486</u>	<u>\$ 68,475</u>	

The warranties provision for liabilities is the present value of the best estimate of the future economic outflows due to the warranties obligations by the management of the Group according to the contract for the sale of goods. This estimate is based on historical

warranties and adjusted by taking into account new raw materials, changes in the process or other factors that affect product quality.

21. RETIREMENT BENEFIT PLANS

The pension expenses related to the defined benefit plan recognized from January 1 to March 31, 2026 and 2025 are calculated based on the pension cost rate determined by the actuarial on December 31, 2025 and 2024, and the amounts are \$273 thousand and \$232 thousand.

22. EQUITY

a. Capital stock
Common stock

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Authorized shares (in thousands)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Authorized capital (NTD in thousand)	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Issued and paid shares (in thousands)	<u>145,681</u>	<u>145,681</u>	<u>145,681</u>
Issued capital (NTD in thousand)	<u>\$ 1,456,814</u>	<u>\$ 1,456,814</u>	<u>\$ 1,456,814</u>

The authorized shares include 10,000 thousand shares allocated for the exercise of employee stock options.

A holder of issued common shares with par value of \$10 per share is entitled to vote and to receive dividends.

b. Capital surplus

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>May be used to offset a deficit, distributed as cash dividends or transferred to capital</u> (Note 1)			
Additional paid-in capital	\$ 322,130	\$ 322,130	\$ 322,130
Treasury stocks	<u>6,420</u>	<u>6,420</u>	<u>6,420</u>
	<u>\$ 328,550</u>	<u>\$ 328,550</u>	<u>\$ 328,550</u>

	March 31, 2026	December 31, 2025	March 31, 2025
<u>May only be used to offset a deficit</u>			
From share of changes in equities of subsidiaries (Note 2)	<u>\$ 127,672</u>	<u>\$ 127,672</u>	<u>\$ 127,923</u>

Note 1: Such capital surplus can be used to offset a deficit, in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of the Company's paid-in capital.

Note 2: This capital surplus is the amount of equity transaction impact recognized due to changes in the Company's equity when the Company does not subscribe to the subsidiary's equity in proportion to its shareholding, or the adjusted amount recognized by the Company using the equity method to recognize the subsidiary's capital surplus.

c. Retained earnings and dividend policy

In accordance with the Company's earnings distribution policy in the Articles of Association, if there is a surplus after the annual financial report, the Company will pay taxes and make up for previous annual deficit and add items other than the after-tax net profit to the undistributed earnings for the current period. Also, 10% of legal reserve shall be set aside and if necessary. If the legal reserve has reached the Company's paid-in capital, this allocation may cease. Furthermore, a special reserve shall be allocated or reversed in accordance with relevant laws and regulations. The accumulated undistributed earnings from the previous year shall be added to the distributable earnings. The Board of Directors shall then draft a proposal for earnings distribution to be submitted to the shareholders' meeting for a resolution. The distributable earnings mentioned above may be retained by the Board of Directors as needed for the Company's operations. When the net amount of other equity deductions accumulated in the previous period is set aside as a special reserve, if the undistributed earnings in the previous period is insufficient to be set aside, items other than after-tax net profit plus after-tax net profit for the current period are included in the undistributed earnings for the current period. The Company's dividend policy is based on an assessment of the Company's future capital needs for sustained investment, research and development, and operations, in order to maintain a sound financial structure for sustainable development. Earnings will be appropriately distributed in the form of stock dividends or cash dividends, depending on the Company's operation. The total amount of dividends shall be at least 5% of the earnings for the current year, of which cash dividends shall not be less than 20% of the total dividends.

Please refer to Note 24 (8) Employee Remuneration and Director Remuneration for the employees and directors remuneration policy stipulated in the Articles of Association of the Company.

According to Article 237 of the Company Act of the Republic of China, when allocating surplus profits after having paid all taxes and dues, shall first set aside 10% of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. The legal reserve can be used to make up for losses. When the Company has no losses, the portion of the legal reserve exceeding 25% of the total paid-in capital can be allocated in cash in addition to being accounted as share capital.

The Company set aside the special reserve in accordance with the Official Letter Chin-Kuan-Cheng-Fa-Tzu No. 1090150022 and “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs (IFRS Accounting Standards)”. The Company held a board meeting on March 12, 2026 and a regular shareholders’ meetings on May 28, 2025 to propose and approve the 2025 and 2024 earnings distribution proposals as follows:

	<u>2025</u>	<u>2024</u>
Legal reserve	\$ 72,582	\$ 55,983
Special reserve	\$ 18,001	(\$ 62,947)
Cash dividends	\$ 145,681	\$ 72,841
Cash dividend per share (NT\$)	\$ 1	\$ 0.5

The 2025 earnings distribution plan is yet to be resolved at the shareholders’ meeting which is expected to be held on May 29, 2026.

d. Special reserve

	<u>For the three months ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Balance, beginning of period	\$ 23,078	\$ 86,025
Balance, end of period	\$ 23,078	\$ 86,025

e. Other equity

Exchange differences on translation of foreign financial statements:

	<u>For the three months ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Balance, beginning of period	(\$ 41,079)	(\$ 23,078)
Recognized in the current period		
Exchange differences on translation of foreign financial statements	64,788	30,310
Related tax	(\$ 12,958)	(\$ 6,062)
Other comprehensive income	51,830	24,248
Balance, end of period	\$ 10,751	\$ 1,170

f. Non-controlling interests

	For the three months ended March 31	
	2026	2025
Balance, beginning of period	\$ 2,759,374	\$ 2,537,321
Net income	79,060	235,200
Other comprehensive income		
Exchange differences on translation of foreign financial statements	62,256	29,126
Cash dividend issued from subsidiaries	(316,190)	(265,599)
Balance, end of period	<u>\$ 2,584,500</u>	<u>\$ 2,536,048</u>

23. REVENUE

	For the three months ended March 31	
	2026	2025
Revenue from contracts with customers		
Packaging and testing	\$ 1,704,382	\$ 1,414,528
Merchandise sales	298,989	1,254,223
Others (Note 30)	71,245	76,897
Other operating revenue		
Lease revenue (Note 30)	12,265	12,354
	<u>\$ 2,086,881</u>	<u>\$ 2,758,002</u>

a. Contract balance

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Accounts receivable (Note 9)	\$ 1,589,391	\$ 1,606,803	\$ 1,805,703	\$ 1,524,386
Accounts receivable due from related parties (Note 30)	<u>8,765</u>	<u>8,066</u>	<u>10,278</u>	<u>8,903</u>
	<u>\$ 1,598,156</u>	<u>\$ 1,614,869</u>	<u>\$ 1,815,981</u>	<u>\$ 1,533,289</u>
Contract assets				
Packaging and testing	\$ 360,480	\$ 285,119	\$ 247,372	\$ 252,003
Less: Loss allowances	(37,462)	(35,072)	(34,194)	(38,964)
	<u>\$ 323,018</u>	<u>\$ 250,047</u>	<u>\$ 213,178</u>	<u>\$ 213,039</u>
Contract liabilities				
Packaging and testing	\$ 135,569	\$ 63,550	\$ 34,859	\$ 25,964
Merchandise sales	-	-	1,216	1,616
	<u>\$ 135,569</u>	<u>\$ 63,550</u>	<u>\$ 36,075</u>	<u>\$ 27,580</u>

The Group recognizes loss allowance for contract assets based on lifetime expected credit losses. The average process duration of the packaging and testing service contracts signed by the Group is 20 to 60 days. When determining the possibility of

obtaining an unconditional right of payment for contract assets in the future, the policy adopted by the Group refers to the historical experience of the counterparty's relevant contract assets, current market conditions and business outlook, considers the contracts that are still under obligations on the balance sheet date, examines each contract for stagnation, and recognizes the loss allowance for contract assets according to the expected credit losses during the duration. If there is evidence indicating that the performance obligations of the contract have been suspended for a period exceeding the normal manufacturing process and the Group cannot reasonably anticipate the contract resumption time, the Group will recognize the loss allowance at full amount, but will continue to pursue the stagnation of the contract, and carry out the obligation when the stagnation has been eliminated. If there is evidence that the counterparty has signs of breach of contract or is facing serious debt difficulties where the recoverable amount cannot be reasonably estimated, the Group will directly write off the relevant contract assets and loss allowance, but will continue to pursue for recovery. The amount recovered by the pursuit will be recognized in profit or loss.

	March 31, 2026	December 31, 2025	March 31, 2025
Expected credit loss rate	10%	12%	14%
Total amount	\$ 360,480	\$ 285,119	\$ 247,372
Loss allowance (lifetime expected credit losses)	(<u>37,462</u>)	(<u>35,072</u>)	(<u>34,194</u>)
	<u>\$ 323,018</u>	<u>\$ 250,047</u>	<u>\$ 213,178</u>

Movements of the loss allowance for contract assets

	For the three months ended March 31	
	2026	2025
Balance, beginning of period	\$ 35,072	\$ 38,964
Impairment losses for the current period	2,249	-
Reversal	-	(4,788)
Exchange differences on translation of foreign currency	141	18
Balance, end of period	<u>\$ 37,462</u>	<u>\$ 34,194</u>

- b. Detail of customer contracts
Please refer to Note 35 for detailed revenue information.

24. NET PROFIT FROM CONTINUING OPERATION

a. Interest income

	For the three months ended March 31	
	2026	2025
Bank deposit	\$ 11,134	\$ 15,565
Notes receivables	709	-
	<u>\$ 11,843</u>	<u>\$ 15,565</u>

b. Other income

	For the three months ended March 31	
	2026	2025
Government subsidy	\$ 261	\$ 155
Others	3,186	1,095
	<u>\$ 3,447</u>	<u>\$ 1,250</u>

c. Other gains and losses

	For the three months ended March 31	
	2026	2025
Net foreign currency exchange gain	\$ 4,767	\$ 18,433
Losses on disposal of property, plant and equipment	(221)	(20)
Others	24,378	(102)
	<u>\$ 28,924</u>	<u>\$ 18,311</u>

d. Finance costs

	For the three months ended March 31	
	2026	2025
Bank borrowings interest	\$ 6,220	\$ 2,146
Interest expense on lease liability	654	996
	<u>\$ 6,874</u>	<u>\$ 3,142</u>

e. Depreciation and amortization

	For the three months ended March 31	
	2026	2025
Depreciation expenses summarized by function		
Cost of revenue	\$ 203,836	\$ 176,973
Operating expenses	21,985	16,422
	<u>\$ 225,821</u>	<u>\$ 193,395</u>

Amortization expenses		
summarized by function		
General and		
administrative expense	\$ 1,397	\$ 679
Research and		
development expense	<u>144</u>	<u>13</u>
	<u>\$ 1,541</u>	<u>\$ 692</u>

f. Direct operating expenses of investment property

	For the three months ended March 31	
	2026	2025
Lease revenue		
Depreciation expense	\$ 1,953	\$ 1,967
Others	<u>159</u>	<u>160</u>
	<u>\$ 2,112</u>	<u>\$ 2,127</u>

g. Employee benefits expenses

	For the three months ended March 31	
	2026	2025
Post-employment benefits		
Determined contribution		
plans	\$ 40,630	\$ 37,337
Defined benefit plans		
(Note 21)	<u>273</u>	<u>232</u>
	40,903	37,569
Others	<u>531,057</u>	<u>566,200</u>
Total employee benefits		
expenses	<u>\$ 571,960</u>	<u>\$ 603,769</u>
Summarized by function		
Cost of revenue	\$ 426,557	\$ 401,622
Operating expenses	<u>145,403</u>	<u>202,147</u>
	<u>\$ 571,960</u>	<u>\$ 603,769</u>

h. Remuneration to the employees and directors

According to the Articles of Association, the Company allocates 8% to 15% of the employee's remuneration and no more than 3% of the director's remuneration according to the pre-tax profit before deducting the employee's and director's remuneration in the current year. In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company's 2025 shareholders' meeting approved by resolution an amendment to its Articles of Incorporation. This amendment will stipulate that at least 1% of the current year's employee remuneration allocated be distributed to entry-level employees. The estimated employee remuneration (including

for entry-level employees) and director remuneration for the three months ended March 31, 2026 and 2025 are as follows:

Estimated ratio

	For the three months ended March 31	
	2026	2025
Remuneration to employees	12.62%	11.38%
Remuneration to directors	2.77%	2.84%

Amount

	For the three months ended March 31	
	2026	2025
Remuneration to employees	<u>\$ 24,022</u>	<u>\$ 52,656</u>
Remuneration to directors	<u>\$ 5,280</u>	<u>\$ 13,164</u>

If there is still a change in the amount after the annual consolidated financial statement is approved, it will be treated as a change in accounting estimates and adjusted and recorded in the following year.

Employee remuneration and remuneration to directors in 2025 and 2024 were approved by the Board of Directors on March 12, 2026 and March 11, 2025 as follows:

Amount

	2025	2024
	Cash	Cash
Remuneration to employees	<u>\$ 118,000</u>	<u>\$ 91,000</u>
Remuneration to directors	<u>\$ 28,000</u>	<u>\$ 20,000</u>

There is no significant difference between the aforementioned approved amounts and the amounts charged against earnings of 2025 and 2024, respectively.

The information about the appropriations of the Company's remuneration to employees and remuneration to directors is available at the Market Observation Post System website.

i. Foreign exchange gains and losses

	For the three months ended March 31	
	2026	2025
Foreign currency exchange gains	\$ 80,951	\$ 104,084
Foreign currency exchange losses	(<u>76,184</u>)	(<u>85,651</u>)
Net gains	<u>\$ 4,767</u>	<u>\$ 18,433</u>

25. INCOME TAX

a. Income tax expense recognized in profit or loss
Income tax expense consisted of the following:

	For the three months ended March 31	
	2026	2025
Current income tax		
Recognized in the current period	\$ 120,584	\$ 134,159
Levied undistributed surplus earnings	36,771	24,698
Income tax adjustments on prior years	<u>-</u>	<u>(10,853)</u>
	<u>157,355</u>	<u>148,004</u>
Deferred income tax		
Recognized in the current period	(32,729)	(22,369)
Income tax adjustments on prior years	<u>1,129</u>	<u>-</u>
	<u>(31,600)</u>	<u>(22,369)</u>
Income tax expense recognized in profit or loss	<u>\$ 125,755</u>	<u>\$ 125,635</u>

b. Income tax recognized in other comprehensive income

	For the three months ended March 31	
	2026	2025
<u>Deferred income tax</u>		
Recognized in the current period		
Exchange differences on translation of foreign financial statements	<u>\$ 12,958</u>	<u>\$ 6,062</u>
Income tax recognized in other comprehensive income	<u>\$ 12,958</u>	<u>\$ 6,062</u>

c. Income tax examination

The tax authorities have examined income tax returns of the Company through 2023. The Group had no pending tax litigation as of March 31, 2026.

26. EARNINGS PER SHARE

	For the three months ended March 31	
	2026	2025
Basic EPS	<u>\$ 0.69</u>	<u>\$ 2.34</u>
Diluted EPS	<u>\$ 0.69</u>	<u>\$ 2.33</u>

EPS is computed as follows:

Net income

	For the three months ended March 31	
	2026	2025
Net income attributable to owners of the Company	<u>\$ 100,381</u>	<u>\$ 340,603</u>
Net profit used to calculate diluted earnings per share	<u>\$ 100,381</u>	<u>\$ 340,603</u>

Shares

	Unit: thousand shares	
	For the three months ended March 31	
	2026	2025
Weighted average number of common shares used to calculate basic EPS	145,681	145,681
Effects of all dilutive potential common shares:		
Remuneration to employees	<u>436</u>	<u>497</u>
Weighted average number of common shares used to calculate diluted EPS	<u>146,117</u>	<u>146,178</u>

If the Group can choose to pay employee remuneration in shares or cash, when calculating diluted EPS, assumed that employee remuneration will be issued in shares, the weighted average number of outstanding shares shall be included in the potentially dilutive common shares to calculate the diluted EPS. When calculating the diluted EPS before deciding on the number of shares for employee remuneration in the following year, the potentially dilutive common shares will also be considered.

27. GOVERNMENTS SUBSIDY

GEM Electronics (Hefei) Co., Ltd., a subsidiary of the Group, met the subsidy conditions of the local government and received a total subsidy of \$84,796 thousand from 2019 to 2024 after filing an application for the buildings built and the machinery and equipment purchased by the subsidiary.

This amount has been deducted from the relevant asset's carrying amount and carried forward to profit or loss over the asset's economic life by reducing the depreciation expense. As of March 31, 2026 and 2025, the depreciation expenses were reduced \$1,741 thousand and \$2,276, respectively.

28. CASH FLOW INFORMATION

a. Non-cash transaction

Unless disclosed in other notes, the Group conducted the following non-cash investment and financing activities for the three months ended March 31, 2026 and 2025:

- 1) As of March 31, 2026, and December 31 and March 31, 2025, the purchase price of unpaid properties, plant and equipment acquired by the Group were \$210,631 thousand, \$135,057 thousand and \$245,225 thousand, respectively, and were accounted as other payables.
- 2) As of March 31, 2026, and December 31, 2025, the Group had uncollected proceeds from the sale of property, plant, and equipment amounting to \$86,829 thousand and \$109,700 thousand, respectively, which were accounted as notes receivable, other receivables, and long-term notes receivable.
- 3) Subsidiary GEM Services, Inc. as of March 31, 2026, and December 31 and March 31, 2025, had announced cash dividends of \$316,354 thousand, \$164 thousand and \$265,745 thousand respectively that have not been distributed and are listed under other payables.
- 4) As of March 31, 2026 and December 31 and March 31, 2025, the affiliated companies have announced cash dividends of \$20,499 thousand, \$0, and \$4,349 thousand, respectively, and were accounted as other receivables – related parties.
- 5) Subsidiary GEM Services, Inc. signed a production capacity guarantee agreement with the customer and offset the security deposit by offsetting the payment according to the conditions stipulated in the contract. From January 1 to March 31, 2026 and 2025, the amounts of \$22,214 thousand and \$23,536 thousand, respectively, were used to offset the security deposit by offsetting accounts receivable.

b. Reconciliation of liabilities arising from financing activities

For the three months ended March 31, 2026

	January 1, 2026	Cash flow	Non-cash changes				Others	March 31, 2026
			Lease addition	Payment refund	Finance costs	Foreign exchange movement		
Short-term borrowings	\$ 407,848	(\$ 290,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117,848
Long-term borrowings	934,120	182,433	-	-	-	-	-	1,116,553
Guarantee deposits	572,592	(5,213)	-	(22,214)	-	1,904	-	547,069
Lease liabilities	92,553	(11,130)	156	-	654	2,041	(654)	83,620
	<u>\$ 2,007,113</u>	<u>(\$ 123,910)</u>	<u>\$ 156</u>	<u>(\$ 22,214)</u>	<u>\$ 654</u>	<u>\$ 3,945</u>	<u>(\$ 654)</u>	<u>\$ 1,865,090</u>

For the three months ended March 31, 2025

	January 1, 2025	Cash flow	Non-cash changes				Others	March 31, 2025
			Lease addition	Payment refund	Finance costs	Foreign exchange movement		
Short-term borrowings	\$ 50,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Long-term borrowings	286,808	62,665	-	-	-	-	-	349,473
Guarantee deposits	615,134	-	-	(23,536)	-	932	-	592,530
Lease liabilities	135,367	(11,218)	2,515	-	996	1,327	(996)	127,991
	<u>\$ 1,087,309</u>	<u>\$ 301,447</u>	<u>\$ 2,515</u>	<u>(\$ 23,536)</u>	<u>\$ 996</u>	<u>\$ 2,259</u>	<u>(\$ 996)</u>	<u>\$ 1,369,994</u>

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value
 The management of the Group considers that the carrying amounts of financial instruments in the consolidated financial statements that are not measured at fair value approximate their fair values.

b. Categories of financial instruments

c.

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets</u>			
Amortized cost (Note 1)	\$ 6,107,343	\$ 5,996,385	\$ 6,249,954
<u>Financial liabilities</u>			
Amortized cost (Note 2)	3,399,861	3,402,374	2,798,453

Note 1: Including cash and cash equivalents, financial assets measured at amortized cost, note receivable, accounts receivable (including related parties), other receivables (including related parties; excluding income tax refund receivable), and refundable deposits and other financial assets.

Note 2: The balance includes financial liabilities are measured at amortized cost such as short-term borrowings, note payable, accounts payable, other payables (excluding salaries and bonuses payable, cash dividends payable, insurance premiums payable, pensions payable and business tax payable), long-term loans and guarantee deposit.

d. Financial risk management objectives and policies
 The major financial instruments of the Group include cash and cash equivalents, investments in debt instruments, receivables, payables, lease liabilities and borrowings. Among the financial instruments held by the Group, financial risks related to operations include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

1) Market risk
 The main financial risks borne by the Group’s operating activities are the exchange rate risk (see 1) below) and the interest rate risk (see 2) below).

(1) Foreign currency risk
 The Group is engaged in foreign currency-denominated sales and purchase transactions, thus causing the Group to be exposed to exchange rate risk. The Group regularly evaluates the net risk position of the sales amount and cost amount denominated in non-functional currency, and adjusts the cash holding position of the non-functional currency accordingly to achieve hedging.
 For the carrying amounts of monetary assets and liabilities of the Group denominated in non-functional currencies on the balance sheet date (including those monetary items denominated in non-functional currencies

that have been eliminated in the consolidated financial statements), please refer to Note 33.

Sensitivity analysis

The Group is mainly affected by fluctuations in the exchange rates of USD, JPY and NTD.

The table below details the sensitivity analysis of the Group when the exchange rate of each functional currency of each entity against each relevant foreign currency increases/decreases by 1%. 1% is the sensitivity rate used when reporting exchange rate risk within the Group to key management, and also represents management's assessment of the reasonably possible range of changes in foreign currency exchange rates. Sensitivity analysis only includes foreign currency monetary items in circulation which is translated at the end of the period with a 1% exchange rate adjustment.

When foreign currency monetary items are net assets, a positive number in the table below means that when the functional currency of each consolidated entity depreciates by 1% relative to each related currency (mainly USD, JPY and NTD), the pre-tax net profit or equity will increase by a number of the same amount; when the functional currency of each consolidated entity appreciates by 1% relative to each relevant currency, its impact on pre-tax net profit or equity will be a negative number of the same amount.

	<u>The impact of USD</u>		<u>The impact of JPY</u>		<u>The impact of NTD</u>	
	<u>For the three months ended</u>		<u>For the three months ended</u>		<u>For the three months ended</u>	
	<u>March 31</u>		<u>March 31</u>		<u>March 31</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Gains or (losses)	\$ 16,959 (i)	\$ 27,539 (i)	\$ 138 (ii)	\$ 331 (ii)	(\$ 8,290)(iii)	(\$ 7,083)(iii)

- (i) Mainly from the Group's USD-denominated cash and cash equivalents, financial assets measured at amortized cost, receivables, and payables that were in circulation on the balance sheet date without cash flow hedging.

The Group's sensitivity to the US dollar exchange rate decreased in the current period compared to the same period last year, which was due to the decrease in cash and cash equivalents denominated in US dollars.

- (ii) Mainly from the Group's JPY-denominated cash and cash equivalents, receivables, and payables that were in circulation on the balance sheet date without cash flow hedging.

The Group's sensitivity to the JPY exchange rate decreased in the current period compared to the same period last year, which was due to an increase in JPY-denominated payables.

- (iii) Mainly from the Group's NTD-denominated payables that were still in circulation on the balance sheet date without cash flow hedging.

The Group's sensitivity to the NTD exchange rate increased in the current period compared to the same period last year, which was due to an increase in NTD-denominated payables.

(2) Interest rate risk

Interest rate risk exposure is incurred due to the bank deposits, notes receivable, lease liabilities and borrowings within the Group include fixed and floating interest rates.

The carrying amounts of financial assets and financial liabilities of the Group subject to interest rate risk exposure on the balance sheet date are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
- Financial assets	\$ 2,306,774	\$ 1,360,943	\$ 1,353,587
- Financial liabilities	101,468	260,401	227,991
Cash flow interest rate risk			
- Financial assets	1,745,091	2,369,711	2,716,034
- Financial liabilities	1,216,553	1,174,120	549,473

Sensitivity analysis

The sensitivity analysis below is based on the interest rate exposure of non-derivative instruments at the balance sheet date. The analysis for floating rate liabilities assumes that the amounts of the liabilities outstanding at the balance sheet date were all outstanding during the reporting period. The rate of change used in reporting interest rates within the Group to key management is a 1% increase or decrease in interest rates, which represents management's assessment of the reasonably possible range of changes in interest rates.

If interest rates increased/decreased by 1% when all other variables are held constant, the Group's net profit before tax from January 1 to March 31, 2026 and 2025 will increase/decrease by \$1,321 thousand and \$5,416 thousand, respectively, mainly due to the interest rate risk with fluctuations arising from the bank deposits and bank loans floating interest rate.

The Group's sensitivity to interest rates decreased in the period, which is due to the decrease in bank deposits with floating interest rates.

2) Credit risk

Credit risk refers to the risk that the counterparty defaults on its contractual obligations resulting in financial losses to the Group. As of the balance sheet date, the maximum credit risk exposure of the Group that may result in financial losses due to the counterparty's failure to perform its obligations is from the carrying amount of financial assets recognized in the consolidated balance sheet.

The policy adopted by the Group is to transact with reputable counterparties and to obtain adequate guarantees to mitigate the risk of financial loss due to default when necessary. The Group rates major customers by creating complete customer

profiles, using publicly available financial and non-financial information, and referring to past transaction records with the Group. The Group continuously monitors the credit exposure and the credit rating of the counterparty and controls the credit exposure through the counterparty's credit limit which is reviewed and approved annually by the responsible supervisor.

The Group continuously evaluates the financial status of customers with accounts receivable and contract assets and reviews the recoverable amounts of accounts receivable and contract assets to ensure that unrecoverable accounts receivable and contract assets have been properly set aside for impairment losses. When necessary, receipts in advance will be adopted as a transaction term to reduce credit risk. Thus, the credit risk on accounts receivable and contract assets is expected to be limited.

The credit risk of the Group is concentrated in the top five customers. As of March 31, 2026, and December 31 and March 31, 2025, the ratio for the total amount of accounts receivable and total contract assets came from the top five customers were 49%, 51% and 60%, respectively.

3) Liquidity risk

The Group manages and maintains a sufficient position of cash and cash equivalents to support the operations and mitigate the impact of fluctuations in cash flow. The management of the Group supervises the use of the bank's financing amount and ensures compliance with the terms of the borrowing agreement.

Bank borrowings are an important source of liquidity for the Group. Please refer to the description of 2) Financing amount for the unused financing amount of the Group as of March 31, 2026, and December 31 and March 31, 2025.

(1) Liquidity and Interest Rate Risk for Non-Derivative Financial Liabilities

The analysis of the remaining contractual maturity of non-derivative financial liabilities is based on the earliest date on which the Group may be required to repay, and is prepared based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). The maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment date.

For interest cash flows paid at floating rates, the undiscounted interest amount is derived based on the average borrowing rate on the balance sheet date.

March 31, 2026

	<u>Less than 1 month</u>	<u>1 - 3 months</u>	<u>3 - 12 months</u>	<u>1 - 5 years</u>	<u>More than 5 years</u>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$1,497,465	\$ 347,864	\$ 615,482	\$ 21,003	\$ -
Floating rate instrument	108,174	17,480	126,258	873,903	159,398
Fixed rate instrument	17,877	-	-	-	-
Lease liabilities	8,968	2,968	34,037	39,996	-
	<u>\$1,632,484</u>	<u>\$ 368,312</u>	<u>\$ 775,777</u>	<u>\$ 934,902</u>	<u>\$ 159,398</u>

December 31, 2025

	<u>Less than 1 month</u>	<u>1 - 3 months</u>	<u>3 - 12 months</u>	<u>1 - 5 years</u>	<u>More than 5 years</u>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 632,753	\$ 837,441	\$ 564,942	\$ 25,434	\$ -
Floating rate instrument	247,702	11,462	93,201	726,624	155,032
Fixed rate instrument	168,378	-	-	-	-
Lease liabilities	8,699	2,924	34,870	48,978	-
	<u>\$1,057,532</u>	<u>\$ 851,827</u>	<u>\$ 693,013</u>	<u>\$ 801,036</u>	<u>\$ 155,032</u>

March 31, 2025

	<u>Less than 1 month</u>	<u>1 - 3 months</u>	<u>3 - 12 months</u>	<u>1 - 5 years</u>	<u>More than 5 years</u>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 924,390	\$ 888,454	\$ 580,869	\$ 21,012	\$ -
Floating rate instrument	205,958	11,111	57,977	222,106	76,275
Fixed rate instrument	100,238	-	-	-	-
Lease liabilities	9,158	3,342	36,363	83,948	592
	<u>\$ 1,239,744</u>	<u>\$ 902,907</u>	<u>\$ 675,209</u>	<u>\$ 327,066</u>	<u>\$ 76,867</u>

(2) Financing amount

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Unsecured borrowings</u>			
- Utilized	\$ 117,848	\$ 407,848	\$ 200,000
- Unutilized	<u>1,202,152</u>	<u>912,152</u>	<u>570,000</u>
	<u>\$ 1,320,000</u>	<u>\$ 1,320,000</u>	<u>\$ 770,000</u>
<u>Secured borrowings</u>			
- Utilized	\$ 1,116,553	\$ 934,120	\$ 449,473
- Unutilized	<u>723,447</u>	<u>905,880</u>	<u>910,527</u>
	<u>\$ 1,840,000</u>	<u>\$ 1,840,000</u>	<u>\$ 1,360,000</u>

30. RELATED PARTY TRANSACTIONS

Transactions, account balances, income and expenses between the Company and its subsidiaries (which are related parties of the Company) are all eliminated upon consolidation, thus not disclosed in this note. Unless disclosed in other notes, the transactions between the Group and other related parties are as follows.

a. Related party name and categories

<u>Related party name</u>	<u>Related party categories</u>
Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd.	Associate

b. Revenue

<u>Item</u>	<u>Related party categories</u>	<u>For the three months ended March 31</u>	
		<u>2026</u>	<u>2025</u>
Electroplating services	Associate	<u>\$ 19,898</u>	<u>\$ 23,857</u>
Lease revenue	Associate	<u>\$ 12,265</u>	<u>\$ 12,354</u>
Lease and other services	Associate	<u>\$ 1,733</u>	<u>\$ 1,840</u>

There is no other comparable transaction of the same sales price and conditions of the related parties. The income from electroplating services is determined by the cost-plus pricing, and the payment terms are monthly T/T 45 days. The lease income is based on the contract signed according to the general market conditions, and the rent is collected on a monthly basis; the other service income is collected on a monthly basis according to the contract content.

c. Receivables from related parties

<u>Item</u>	<u>Related party categories</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Accounts receivable due from related parties	Associate	<u>\$ 8,765</u>	<u>\$ 8,066</u>	<u>\$ 10,278</u>
Other receivables - related parties	Associate	<u>\$ 20,530</u>	<u>\$ 52</u>	<u>\$ 4,548</u>

The outstanding receivables from related parties are not overdue, and no guarantee has been received. No allowance for losses was provided for receivables from related parties

d. Lease agreement

Operation lease/ sublease

The Group leases the buildings and subleases the land use rights related to the buildings to its associate, Mitsubishi Electric GEM Power Semiconductor (Hefei) Co., Ltd., for a lease term of five years, with an option to extend the lease term for two years. The rent is signed according to the general market condition which is paid monthly. At the end of the lease period, the lessee will not have the purchase price option to acquire the real estate. As of March 31, 2026, and December 31 and March 31, 2025, the total lease payments to be received in the future are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Year 1	\$ 37,934	\$ 48,912	\$ 50,599
Year 2	-	-	37,949
Year 3	-	-	-
Year 4	-	-	-
Year 5	-	-	-
	<u>\$ 37,934</u>	<u>\$ 48,912</u>	<u>\$ 88,548</u>

The lease income recognized for the three months ended March 31, 2026 and 2025 was \$12,265 thousand and \$12,354 thousand, respectively.

e. Other related party transactions

Item	Related party categories	March 31, 2026	December 31, 2025	March 31, 2025
Guarantee deposits	Associate	<u>\$ 1,791</u>	<u>\$ 1,732</u>	<u>\$ 1,792</u>
Advance receipts	Associate	<u>\$ 4,154</u>	<u>\$ 4,017</u>	<u>\$ 4,156</u>

f. Remuneration for key managerial officers

	For the three months ended March 31	
	2026	2025
Short-term employee benefits	\$ 39,161	\$ 60,255
Post-employment benefits	<u>189</u>	<u>162</u>
	<u>\$ 39,350</u>	<u>\$ 60,417</u>

The remuneration of directors and other key managerial officers is determined by the Remuneration Committee in accordance with individual performance and market trends.

31. PLEDGED ASSETS

The following assets have been provided as collateral for financing borrowings and customs guarantees for imported raw materials:

	March 31, 2026	December 31, 2025	March 31, 2025
Pledged term deposits (financial assets measured at amortized cost - non- current)	\$ 1,880	\$ 776	\$ 766
Self-owned land	622,948	622,948	622,948
Net amount of property and building	163,586	164,593	167,612

	March 31, 2026	December 31, 2025	March 31, 2025
Net amount of machinery and equipment	844,878	597,697	149,767
	<u>\$ 1,633,292</u>	<u>\$ 1,386,014</u>	<u>\$ 941,093</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The unrecognized commitments of the Group are as follows:

	Unit: Foreign currency (In thousands)		
	March 31, 2026	December 31, 2025	March 31, 2025
Acquisition of property, plant and equipment			
JPY	\$ 339,890	\$ 81,439	\$ 979,884
NTD	\$ 211,766	\$ 60,610	\$ 431,064
RMB	\$ 17,427	\$ 8,075	\$ 2,375
USD	\$ 3,325	\$ 2,780	\$ 2,272

33. EXCHANGE RATE INFORMATION OF FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES

The following information was summarized according to the foreign currencies other than the functional currency of the Group. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The significant financial assets and liabilities denominated in foreign currencies were as follows:

March 31, 2026

	Foreign currencies (in thousands)	Exchange rate		Carrying amount
<u>Foreign currency assets</u>				
<u>Monetary items</u>				
USD	\$ 101,220	31.9950	(USD: NTD)	\$ 3,238,529
USD	34,504	6.9194	(USD: RMB)	1,103,953
JPY	396,019	0.2005	(JPY: NTD)	79,402
<u>Foreign currency liabilities</u>				
<u>Monetary items</u>				
USD	\$ 75,775	31.9950	(USD: NTD)	\$ 2,424,419
USD	6,945	6.9194	(USD: RMB)	222,197
JPY	327,047	0.2005	(JPY: NTD)	65,573
NTD	705,820	0.0313	(NTD: USD)	705,820
NTD	123,213	0.2163	(NTD: RMB)	123,213

December 31, 2025

	Foreign currencies (in thousands)	Exchange rate		Carrying amount
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 102,177	31.4300	(USD: NTD)	\$ 3,211,424
USD	52,669	7.0288	(USD: RMB)	1,655,399
JPY	263,134	0.2008	(JPY: NTD)	52,837
Foreign currency liabilities				
<u>Monetary items</u>				
USD	56,638	31.4300	(USD: NTD)	1,780,125
USD	8,511	7.0288	(USD: RMB)	267,508
JPY	418,111	0.2008	(JPY: NTD)	83,957
NTD	50,938	0.0318	(NTD: USD)	50,938
NTD	100,930	0.2236	(NTD: RMB)	100,930

March 31, 2025

	Foreign currencies (in thousands)	Exchange rate		Carrying amount
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 128,238	33.2050	(USD: NTD)	\$ 4,258,147
USD	50,118	7.1782	(USD: RMB)	1,664,173
JPY	349,108	0.2227	(JPY: NTD)	77,746
Foreign currency liabilities				
<u>Monetary items</u>				
USD	85,726	33.2050	(USD: NTD)	2,846,548
USD	9,693	7.1782	(USD: RMB)	321,846
JPY	200,503	0.2227	(JPY: NTD)	44,652
NTD	594,861	0.0301	(NTD: USD)	594,861
NTD	113,468	0.2162	(NTD: RMB)	113,468

The Group's foreign exchange net gains (realized and unrealized) for the three months ended March 31, 2026 and 2025 were \$4,767 thousand and \$18,433 thousand, respectively. Due to the wide variety of foreign currency transactions and functional currencies of the Group, it is not possible to disclose exchange gains and losses and significant impact for each currency.

34. ADDITIONAL DISCLOSURES

- a. Following are the additional disclosures required by the Securities and Futures Bureau for the Company:
- 1) Financings provided: None
 - 2) Endorsement/guarantee provided: None
 - 3) Holding of significant securities at the end of the period (excluding investments in subsidiaries and associates): None
 - 4) Total purchases from or sales to related parties of at least \$100 million or 20% of the paid-in capital: See Table 1 attached;
 - 5) Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: See Table 2 attached;
 - 6) Others: The business relationship between the parent and the subsidiaries and significant transactions between them: See Table 3 attached;
- b. Information on investees (excluding information on investment in Mainland China): See Table 4 attached;
- c. Information on investment in mainland China:
- 1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: See Table 5 attached.
 - 2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gains or losses, and other related information which is helpful to understand the impact of investment in mainland China on financial reports:
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: See Table 1 and Table 3 attached.
 - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None
 - (3) The amount of property transactions and the amount of the resultant gains or losses: None
 - (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None
 - (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None
 - (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: Note 30

35. SEGMENTS INFORMATION

Information provided to the operation decision maker to allocate resources and measure segment performance, focusing on each type of product or service delivered or provided. The reportable segments of the Group are the optoelectronics segment, the semiconductor segment, and the silicon photonics segment.

The operation decision maker regards the subsidiaries in optoelectronics industry, semiconductor foundry and sales, or silicon photonics industry in each region as individual operating segments, but when preparing financial statements, the Group considers the following factors and aggregates these operating segments as a single segment:

- a. Similar product properties and process;
- b. Similar product pricing strategy and sales model.

Revenue and operation results from each department

The revenue and operating results of the Group's continuing operation are analyzed as follows according to the reportable segment:

	<u>Revenue from each segment</u>		<u>Profit and loss from each segment</u>	
	<u>For the three months ended</u>		<u>For the three months ended</u>	
	<u>March 31</u>		<u>March 31</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Optoelectronics industry	\$ 570,346	\$ 593,320	\$ 91,469	\$ 143,287
Semiconductor	1,357,265	1,214,351	259,528	210,258
Silicon photonics segment	301,888	1,254,863	(71,388)	328,324
Intercompany eliminations	(<u>142,618</u>)	(<u>304,532</u>)	<u>726</u>	<u>2,000</u>
Total of continuing operations	<u>\$ 2,086,881</u>	<u>\$ 2,758,002</u>	280,335	683,869
Headquarters management cost and remuneration to directors			(14,337)	(19,859)
Interest income			11,843	15,565
Other income			3,447	1,250
Other gains and losses			28,924	18,311
Finance costs			(6,874)	(3,142)
Share of profit of subsidiaries and joint ventures accounted for using equity method			<u>1,858</u>	<u>5,444</u>
Income before income tax			<u>\$ 305,196</u>	<u>\$ 701,438</u>

The segment revenue reported above is generated from transactions with external customers.

Segment profit and loss refers to the profit earned by each segment, excluding the apportionable headquarters management costs and remuneration to directors, interest income, other income, other profits and losses, financial costs, share of profits and losses of affiliates and joint ventures accounted using the equity method, and income tax cost. This measured amount is provided to the decision maker for the purpose of allocating resources to segments and measuring their performance.

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE THREE MONTHS ENDED MARCH 31, 2026

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/ Accounts Payable or Receivable		Remark
			Purchases/Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	Centera Photonics Inc.	Parent company to subsidiary	Sales	(\$ 141,673)	(25%)	Processing income and other service income: Payments are collected in net 30 days end of the month.	—	—	\$ 97,336	8%	Notes 1, 3 and 4
Centera Photonics Inc.	The Company	Subsidiary to parent company	Note 5	141,673	76%	Net 30 days from invoice date	—	—	(109,758)	(29%)	Notes 1 and 3
GEM Electronics (Shanghai) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	Subsidiary to subsidiary	Sales	(352,959)	(52%)	Net 90 days from invoice date	—	—	359,631	59%	Notes 1, 2 and 3
GEM Tech Ltd., Taiwan Branch	GEM Electronics (Shanghai) Co., Ltd.	"	Purchase	352,959	58%	"	—	—	(359,631)	(58%)	Notes 1, 2 and 3
	GEM Electronics (Hefei) Co., Ltd.	"	Purchase	254,920	41%	"	—	—	(265,775)	(42%)	Notes 1, 2 and 3
GEM Electronics (Hefei) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	"	Sales	(254,920)	(61%)	"	—	—	265,775	72%	Notes 1, 2 and 3

Note 1: The transaction price is determined by the cost-plus pricing.

Note 2: There is no unrealized profit or loss for this period.

Note 3: It has been consolidated and written off in the preparation of this consolidated financial statement.

Note 4: The current period's transactions include unrealized gains of \$555 thousand. The balance of receivables includes accounts receivable of \$33,278 thousand and other receivables of \$64,058 thousand.

Note 5: The Company recognized manufacturing expenses of \$136,215 thousand and research and development expenses of \$5,458 thousand.

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

March 31, 2026

(Amounts in Thousands of New Taiwan Dollars)

Table 2

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 1)	Allowance for Bad Debts
					Amount	Action Taken		
The Company	GEM Services, Inc.	Parent company to subsidiary	Dividends receivable \$ 329,047	-	\$ -	—	\$ -	\$ -
GEM Electronics (Shanghai) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	Subsidiary to subsidiary	Accounts receivable 359,631	3.92	-	—	129,697	-
GEM Electronics (Hefei) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	Subsidiary to subsidiary	Accounts receivable 265,775	3.95	-	—	91,866	-
GEM Services, Inc.	GEM Tech Ltd.	Subsidiary to subsidiary	Other receivables 767,880	-	-	—	-	-

Note 1: Amount recovered from April 1 to May 6, 2026.

Note 2: It has been consolidated and written off in the preparation of this consolidated financial statement.

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(Amounts in Thousands of New Taiwan Dollars)

Table 3

No.	Company Name	Counterparty	Nature of Relationship	Transaction Details				
				Financial Statements Item	Amount (Note 1)	Terms	% of Total (Note 2)	
1	The Company	Centera Photonics Inc.	Note 3 (1)	Revenue	\$ 141,673	(Note 5)	Net 30 days from invoice date	7%
				Contract assets - related parties	12,422		—	-
				Accounts receivable due from related parties	33,278		—	-
				Other receivables - related parties	64,058		Net 30 days from invoice date (Payments for materials purchased on behalf of others)	-
2	GEM Services, Inc.	GEM Services, Inc.	Note 3 (1)	Dividends receivable	329,047		—	2%
		The Company	Note 3 (2)	Earnings distribution	329,047		—	2%
3	GEM Electronics (Shanghai) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	Note 3 (3)	Sales revenue	352,959	(Note 4)	Net 90 days from invoice date	17%
				Accounts receivable due from related parties	359,631		—	3%
4	GEM Electronics (Hefei) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	Note 3 (3)	Contract assets - related parties	56,855		—	-
				Sales revenue	254,920	(Note 4)	Net 90 days from invoice date	12%
				Accounts receivable due from related parties	265,775		—	2%
5	GEM Tech Ltd.	GEM Services, Inc.	Note 3 (3)	Contract assets - related parties	24,519		—	-
				Other payables - related parties	767,880		Remittance of earnings	6%

The business relationship between the parent and the subsidiaries:

The Company, Centera Photonics Inc., and GEM Electronics (Shanghai) Co., Ltd., GEM Tech Ltd., Taiwan Branch, and GEM Tech Ltd. are engaged in the manufacture and sale of electronic parts; GEM Electronics (Hefei) Co., Ltd. is engaged in the manufacture and sale of electronic parts and plant leasing;; GEM Services, Inc. and GEM Electronics Company Limited are holding companies.

Note 1: This table discloses information on one-way transactions only, which have been written off in the preparation of the consolidated financial statements.

Note 2: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets is calculated by the closing balance for the consolidated total assets if it is an asset-liability account or calculated by the accumulated amount for the consolidated total revenue if it is a profit and loss account

Note 3: Relationship to the counterparty:

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

Note 4: There is no unrealized profit or loss for this period.

Note 5: This transaction included unrealized profit of \$555 thousand.

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 4

Investment Company	Investee	Location	Main Business	Original Investment Amount (Note 1)			Holding of Investment at the End of the Period Balance as of March 31, 2026		Net Income (Losses) of the Investee	Share of Profits/Losses (Note 4)	Remark
				March 31, 2026	December 31, 2025	Shares	Percentage of Ownership (Note 3)	Carrying Amount (Note 3)			
The Company	Centera Photonics Inc.	Taiwan	Manufacture and sales of electronic parts	\$ 271,562	\$ 271,562	35,303,082	54.23%	\$ 515,520	(\$ 50,724)	(\$ 27,505)	Notes 2 and 7
	GEM Services, Inc.	Cayman Islands	Holding company business	568,965	568,965	65,809,451	51%	2,236,261	208,716	106,437	Note 2
GEM Services, Inc.	GEM Electronics Company Limited	British Virgin Islands	Holding company business	-	-	100	51%	1,850,308	89,082	45,429	Note 2
	GEM Tech Ltd.	Samoa	Manufacture and sales of electronic parts	18,202	18,202	606,091	51%	334,507	120,464	61,432	Note 2

Note 1: The original investment amount does not include the investment amount of the investee company before the date of acquisition.

Note 2: The relevant investment profit and loss recognition are based on the financial statements of the investee company reviewed by the accountants during the same period.

Note 3: The carrying amount held at the end of the period is based on the shareholding ratio of the Company at the end of the period.

Note 4: The investment profit (loss) recognized in the current period is based on the weighted average shareholding ratio of the Company.

Note 5: It has been consolidated and written off in the preparation of this consolidated financial statement.

Note 6: Please refer to Table 5 for relevant information on investment in Mainland China.

Note 7: The carrying amount of the holding at the end of the period included \$911 thousand in realized profit and \$555 thousand in unrealized profit from intercompany transactions.

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(Amounts in Thousands of New Taiwan Dollars/ Foreign Currency)

Table 5

1. Name of the investee company in Mainland China, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, current profit or loss, recognized investment gains or losses, carrying amount of the investment, and repatriated investment gains:

Investee Company in China	Main Business	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2026	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2026	Percentage of Ownership	Net Income (Losses) of the Investee Company	Share of Profits/Losses	Carrying Amount as of March 31, 2026	Accumulated Inward Remittance of Earnings as of March 31, 2026
					Outflow	Inflow						
GEM Electronics (Shanghai) Co., Ltd. (Note 4)	Manufacture and sales of electronic parts	\$ 2,207,655 (USD 69,000) (Note 5)	Reinvested by GEM Electronics Company Limited (Note 1 (2))	\$ -	\$ -	\$ -	\$ -	51%	\$ 89,082	\$ 45,429 (Note 2(2) 2.)	\$ 1,850,308	\$ -
GEM Electronics (Hefei) Co., Ltd. (Note 4)	Manufacture and sales of electronic parts, factory leasing	2,018,408 (RMB 436,511)	Reinvested by GEM Electronics (Shanghai) Co., Ltd. (Note 1 (3))	-	-	-	-	51%	39,825	20,309 (Note 2(2) 2.)	768,912	-
Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd.	Production, design, packaging and testing of power management electronic accessories	159,975 (USD 5,000)	Reinvested by GEM Electronics (Shanghai) Co., Ltd. (Note 1 (3))	-	-	-	-	10.2%	9,289	948 (Note 2(2) 3.)	58,685	-

Note 1: There are three types of investment methods, and they indicated below:

- (1) Directly conduct investment in China.
- (2) Reinvestment in Mainland China through a third regional company (GEM Electronics Company Limited).
- (3) Other methods. (reinvestment through GEM Electronics (Shanghai) Co., Ltd.).

Note 2: Share of Profits/Losses

- (1) It shall be indicated if it is under preparation without investment profit or loss.
- (2) The basis for recognition of investment gains and losses is divided into the following three types, which should be indicated.
 1. Financial statements reviewed by an international accounting firm that has a cooperative relationship with an accounting firm of the Republic of China.
 2. Financial statements reviewed by the certified accounting firm by the parent company in Taiwan.
 3. Based on the financial statements of the invested company that have not been reviewed by accountants during the same period.

Note 3: Relevant figures in this table should be denominated in New Taiwan Dollars.

Note 4: It has been written-off in the preparation of these consolidated financial statements.

Note 5: Part of it is reinvested with surplus funds from the third region.

2. Upper limit on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$ - (USD -)	\$ -	\$ 4,680,121

Note 1: The Company originally applied for an investment case of indirectly investing USD 9,000 thousand in GEM Electronics (Shanghai) Co., Ltd. in Mainland China according to the Official Letter Ching-Shen-Erh-Tzu No. 10100160030 dated May 16, 2012, and later, on August 15, 2013, the investment purpose of the case was changed to an overseas investment, which was approved by Official Letter Ching-Shen-Erh-Tzu No. 10200310550.

Note 2: The Company originally applied for an indirect investment of USD 2,750 thousand in GEM Electronics (Hefei) Co., Ltd. in Mainland China according to the Official Letter Ching-Shen-Erh-Tzu No. 10100160040 dated May 16, 2012, and later, on August 15, 2013, the investment purpose of the case was changed to an overseas investment, which was approved by Official Letter Ching-Shen-Erh-Tzu No. 10200310550.