ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements for the Six Months Ended June 30, 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 (the "Company") and its subsidiaries (collectively, the "Group") as of June 30, 2026 and 2025, and the relevant consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025 and for the six months then ended June 30, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the six 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 marking 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 June 30, 2026 and 2025 were $121,396 thousand and $118,584 thousand respectively. For the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the share of profits and losses of associates and joint ventures accounted using the equity method were $4,931 thousand, $4,875 thousand, $6,789 thousand and $10,319 thousand respectively. The relevant information disclosed in Note 37 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 Group as of June 30, 2026 and 2025, its consolidated financial performance for the three month ended June 30, 2026 and 2025 and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 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

August 13, 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)

		June 30, 2026		December 31, 2025		June 30, 2025	
Code	**ASSETS**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	CURRENT ASSETS						
1100	Cash and cash equivalents (Note 6)	$ 3,087,311	20	$ 2,733,695	21	$ 3,253,380	27
1136	Financial assets measured at amortized cost - Current (Notes 5, 7 and 8)	1,252,567	8	890,108	7	193,300	2
1140	Current contract assets (Notes 5 and 23)	368,215	2	250,047	2	269,266	2
1150	Notes receivable (Notes 5, 9 and 30)	67,045	-	79,442	-	-	-
1170	Accounts receivable (Notes 5, 9, 23 and 30)	2,265,204	15	1,606,803	12	1,102,537	9
1180	Accounts receivable due from related parties (Notes 5, 23 and 32)	8,759	-	8,066	-	9,394	-
1200	Other receivables (Notes 5, 9 and 30)	765,019	5	678,311	5	691,534	6
1210	Other receivables due from related parties (Notes 5 and 32)	88	-	52	-	276	-
1220	Current tax asset (Note 4)	932	-	1,273	-	353	-
130X	Inventories (Note 10)	1,068,603	7	1,007,880	8	956,106	8
1410	Prepayments (Note 17)	340,533	2	303,216	2	296,224	3
11XX	Total current assets	9,224,276	59	7,558,893	57	6,772,370	57
	NON-CURRENT ASSETS						
1535	Financial assets measured at amortized cost - Non-current (Notes 5, 7, 8 and 33)	1,887	-	776	-	774	-
1550	Investments accounted for using equity method (Note 12)	121,396	1	129,284	1	118,584	1
1600	Property, plant and equipment (Notes 13, 30 and 33)	5,561,664	36	4,766,871	36	4,394,674	37
1755	Right-of-use assets (Note 14)	109,802	1	128,471	1	140,391	1
1760	Investment property (Note 15)	32,584	-	34,995	-	35,545	-
1821	Intangible assets (Note 16)	13,223	-	13,606	-	2,319	-
1840	Deferred tax assets (Note 4)	120,403	1	122,865	1	155,688	2
1930	Long-term notes and accounts receivable (Notes 5, 9, and 30)	40,431	-	27,022	-	-	-
1990	Other non-current assets (Note 17)	325,042	2	479,122	4	238,338	2
15XX	Total non-current assets	6,326,432	41	5,703,012	43	5,086,313	43
1XXX	TOTAL	$ 15,550,708	100	$ 13,261,905	100	$ 11,858,683	100
Code	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term borrowings (Notes 18 and 33)	$ 200,000	1	$ 407,848	3	$ 390,000	3
2130	Current contract liabilities (Note 23)	160,822	1	63,550	-	47,059	-
2170	Accounts payable	1,555,930	10	995,171	7	1,013,594	9
2200	Other payables (Notes 19 and 30)	2,240,462	14	1,674,842	13	1,574,742	13
2230	Current tax liabilities (Note 4)	290,202	2	220,670	2	181,949	2
2250	Current provisions (Note 20)	66,513	1	57,256	-	66,986	1
2280	Current lease liabilities (Note 14)	42,726	-	44,481	-	41,055	-
2300	Other current liabilities (Notes 19, 30 and 32)	197,710	1	206,886	2	181,106	2
2320	Long-term borrowings due within 1 year (Notes 18 and 33)	124,350	1	92,441	1	57,255	-
21XX	Total current liabilities	4,878,715	31	3,763,145	28	3,553,746	30
	NON-CURRENT LIABILITIES						
2540	Long-term borrowings (Notes 18 and 33)	1,268,177	8	841,679	6	414,825	4
2570	Deferred tax liabilities (Note 4)	393,608	3	379,398	3	357,060	3
2580	Non-current lease liabilities (Note 14)	30,080	-	48,072	1	65,783	1
2640	Non-current net defined benefit liabilities (Notes 4 and 21)	34,979	-	34,628	-	29,376	-
2670	Other non-current liabilities (Notes 19 and 32)	359,546	3	372,118	3	387,466	3
25XX	Total non-current liabilities	2,086,390	14	1,675,895	13	1,254,510	11
2XXX	Total liabilities	6,965,105	45	5,439,040	41	4,808,256	41
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)						
	Capital stock						
3110	Common stock	1,456,814	10	1,456,814	11	1,456,814	12
3200	Capital surplus	648,829	4	456,222	3	456,222	4
	Retained earnings						
3310	Legal reserve	921,709	6	849,127	6	849,127	7
3320	Special reserve	41,079	-	23,078	-	23,078	-
3350	Unappropriated earnings	2,488,618	16	2,319,329	18	2,011,298	17
3300	Total retained earnings	3,451,406	22	3,191,534	24	2,883,503	24
3400	Others	27,764	-	(41,079)	-	(155,228)	(1)
31XX	Total equity attributable to owners of the Company	5,584,813	36	5,063,491	38	4,641,311	39
36XX	NON-CONTROLLING INTERESTS (Note 22)	3,000,790	19	2,759,374	21	2,409,116	20
3XXX	Total equity	8,585,603	55	7,822,865	59	7,050,427	59
	TOTAL	$ 15,550,708	100	$ 13,261,905	100	$ 11,858,683	100

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report of Deloitte & Touche on August 13, 2026)

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		For the three months ended June 30				For the six months ended June 30			
		2026		2025		2026		2025	
Code		Amount	%	Amount	%	Amount	%	Amount	%
	OPERATING REVENUE (Notes 23 and 32)								
4100	Sales revenue	$ 2,927,436	98	$ 1,779,657	96	$ 4,950,705	98	$ 4,472,265	97
4800	Other operating revenue	49,205	2	69,244	4	112,817	2	134,638	3
4000	Total revenue	2,976,641	100	1,848,901	100	5,063,522	100	4,606,903	100
	OPERATING COSTS (Notes 10, 21, 24 and 28)								
5110	Cost of goods sold	(2,026,600)	(68)	(1,269,004)	(69)	(3,552,204)	(70)	(2,988,799)	(65)
5800	Other operating costs	(11,288)	(1)	(10,326)	-	(30,101)	(1)	(51,252)	(1)
5000	Total operating costs	(2,037,888)	(69)	(1,279,330)	(69)	(3,582,305)	(71)	(3,040,051)	(66)
5900	GROSS PROFIT	938,753	31	569,571	31	1,481,217	29	1,566,852	34
	OPERATING EXPENSES (Notes 9, 23, 24 and 27)								
6100	Selling and distribution expense	(44,330)	(1)	(12,817)	(1)	(76,858)	(2)	(90,571)	(2)
6200	General and administrative expense	(163,802)	(6)	(105,260)	(6)	(302,028)	(6)	(280,487)	(6)
6300	Research and development expense	(91,503)	(3)	(44,820)	(2)	(171,490)	(3)	(127,405)	(3)
6450	Gain on reversal of expected credit (impairment loss)	(7,660)	-	5,351	-	(8,558)	-	7,646	-
6000	Total operating expenses	(307,295)	(10)	(157,546)	(9)	(558,934)	(11)	(490,817)	(11)
6900	INCOME FROM OPERATIONS	631,458	21	412,025	22	922,283	18	1,076,035	23
	NON-OPERATING INCOME AND EXPENSES (Notes 12 and 24)								
7100	Interest income	14,006	1	19,393	1	25,849	1	34,958	1
7010	Other income	6,513	-	1,454	-	9,960	-	2,704	-
7020	Other gains and losses	10,828	-	(226,004)	(12)	14,925	-	(207,693)	(4)
7050	Finance costs	(8,381)	-	(4,337)	-	(15,255)	-	(7,479)	-
7060	Share of profit of subsidiaries and joint ventures accounted for using equity method	4,931	-	4,875	-	6,789	-	10,319	-
7000	Total non-operating income and expenses	27,897	1	(204,619)	(11)	42,268	1	(167,191)	(3)
7900	INCOME BEFORE INCOME TAX	659,355	22	207,406	11	964,551	19	908,844	20
7950	INCOME TAX EXPENSES (Notes 4 and 25)	(158,843)	(5)	(75,231)	(4)	(284,598)	(6)	(200,866)	(5)
8200	NET INCOME	500,512	17	132,175	7	679,953	13	707,978	15
	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	41,703	1	(383,357)	(20)	168,747	3	(323,921)	(7)
8399	Income tax profit (expense) related to items that will be reclassified subsequently	(4,254)	-	39,100	2	(17,212)	-	33,038	1
8300	Other comprehensive income(loss) for the period, net of income tax	37,449	1	(344,257)	(18)	151,535	3	(290,883)	(6)
8500	TOTAL COMPREEHENSIVE INCOME (LOSS) FOR THE PERIOD	$ 537,961	18	($ 212,082)	(11)	$ 831,488	16	$ 417,095	9
	NET INCOME ATTRIBUTABLE TO:								
8610	Owners of the Company	$ 305,172	10	$ 77,183	4	$ 405,553	8	$ 417,786	9
8620	Non-controlling interests	195,340	7	54,992	3	274,400	5	290,192	6
8600		$ 500,512	17	$ 132,175	7	$ 679,953	13	$ 707,978	15
	TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO								
8710	Owners of the Company	$ 322,185	11	($ 79,215)	(4)	$ 474,396	9	$ 285,636	6
8720	Non-controlling interests	215,776	7	(132,867)	(7)	357,092	7	131,459	3
8700		$ 537,961	18	($ 212,082)	(11)	$ 831,488	16	$ 417,095	9
	EARNINGS PER SHARE (Note 26)								
9710	Basic earnings per share	$ 2.09		$ 0.53		$ 2.78		$ 2.87	
9810	Diluted earnings per share	$ 2.09		$ 0.53		$ 2.78		$ 2.86	

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

(Please refer to the review report of Deloitte & Touche on August 13, 2026)

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

		Equity attributable to owners of the Company								
		Capital stock		Retained earnings			Other equity			
Code		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Total	Non-controlling interests	Total equity
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
	Distribution of 2024 earnings (Note 22)									
B1	Legal reserve	-	-	55,983	-	(55,983)	-	-	-	-
B3	Special reserve	-	-	-	(62,947)	62,947	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	(72,841)	-	(72,841)	-	(72,841)
		-	-	55,983	(62,947)	(65,877)	-	(72,841)	-	(72,841)
D1	Net income for the six months ended June 30, 2025	-	-	-	-	417,786	-	417,786	290,192	707,978
D3	Other comprehensive income for the six months ended June 30, 2025	-	-	-	-	-	(132,150)	(132,150)	(158,733)	(290,883)
D5	Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	417,786	(132,150)	285,636	131,459	417,095
M7	Changes in subsidiaries' ownership (Notes 22 and 29)	-	(251)	-	-	-	-	(251)	251	-
O1	Cash dividends issued from subsidiaries (Note 22)	-	-	-	-	-	-	-	(265,599)	(265,599)
O1	Subsidiary's employee compensation used for recapitalization (Note 22)	-	-	-	-	-	-	-	5,684	5,684
Z1	BALANCE AT JUNE 30, 2025	$ 1,456,814	$ 456,222	$ 849,127	$ 23,078	$ 2,011,298	($ 155,228)	$ 4,641,311	$ 2,409,116	$ 7,050,427
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
	Distribution of 2025 earnings (Note 22)									
B1	Legal reserve	-	-	72,582	-	(72,582)	-	-	-	-
B3	Special reserve	-	-	-	18,001	(18,001)	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	(145,681)	-	(145,681)	-	(145,681)
		-	-	72,582	18,001	(236,264)	-	(145,681)	-	(145,681)
D1	Net income for the six months ended June 30, 2026	-	-	-	-	405,553	-	405,553	274,400	679,953
D3	Other comprehensive income for the six months ended June 30, 2026	-	-	-	-	-	68,843	68,843	82,692	151,535
D5	Total comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	-	405,553	68,843	474,396	357,092	831,488
M7	Changes in subsidiaries' ownership (Notes 22 and 29)	-	192,216	-	-	-	-	192,216	(192,216)	-
N1	Remuneration costs of employee stock options by subsidiaries (Notes 22, 24, and 27)	-	391	-	-	-	-	391	330	721
O1	Cash dividends issued from subsidiaries (Note 22)	-	-	-	-	-	-	-	(316,190)	(316,190)
O1	Subsidiary's employee compensation used for recapitalization (Note 22)	-	-	-	-	-	-	-	392,400	392,400
Z1	BALANCE AT JUNE 30, 2026	$ 1,456,814	$ 648,829	$ 921,709	$ 41,079	$ 2,488,618	$ 27,764	$ 5,584,813	$ 3,000,790	$ 8,585,603

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report of Deloitte & Touche on August 13, 2026)

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

Code		For the six months ended June 30 2026	For the six months ended June 30 2025
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 964,551	$ 908,844
A20010	Adjustments for:		
A20100	Depreciation expense	467,904	389,377
A20200	Amortization expense	3,278	1,358
A20300	Reversal of expected credit losses (gains)	8,558	(7,646)
A20900	Finance costs	15,255	7,479
A21200	Interest income	(25,849)	(34,958)
A21900	Remuneration costs of employee stock options by subsidiaries	721	-
A22300	Share of profit of subsidiaries and joint ventures accounted for using equity method	(6,789)	(10,319)
A22500	Gains(losses) on disposal of property, plant and equipment	(28,715)	20
A23700	Inventory loss (reversal of write-down of inventories)	36,048	47,401
A24100	Losses(gains) on foreign exchange, net	(2,241)	190,935
A29900	Liability provisions	9,303	9,306
A30000	Changes in operating assets and liabilities		
A31125	Contract assets	(114,690)	(67,229)
A31150	Accounts receivable	(684,381)	297,155
A31160	Accounts receivable due from related parties	(318)	(1,521)
A31180	Other receivables	(80,999)	(351,155)
A31200	Inventories	(88,428)	(346,087)
A31230	Prepayments	(35,301)	(54,365)
A32125	Contract liabilities	97,124	19,533
A32150	Accounts payable	524,618	(191,602)
A32180	Other payables	167,506	324,093
A32200	Provisions	(46)	(105)
A32230	Other current liabilities	1,402	1,672
A32240	Non-current net defined benefit liabilities	351	269
A33000	Net cash generated by operating activities	1,228,862	1,132,455
A33100	Interest received	22,105	37,931
A33300	Interest paid	(14,441)	(6,843)
A33500	Income taxes paid	(214,985)	(143,778)
AAAA	Net cash flows from operating activities	1,021,541	1,019,765

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Code		For the six months ended June 30 2026	2025
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00040	Acquisition of financial assets at amortized cost	($1,074,007)	($ 208,635)
B00060	Principal repayment upon maturity of financial assets measured at amortized cost	751,703	209,156
B02700	Acquisition of property, plant and equipment	(574,547)	(617,673)
B02800	Disposal of property, plant and equipment	33,335	-
B03700	Increase in refundable deposits	(60)	(643)
B03800	Decrease in refundable deposits	260	-
B04300	Increase in other receivables - from related parties	(34)	(195)
B04500	Acquisition of intangible assets	(2,435)	-
B07100	Increase in prepayments for equipment	(208,990)	(149,601)
B07600	Dividends received	20,325	4,169
BBBB	Net cash used in investing activities	(1,054,450)	(763,422)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	200,000	590,000
C00200	Decrease in short-term borrowings	(407,848)	(250,000)
C01600	Long-term borrowings	888,600	405,000
C01700	Repay long-term borrowings	(430,193)	(219,728)
C03000	Increase in guarantee deposits	19,073	-
C03100	Decrease in guarantee deposits	(5,252)	-
C04020	Repayment of the principal portion of lease liabilities	(22,485)	(22,185)
C05800	Cash dividends to non-controlling interests	(313,619)	(263,277)
C05800	Changes in non-controlling interests	392,400	-
CCCC	Net cash generated by financing activities	320,676	239,810
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND EQUIVALENTS	65,849	(381,167)
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	353,616	114,986
E00100	CASH AND CASH EQUIVALENTS,BEGINNING OF PERIOD	2,733,695	3,138,394
E00200	CASH AND CASH EQUIVALENTS,END OF PERIOD	$3,087,311	$3,253,380

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

(Please refer to the review report of Deloitte & Touche on August 13, 2026)

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 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 August 13, 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 application of 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. Applicable FSC - approved IFRS Accounting Standards in 2027

New, revised or amended standards and interpretations	Effective date issued by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 1)
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
Amendments to IAS 28 "Fair Value Option for Investments in Associates and Joint Ventures"	January 1, 2027 (Note 2)

Note 1: Entities in Taiwan shall apply IFRS 18 for annual periods beginning on or after January 1, 2028, with early adoption permitted.

Note 2: These amendments shall be applied concurrently upon the application of IFRS 18.

<u>IFRS 18 "Presentation and Disclosure in Financial Statements" and related consequential amendments, as well as amendments to IAS 28 "Fair Value Option for Investments in Associates and Joint Ventures"</u>

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.

Upon initial application of IFRS 18, venture capital organizations or mutual funds, unit trusts, and similar entities (or entities holding investments through such entities) may elect to change their measurement of investments in associates or joint ventures from the equity method to fair value through profit or loss. The amendments to IAS 28 clarify that the aforementioned "similar entities" include entities whose main business activity is determined to be investing in specific types of assets under IFRS 18. If the Group meets the aforementioned criteria, it may elect to make this change on the date of initial application.

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.

The Group does not plan to early adopt IFRS 18 and the related consequential amendments.

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.

c. 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)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	NA
IFRS 20 “Regulatory Assets and Regulatory Liabilities”	January 1, 2029

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

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 37.

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

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and working fund	$ 245	$ 389	$ 272
Demand deposit in banks	2,864,116	2,351,435	2,491,308
Cash equivalent (Investments with original maturities of less than 3 months)			
Bank fixed deposit	222,950	381,871	761,800
	$ 3,087,311	$ 2,733,695	$ 3,253,380

As of June 30, 2026, and December 31 and June 30, 2025, the interest rate ranges for bank deposits were 0.03% to 3.67%, 0.03% to 3.88%, and 0.01% to 4.38%, respectively.

7. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	June 30, 2026	December 31, 2025	June 30, 2025
Current			
Term deposit with an initial maturity of more than three months (a)	$ 1,252,567	$ 890,108	$ 193,300
Non-current			
Restricted assets – time deposit (b)	$ 1,887	$ 776	$ 774

a. As of June 30, 2026, December 31, 2025, and June 30, 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%-4.14%, respectively.
b. As of June 30, 2026, December 31, 2025, and June 30, 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 33.

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):

	June 30, 2026	December 31, 2025	June 30, 2025
At amortized cost			
Total amount	$ 1,254,454	$ 890,884	$ 194,074
Less: Loss allowances	-	-	-
Amortized cost	$ 1,254,454	$ 890,884	$ 194,074

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 June 30, 2026, December 31, 2025, and June 30, 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

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable (Note 30)			
At amortized cost			
Total amount	$ 67,812	$ 81,375	$ -
Less: Unrealized interest income	(767)	(1,933)	-
	$ 67,045	$ 79,442	$ -
Non-operating	$ 67,812	$ 81,375	$ -
Less: Unrealized interest income	(767)	(1,933)	-
	$ 67,045	$ 79,442	$ -
Accounts receivable			
At amortized cost			
Total amount	$ 2,274,357	$ 1,608,866	$ 1,103,122
Less: Loss allowances	(9,153)	(2,063)	(585)
	$ 2,265,204	$ 1,606,803	$ 1,102,537
Other receivables			
OEM collection and payment	$ 675,919	$ 619,914	$ 646,904
Income tax refund receivable	71,902	40,379	30,060
Interest receivable	9,247	5,503	4,152
Scrap receivable	3,887	-	7,819
Receivables from disposal of equipment (Note 30)	-	3,236	-
Others	4,064	9,279	2,599
	$ 765,019	$ 678,311	$ 691,534
Long-term notes receivable (Note 30)			
At amortized cost			
Total amount	$ -	$ 27,125	$ -

	June 30, 2026	December 31, 2025	June 30, 2025
Less: Unrealized interest income	-	(103)	-
	$ -	$ 27,022	$ -
Non-operating	$ -	$ 27,125	$ -
Less: Unrealized interest income	-	(103)	-
	$ -	$ 27,022	$ -
Long-term notes receivable (Note 30)			
At amortized cost			
Total amount	$ 40,688	$ -	$ -
Less: Unrealized interest income	(257)	-	-
	$ 40,431	$ -	$ -
Non-operating	$ 40,688	$ -	$ -
Less: Unrealized interest income	(257)	-	-
	$ 40,431	$ -	$ -

a. Notes and installment receivables

It refers to notes and installment receivables arising from the disposal of property, plant, and equipment. When determining the recoverability of notes and installment receivables, the Group considers any changes in the credit quality of notes and installment receivables 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 and installment receivables has increased significantly since the original recognition and to measure expected credit losses. As of June 30, 2026, and December 31, 2025, the Group assessed that there was no need to recognize expected credit losses for notes and installment receivables.

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

	June 30, 2026	December 31, 2025	June 30, 2025
	Not past due	Not past due	Not past due
Total amount	$ 108,500	$ 108,500	$ -
Less: Unrealized interest income	(1,024)	(2,036)	-
Amortized cost	$ 107,476	$ 106,464	$ -

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.

The Group measures the loss allowance of accounts receivable according to the provision matrix as follows:

June 30, 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	0.003%～0.25%	0.1%～19.87%	8.53%～33.33%	40%～50%	66.67%～100%	
Total amount	$ 2,197,491	$ 68,175	$ 4,077	$ 371	$ 4,243	$ 2,274,357
Loss allowance (lifetime expected credit losses)	(1,586)	(988)	(2,326)	(144)	(4,109)	(9,153)
Amortized cost	$ 2,195,905	$ 67,187	$ 1,751	$ 227	$ 134	$ 2,265,204

December 31, 2025

	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	0.05%～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	$ 1,526,134	$ 80,660	$ -	$ 9	$ -	$ 1,606,803

June 30, 2025

	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	0.02%～0.22%	0.08%～8.28%	6.80%～50%	17.75%～50%	50.83%～100%	
Total amount	$ 1,068,663	$ 34,076	$ -	$ -	$ 383	$ 1,103,122
Loss allowance (lifetime expected credit losses)	(146)	(56)	-	-	(383)	(585)
Amortized cost	$ 1,068,517	$ 34,020	$ -	$ -	$ -	$ 1,102,537

Movements of the loss allowance for accounts receivable

	For the six months ended June 30	
	2026	**2025**
Balance, beginning of period	$ 2,063	$ 5,257
Impairment losses for the current period	7,031	-
Reversal	-	(4,672)
Exchange differences on translation of foreign currency	59	-
Balance, end of period	$ 9,153	$ 585

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 June 30, 2026, and December 31 and June 30, 2025, the Group assessed other receivables without the need to report expected credit losses.

10. INVENTORIES

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Raw materials	$ 769,047	$ 800,790	$ 861,445
Goods-in-process	290,250	161,398	55,907
Finished goods	8,931	28,246	38,754
Inventory in transit	375	17,446	-
	$ 1,068,603	$ 1,007,880	$ 956,106

The nature of cost of goods sold is as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Cost of inventories sold	$ 2,005,519	$ 1,229,643	$ 3,511,902	$ 2,937,283
Lease cost	2,142	1,988	4,254	4,115
Inventory loss (reversal of write-down of inventories)	18,939	37,373	36,048	47,401
	$ 2,026,600	$ 1,269,004	$ 3,552,204	$ 2,988,799

11. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

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

Investment Company	Subsidiary	Main Activities	% of Ownership June 30, 2026	% of Ownership December 31, 2025	% of Ownership June 30, 2025	Remark
The Company	Centera Photonics Inc.	Manufacture and sales of electronic parts	52.77%	54.23%	54.23%	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: On June 30, 2025, Centera Photonics Inc. issued 400 thousand new shares 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. The effect recognized by the Company for the six months ended June 30, 2025, due to the aforementioned transaction was for the adjustment of the capital surplus downward by $251 thousand. Please refer to Note 29 for details of equity transactions with non-controlling interests.

Note 2: In May 2026, the Company did not participate in the cash capital increase of the subsidiary Centera Photonics Inc. in proportion to its shareholding, causing the Company's shareholding in the 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. During the six months ended June 30, 2026, the Company recognized the relevant effects due to the aforementioned transaction, leading to an adjustment by increasing the capital surplus by $192,216 thousand. Please refer to Note 29 for equity transactions with non-controlling interests.

b. Information on subsidiaries with material non-controlling interests

Subsidiary	% of Non-controlling interests June 30, 2026	% of Non-controlling interests December 31, 2025	% of Non-controlling interests June 30, 2025
GEM Services, Inc.	49%	49%	49%
Centera Photonics Inc.	47.23%	45.77%	45.77%

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 June 30		For the six months ended June 30				
	2026	2025	2026	2025	June 30, 2026	December 31, 2025	June 30, 2025
GEM Services, Inc.	$ 140,359	$ 69,822	$ 242,638	$ 159,931	$ 2,309,673	$ 2,300,533	$ 1,951,590
Centera Photonics Inc.	$ 54,981	($ 14,830)	$ 31,762	$ 130,261	$ 691,117	$ 458,841	$ 457,526

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

GEM Services, Inc.

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 4,427,484	$ 4,129,242	$ 3,384,287
Non-current assets	2,801,252	2,692,316	2,641,240
Current liabilities	(2,102,995)	(1,691,538)	(1,588,595)
Non-current liabilities	(412,474)	(435,404)	(454,393)
Equity	$ 4,713,267	$ 4,694,616	$ 3,982,539
Equity attributable to:			
Owners of the Company	$ 2,403,594	$ 2,394,083	$ 2,030,949
Non-controlling interests	2,309,673	2,300,533	1,951,590
	$ 4,713,267	$ 4,694,616	$ 3,982,539

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Revenue	$ 1,651,156	$ 1,387,084	$ 3,008,421	$ 2,601,435
Net income	$ 286,425	$ 142,484	$ 495,141	$ 326,366
Other comprehensive income	41,703	(383,357)	168,747	(323,921)
Total comprehensive income (loss)	$ 328,128	($ 240,873)	$ 663,888	$ 2,445
Net income attributable to:				
Owners of the Company	$ 146,066	$ 72,662	$ 252,503	$ 166,435
Non-controlling interests	140,359	69,822	242,638	159,931
	$ 286,425	$ 142,484	$ 495,141	$ 326,366
Total comprehensive income (loss) attributable to				
Owners of the Company	$ 167,333	($ 122,836)	$ 338,558	$ 1,247
Non-controlling interests	160,795	(118,037)	325,330	1,198
	$ 328,128	($ 240,873)	$ 663,888	$ 2,445
Cash flow				
From operating activities			$ 614,363	$ 582,904
From investing activities			(480,526)	(163,524)
From financing activities			(646,005)	(555,675)
Effect of exchange rate changes			59,443	(275,577)
Net cash used			($ 452,725)	($ 411,872)
Dividends to non-controlling interests				

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
GEM Services, Inc.			$ 313,619	$ 263,277

Centera Photonics Inc.

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 1,913,575	$ 1,332,512	$ 1,156,489
Non-current assets	91,194	94,858	65,316
Current liabilities	(536,642)	(421,467)	(220,627)
Non-current liabilities	(4,894)	(3,482)	(1,628)
Equity	$ 1,463,233	$ 1,002,421	$ 999,550
Equity attributable to:			
Owners of the Company	$ 772,116	$ 543,580	$ 542,024
Non-controlling interests	691,117	458,841	457,526
	$ 1,463,233	$ 1,002,421	$ 999,550

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Revenue	$ 703,518	$ 90,755	$ 1,005,406	$ 1,345,618
Current period net profit (loss)	$ 118,415	($ 32,637)	$ 67,691	$ 286,682
Other comprehensive income	-	-	-	-
Total comprehensive income (loss)	$ 118,415	($ 32,637)	$ 67,691	$ 286,682
Net income (loss) attributable to:				
Owners of the Company	$ 63,434	($ 17,807)	$ 35,929	$ 156,421
Non-controlling interests	54,981	(14,830)	31,762	130,261
	$ 118,415	($ 32,637)	$ 67,691	$ 286,682
Total comprehensive income (loss) attributable to				
Owners of the Company	$ 63,434	($ 17,807)	$ 35,929	$ 156,421
Non-controlling interests	54,981	(14,830)	31,762	130,261
	$ 118,415	($ 32,637)	$ 67,691	$ 286,682
Cash flow				
From operating activities			($ 104,852)	$ 331,297
From investing activities			(39,193)	(22,429)
From financing activities			390,393	(2,423)
Effect of exchange rate changes			4,969	(80,569)
Net cash generated			$ 251,317	$ 225,876

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in associates

	June 30, 2026	December 31, 2025	June 30, 2025
Associates that are not individually material			
Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd.	$ 121,396	$ 129,284	$ 118,584

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

			% of ownership		
Name of company	Main activities	Location	June 30, 2026	December 31, 2025	June 30, 2025
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 June 30		For the six months ended June 30	
	2026	2025	2026	2025
Attributable to the Group				
Net income	$ 4,931	$ 4,875	$ 6,789	$ 10,319
Other comprehensive income	-	-	-	-
Total comprehensive income (loss)	$ 4,931	$ 4,875	$ 6,789	$ 10,319

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	Transportation 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	103,295	87,313	226,076	1,027	5,544	8,164	3,326	375,593	810,338
Reclassification (Note)	-	-	354,408	-	3,987	-	120	8,374	366,889
Disposal	-	(2,621)	(178,069)	(784)	(1,554)	-	(5,238)	-	(188,266)
Net exchange difference	-	24,596	162,892	181	2,803	4,660	4,353	7,076	206,561
Balance at June 30, 2026	$ 846,679	$ 1,139,719	$ 9,132,465	$ 13,933	$ 102,601	$ 118,556	$ 159,286	$ 503,112	$ 12,016,351
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	-	30,768	386,160	293	5,212	8,050	10,409	-	440,892
Disposal	-	(2,621)	(175,995)	(706)	(1,554)	-	(4,994)	-	(185,870)
Net exchange difference	-	9,810	125,306	160	2,529	4,069	3,833	-	145,707
Balance at June 30, 2026	$ -	$ 430,852	$ 5,735,369	$ 10,672	$ 69,606	$ 100,994	$ 107,194	$ -	$ 6,454,687
Carrying amount at June 30, 2026	$ 846,679	$ 708,867	$ 3,397,096	$ 3,261	$ 32,995	$ 17,562	$ 52,092	$ 503,112	$ 5,561,664
Carrying amount at December 31, 2025 and January 1, 2026	$ 743,384	$ 637,536	$ 3,167,260	$ 2,584	$ 28,402	$ 16,857	$ 58,779	$ 112,069	$ 4,766,871

	Self-owned land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Miscellaneous equipment	Property under construction and equipment to be inspected	Total
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	-	9,553	374,005	2,913	5,149	7,421	11,009	294,785	704,835
Reclassification (Note)	-	-	157,304	-	155	-	-	(81,359)	76,100
Disposal	-	(5,081)	(109,668)	-	(3,148)	-	(9,047)	-	(126,944)
Net exchange difference	-	(56,214)	(337,429)	(403)	(6,502)	(10,120)	(9,563)	(12,221)	(432,452)
Balance at June 30, 2025	$ 743,384	$ 974,628	$ 7,520,523	$ 13,183	$ 74,053	$ 192,294	$ 122,557	$ 414,833	$ 10,055,455
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	-	25,033	318,524	517	2,924	8,082	7,087	-	362,167
Disposal	-	(5,081)	(109,668)	-	(3,128)	-	(9,047)	-	(126,924)
Net exchange difference	-	(20,214)	(255,851)	(395)	(6,031)	(8,571)	(8,505)	-	(299,567)
Balance at June 30, 2025	$ -	$ 348,939	$ 4,984,951	$ 10,067	$ 61,685	$ 169,794	$ 85,345	$ -	$ 5,660,781
Carrying amount at June 30, 2025	$ 743,384	$ 625,689	$ 2,535,572	$ 3,116	$ 12,368	$ 22,500	$ 37,212	$ 414,833	$ 4,394,674

Note: It was transferred from other non-current assets - prepaid equipment.
No impairment losses were recognized or reversed for the six months ended June 30, 2026 and 2025.

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 33 for the amount of property, plant and equipment pledged as collateral.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount			
Land (Note)	$ 38,653	$ 37,540	$ 34,891
Buildings	69,590	88,327	102,481
Office equipment	1,559	2,604	3,019
	$ 109,802	$ 128,471	$ 140,391

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Addition of right-of-use assets				
Lease addition	$ -	$ -	$ 156	$ 2,515
Depreciation of right-of-use assets				
Land	$ 298	$ 277	$ 593	$ 574
Buildings	11,103	10,995	22,073	22,347
Office equipment	206	239	411	483
	$ 11,607	$ 11,511	$ 23,077	$ 23,404

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 June 30, 2026 and 2025.

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amounts			
Current	$ 42,726	$ 44,481	$ 41,055
Non-current	$ 30,080	$ 48,072	$ 65,783

Ranges of discount rates for lease liabilities are as follows:

	June 30, 2026	December 31, 2025	June 30, 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 June 30		For the six months ended June 30	
	2026	2025	2026	2025
Expense relating to short-term leases	$ 3,590	$ 1,950	$ 6,866	$ 3,976
Total cash outflow for leases	($ 15,515)	($ 13,778)	($ 30,575)	($ 28,018)

15. INVESTMENT PROPERTY

	June 30, 2026	December 31, 2025	June 30, 2025
Buildings	$ 27,821	$ 30,369	$ 31,246
Right-of-use assets - land	4,763	4,626	4,299
	$ 32,584	$ 34,995	$ 35,545

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:

	June 30, 2026	December 31, 2025	June 30, 2025
Year 1	$ 25,576	$ 48,912	$ 44,771
Year 2	-	-	22,385
Year 3	-	-	-
Year 4	-	-	-
Year 5	-	-	-
	$ 25,576	$ 48,912	$ 67,156

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 June 30, 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:

	June 30, 2026	December 31, 2025	June 30, 2025
Fair value	$ 266,994	$ 254,259	$ 237,099

16. INTANGIBLE ASSETS

	Computer software
Cost	
Balance at January 1, 2026	$ 17,241
Additions	2,435
Net exchange difference	660
Balance at June 30, 2026	$ 20,336
Accumulated amortization	
Balance at January 1, 2026	$ 3,635
Amortization expense	3,278
Net exchange difference	200
Balance at June 30, 2026	$ 7,113
Carrying amount at June 30, 2026	$ 13,223
Carrying amount at December 31, 2025 and January 1, 2026	$ 13,606
Cost	
Balance at January 1, 2025	$ 8,516
Disposal	(3,322)
Net exchange difference	(491)
Balance at June 30, 2025	$ 4,703
Accumulated amortization	
Balance at January 1, 2025	$ 4,563
Amortization expense	1,358
Disposal	(3,322)
Net exchange difference	(215)
Balance at June 30, 2025	$ 2,384
Carrying amount at June 30, 2025	$ 2,319

Amortization expenses are accrued on a straight-line basis over the economic life:

Computer software	2 to 5 years

17. OTHER ASSETS

	June 30, 2026	December 31, 2025	June 30, 2025
Current			
Prepayments			
Tax credit	$ 265,191	$ 256,293	$ 243,269
Prepayments to suppliers	27,402	9,305	10,256
Others	47,940	37,618	42,699
	$ 340,533	$ 303,216	$ 296,224

Non-current

Prepayments for equipment	$ 308,163	$ 462,651	$ 226,932
Refundable deposits (Note)	12,715	12,489	11,406
Other prepayments	4,164	3,982	-
	$ 325,042	$ 479,122	$ 238,338

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 June 30, 2026 and December 31 and June 30, 2025, the Group assessed that it was not necessary to report expected credit losses for refundable deposits paid.

18. BORROWINGS

a. Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Secured borrowings (Note 33)			
Bank borrowings 1)	$ 100,000	$ -	$ 100,000
Unsecured borrowings			
Credit line borrowings 2)	100,000	407,848	290,000
	$ 200,000	$ 407,848	$ 390,000

1) Bank-secured loans are calculated at a fixed interest rate of 1.90% as of June 30, 2026 and 2025.

2) Bank revolving loans are calculated at floating interest rates, which were 1.98% as of June 30, 2026, 1.87% to 1.98% as of December 31, 2025, and 1.87% to 1.98% as of June 30, 2025, respectively.

b. Long-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Secured borrowings (Note 33)			
Bank borrowings	$ 1,392,527	$ 934,120	$ 472,080
Less: Current portion	(124,350)	(92,441)	(57,255)
Long-term borrowings	$ 1,268,177	$ 841,679	$ 414,825

The borrowings of the Group include:

	Due date	Material terms	June 30, 2026 Amount	June 30, 2026 Effective rate %	December 31, 2025 Amount	December 31, 2025 Effective rate %	June 30, 2025 Amount	June 30, 2025 Effective rate %
Floating rate borrowings								
Taiwan Cooperative Bank								
Secured borrowings for land and buildings	April 13, 2033	The borrowings amount of $180,000 thousand is divided into 84 monthly installments starting May 2026 where the interest is paid monthly in the first year, and the principal and interest are amortized monthly starting May 2027.	$ 180,000	1.87	$ -	-	$ -	-
Secured borrowings for land and buildings	April 13, 2033	The borrowings amount of $180,000 thousand is divided into 84 monthly installments starting May 2026 where the interest is paid monthly in the first year, and the principal and interest are amortized monthly starting May 2027.	180,000	1.87	-	-	-	-

	Due date	Material terms	June 30, 2026 Amount	June 30, 2026 Effective rate %	December 31, 2025 Amount	December 31, 2025 Effective rate %	June 30, 2025 Amount	June 30, 2025 Effective rate %
Secured borrowings for land and buildings	April 1, 2033	The borrowings amount of $180,000 thousand is divided into 84 monthly installments starting May 2026 where the interest is paid monthly in the first year, and the principal and interest are amortized monthly starting May 2027.	180,000	1.87	-	-	-	-
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. (Early repayment in April 2026).	-	-	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. (Early repayment in April 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. (Early repayment in April 2026).	-	-	135,000	1.87	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	-	-
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.	$ 13,542	1.87	$ 33,696	1.87	$ 53,664	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.	3,385	1.87	8,424	1.87	13,416	1.87
E.SUN Bank								
Secured borrowings for land and buildings	December 10, 2028	The borrowings amount of $65,000 thousand is divided into 33 monthly installments starting from May 2026 where the interest is paid monthly in the first year, and the principal is repaid quarterly in equal installments starting from June 2027.	65,000	1.97	-	-	-	-

	Due date	Material terms	June 30, 2026 Amount	Effective rate %	December 31, 2025 Amount	Effective rate %	June 30, 2025 Amount	Effective rate %
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	-	-
Secured borrowings for land and buildings	May 26, 2028	The borrowings amount of $65,000 thousand is divided into 37 monthly installments starting from May 2025 where the interest is paid monthly in the first year, and the principal is repaid quarterly in equal installments starting from June 2026. (Early repayment in December 2025).	-	-	-	-	65,000	1.97
Secured borrowings for land and buildings	May 5, 2028	The borrowings amount of $70,000 thousand is divided into 37 monthly installments starting from May 2025 where the interest is paid monthly in the first year, and the principal is repaid quarterly in equal installments starting from June 2026. (Early repayment in December 2025).	-	-	-	-	70,000	1.97
Mega Bank								
Secured borrowings for land and buildings	June 15, 2046	The borrowings amount of $68,800 thousand is divided into 240 monthly installments starting July 2026 before the interest is paid monthly for the first 3 years, and the principal and interest are amortized monthly starting from July 2029.	68,800	2.25	-	-	-	-
Secured borrowings for land and buildings	June 15, 2046	The borrowings amount of $19,800 thousand is divided into 240 monthly installments starting July 2026 before the interest is paid monthly for the first 3 years, and the principal and interest are amortized monthly starting from July 2029.	19,800	2.25	-	-	-	-
			1,392,527		934,120		472,080	
Less: Current portion			(124,350)		(92,441)		(57,255)	
Balance of long-term bank borrowings			$1,268,177		$ 841,679		$ 414,825	

19. OTHER LIABILITIES

	June 30, 2026	December 31, 2025	June 30, 2025
Current			
Other payables			
OEM collection and payment	$ 866,284	$ 681,871	$ 515,081
Salaries payable and bonus	588,420	552,616	485,051
Payable for equipment (Note 30)	370,848	135,057	255,084
Cash dividends (Note 30)	148,416	164	75,309
Engineering service fees	14,151	64,927	27,373
Insurance premium	60,073	56,660	50,916
Compensation payable	-	24,125	22,490
Pension	24,021	22,751	21,827
Professional service fee	23,083	15,182	13,848
Repair and maintenance expense	9,591	12,779	8,174
Import and export fee	11,983	5,356	3,583

	June 30, 2026	December 31, 2025	June 30, 2025
Commission expense	11,170	3,591	1,781
Research and development expense	6,532	8,746	6,775
Processing fee	6,809	4,130	1,366
Business tax	4,321	2,850	2,562
Utility bill	2,303	3,464	3,161
Freight	2,927	1,076	1,040
Interest	1,748	934	775
Others	87,782	78,563	78,546
	$ 2,240,462	$ 1,674,842	$ 1,574,742
Other current liabilities			
Guarantee deposit - payments received to retain capacity (Note) (Note 30)	$ 189,712	$ 200,474	$ 173,188
Advance receipts (Note 32)	4,201	4,017	3,677
Others	3,797	2,395	4,241
	$ 197,710	$ 206,886	$ 181,106
Non-current			
Guarantee deposits			
Payments received to retain capacity (Note)	$ 329,420	$ 346,684	$ 368,874
Others (Note 32)	30,126	25,434	18,592
	$ 359,546	$ 372,118	$ 387,466

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

	June 30, 2026	December 31, 2025	June 30, 2025
Current			
Warranties	$ 66,513	$ 57,256	$ 66,986

	For the six months ended June 30	
	2026	2025
Balance, beginning of period	$ 57,256	$ 57,785
Additions	9,303	9,306
Usage	(46)	(105)
Balance, end of period	$ 66,513	$ 66,986

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 for the three and six months ended June 30, 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 $276 thousand, $233 thousand, $549 thousand, and $465 thousand, respectively.

22. EQUITY

a. Capital stock

Common stock

	June 30, 2026	December 31, 2025	June 30, 2025
Authorized shares (in thousands)	300,000	300,000	300,000
Authorized capital (NTD in thousand)	$ 3,000,000	$ 3,000,000	$ 3,000,000
Issued and paid shares (in thousands)	145,681	145,681	145,681
Issued capital (NTD in thousand)	$ 1,456,814	$ 1,456,814	$ 1,456,814

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

	June 30, 2026	December 31, 2025	June 30, 2025
May be used to offset a deficit, distributed as cash dividends or transferred to capital (Note 1)			
Additional paid-in capital	$ 322,130	$ 322,130	$ 322,130
Treasury stocks	6,420	6,420	6,420
	$ 328,550	$ 328,550	$ 328,550
May only be used to offset a deficit			
From share of changes in equities of subsidiaries (Note 2)	$ 320,279	$ 127,672	$ 127,672

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 regular shareholders' meetings on May 29, 2026 and May 28, 2025, and the resolutions were passed respectively to approve the 2025 and 2024 annual earnings distribution proposals as shown below:

	2025	2024
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

d. Special reserve

	For the six months ended June 30	
	2026	2025
Balance, beginning of period	$ 23,078	$ 86,025
Appropriations in respect of debits to other equity items	18,001	-
(Reversal of) Reduction of other equity items	-	(62,947)
Balance, end of period	$ 41,079	$ 23,078

e. Other equity

Exchange differences on translation of foreign financial statements:

	For the six months ended June 30	
	2026	2025
Balance, beginning of period	($ 41,079)	($ 23,078)
Recognized in the current period		
Foreign operations - foreign currency translation differences	86,055	(165,188)
Related tax	(17,212)	33,038
Other comprehensive income	68,843	(132,150)
Balance, end of period	$ 27,764	($ 155,228)

f. Non-controlling interests

	For the six months ended June 30	
	2026	2025
Balance, beginning of period	$ 2,759,374	$ 2,537,321
Net income	274,400	290,192
Other comprehensive income		
Exchange differences on translation of foreign financial statements	82,692	(158,733)
Changes in subsidiaries' ownership (Notes 11 and 29)	(192,216)	251
Remuneration costs of employee stock options by subsidiaries	330	-

Cash dividend issued from subsidiaries	(316,190)	(265,599)
Cash capital increase by subsidiary	392,400	-
Subsidiary employee stock compensation (Note 11)	-	5,684
Balance, end of period	$ 3,000,790	$ 2,409,116

23. REVENUE

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Revenue from contracts with customers				
Packaging and testing	$ 2,201,974	$ 1,677,272	$ 3,906,356	$ 3,091,800
Merchandise sales	703,217	76,200	1,002,206	1,330,423
Others (Note 32)	59,003	83,879	130,248	160,776
Other operating revenue				
Lease revenue (Note 32)	12,447	11,550	24,712	23,904
	$ 2,976,641	$ 1,848,901	$ 5,063,522	$ 4,606,903

a. Contract balance

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Accounts receivable (Note 9)	$ 2,265,204	$ 1,606,803	$ 1,102,537	$ 1,524,386
Accounts receivable due from related parties (Note 32)	8,759	8,066	9,394	8,903
	$ 2,273,963	$ 1,614,869	$ 1,111,931	$ 1,533,289
Contract assets				
Packaging and testing	$ 405,004	$ 285,119	$ 305,015	$ 252,003
Less: Loss allowances	(36,789)	(35,072)	(35,749)	(38,964)
	$ 368,215	$ 250,047	$ 269,266	$ 213,039
Contract liabilities				
Packaging and testing	$ 160,822	$ 63,550	$ 47,059	$ 25,964
Merchandise sales	-	-	-	1,616
	$ 160,822	$ 63,550	$ 47,059	$ 27,580

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 pursuit 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.

	June 30, 2026	December 31, 2025	June 30, 2025
Expected credit loss rate	9%	12%	12%
Total amount	$ 405,004	$ 285,119	$ 305,015
Loss allowance (lifetime expected credit losses)	(36,789)	(35,072)	(35,749)
	$ 368,215	$ 250,047	$ 269,266

Movements of the loss allowance for contract assets

	For the six months ended June 30	
	2026	2025
Balance, beginning of period	$ 35,072	$ 38,964
Impairment losses for the current period	1,527	-
Reversal	-	(2,974)
Exchange differences on translation of foreign currency	190	(241)
Balance, end of period	$ 36,789	$ 35,749

b. Detail of customer contracts

Please refer to Note 38 for detailed revenue information.

24. NET PROFIT FROM CONTINUING OPERATION

a. Interest income

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Bank deposit	$ 13,446	$ 19,393	$ 24,580	$ 34,958
Notes receivables	560	-	1,269	-
	$ 14,006	$ 19,393	$ 25,849	$ 34,958

b. Other income

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Government subsidy	$ 2,657	$ 3	$ 2,918	$ 158
Others	3,856	1,451	7,042	2,546
	$ 6,513	$ 1,454	$ 9,960	$ 2,704

c. Other gains and losses

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Net foreign currency exchange loss	($ 17,259)	($ 225,112)	($ 12,492)	($ 206,679)

Gains (losses) on disposal of property, plant and equipment	28,936	-	28,715	(20)
Others	(849)	(892)	(1,298)	(994)
	$ 10,828	($ 226,004)	$ 14,925	($ 207,693)

d. Finance costs

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Bank borrowings interest	$ 7,811	$ 3,476	$ 14,031	$ 5,622
Interest expense on lease liability	570	861	1,224	1,857
	$ 8,381	$ 4,337	$ 15,255	$ 7,479

e. Depreciation and amortization

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Depreciation expenses summarized by function				
Cost of revenue	$ 219,850	$ 179,840	$ 423,686	$ 356,813
Operating expenses	22,233	16,142	44,218	32,564
	$ 242,083	$ 195,982	$ 467,904	$ 389,377
Amortization expenses summarized by function				
General and administrative expense	$ 1,563	$ 653	$ 2,960	$ 1,332
Research and development expense	174	13	318	26
	$ 1,737	$ 666	$ 3,278	$ 1,358

f. Direct operating expenses of investment property

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Lease revenue				
Depreciation expense	$ 1,982	$ 1,839	$ 3,935	$ 3,806
Others	160	149	319	309
	$ 2,142	$ 1,988	$ 4,254	$ 4,115

g. Employee benefits expenses

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Share-based payment				
Equity-settled (Note 27)	$ 721	$ -	$ 721	$ -
Post-employment benefits				

Determined contribution plans	40,767	36,434	81,397	73,771
Defined benefit plans (Note 21)	276	233	549	465
	41,764	36,667	82,667	74,236
Others	586,636	445,005	1,117,693	1,011,205
Total employee benefits expenses	$ 628,400	$ 481,672	$ 1,200,360	$ 1,085,441
Summarized by function				
Cost of revenue	$ 467,846	$ 397,106	$ 894,403	$ 798,728
Operating expenses	160,554	84,566	305,957	286,713
	$ 628,400	$ 481,672	$ 1,200,360	$ 1,085,441

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' 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. Estimated employee remuneration (including entry-level employee remuneration) and director remuneration for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025 are as follows:

Estimated ratio

	For the six months ended June 30	
	2026	**2025**
Remuneration to employees	12.58%	9.78%
Remuneration to directors	2.76%	2.44%

Amount

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Remuneration to employees	$ 53,070	$ 2,631	$ 77,820	$ 55,287
Remuneration to directors	$ 11,823	$ 658	$ 17,103	$ 13,822

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	$ 118,000	$ 91,000
Remuneration to directors	$ 28,000	$ 20,000

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 June 30		For the six months ended June 30	
	2026	2025	2026	2025
Foreign currency exchange gains	$ 26,347	$ 82,916	$ 107,298	$ 187,000
Foreign currency exchange losses	(43,606)	(308,028)	(119,790)	(393,679)
Net losses	($ 17,259)	($ 225,112)	($ 12,492)	($ 206,679)

25. INCOME TAX

a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Current income tax				
Recognized in the current period	$ 130,604	$ 43,382	$ 251,188	$ 177,541
Levied undistributed surplus earnings	737	-	37,508	24,698
Income tax adjustments on prior years	(3,838)	(661)	(3,838)	(11,514)
	127,503	42,721	284,858	190,725
Deferred income tax				
Recognized in the current period	$ 33,598	$ 32,510	$ 869	$ 10,141
Income tax adjustments on prior years	(2,258)	-	(1,129)	-
	31,340	32,510	(260)	10,141
Income tax expense recognized in profit or loss	$ 158,843	$ 75,231	$ 284,598	$ 200,866

b. Income tax recognized in other comprehensive income

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Deferred income tax				
Recognized in the current period				
Foreign operations – foreign currency translation differences	$ 4,254	($ 39,100)	$ 17,212	($ 33,038)

Income tax recognized in other comprehensive income	$ 4,254	($ 39,100)	$ 17,212	($ 33,038)

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 June 30, 2026.

26. EARNINGS PER SHARE

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Basic EPS	$ 2.09	$ 0.53	$ 2.78	$ 2.87
Diluted EPS	$ 2.09	$ 0.53	$ 2.78	$ 2.86

EPS is computed as follows:

Net income

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Net income attributable to owners of the Company	$ 305,172	$ 77,183	$ 405,553	$ 417,786
Net Income used to calculate basic earnings per share	305,172	77,183	405,553	417,786
Effects of all dilutive potential common shares:				
Subsidiaries' stock option	(1)	-	(1)	-
Net profit used to calculate diluted earnings per share	$ 305,171	$ 77,183	$ 405,552	$ 417,786

Shares

Unit: thousand shares

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Weighted average number of common shares used to calculate basic EPS	145,681	145,681	145,681	145,681
Effects of all dilutive potential common shares:				
Remuneration to employees	146	265	314	400
Weighted average number of common shares used to calculate diluted EPS	145,827	145,946	145,995	146,081

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. SHARE-BASED PAYMENT ARRANGEMENTS

Subsidiary Centera Photonics Inc.'s retention of stock employee options through cash capital increase

The Board of Directors, on March 9, 2026, approved by resolution Centera Photonics Inc.'s cash capital increase by issuing new shares and retention of 15% of the shares in accordance with Article 267 of the Company Act, with a total of 270 thousand shares to be subscribed for by employees. The aforementioned employee stock options have been all vested on the grant date.
The grant date of the aforementioned employee stock options was April 1, 2026. Centera Photonics Inc measured the fair value of the stock options with the Black-Scholes model. The inputs used are as follows:

	April 1, 2026
Share price on grant day	NT$317
Exercise price	NT$218
Expected volatility	87.62%
Duration	0.1123 years
Expected dividend rate	0%
Risk-free interest rate	1.6128%
Fair value of stock options granted (NT$/share)	$ 103.03

The expected volatility is based on the historical stock price volatility of the same industry, and the annualized standard deviation is obtained based on the duration of the option.
The remuneration cost recognized from January 1 to June 30, 2026 was $721 thousand.

28. GOVERNMENTS SUBSIDY

GEM Electronics (Hefei) Co., Ltd., a subsidiary of the Group, met the subsidy conditions of the local government and received a subsidy of $84,796 thousand (between 2019 and 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. The depreciation expenses was reduced, which amounted to $1,506 thousand, $2,126 thousand for the three months ended June 30, 2026 and 2025, respectively; and $3,247 thousand and $4,402 thousand for the six months ended June 30, 2026 and 2025, respectively.

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

a. Capitalization of employee compensation of subsidiary Centera Photonics Inc.

On June 30, 2025, Centera Photonics Inc. issued 400 thousand new shares due to the capitalization of employees' compensation, causing the Company's shareholding in the subsidiary to fall from 54.56% to 54.23%.

b. Participation in subsidiary Centera Photonics Inc.'s cash capital increase

In May 2026, the Company did not participate in the cash capital increase of the subsidiary Centera Photonics Inc., in proportion to its shareholding, causing the Company's shareholding in the subsidiary to fall from 54.23% to 52.77%.

Since the above transactions did not change the Company's control over these subsidiaries, they are treated as equity transactions.

Centera Photonics Inc.	For the six months ended June 30, 2026 Cash capital increase not in proportion to shareholding
Cash consideration paid	$ -
The carrying amount of the subsidiary's net assets is calculated based on the change in relative equity and the non-controlling interests that should be transferred	192,216
Equity transaction difference	$ 192,216
Equity transaction difference adjustments	
Capital surplus - from share of changes in equities of subsidiaries	$ 192,216

Centera Photonics Inc.	For the six months ended June 30, 2025 Capitalization of employees' compensation
Cash consideration paid	$ -
The amount of non-controlling interests that should be transferred into the carrying amount of the subsidiary's net assets was calculated based on the change in relative equity	(251)
Equity transaction difference	($ 251)
Equity transaction difference adjustments	
Capital surplus - from share of changes in equities of subsidiaries	($ 251)

30. 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 six months ended June 30, 2026 and 2025:

1) As of June 30, 2026, and December 31 and June 30, 2025, the purchase price of unpaid properties, plant and equipment acquired by the Group were $370,848 thousand, $135,057 thousand and $255,084 thousand, respectively, and were accounted as other payables.

2) As of June 30, 2026, and December 31, 2025, the Group had uncollected amounts from the disposal of property, plant, and equipment of $107,476 thousand and $109,700 thousand, respectively, which were accounted for under notes receivables, other receivables, and long-term installment receivables.
3) The Company, as of June 30, 2026 and December 31 and June 30, 2025, had announced cash dividends of $145,681, $0, and $72,841 thousand, respectively, which have not been distributed and are listed under other payables.
4) Subsidiary GEM Services, Inc. as of June 30, 2026, and December 31 and June 30, 2025, had announced cash dividends of $2,735 thousand, $164 thousand and $2,468 thousand, respectively that have not been distributed and are listed under other payables.
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 June 30, 2026 and 2025, the amounts of 40,224 thousand and $47,882 thousand, respectively, were used to offset the security deposit by offsetting accounts receivable.
6) As of December 31, 2024, the subsidiary, Centera Photonics Inc., had $5,684 thousand in employee stock compensation payable that had not yet been paid out. On June 30, 2025 (the capital increase record date), this amount was reclassified from other payables to Centera Photonics Inc.'s share capital and capital surplus.

b. Reconciliation of liabilities arising from financing activities

For the six months ended June 30, 2026

	January 1, 2026	Cash flow	Non-cash changes: Lease addition	Non-cash changes: Payment refund	Non-cash changes: Finance costs	Non-cash changes: Foreign exchange movement	Others	June 30, 2026
Short-term borrowings	$ 407,848	($ 207,848)	$ -	$ -	$ -	$ -	$ -	$ 200,000
Long-term borrowings	934,120	458,407	-	-	-	-	-	1,392,527
Guarantee deposits	572,592	13,821	-	(40,224)	-	3,069	-	549,258
Lease liabilities	92,553	(22,485)	156	-	1,224	2,582	(1,224)	72,806
	$ 2,007,113	$ 241,895	$ 156	($ 40,224)	$ 1,224	$ 5,651	($ 1,224)	$ 2,214,591

For the six months ended June 30, 2025

	January 1, 2025	Cash flow	Non-cash changes: Lease addition	Non-cash changes: Payment refund	Non-cash changes: Finance costs	Non-cash changes: Foreign exchange movement	Others	June 30, 2025
Short-term borrowings	$ 50,000	$ 340,000	$ -	$ -	$ -	$ -	$ -	$ 390,000
Long-term borrowings	286,808	185,272	-	-	-	-	-	472,080
Guarantee deposits	615,134	-	-	(47,882)	-	(6,598)	-	560,654
Lease liabilities	135,367	(22,185)	2,515	-	1,857	(8,859)	(1,857)	106,838
	$ 1,087,309	$ 503,087	$ 2,515	($ 47,882)	$ 1,857	($ 15,457)	($ 1,857)	$ 1,529,572

31. 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

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
Amortized cost (Note 1)	$ 7,429,124	$ 5,996,385	$ 5,232,541
Financial liabilities			
Amortized cost (Note 2)	4,593,794	3,402,374	2,833,343

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), installment receivables and refundable deposits and other financial assets.

Note 2: The balance includes financial liabilities are measured at amortized cost such as short-term borrowings, 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.

c. 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 36.

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.

	The impact of USD		The impact of JPY		The impact of NTD	
	For the six months ended June 30		For the six months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025	2026	2025
Gains or (losses)	$ 24,231 (i)	$ 25,978 (i)	$ 368 (ii)	$ 448 (ii)	($ 795)(iii)	($ 749)(iii)

(i) Mainly from the Group’s USD-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 USD exchange rate decreased in the current period compared to the same period last year, which was due to the increase in payables denominated in USD.

(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 JPY exchange rates did not changed significantly this year compared with last year.

(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 NTD exchange rates did not changed significantly this year compared with last year.

(2) Interest rate risk

Interest rate risk exposure is incurred due to the bank deposits, notes receivable, installment 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:

	June 30, 2026	December 31, 2025	June 30, 2025
Fair value interest rate risk			
- Financial assets	$ 1,566,327	$ 1,360,943	$ 937,600
- Financial liabilities	272,806	260,401	206,838
Cash flow interest rate risk			
- Financial assets	2,882,669	2,369,711	2,509,582
- Financial liabilities	1,392,527	1,174,120	762,080

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 June 30, 2026 and 2025 will increase/decrease by $7,451 thousand and $8,738 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 net assets 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 June 30, 2026, and December 31 and June 30, 2025, the ratio for the total amount of accounts receivable and total contract assets came from the top five customers were 53%, 51% and 35%, 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 June 30, 2026, and December 31 and June 30, 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.

June 30, 2026

	Less than 1 month	**1 - 3 months**	**3 - 12 months**	**1 - 5 years**	**More than 5 years**
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 1,046,947	$ 1,136,635	$ 935,975	$ 30,126	$ -
Floating rate instrument	6,561	16,594	128,569	1,031,976	314,546
Fixed rate instrument	200,567	-	-	-	-
Lease liabilities	9,059	2,980	32,039	30,519	-
	$ 1,263,134	$ 1,156,209	$ 1,096,583	$ 1,092,621	$ 314,546

December 31, 2025

	Less than 1 month	**1 - 3 months**	**3 - 12 months**	**1 - 5 years**	**More than 5 years**
Non-derivative financial liabilities					
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	-
	$1,057,532	$ 851,827	$ 693,013	$ 801,036	$ 155,032

June 30, 2025

	Less than 1 month	**1 - 3 months**	**3 - 12 months**	**1 - 5 years**	**More than 5 years**
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 677,050	$ 758,797	$ 592,133	$ 18,592	$ -
Floating rate instrument	296,358	9,780	51,105	347,094	88,320
Fixed rate instrument	101,583	-	-	-	-
Lease liabilities	8,232	3,215	32,092	67,392	20
	$ 1,083,223	$ 771,792	$ 675,330	$ 433,078	$ 88,340

(2) Financing amount

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Unsecured borrowings - Utilized	$ 100,000	$ 407,848	$ 290,000

- Unutilized	1,220,000	912,152	480,000
	$ 1,320,000	$ 1,320,000	$ 770,000
Secured borrowings			
- Utilized	$ 1,492,527	$ 934,120	$ 572,080
- Unutilized	436,073	905,880	787,920
	$ 1,928,600	$ 1,840,000	$ 1,360,000

32. 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

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

b. Revenue

		For the three months ended June 30		For the six months ended June 30	
Item	Related party categories	2026	2025	2026	2025
Electroplating services	Associate	$ 22,245	$ 26,185	$ 42,143	$ 50,042
Lease revenue	Associate	$ 12,447	$ 11,550	$ 24,712	$ 23,904
Lease and other services	Associate	$ 1,808	$ 1,721	$ 3,541	$ 3,561

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

Item	Related party categories	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable due from related parties	Associate	$ 8,759	$ 8,066	$ 9,394
Other receivables - related parties	Associate	$ 88	$ 52	$ 276

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 June 30, 2026, and December 31 and June 30, 2025, the total lease payments to be received in the future are as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Year 1	$ 25,576	$ 48,912	$ 44,771
Year 2	-	-	22,385
Year 3	-	-	-
Year 4	-	-	-
Year 5	-	-	-
	$ 25,576	$ 48,912	$ 67,156

The Company recognized revenue from lease, which amounted to $12,447 thousand, $11,550 thousand for the three months ended June 30, 2026 and 2025, respectively; $24,712 thousand and $23,904 thousand for the six months ended June 30, 2026 and 2025, respectively.

e. Other related party transactions

Item	Related party categories	June 30, 2026	December 31, 2025	June 30, 2025
Guarantee deposits	Associate	$ 1,811	$ 1,732	$ 1,585
Advance receipts	Associate	$ 4,201	$ 4,017	$ 3,677

f. Remuneration for key managerial officers

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	$ 83,855	$ 44,522	$ 123,016	$ 104,777
Post-employment benefits	162	180	351	342
	$ 84,017	$ 44,702	$ 123,367	$ 105,119

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

33. PLEDGED ASSETS

The following assets have been provided as collateral for financing borrowings:

	June 30, 2026	December 31, 2025	June 30, 2025
Pledged term deposits (financial assets measured at amortized cost - non-current)	$ 1,887	$ 776	$ 774
Self-owned land	726,244	622,948	622,948
Net amount of property and building	185,894	164,593	166,606
Net amount of machinery and equipment	810,988	597,697	138,617
	$ 1,725,013	$ 1,386,014	$ 928,945

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The unrecognized commitments of the Group are as follows:

Unit: Foreign currency (In thousands)

	June 30, 2026	December 31, 2025	June 30, 2025
Acquisition of property, plant and equipment			
JPY	$ 617,376	$ 81,439	$ 726,198
NTD	$ 98,601	$ 60,610	$ 311,834
RMB	$ 32,107	$ 8,075	$ 2,482
USD	$ 5,965	$ 2,780	$ 2,520

35. MAJOR SUBSEQUENT EVENTS

On August 13, 2026, the Company's Board of Directors approved the issuance of unsecured convertible corporate bonds with an expected issuance of $3,000,000 thousand to replenish working capital. It is pending approval by the competent authority before execution.

36. 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:

June 30, 2026

	Foreign currencies (in thousands)	Exchange rate		Carrying amount
Foreign currency assets				
Monetary items				
USD	$ 112,815	31.8500	(USD: NTD)	$ 3,593,162
USD	43,146	6.8109	(USD: RMB)	1,374,186
JPY	678,933	0.1963	(JPY: NTD)	133,274
Foreign currency liabilities				
Monetary items				
USD	69,693	31.8500	(USD: NTD)	2,219,716
USD	10,190	6.8109	(USD: RMB)	324,556
JPY	491,333	0.1963	(JPY: NTD)	96,449
NTD	35,750	0.0314	(NTD: USD)	35,750
NTD	43,716	0.2138	(NTD: RMB)	43,716

December 31, 2025

	Foreign currencies (in thousands)	Exchange rate		Carrying amount
Foreign currency assets				
Monetary items				
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				
Monetary items				
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

June 30, 2025

Foreign currency assets	Foreign currencies (in thousands)	Exchange rate		Carrying amount
Monetary items				
USD	$ 93,710	29.3000	(USD: NTD)	$ 2,745,708
USD	59,959	7.1586	(USD: RMB)	1,756,790
JPY	602,502	0.2034	(JPY: NTD)	122,549

Foreign currency liabilities	Foreign currencies (in thousands)	Exchange rate		Carrying amount
Monetary items				
USD	$ 55,183	29.3000	(USD: NTD)	$ 1,616,854
USD	9,823	7.1586	(USD: RMB)	287,820
JPY	382,130	0.2034	(JPY: NTD)	77,725
NTD	31,219	0.0341	(NTD: USD)	31,219
NTD	43,708	0.2443	(NTD: RMB)	43,708

The Group’s foreign exchange losses (realized and unrealized) from April 1 to June 30, 2026 and 2025 and January 1 to June 30, 2026 and 2025 were $17,259 thousand, $225,112 thousand, $12,492 thousand and $206,679 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.

37. 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 32)

38. 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:

	Revenue from each segment		Profit and loss from each segment	
	For the six months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Optoelectronics industry	$ 1,320,509	$ 985,550	$ 266,311	$ 207,716
Semiconductor	3,008,421	2,601,435	637,843	516,533
Silicon photonics segment	1,005,406	1,345,618	86,026	379,424
Intercompany eliminations	(270,814)	(325,700)	1,752	2,502
Total of continuing operations	$ 5,063,522	$ 4,606,903	991,932	1,106,175
Headquarters management cost and remuneration to directors			(69,649)	(30,140)
Interest income			25,849	34,958

Other income	9,960	2,704
Other gains and losses	14,925	(207,693)
Finance costs	(15,255)	(7,479)
Share of profit of subsidiaries and joint ventures accounted for using equity method	6,789	10,319
Income before income tax	$ 964,551	$ 908,844

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 SIX MONTHS ENDED JUNE 30, 2026
(Amounts in Thousands of New Taiwan Dollars)

Table 1

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	($ 269,869)	(20%)	Processing income and other service income: Payments are collected in net 30 days end of the month.	—	—	$ 152,521	12%	Notes 1, 3 and 4
Centera Photonics Inc.	The Company	Subsidiary to parent company	Note 5	269,869	78%	Net 30 days from invoice date	—	—	(153,315)	(31%)	Notes 1, 3 and 6
GEM Electronics (Shanghai) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	Subsidiary to subsidiary	Sales	(800,101)	(55%)	Net 90 days from invoice date	—	—	445,783	64%	Notes 1, 2 and 3
GEM Tech Ltd., Taiwan Branch	GEM Electronics (Shanghai) Co., Ltd.	"	Purchase	800,101	60%	"	—	—	(445,783)	(61%)	Notes 1, 2 and 3
	GEM Electronics (Hefei) Co., Ltd.	"	Purchase	535,350	39%	"	—	—	(283,167)	(39%)	Notes 1, 2 and 3
GEM Electronics (Hefei) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	"	Sales	(535,350)	(55%)	"	—	—	283,167	69%	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 $1,038 thousand. The balance of receivables includes accounts receivable of $60,053 thousand and other receivables of $92,468 thousand.
Note 5: The Company recognized manufacturing expenses of $258,389 thousand and research and development expenses of $11,480 thousand.
Note 6: The balance of payables includes accounts payable of $92,468 thousand and other payables of $60,847 thousand.

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
June 30, 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	Centera Photonics Inc.	Parent company to subsidiary	Receivables $ 152,521	3.17	$ -	—	$ 99,604	$ -
GEM Electronics (Shanghai) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	Subsidiary to subsidiary	Accounts receivable 445,783	3.97	-	—	138,532	-
GEM Electronics (Hefei) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	Subsidiary to subsidiary	Accounts receivable 283,167	4.01	-	—	91,349	-

Note 1: Amount recovered from July 1 to August 13, 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 SIX MONTHS ENDED JUNE 30, 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	$ 269,869	(Note 5)	Net 30 days from invoice date	5%
				Contract assets - related parties	794		—	-
				Accounts receivable due from related parties	60,053		—	-
				Other receivables - related parties	92,468		Net 30 days from invoice date (Payments for materials purchased on behalf of others)	1%
2	GEM Services, Inc.	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	800,101	(Note 4)	Net 90 days from invoice date	16%
				Accounts receivable due from related parties	445,783		—	3%
				Contract assets - related parties	62,300		—	-
4	GEM Electronics (Hefei) Co., Ltd.	GEM Tech Ltd., Taiwan Branch	Note 3 (3)	Sales revenue	535,350	(Note 4)	Net 90 days from invoice date	11%
				Accounts receivable due from related parties	283,167		—	2%
				Contract assets - related parties	20,051		—	-
5	GEM Tech Ltd.	GEM Services, Inc.	Note 3 (3)	Remittance of earnings	742,206		—	5%

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 $1,038 thousand.

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES
NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2026			Net Income (Losses) of the Investee	Share of Profits/Losses (Note 5)	Remark
				June 30, 2026	December 31, 2025	Shares	Percentage of Ownership (Note 4)	Carrying Amount (Note 4)			
The Company	Centera Photonics Inc.	Taiwan	Manufacture and sales of electronic parts	$ 271,562	$ 271,562	35,303,082	52.77%	$ 771,078	$ 67,691	$ 35,929	Notes 2 and 8
	GEM Services, Inc.	Cayman Islands	Holding company business	568,965	568,965	65,809,451	51%	2,403,594	495,141	252,503	Note 3
GEM Services, Inc.	GEM Electronics Company Limited	British Virgin Islands	Holding company business	-	-	100	51%	1,915,435	174,412	88,944	Note 3
	GEM Tech Ltd.	Samoa	Manufacture and sales of electronic parts	18,202	18,202	606,091	51%	451,279	349,454	178,209	Note 3

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 relevant investment profit and loss recognition are based on the financial statements of the investee company audited by the accountants during the same period.
Note 4: 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 5: The investment profit (loss) recognized in the current period is based on the weighted average shareholding ratio of the Company.
Note 6: It has been consolidated and written off in the preparation of this consolidated financial statement.
Note 7: Please refer to Table 5 for relevant information on investment in Mainland China.
Note 8: The carrying amount of the holding at the end of the period included $911 thousand in realized profit and $1,038 thousand in unrealized profit from intercompany transactions.

ELITE ADVANCED LASER CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2026	Percentage of Ownership	Net Income (Losses) of the Investee Company	Share of Profits/Losses	Carrying Amount as of June 30, 2026	Accumulated Inward Remittance of Earnings as of June 30, 2026
					Outflow	Inflow						
GEM Electronics (Shanghai) Co., Ltd. (Note 4)	Manufacture and sales of electronic parts	$ 2,197,650 (USD 69,000) (Note 5)	Reinvested by GEM Electronics Company Limited (Note 1(2))	$ -	$ -	$ -	$ -	51%	$ 174,412	$ 88,944 (Note 2(2) 2.)	$ 1,915,435	$ -
GEM Electronics (Hefei) Co., Ltd. (Note 4)	Manufacture and sales of electronic parts, factory leasing	2,041,269 (RMB 436,511)	Reinvested by GEM Electronics (Shanghai) Co., Ltd. (Note 1(3))	-	-	-	-	51%	67,001	34,168 (Note 2(2) 2.)	791,734	-
Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd.	Production, design, packaging and testing of power management electronic accessories	159,250 (USD 5,000)	Reinvested by GEM Electronics (Shanghai) Co., Ltd. (Note 1(3))	-	-	-	-	10.2%	33,946	3,462 (Note 2(2) 3.)	61,908	-

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 audited 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 June 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$ - (USD -)	$ -	$ 5,151,362

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.